



NEA ODOS CONCESSION SOCIETE ANONYME

Annual Financial Statements

According with the International Financial Reporting Standards (“IFRS”) as they have been adopted by the European Union for the year ended on 31st of December 2017

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A. MANAGEMENT REPORT OF NEA ODOS CONCESSION SA' BOARD OF DIRECTORS

Dear Shareholders,

Pursuant to the provisions of article 43a of CL. 2190/1920 and the Company's Articles of Association, we have the honor to submit to the Annual General Meeting the Annual Financial Statements of the Company for the 11th fiscal year 2017 (1.1.2017 - 31.12.2017). This report includes an analysis of the financial statements as well as the additional explanations necessary or useful for their assessment and the relevant decision-making process of the General Meeting regarding their approval in accordance with the proposal of the Board of Directors.

The accompanying Financial Statements for the year 2017 are the first ones prepared by the Company in accordance with the International Financial Reporting Standards, based on the relevant law provisions.

1. OBJECTIVE OF ACTIVITY

Exclusive objective of activity of Nea Odos SA (hereinafter referred to as "the Company") is the study, construction, financing, operation, maintenance and exploitation of the project "Motorway Ionia Odos from Antirio to Ioannina, PATHE Athens – (A/K Metamorfofis) - Maliakos (Scarfia) and PATHE Schimatari - Chalkida ", based on the provisions of the relevant Concession Agreement.

2. DEVELOPMENT OF PROJECTS

On 10/1/2008, in parallel with the construction activity, the Company entered into the operating period with the initiation of the exploitation of PATHE Motorway Athens – Maliakos, while in April 2017 began the initiation of the exploitation of IONIA ODOS Motorway.

The results for the year ended 2017 were as follows:

Revenues	236,156,819.42
Minus: Cost of Sales	(189,859,084.14)
Gross Result	46,297,735.28
Plus: Other operating revenues	15,669,851.91
Minus: Administrative expenses	(8,962,367.75)
Other operating expenses	(33,722,113.57)
Earnings before interest and income tax	19,283,105.87

Plus: Financial income	2,419,052.75
Less: Financial expenses	(20,249,028.21)
Earnings before income tax	1,453,130.41
Plus: Income Tax	5.313.340,61
Earnings after income tax	6.766.471,02

Other comprehensive income /(losses) after tax

Items re-classified to the Results in following periods:

Cash flow hedging reserve	3,364,303.86
Corresponding tax	(975,648.12)
	2,388,655.74

Items non re-classified to the Results in following periods:

Actuarial gains from defined benefit plans	99,803.00
Corresponding income tax	(28,942.87)
	70,860.13

Other comprehensive income of the year after tax **2,459,515.87**

Total comprehensive income after tax **9.225.986,89**

The Revenue for the year ended at 31st of December of 2017, is analyzed as follows:

	01.01 - 31.12.2017	
Toll revenue MTC	72,971,392.47	
ETC Toll revenue	23,029,533.53	
MSS revenue	608,296.65	96,609,222.38
Income from the provision of construction services (according to IFRIC 12)		139,547,597.04
Total		236,156,819.42

The cost of sales for the year ended at 31st of December 2017, includes, under IFRIC 12 and among other costs, the construction cost amounting euro 135.483.103,92, which includes the construction fees of EUROIONIA J/V amounting euro 121.052.384,91.

In detail, the construction cost of 2017, amounting 135.483.103,92 euros, is analyzed per category as follows:

EUROIONIA J/V fees	121.052.384,91
Independent Engineer's fees	3.264.352,86
Lenders Technical Advisor fees	150.185,64
Technical work Consultants fees	588.455,00
Topographic work fees	37.700,00
Other works fees	58.735,43
Hellas Tolls J/V fees	10.331.290,08
Total	<u><u>135.483.103,92</u></u>

The analysis of the construction works of EUROIONIA J/V, per geographical section of the project is analyzed as follows:

SECTION - 1 / Antirio – Agrinio	51.499.739,46
SECTION - 2 / Agrinio – Arta	20.471.057,57
SECTION - 3 / Arta – Ioannina	27.820.350,35
P.A.T.H.E Section / Athens – Maliakos	6.004.837,53
Total	<u><u>121.052.384,91</u></u>

The Company carries out depreciations on the Intangible asset “Concessions from the State” , which for the year ending 31 December 2017, amounted to Euro 23,192,480.72, while the overall depreciation of the Intangible Asset, including the previous years is EUR 231,924,807.15.

3. FINANCIAL RATIOS

Below there are presented certain financial ratios with the assistance of which the Company’s financial performance and position can be better assessed.

Financial Year 2017

<u>Revenues</u>	=	<u>236,156,819.42</u>	=	36.70%
Total assets		642.948.112,64		
<u>Current assets</u>	=	<u>141,501,211.53</u>	=	128.40%
Current liabilities		110,161,638.33		
<u>Total assets</u>	=	<u>642.948.112,64</u>	=	265.50%
Total Equity		242.162.409,92		

<u>Total Equity</u>	=	<u>242,162,409.92</u>	=	60.40%
Total Liabilities		400.785.702,71		
<u>Cash and cash equivalents</u>	=	<u>109,454,394.07</u>	=	99.30%
Current liabilities		110,161,638.33		

Financial Year 2016

<u>Revenues</u>	=	<u>354,999,578.03</u>	=	52.50%
Total assets		675,847,319.36		
<u>Current assets</u>	=	<u>162,644,189.22</u>	=	213.80%
Current liabilities		76,071,910.13		
<u>Total assets</u>	=	<u>675,847,319.36</u>	=	269.10%
Total equity		251,296,541.99		
<u>Total equity</u>	=	<u>251,296,541.99</u>	=	59.70%
Total liabilities		419,937,111.32		
<u>Cash and cash equivalents</u>	=	<u>49,870,523.52</u>	=	65.50%
Current liabilities		76,071,910.13		

4. FINANCIAL POSITION

The financial position of the Company as at 31/12/2017 is satisfactory and corresponds to that depicted in the financial statements. More specifically:

Equity

The Company's Equity amounted to 242,162,409.92 euros compared to 232,936,423.02 euros in the previous year 2016. The Equity was enhanced during the fiscal year by euros 9.22 million.

Duration of Constructions – Project Amendment

Within 2017 the overall Concession Project was delivered into service with the exception of the New State Part Schimatari– Chalkida that has not been assumed. The economic progress of the Project, up until December 2017 is around 98.90%.

The remaining completion percentage refers to:

- A) Pending works of the period T1 as it has been defined by the Independent Engineer of the Project at approximately 3 million euros
- B) Works that will comprise the objective of the period after T1 of 22 million euros and refer mainly to the tolls' construction of Chalkida, of the Varybobis and Kaliftaki I/C and the tolls of Varibobis and Ag. Stefanos.

Bank Loans-Cash and cash equivalents

The Company has secured bond loans of 200,800,000 million euro out of which the total disbursed amount is 175,300,000.00 million euro.

The Cash and cash equivalents (Deposits and Cash on Toll Stations) amount to 109,454,394.07 euro compared to 49,870,523.52 in the previous year 2016 and the Cash is deposited to Piraeus Bank to the below accounts:

- 1) Proceeds Account amounted to euro 55.082.456,91
- 2) Debt Service Reserve Account amounted to euro 11.321.612,84
- 3) Major Maintenance Reserve Account amounted to euro 1.739.944,84
- 4) VAT Account amounted to euro 302,47
- 5) Distributions Account amounted to euro 9.844.946,00
- 6) O&M Excess Cash Account amounted to euro 4.888.692,58
- 7) Equity Account amounted to euro 22.858.172,44
- 8) FAST PASS Subscribers Account amounted to euro 3.003,50

Concessionaire Compensation

Under the Agreement for the Timely Completion of the Project which was signed on 11th of May 2016, the State paid compensation to the Concessionaire of Euro 24,000,000.00, for loss of revenue until 31/03/2017 due to the non-timely operation of Toll Stations. The company has submitted to the State claims for loss of revenue due to the non-timely operation of Toll Stations for the period of 01/04 - 31/12/2017, for a total amount of € 11,159,805.00.

5. BASE IRR

In December 2017, the amount of EUR 9,844,946.00 was transferred to the Distributions Account in implementation of the provisions of the Concession Agreement and the approval of the Project Lenders. This amount is the entitled return of the shareholders until 31/12/2017 and is available to be paid to them.

6. RISKS

The activities of the Company are exposed to various financial risks including the interest rate risk, and general credit risks.

Credit and Liquidity risk

Due to the nature of the company's activities, from which its revenues derive, no significant concentration of credit risks arises, which could question the Company's cash flow. Under the loan agreement, the Company's cash and cash equivalents amounted to 105.739.131,58 €, they are deposited at the Piraeus Bank and the credit risk for the cash and cash equivalents as well as for the other receivables is considered limited.

Foreign currency risk

Foreign currency risk is the fluctuation risk of the value of financial assets, non-current assets, as well as of receivables and payables due to the changes in the exchange rates. In the current year the Company did not have any transactions in foreign currency.

Cash flow and Interest rate risk

The Company is exposed to cash flow risk due to its borrowing in floating interest rates in euro denominated loans. In order to offset the risk that derives from possible future interest rates changes, the Company has contracted Interest Rate Swap Agreements, converting indirectly the floating rates to fix.

The fair value of these contracts was estimated by projecting the effective, on 31.12.2017 interest rate curve (euribor), throughout the whole term of the said contracts. Their fair value amounts to 20,60 million euros at the Company's liability.

7. NON FINANCIAL ASSETS

INTRODUCTION

In the Management Report for the year 2017, and in accordance with the provisions of Law 4403/2016, this year is included a non-financial section that concerns the areas with the greatest impact on the Company's operation, especially in Environmental, Social, Labor issues and in issues of Human Rights, Anti-Corruption and Bribery.

The structure and content was based on the guidelines of the International Standard for the issuance of non-economic Reports The GRI Standards and the principles of the United Nations Global Compact.

THE COMPANY

The primary commitment of the Company is the safe and fast movement for all Greek citizens, combined with the provision of high quality services.

The Company is responsible for:

1. The study: Carry out all the necessary studies (environmental, road, geotechnical, etc.)

2. Design: of all new sections
3. Construction: of all new sections
4. Operation: Traffic Control and Monitoring, management of emergency events, routine works (e.g. road cleaning)
5. Maintenance: of buildings, roads, related equipment, vehicles
6. Management: Toll collection and management of Motor Service Stations (MSS)

The total length of the concession project is 380 km and is consisted of three sections:

1) The section of the Athens - Thessaloniki - Evzoni (ATHE) motorway, from the Metamorphosis unequal interchange to the node at Skarfeia Fthiotida, of 172 km length . In this section important infrastructure upgrade projects have been carried out in order to comply with the international standards. Road-widening, replacement of safety barriers, redevelopment of interchanges, redevelopment of parking areas and construction of new ones, are some of the works that have taken place along the motorway that crosses 3 prefectures, Attica, Viotia and Fthiotida.

2) The motorway "Ionia Odos", of 196 km length, from Antirrio to Ioannina, at the interchange with Egnatia Odos. The construction of the Ionia Odos contributes catalytically to the development of the wider region of Western Greece, drastically reducing the journey times. The motorway crosses a total of 4 prefectures, Aitolokarnania, Preveza, Arta and Ioannina.

3) The Schimatari - Chalkida branch of the 11 km length, which is under delivery by the Greek State.

The Board of Directors (BoD) of the Company is composed of 10 members. The BoD decides on important corporate issues following predefined meetings. Its role in the smooth operation of the company is decisive, as it has a leading role and directs corporate affairs for the benefit of the company and all interested parties. The BoD also ensures that the Management follows and serves the corporate strategy and ensures the provision of a fair and equitable environment based on universal values for the performance of the duties of the members of the company, and especially of the employees, who are directly affected by its operation.

STRATEGIC APPROACH

Basic approach of the Company's strategy is the provision of high-level services. The Company is committed to the quality of its services by aiming at its continuously improvement of its performance.

The existence of certified procedures that govern all activities and operations of the company is particularly important for the provision of high quality services for the Company's users as well as for the protection of the health of its employees and the protection of the environment. For this reason, the Company seeks and certify its procedures and its systems in accordance with international standards.

CORPORATE RESPONSIBILITY

The Company, being particularly sensitive to the needs of society, has as a strategy the integration into its design, policies and practices that contribute not only to the economic development of society but also to the protection and regeneration of the environment.

Having a full understanding of its deep responsibility, as it provides a public good of utmost importance, ensuring the smooth functioning of two major road axes of the country, it continues its effort to delimit, organize, record and communicate all those parameters that constitute the Corporate Responsibility.

Based on internationally recognized practices, the Corporate Responsibility Strategy of the Company is based on five pillars:

1. Road Safety
2. Quality of Provided Services
3. Human Resources
4. Environment
5. Cooperation with the Local Societies –Social Contribution

As a consequent, a comprehensive action plan has been drawn up which fully covers the current situation, focusing on the targeting and the comprehensive mapping of methodologies and approaches.

Since 2016 the Company launched an in-depth analysis of the strategic approach for the Corporate Responsibility in order to effectively cover all the areas that affect and been affected by its business activity. The social and environmental impacts affect the quality of the Company's services and are directly related to its ability to provide constantly secure services to all motorway users. At the same time, they are related to its ability to contribute to the development of the local communities that it affects, as well as to the wider community, which is an indirect recipient of the social value that the Company creates and distributes.

RESPONSIBILITY IN THE SUPPLY CHAIN

The provision of high-quality services imposes a demanding process for the selection of the Company's associates and it sets as a prerequisite that its suppliers share the same principles as the Company advocates. At the same time, its suppliers must faithfully apply the specifications and rules that govern their operating range.

The Quality Management System implemented by the Company sets a number of requirements for its suppliers.

Indicatively, the following are mentioned:

- Selection based on open market research
- At least 3 different offers
- The specifications are predefined by our company
- It is taken into account the responsible operation of the partner and the qualitative characteristics of the service / product
- Annual evaluation of existing suppliers' performance

In addition to the supplier selection criteria, the Company records the official certifications received by its suppliers, as by this it ensures the quality of the services and products. The major suppliers are certified with one or more of the following systems, depending on their objective:

- ISO 9001: 2008

- ISO 14001: 2004
- ISO 22000:2005
- EN 361: 2002
- EN 358: 1999

The main categories of the Company's suppliers are as follows:

- The construction Joint Ventures
- The study-compilation companies
- The suppliers exclusively engaged with the constructive operations of the Company
- The subcontractors for maintenance and snow-removal to the motorways and maintenance of equipment
- Suppliers of consumables
- External collaborators who provide support for operating issues (lawyers, statutory auditors, etc.)

Especially for the suppliers that are directly related to the operation and maintenance of infrastructure, the audits for the enforcement of the environmental legislation are continuous and thorough. On an annual basis, suppliers and subcontractors are assessed on the basis of specific criteria that include:

- Observance of deadlines
- Transaction quality
- Ability to react
- Availability of products / services
- Compliance of products / services with the predefined by the company specifications
- Compliance with safety and hygiene regulations
- Cost
- After-sales services

The Company has analyzed potential risk areas including the possibility of occurrence of child, forced or compulsory labor incidents. However, taking into account the nature and requirements of the work, it does not consider that its own activities or of its suppliers pose a risk of such phenomena.

By 2017, it has not been noticed any incident of low quality by the main suppliers and therefore it has not been conducted any interruption of co-operation. Throughout 2017, meetings with critical suppliers were established to systematically discuss and solve any problems encountered in the ordering process. Additionally, purchasing orders are pre-authorized by the procurement department before reaching the Company's chief financial officer, thereby ensuring the excellence and completeness of the data and actions required. Gradually, all procurement and tenders are assigned to the procurement department in order to be established a central coordination of actions for procurement issues, increasing thereby the performance of the company's purchasing circuit.

SOCIETY AND LOCAL COMMUNITIES

Since its establishment, the Company is close to the local communities and their residents through special programs. In this context, in 2017, it organized and participated in a large number of social-character actions, proving in practice that the Company is an active social shareholder interested in the needs of the society in which it is active, and it contributes actively with its activities in the development of the area and society.

- We cooperate with 351 Greek local suppliers
- 99.8% of our spending on suppliers is addressed to Greeks (local and national suppliers)
- More than 300 permanent jobs with emphasis outside Attica

8. COMPANY AND ENVIRONMENT

The harmonic integration of motorways in the environment and the constant effort to protect and promote every area's wealth constitute a commitment of Nea Odos SA.

The company applies effective Environmental Management throughout the entire project in accordance with the requirements of the Concession Agreement and the relevant legislation.

The Company's policy is to implement its corporate practice and make decisions based on the environmental and social objectives required by the Sustainable Development. For this reason the company's primary goals include the protection of the environment throughout all activities of the project, the monitoring of the potential implications caused by the construction and operation of the motorway and the application of the necessary protective measures.

The company's obligations for the protection of the environment are set in the Approved Environmental Terms of the project. The obtaining of the required environmental permits, the installment of noise barriers, the monitoring of traffic noise, the measurement of the air pollution, the construction of fauna underpasses, the restoration and maintenance of vegetation, the construction of pollution collection tanks, the implementation of Environmental Management Plans and the monitoring of traffic volumes are some of the measures that ensure the protection of the environment and the harmonization of the project with it. The Company's commitment for the protection of the environment is described in the Environmental Policy applied. The Environmental Management and the implementation of the Approved Environmental Terms is a responsibility of the Environmental Service as specified in the Concession Agreement, which is responsible for the issuance of the semi-annual Environmental Management Report as well as for the Annual Environmental Report that concern the Concession project.

Furthermore, special monitoring programs for Motorway Traffic Noise and Air Pollution are being implemented on an annual basis with the support of specialized consultants with multi-year experience in the field.

Finally, the effective Environmental Management and the continuous improvement of the Company's environmental performance are achieved through the implementation of an Environmental Management System in every aspect and activity of Nea Odos S.A, which is certified by the International Standard ISO 14001:2014.

9. HUMAN RESOURCES

The Company, as at 31/12/2017 was employing 518 employees. The majority of employees are been covered by individual contracts of indefinite duration. All the employees are full-time. In the Company are also employed seasonal workers, who come from temporary employment companies with whom it cooperates on a permanent basis. This staff covers extraordinary or seasonal needs of the Company, such as maternity leave. The 91,38% of the personnel are mainly employed with the maintenance and supervision services and in the toll stations and in other activities relevant to their operation. In any case, right after the employees' recruitment, there is a training period which aims to maximize the effectiveness of their work and in parallel to avoid mistakes. Furthermore, the Company aims to create a prosperous environment for its employees by investing in training, depending on their specialization, and the needs that may arise.

Equal Opportunities Policy

Human resources management is based on principles and policies that ensure the protection of rights and equal opportunities for all without any discrimination whatsoever, regardless of race, color, gender, language, religion, politics or any other beliefs, national or social origin , property, or any other situation. Respect for the diversity and value of each personality is a fundamental element of corporate culture. Gender equality is one of the policies implemented and pursued, in absolute value.

In this context of equality and equity, the Company cultivates a work environment that offers development opportunities with the sole criterion of knowledge, skills, performance and alignment with its principles. Recruitment and evaluations are based on merit criteria and policies set by the company, and no form of discrimination exists on employees' compensation. All employees are entitled to equal pay for work of equal value.

During 2017, there was no incidence of discrimination, but neither occurred any denouncement or complaint from workers and / or third parties about incidents of discrimination in the workplace.

Personnel Training

Continuous and uninterrupted employees' training is a commitment to the Company. The training policy adopted is applied to all the staff of all levels and consists of 6 distinct stages:

1. Analysis of Educational Needs
2. Identification of Training Plan
3. Development of Training Plan
4. Application of Training Plan
5. Evaluation of Educational Programs
6. Evaluation of Educational Programs' Efficiency

The purpose of the training process is to:

- support the company's strategy
- prepare workers for their professional careers
- equip employees with the tools and skills necessary for the effective performance of their duties

Human Rights

The Company seeks to implement the internationally agreed principles regarding the protection of human rights as set out in the International Declaration of Human Rights. As a result, the Company applies rigorous human rights protection policies and ensures full implementation throughout the range of its activities. It is noted that until now, there has been no human rights violation in the Company's entire operation in the environment in which it operates.

Safety and Health

Ensuring the Health and Safety of all employees constitutes a top priority for the Company and a determining factor for effective day-to-day operation. The long-term goal and commitment of the Company is to create a safe and healthy work environment, dominated by the daily effort to minimize accidents at work. Health and Safety Management is implemented in accordance with the provisions laid down by applicable Greek and European legislation.

Since 2013, the Company applies an Integrated Health and Safety Management System certified according to the International Standard OHSAS 18001: 2007. With this system, the Company aims to minimize, if not eliminate, the risks to its employees, motorway users or third parties associated with any of its activities. In addition, it sets the appropriate priorities and establishes programs for the implementation of its policy and the achievement of the Safety and Hygiene objectives.

With the support of independent Health and Safety advisers, the Company provides to its human resources the necessary services of Safety Officer and Occupational Physician, ensuring by this way the ongoing monitoring

of the health and working conditions of all employees. In order to prevent and protect employees from all kinds of occupational hazards, both Safety Officers and Occupational Physicians regularly visit all of the Company's facilities. Its partners evaluate the current situation, indicate the points that need to be improved, while also informing and guiding the workers with safe working instructions.

In cases of serious medical problems, the Company takes immediate support actions for its workers and their families. These actions may include:

- psychological empowerment by certified psychologists and therapists
- specialized medical monitoring by experts
- purchase of specialized medical equipment
- provision of financial support and paid leave during sickness or recovery

The Company provides to all of its employees Free Medical Examinations based on the job position and the risk category as defined in the Occupational Risk Assessment Study. In addition, for the maintenance department teams, we carry vaccinations of Tetanus, Hepatitis A 'and B'.

10. TREASURY SHARES

On 31st of December 2017 the Company did not hold any treasury shares.

11. BRANCHES OF THE COMPANY

- 19 N. Erithrea Av. (Offices)
- Sorou 14 (Offices)
- Schimatari (Traffic Control Center)
- Agios Konstantinos (Tunnel Control Center)
- Kamena Vourla (Offices)
- 13 tolls stations along PATHE.
- 14 tolls stations along IONIA ODOS.
- Gavrolimni (Traffic Control Center)
- Gavrolimni (Tunnel Control Center)
- Rigaiika (Exploitation and Maintenance Center)

- Amfilochia (Exploitation and Maintenance Center)
- Kampi (Exploitation and Maintenance Center)
- Episkopiko (Traffic Control Center)
- Ampelia (Tunnel Control Center)
- Malakasa (Exploitation and Maintenance Center)
- Rigaiika (Offices)
- Makinia (Offices)

12. SUBSEQUENT EVENTS OF 31.12.2017

From the end of the closing year 31.12.2017, until the date of the present report, did not occur any other significant events that could have a significant impact on the Financial Statements, of the closing year that should be reported in the current Report.

Messrs. Shareholders, these are the realized during the period ending on 31.12.2017 and are submitted for your approval in the present report for the financial position of the Company.

Attached we submit the Company's Financial Statements for the year 2017 (1.1.2017 - 31.12.2017) and we kindly ask you to approve and discharge the BoD members, the Management members and the Auditor from any civil liability for the said financial year 2017.

Athens, 24/05/2018

For the Board of Directors

The Chairman

Emmanuel Vrailas

B. INDEPENDENT AUDITOR’S REPORT

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of “NEA ODOS CONCESSIONAIRE SA” Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of “NEA ODOS CONCESSIONAIRE SA” (the Company), which comprise the statement of financial position as of December 31, 2017, the income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly in all material respects the financial position of “NEA ODOS CONCESSIONAIRE SA”, as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in 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 remained independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information included in the Board of Directors Report, for which reference is also made in section “Report on Other Legal and Regulatory Requirements”, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS as adopted by the European Union), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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, as incorporated in Greek Law, 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, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 and the Group'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

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

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31 December 2017.
- b) Based on the knowledge and understanding concerning "NEA ODOS CONCESSIONAIRE SA" and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

Athens, 25 May 2018

The Certified Auditor Accountant
ANDREAS HADJIDAMIANOU
S.O.E.L. R.N. 61391

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
CHIMARRAS 8B MAROUSSI,
151 25, GREECE
COMPANY S.O.E.L. R.N. 107

C. STATEMENT OF COMPREHENSIVE INCOME

For the year that ended on 31st of December 2017

	Note	01.01 - 31.12.2017	01.01 - 31.12.2016
Profit & Loss			
Revenues from services' provision	5	96,609,222.38	76,823,622.06
Revenues from construction contracts	5	139,547,597.04	278,175,955.97
Total revenues		236,156,819.42	354,999,578.03
Cost of sales	6	(54,375,980.22)	(47,351,482.59)
Cost of projects	6	(135,483,103.92)	(270,073,743.66)
Gross profit		46,297,735.28	37,574,351.78
Other operating income	8	15,669,851.91	20,919,625.36
Administration expenses	6	(8,962,367.75)	(6,577,865.54)
Other operating expenses	7	(33,722,113.57)	(38,702,168.79)
Operating profit		19,283,105.87	13,213,942.81
Financial income	9	2,419,052.75	1,298,136.22
Financial expenses	9	(20,249,028.21)	(17,338,847.48)
Result before tax		1,453,130.41	(2,826,768.45)
Income tax	20	5,313,340.61	7,103,125.81
Net Profit for the year		6,766,471.02	4,276,357.36
Other comprehensive income / (loss)			
<i>Items reclassified to the Profit & Loss in the following periods:</i>			
Cash flow hedging reserve	17	3,364,303.86	404,731.06
Tax corresponding to the items of the other comprehensive income	17	(975,648.12)	(117,372.01)
Net comprehensive income to be reclassified to the Profit & Loss in the following periods		2,388,655.74	287,359.05
<i>Items that are not reclassified to the Profit & Loss in the following periods:</i>			
Actuarial gains and (losses) from defined benefit plans		99,803.00	(6,257.00)
Income tax corresponding to the items of the other comprehensive income		(28,942.87)	1,814.53
Net comprehensive income not to be reclassified to the Profit & Loss in the following periods		70,860.13	(4,442.47)
Other comprehensive income / (loss) for the year		2,459,515.87	282,916.58
Total comprehensive income		9,225,986.89	4,559,273.94

The notes in pages 24 - 72 constitute an integral part of these financial statements.

D. STATEMENT OF FINANCIAL POSITION

On 31st December of 2017

		31.12.2017	31.12.2016	01.01.2016
ASSETS				
	Note			
Non-current assets				
Fixed tangible assets	10	9,500,966.91	4,129,661.33	3,341,711.28
Intangible assets	11	464,900,314.06	488,245,028.37	511,509,137.62
Other non-current receivables	12	312,810.15	274,449.15	261,313.61
Deferred tax asset	20	26,732,809.98	22,424,060.36	15,436,492.29
Total		501,446,901.11	515,073,199.21	530,548,654.79
Current assets				
Inventories	13	194,619.61	238,667.49	242,775.19
Trade and other receivables	14	31,665,103.85	94,361,389.61	121,215,322.33
Receivable Subsidy from the State		187,094.00	187,094.00	95,021,516.38
Cash and cash equivalents	15	109,454,394.07	49,870,523.52	135,508,427.35
Total		141,501,211.53	144,657,674.62	351,988,041.25
Total assets		642,948,112.64	659,730,873.83	882,536,696.04
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	16	116,800,980.00	116,800,980.00	75,000,000.00
Reserves	17	481,597,382.86	398,463,156.19	306,835,835.21
Retained earnings		(356,235,952.94)	(282,327,713.18)	(195,259,665.87)
Total equity		242,162,409.92	232,936,423.02	186,576,169.34
Non-current liabilities				
Bond loans	22	132,467,240.00	48,363,970.00	48,545,160.00
Long-term liabilities to affiliated companies	22	99,744,429.50	102,657,829.71	69,633,112.70
Provisions	18	6,067,895.05	3,938,359.05	1,769,286.86
Construction liability based on concession agreement	11	30,389,445.13	169,937,042.17	448,112,998.14
Liabilities from staff benefits	19	683,201.00	675,307.00	549,642.00
Derivatives financial instruments	22	20,604,007.70	24,754,394.90	25,253,693.02
Long-term liability of financial leasing		17,846.00	26,769.00	35,692.00
Other long term liabilities		650,000.00	0.00	0.00
Total		290,624,064.38	350,353,671.83	593,899,584.72
Current liabilities				
Trade and other receivables	21	83,954,946.33	53,931,890.97	69,885,997.98
Short-term loans	22	5,926,813.00	22,310,852.00	32,011,181.00
Long term liabilities payable during the next financial year	22	20,253,110.00	180,190.00	154,840.00
Income tax payable		0.00	0.00	0.00
Short-term liability of financial leasing		26,769.00	17,846.00	8,923.00
Total		110,161,638.33	76,440,778.97	102,060,941.98
Total liabilities		400,785,702.71	426,794,450.80	695,960,526.70
Total equity and liabilities		642,948,112.64	659,730,873.81	882,536,696.04

The notes in pages 24 - 72 constitute an integral part of these financial statements.

E. STATEMENT OF CHANGES IN EQUITY

For the year that ended on 31st of December 2017

	Share Capital	Reserves based on laws and articles of association	Reserve of cash flows hedging	Retained earnings	Total
Balance, 1st of January 2016	75,000,000.00	324,765,957.25	(17,930,122.04)	(195,259,665.86)	186,576,169.35
Results of the period	0.00	0.00	0.00	4,276,357.36	4,276,357.36
Other comprehensive income / (losses) after taxes	0.00	0.00	287,359.05	(4,442.47)	282,916.58
Total comprehensive income	0.00	0.00	287,359.05	4,271,914.89	4,559,273.94
Share capital increase	41,800,980.00	0.00	0.00	0.00	41,800,980.00
Subsidies of investments	0.00	91,339,962.20	0.00	(91,339,962.20)	0.00
Balance, 31st of December 2016	116,800,980.00	416,105,919.45	(17,642,762.99)	(282,327,713.17)	232,936,423.29
Results of the period	0.00	0.00	0.00	6,766,471.02	6,766,471.02
Other comprehensive income / (losses) after taxes	0.00	0.00	2,388,655.74	70,860.13	2,459,515.87
Total comprehensive income	0.00	0.00	2,388,655.74	6,837,331.15	9,225,986.89
Subsidies of investments	0.00	80,745,570.93	0.00	(80,745,570.93)	0.00
Balance, 31st of December 2017	116,800,980.00	496,851,490.38	(15,254,107.25)	(356,235,952.95)	242,162,410.18

The notes in pages 24 - 72 constitute an integral part of these financial statements.

F. CASH FLOWS STATEMENT

for the year that ended on 31st of December 2017

	Note	31/12/2017	31/12/2016
Cash flows from operating activities			
Profit/(losses) before income taxes		1,453,130.41	(2,826,768.45)
<i>Adjustments for the reconciliation of the net flows from operating activities :</i>			
Depreciation of fixed tangible and intangible assets	6, 10, 11	25,520,071.50	24,959,605.20
Impairment of value / (recovery of impairment) of trade receivables		0.00	252,636.60
Provisions		2,227,103.00	1,114,382.81
Provision for income compensation	14	(11,159,806.00)	(20,116,109.00)
Construction profit based on INTERPRETATION IFRIC 12	6	(4,064,493.12)	(8,102,212.31)
(Interest and related income)	9	(2,419,052.75)	(1,298,136.22)
Interest and other financial expenses	9	20,249,028.21	17,338,847.48
(Profit)/Losses from sale of intangible and tangible assets		6,426.74	0.00
Operating profit before changes in working capital		31,812,407.99	11,322,246.11
(Increase)/Decrease in:			
Inventories	13	44,047.88	4,107.70
Trade receivables	14	(1,878,902.54)	252,133.40
Advances and other receivables		75,734,994.30	47,248,487.00
Other long-term receivables	12	(38,361.00)	(13,136.00)
Increase/(Decrease) in:			
Suppliers	21	21,148,776.65	(13,849,448.41)
Accrued and other short-term liabilities		(1,028,995.84)	(1,665,389.38)
Collection of subsidies		0.00	94,834,422.38
Other long-term liabilities		186,584.27	0.00
Cash inflows from operating activities		125,980,551.71	138,133,422.80
Income tax payments		0.00	0.00
Net cash inflows from operating activities		125,980,551.71	138,133,422.80
Cash flows from investment activities:			
(Purchases of intangible and tangible assets and construction based on the percentage of completion)		(143,036,193.45)	(272,557,190.99)
Collection of interest and related income	9	1,632,969.00	1,203,569.16
Net cash outflows from investment activities		(141,403,224.45)	(271,353,621.83)
Cash flows from financing activities :			
Collection of share capital increases		0.00	41,800,980.00
Collection from issued/granted long-term loans		126,600,000.00	27,007,932.00
(Repayments of long-term loans)		(22,423,810.00)	(155,840.00)
Net change in short-term loans	22	(16,384,039.00)	(9,700,329.00)
(Payment of interest and other financial expenses)		(12,785,608.14)	(11,370,448.20)
Net cash inflows from financing activities		75,006,542.86	47,582,294.80
Net increase in cash and cash equivalents		59,583,870	(85,637,904.23)
Cash and cash equivalents at the beginning of period		49,870,523.52	135,508,427.35
Cash and cash equivalents at the end of period		109,454,393.64	49,870,523.12

The notes in pages 24 - 72 constitute an integral part of these financial statements.

G. NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Nea Odos SA (hereinafter the "Company") is a Societe Anonyme company that has assumed the study, construction, financing, operation, maintenance and exploitation of the project "Ionia Odos Motorway from Antirio to Ioannina, Athens PATHE Schimatari-Chalkida". It concerns the project of total length 380 km and includes the following key sections:

- The namesake motor way "Ionia Odos" length of 196 km from Antirio to Ioannina (Interchange with Egnatia Odos).
- Section of PATHE motorway length of about 172.5 km from Interchange of Metamorphosis in Attica until Skarfia of Fthiotida.
- The connecting section of the PATHE branch Schimatari - Halkida, length of 11 km.

The purpose of the Company is exclusively the fulfillment of the obligations and the exercise of the rights that have been agreed in the concession agreement signed between the Company, the Greek Government and the founders of the Company as third parties on the project "Design - Construction - Financing - Operation - Maintenance and Exploitation of the Project "Ionia Odos Motorway from Antirio to Ioannina, Pathe Athens (A / K Metamorphosis) - Maliakos (Skarfia) and connecting branch PATHE Schimatari - Chalkida".

For the fiscal year ended on 31st December 2017, the Financial Statements of the Company are incorporated into the Financial Statements of the following companies:

- GEK TERNA S.A. (Parent company), 85 Mesogion Ave., Athens, 115 26. (Participation percentage 78.59% with the full consolidation method)
- FERROVIAL S.A., Principe De Vergana 135, Madrid, Spain (Participation percentage 21.41%, with the equity consolidation method)

On 29/9/2017, IRIDIUM (ACS Group) transferred its share of 21.4% in the Company to GEK TERNA SA and as result the former is no longer a shareholder of the Company. In turn GEK TERNA SA assumed the control of the Company which is now a fully owned subsidiary.

The company was established in 2006 for a period of 40 years, is established and operates in Greece, and its address is 87 Themistokleous Street, Athens. The Company is registered at the General Commercial Registry (GE.MI.) with No. 007349501000.

The financial statements of the Company, were approved for publication by the BoD on 24/05/2018 and are subject to approval by the Annual General Meeting of the Shareholders. The Shareholders of the Company have the ability to amend the Consolidated Financial Statements after their publication.

The total personnel employed by the Company on 31st of December 2017 are 518 employees (31st of December 2016: 308 employees, 1st of January 2016:284 employees) and is analyzed by kind of employment as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>1.1.2016</u>
Employees	493	294	270
Day-labor personnel	25	14	14
Total	<u>518</u>	<u>308</u>	<u>284</u>

2. PREPARATION FRAMEWORK AND BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the preparation of the Financial Statements

The financial statements for the year ended 31 December 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and they have been approved by the European Union ("EU") and present the financial position, the results and the cash flows of the Company based on the principle of going concern. In this context, the Management considers that the going concern principle is the appropriate basis for preparing the present financial information. There are no standards and interpretations of standards that have been applied before the mandatory date of their application.

The financial statements have been prepared on a historical cost basis, except the derivative financial instruments that have been measured at fair value. The Financial Statements are presented in Euro which is the currency in which the Company operates. Any deviations are due to rounding of the respective amounts.

2.1 First adoption of IFRS

The accompanying Financial Statements for the year ended 31 December 2017 are the first ones prepared by the Company in accordance with IFRS as adopted by the EU. For the financial years up to and including the year ended December 31, 2016, the Company kept its accounting records and data and compiled its Financial Statements in accordance with the provisions of Law 4308/14 "Greek Accounting Standards, related rules and other provisions" ("GAS" or "ELP"). The transition date is 1st January 2016 and for this purpose there is a presentation of the comparative data according to IFRS for the year ended 31st December 2016 and of the Statement of Financial Position according to IFRS on the transition date of 1st January 2016. Below, the respective details and analytical tables are presented depicting the adjustments that have been made during the transition from ELP to IFRS.

The Company applied IFRS 1 First-time Adoption of IFRSs in the preparation of the accompanying Financial Statements. Based on the provisions of IFRS 1, in the preparation of the first Financial Statements based on IFRS, a Company should use IFRSs that are in effect at the date of closure of the first Financial Statements for all periods presented, as well as in the Statement of Financial Position of transition. Consequently, all the revised or newly issued Standards that are applicable to the Company and are effective for the year ended December 31, 2017 and they have been adopted by the EU were used to prepare the Financial Statements for the current year, the comparative financial statements of 31 December 2016 and the Financial Position Statement of transition as at 1 January 2016.

IFRS 1 First-time Adoption of IFRS provides the option, especially during the transition to IFRSs, to apply certain exceptions to their general provisions that require retrospective application of IFRSs. The Company did not make use of the relevant exemptions.

The following tables summarize the effect of the major adjustments entries to the Financial Position on 1 January 2016 and 31 December 2016 and on the Comprehensive Income Statement ended on 31 December 2016 that have been applied on the Company's Financial Statements on the basis of prior accounting standards (Law 4308/14). Also, explanations are given for the significant changes that occurred in the Financial Statements prepared on the basis of the previous accounting standards from the adoption of IFRSs.

Reconciliation of Financial Position at 1st of January 2016 (transition date)

STATEMENT OF FINANCIAL POSITION	Note	01.01.2016		
		Published Financial Statements under Greek GAAP	Adjustments	IFRS
ASSETS				
Tangible fixed assets		3,341,711.28	0.00	3,341,711.28
Intangible assets	c. d	515,097,393.06	(3,588,255.44)	511,509,137.62
Other long-term receivables		261,313.61	0.00	261,313.61
Deferred tax assets	e	9,785,754.41	5,650,737.88	15,436,492.29
Inventories		242,775.19	0.00	242,775.19
Trade and other receivables		121,215,322.33	0.00	121,215,322.33
Subsidy Receivable from the State	d	113,008,030.98	(17,986,514.60)	95,021,516.38
Cash and cash equivalents		135,508,427.35	0.00	135,508,427.35
Total assets		898,460,728.21	(15,924,032.17)	882,536,696.04
EQUITY AND LIABILITIES				
Share capital		75,000,000.00	0.00	75,000,000.00
Other reserves	b	324,765,957.25	(17,930,122.04)	306,835,835.21
Retained earnings		(194,558,818.40)	(700,847.46)	(195,259,665.86)
Interest-bearing loans		48,545,160.00	0.00	48,545,160.00
Long-term liabilities to related companies		69,633,112.70	0.00	69,633,112.70
Provisions		1,769,286.86	0.00	1,769,286.86
Construction liability based on concession agreement	c	470,992,588.45	(22,879,590.31)	448,112,998.14
Liabilities from staff benefits		549,642.00	0.00	549,642.00
Derivatives financial items	b	0.00	25,253,693.02	25,253,693.02
Long-term liability of financial leasing		35,692.00	0.00	35,692.00
Trade and other liabilities	a	69,553,163.35	332,834.63	69,885,997.98
Short-term loans		32,011,181.00	0.00	32,011,181.00
Long term liabilities payable during the next financial year		154,840.00	0.00	154,840.00
Payable income tax		0.00	0.00	0.00
Short-term liability of financial leasing		8,923.00	0.00	8,923.00
Total equity and liabilities		898,460,728.21	(15,924,032.16)	882,536,696.04

The above amounts include reclassifications of items.

Reconciliation of Financial Position at 31st of December 2016 (comparative period)

STATEMENT OF FINANCIAL POSITION

	Note	31.12.2016		
		Published Financial Statements under Greek GAAP	Adjustments	IFRS
ASSETS				
Tangible fixed assets		4,129,661.33	0.00	4,129,661.33
Intangible assets	c. d	491,670,181.28	(3,425,152.91)	488,245,028.37
Other long-term receivables		274,449.15	0.00	274,449.15
Deferred tax assets	e	17,128,838.38	5,295,221.98	22,424,060.36
Inventories		238,667.49	0.00	238,667.49
Trade and other receivables		94,361,389.61	0.00	94,361,389.61
Subsidy Receivable from the State	d	18,173,608.60	(17,986,514.60)	187,094.00
Cash and cash equivalents		49,870,523.52	0.00	49,870,523.52
Total assets		675,847,319.36	(16,116,445.53)	659,730,873.82
EQUITY AND LIABILITIES				
Share capital		116,800,980.00	0.00	116,800,980.00
Other reserves	b	416,105,919.45	(17,642,763.26)	398,463,156.19
Retained earnings		(281,610,357.46)	(717,355.72)	(282,327,713.18)
Interest-bearing loans		48,363,970.00	0.00	48,363,970.00
Long-term liabilities to related companies		102,657,829.71	0.00	102,657,829.71
Provisions		3,938,359.05	0.00	3,938,359.05
Construction liability based on concession agreement	c	192,816,632.48	(22,879,590.31)	169,937,042.17
Liabilities from staff benefits		675,307.00	0.00	675,307.00
Derivatives financial items	b	0.00	24,754,394.90	24,754,394.90
Long-term liability of financial leasing		26,769.00	0.00	26,769.00
Trade and other liabilities	a	53,563,022.13	368,868.84	53,931,890.97
Short-term loans		22,310,852.00	0.00	22,310,852.00
Long term liabilities payable during the next financial year		180,190.00	0.00	180,190.00
Payable income tax		0.00	0.00	0.00
Short-term liability of financial leasing		17,846.00	0.00	17,846.00
Total equity and liabilities		675,847,319.36	(16,116,445.54)	659,730,873.81

The above amounts include reclassifications of items.

Reconciliation of Total Comprehensive Income for the year ended on 31st of December 2016 (comparative period)

STATEMENT OF COMPREHENSIVE INCOME

		01.01 - 31.12.2016		
	Note	Published Financial Statements under Greek GAAP	Adjustments	IFRS
Revenues from services' provision		76,823,622.06	0.00	76,823,622.06
Revenues from construction contracts		278,175,955.97	0.00	278,175,955.97
Total revenues		354,999,578.03	0.00	354,999,578.03
Cost of sales	a. c. d	(47,478,550.91)	127,068.32	(47,351,482.59)
Cost of projects		(270,073,743.66)	0.00	(270,073,743.66)
Gross profit		37,447,283.46	127,068.32	37,574,351.78
Other operating income		20,919,625.36	0.00	20,919,625.36
Administration expenses		(6,577,865.54)	0.00	(6,577,865.54)
Other operating expenses		(38,702,168.79)	0.00	(38,702,168.79)
Operating profit		13,086,874.49	127,068.32	13,213,942.81
Financial income	b	1,203,569.16	94,567.06	1,298,136.22
Financial expenses		(17,338,847.48)	0.00	(17,338,847.48)
Profit /(Loss) before tax		(3,048,403.83)	221,635.38	(2,826,768.45)
Income tax		7,343,083.97	(239,958.16)	7,103,125.81
Net profit for the year		4,294,680.14	(18,322.78)	4,276,357.36
Other comprehensive income / (losses) after tax				
Items reclassified to Results in the following periods:				
Cash flow hedging		0.00	404,731.06	404,731.06
Tax corresponding to the items of the other comprehensive income		0.00	(117,372.01)	(117,372.01)
Net comprehensive income to be reclassified to the profit or loss in the following periods	f	0.00	287,359.05	287,359.05
Items that are not reclassified to Results in following periods:				
Actuarial gains/(losses) from defined benefit plans		0.00	(6,257.00)	(6,257.00)
Income tax corresponding to the items of the other comprehensive income		0.00	1,814.53	1,814.53
Net total comprehensive income not to be reclassified in profit or losses of following periods		0.00	(4,442.47)	(4,442.47)
Other total comprehensive income/(losses) for the period net of taxes	f	0.00	282,916.58	282,916.58
Total comprehensive income after tax		4,294,680.14	264,593.80	4,559,273.95

The change of the Retained earnings (or results carried forward) and of the Other reserves on 1st January 2016 (transition date), is analyzed as follows:

RETAINED EARNINGS 01.01.2016 BASED ON L.4308	(194,558,818.40)
Adjustment of deferred tax receivable	(1,672,833.10)
Additional financial contribution – Adjustment of amortization of the right deriving from the Concession Agreement	(4,796,403.73)
Restatement of construction cost - Adjustment of amortization of the right deriving from the Concession Agreement	6,101,224.00
Provision of staff holiday-vacation leave that was not utilized	(332,834.63)
RETAINED EARNINGS 01.01.2016 BASED ON IFRS	(195,259,665.86)

OTHER RESERVES 01.01.2016 BASED ON L. 4308	324,765,957.25
Recognition of cash flow hedging derivatives	(17,930,122.04)
OTHER RESERVES 01.01.2016 BASED ON IFRS	306,835,835.21

The change of the Retained earnings (or results carried forward) and of the Other reserves on 31st December 2016 (transition date), is analyzed as follows:

RETAINED EARNINGS 31.12.2016 BASED ON L.4308	(281,610,357.46)
Adjustment of deferred tax receivable	(1,910,976.73)
Recognition of non-effective part of derivative product	94,567.06
Additional financial contribution – Adjustment of amortization of the right deriving from the Concession Agreement	6,863,877.00
Restatement of construction cost - Adjustment of amortization of the right deriving from the Concession Agreement	(5,395,954.20)
Provision of staff holiday-vacation leave that was not utilized	(368,868.84)
RETAINED EARNINGS 31.12.2016 BASED ON IFRS	(282,327,713.17)

OTHER RESERVES 01.01.2016 BASED ON L.4308	416,105,919.45
Recognition of cash flow hedging derivatives	(17,642,763.26)
OTHER RESERVES 01.01.2016 BASED ON IFRS	398,463,156.19

The major effects from the transition into the IFRS affected the following items of the financial statements:

a. Employee benefits – leave indemnity: Taking into account the provisions of IFRS 19 with regard to employee benefits as well as the labor law as it is currently in effect, the Company proceeded with the recognition of the benefits and days of leave which the employees are entitled to concerning the following fiscal year, given the fact that the particular right is well established by the services (payroll based employment) which are being offered by the Company’s employees during the current year.

b. Derivative financial instruments: The Company utilizes derivative financial instruments of interest rate swaps in order to hedge risks in relation to future volatility of the interest rates charged on the loans signed by the Company. Given that the recognition of the above financial instruments of interest rate swaps was voluntary according to the Greek Accounting Standards (ELP), the Company previously recognized the changes occurring in these derivatives. During the transition to IFRS, the Company stated the hedging relation, substantiated its effectiveness and recognized the fair value of the derivative financial instruments, into a long-term liability and a hedging reserve, for an amount of € 25,253,693.02 (transition date) and for an amount of € 24,754,394.9 (comparative period) respectively. It should be noted that the amounts of the reserve include also the proportional tax receivable of € 7,323,570.98 and € 7,206,198.7 respectively. Furthermore, during the comparative period, the non-effective part of the derivatives has been recognized in the Statement of Income (Results).

Other adjustment and reclassification entries were also made, the most important of which are analyzed as follows:

c. Construction cost: During the transition date as well as the comparative period, the Company adjusted the aggregate construction cost of the intangible asset of the Concession Agreement by an amount of € 22,879,590.31. The above resulted into the reduction of the accumulated amortization of the intangible right of the Concession Agreement during the transition date by an amount of € 6,101,224.00 and also during the comparative period by an amount of € 762,653 respectively.

d. Additional Financial Contribution: During the transition date and the comparative period, the Company reduced the existing receivable with regard to the last installment of the Additional Financial Contribution by an amount of € 17,986,514.60 given the lack of a subsidized construction objective. The above resulted into the

increase of the accumulated amortization of the intangible right of the Concession Agreement at the transition date by an amount of € 4,796,403.73 and also during the comparative period by an amount of € 599,550.47, respectively.

e. Deferred income tax: The Company, during the transition date and the comparative period, adjusted the deferred tax previously calculated. Due to the adoption of the IFRS, the deferred tax receivable increased both on the transition date and the comparative period.

f. Items of the other comprehensive income: Allocation of the amounts in the items of other comprehensive income (hedging reserve, actuarial profit and losses) for the year ended 31st December 2016 so that the items are being aligned with the presentation framework of IFRS.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.2.1 Tangible fixed assets

Initial recognition

Upon initial recognition, the assets are measured at the acquisition cost or at the self-production cost into which are included the improvement costs. The repair and maintenance expenditures are been capitalized in case they fall within the definition of an asset (e.g. increase the useful life of the asset or enhance its production capacity), otherwise they are recognized as an expense in the period in which incurred.

The cost of a self-production asset includes all costs required to reach the point in the operation mode for which it is intended. Specifically it includes the cost of raw materials, consumables, labor and other costs which are directly related to that asset. The cost of a self-production asset also includes a reasonable proportion of fixed and variable costs indirectly associated with that asset, to the extent that these amounts are referred to the construction period. The cost of a long period produced or constructed self-produced fixed asset may be charged with interest bearing liabilities to the extent that they are attributable to it.

Subsequent measurement

Subsequently, they are measured at the amortized cost or self-production cost less accumulated depreciation and any possible impairment in their value.

The assets which have a limited useful life are subject to an annual depreciation of their value, which is been calculated by the straight-line method and at a rate that reflects their useful lives, as follows:

Buildings and installations (on leased property):	During the lease period
Machinery	10 years
Transportation means	10 years
Furniture and other equipment:	3.5 until 10 years
P/Cs:	3.5 until 5 years

The depreciation commences when the asset is ready for use as intended. Land is not depreciated. The useful lives, the residual values and the methods of depreciation of the tangible assets are annually reviewed during the preparation of the financial statements and they are been adjusted in future periods, if necessary. When the carrying amount of tangible assets exceeds the recoverable amount, the difference (impairment) is recognized immediately as an expense in the income statement. For more information see Note 2.2.3.

De-recognition of the assets

The tangible fixed assets which during the period were sold or there are no expectations for future economic benefits from their usage or disposal, are been derecognized in the balance sheet. The gain or the loss stemming from their derecognition is determined as the difference between the net disposal value and the book value of the asset and it is included in the income statement of the year that the item is been derecognized.

2.2.2 Intangible assets

The other intangible assets, except the right recognized under the Concession Agreement, which are acquired separately, upon their initial recognition they are been recognized at cost. Subsequent to the initial recognition, the intangible assets are measured at cost minus the accumulated amortization and any accumulated impairment losses. The intangible assets which are internally been generated, are not recognized.

The useful lives of the intangible assets are been assessed as finite or indefinite. The right acquired under the Concession Agreement which was concluded with the State, is been recognized in the intangible assets of the Company. The fair value of this right is determined on the basis of construction costs plus mark up. The amortization of the right arising from the concession agreement stretches throughout the duration of the concession using the straight line method.

For more information in relation with the concession agreement, see Note 2.2.12.

The other intangible assets of the Company include mainly the Software. The amortization of the software is being calculated using the straight line method during their useful life, which is estimated at 5 years.

There are no intangible assets with an indefinite life.

2.2.3 Impairment of non-financial assets

The non-financial assets which are measured at cost or amortized cost are been reviewed for impairment when there are relative indications, and since it is estimated that the impact of any impairment is important to the financial statements. The impairment losses arise when the recoverable amount of the asset becomes less than its book value. As recoverable amount of an asset is defined, the greater amount among the fair value minus the disposal cost of the asset and its value in use. The value in use, is the present value of the future cash flows that are expected to arise from the continuous use of the asset and from its disposal at the end of its useful life. As fair value is considered the amount for which an asset could be exchanged between two parties that act in knowledge and have the willing in a transaction at arm's length.

Any impairment loss is recognized in the results for the year as expense. Offsetting entries of impairment losses with regard to the value of assets that were recorded in previous years are being performed only when there is sufficient evidence that this impairment does no longer exist or has been reduced. In these cases, the above offsetting is recognized as income. The book value of a fixed asset after the offsetting entry of the impairment loss is not permitted to exceed the book value which the asset would have possessed if no impairment loss had been recognized.

There was no necessity for forming an impairment provision at 31st of December 2017, 31st of December 2016 and 1st January 2016 respectively.

2.2.4 Financial Instruments

A financial instrument is a contract that creates a financial asset in one entity and a financial liability or an equity title to another entity.

Classification, recognition and measurement

The financial assets which are being governed and regulated by the provisions of IAS 39, are being classified depending on their nature and features in one of the following categories. They are initially recognized at cost that represents their fair value plus, in some cases, the direct acquisition, transaction costs. The classification of the above financial assets is made with the initial recognition and, where permitted, is reviewed and revised periodically.

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the end of the Balance Sheet date, otherwise they are classified as non-current assets.

After initial recognition, financial assets are measured at fair value with the changes in fair value being recognized in the income statement. The realized and unrealized gains or losses arising from changes in the fair value of the financial assets measured at fair value through the results are recognized in the profit and loss in the period in which they arise.

The Company has not yet classified any financial asset in this category.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the date of the Statement of Financial Position. After the initial recognition, loans and receivables are being valued at the net amortized cost based on the method of the real (effective) interest rate minus any impairment loss. The amortization deriving from the application of the above method is included in the financial income of the year's results.

The financial items that have been classified by the Company in this category, are the other long-term receivables as well as the trade and other receivables. For more information in relation with the other long-term receivables, see Note 12. The trade and other receivables are interest free. More information for the trade and other receivables of the Company are presented in Note 14.

c) Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed or determinable payments and fixed maturities, and management intends to hold them for the medium to long-term. Financial assets that are not classified in any of the other categories are also included in the available-for-sale category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting

period. Subsequently, the available for sale financial assets are measured at their fair value and the relevant gains or losses are recorded in the equity reserve until such assets are sold or classified as impaired. At the sale or when they classified as impaired, gains or losses are transferred to the results. Impairment losses recognized in the results are not reversed through the results.

The Company has not yet classified any financial asset in this category.

Pause of the recognition

The Company derecognizes (i.e. to remove it from the balance sheet) a financial asset when:

- The contractual rights on the cash flows of the financial asset expire, or
- All the risks and the benefits arising from the ownership of the asset, are substantially transferred

Impairment

Disclosures with regard to the impairment of financial assets are summarized in the following notes:

- | | |
|--|-------------|
| ▶ Disclosures in the accounting policies | Note 2.2.16 |
| ▶ Significant accounting estimates and judgments by the Management | Note 3.1 |
| ▶ Trade and other receivables | Note 14 |

The Company, at each reporting date, assesses whether there is objective evidence that a financial asset or a group of assets have been impaired in value.

A financial asset or a group of assets have been impaired in value and the economic entity is burdened with impairment losses only when there is objective evidence of value impairment as result of one or multiple events which occurred after the initial recognition of the asset (a “loss-making event”) and the particular event (or the multiple events) have an effect which can be reliably measured in the estimated future cash flows of the financial asset or the group of financial assets.

2.2.5 Derivatives financial instruments and hedging activities

As part of its risk management policy, the Group utilizes interest rate swap derivatives to hedge against the risk of volatility in the future floating rates of its loans. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair values of the derivative financial instruments are recognized at each Balance Sheet date either in the statement of results or in other comprehensive income (losses), depending on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

The effective portion of changes in the fair value of these derivatives is recognized in equity. Any gain or loss relating to changes in the fair value from the ineffective portion of hedge, is recognized immediately in the statement of results, in the “Financial income / (expenses)”. Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects the result (i.e. when the forecast transaction being hedged takes place) within cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the hedge accounting of risks is terminated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of results, in the “Financial income / (expenses)”.

2.2.6 Financial Liabilities

Debt liabilities: All loans are recorded initially at the cost, which reflects the fair value of the receivables amounts minus the respective expenses whenever these are important. After the initial recording, the interest bearing loans are valued at net cost by using the method of the effective (real) interest rate. The net cost is calculated after the inclusion of issuance expenses and the difference between the initial amount and the amount at the end. Profit or loss is recorded in the results when the liabilities are written-off or being impaired and through the amortization process.

The loans are classified as short-term liabilities unless the Group is entitled to defer the payment of the liability for at least 12 months from the date for the financial statements.

Trade and other liabilities: The balances of the suppliers and other liabilities are recognized initially at their fair value and in a later stage are valued at net cost via the method of the effective (real) interest rate. The trade and other short-term receivables are not interest bearing accounts and are usually settled by the Company in a time period of up to 60 days.

Termination of recognition

The economic entity ceases to recognize a financial liability (in full or in part) in its financial statements only when it is being repaid, meaning that the commitment defined in the contract is fulfilled, cancelled or it has expired. An exchange between an existing debtor and a lender of debt securities with materially different terms is treated, accounting-wise, as repayment of the initial financial liability and as recognition of a new financial liability. Similarly, a material amendment of the terms of the existing financial obligation (either attributed to financial difficulties of the debtor or not) is treated, accounting-wise, as repayment of the initial financial liability and as recognition of a new financial liability. The difference between the book value of a financial obligation (or of a part of the obligation) which is fully repaid or being transferred to another party, and the amount that is paid in exchange, including non-monetary assets and assumed liabilities at the time of transfer, is recognized in the results.

Offsetting of financial instruments

The financial instruments and financial liabilities are being offset and the net amount is recorded in the Statement of Financial Position only if the Company has the legal right to offset the recognized amounts and is intended to settle the amount on net basis or to claim the asset and at the same time settle the liability.

2.2.7 Share Capital and Reserves

The ordinary shares are recognized as items of the equity. The cost which is directly related to the equity item is being monitored and is subtracted from that item of the equity. Otherwise the respective amount is recognized as an expense in the period concerned.

The company's reserves are categorized as follows:

- Tax free reserves: According to the concession agreement, the amount of the Financial Contribution is not charged with any VAT and the income from its amortization is not subject to any income tax. In the Statement of Changes in Equity it is depicted on separate basis from the retained earnings for taxation purposes in case of a future distribution or capitalization.
- Risk hedging reserve: The risk hedging reserve is being utilized in order to record any profit or loss from derivative financial instruments, which can be classified as derivative cash flow hedges and which are recognized in the other comprehensive income as it is presented in Note 17.

2.2.7 Dividends

The dividends distributed to the shareholders are presented as a liability the time at which they are approved by the General Meeting of the Shareholders. Also at the same time it is shown in the financial statements the impact of the approved by the General Meeting of the Shareholders profits' distribution and the formation of any reserves.

2.2.8 Inventories

Initial recognition

Inventories are initially recognized at their acquisition cost. The cost of the inventories includes all the costs required to reach their present location and condition.

Subsequent measurement

After the initial recognition, inventories are measured at the lower value among the cost and the net realizable value. The net realizable value of the inventories is the estimated disposal price during the normal course of the business activity, minus any costs which are necessary for the completion and the accomplishment of the sale.

The company for the valuation of the inventories is using the FIFO method. There are not stocks that derive from own-production.

For more information regarding the inventories of the Company, see Note 13.

2.2.9 Cash and cash equivalents

Cash and cash equivalents include the cash in the Company's cashier, the deposits in the banks and the other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in their value.

2.2.10 State subsidies

State subsidies of assets

State subsidies, beyond Financing Contribution, that concern other assets are recognized initially as liabilities in the period collected or in the period that their approval becomes definitive and there is a certainty that they will be collected.

State subsidies are recognized with the amounts received or approved definitively. Subsequently to the initial recognition, the subsidies are depreciated over their transfer to the results as income in the same period and in a way respective with the transfer in the results of the asset's book value that was subsidized.

The state subsidy of the Company concerns the State financial contribution as a grant for the construction of the Project "Ionia Odos Motorway" and it is in the form of a capital grant.

The Company recognized the entire State Financial Contribution approved by the Concession Agreement as a financial asset and as a deduction of the intangible asset created under the same agreement and it is amortized over the same period and in a way respective to the transfer in the results of the intangible asset's carrying amount.

State subsidy expenses

State subsidies that are related to costs are recognized initially as liabilities in the period received or in the period that their approval becomes definitive and when there is a certainty that they will be collected. State subsidies that are related to expenses are transferred to the results as income in the period at which the subsidized expenses burden the results.

2.2.11 Revenues recognition

Revenues are recognized when the inflow of the transaction's economic benefit to the Company is almost certain and the relevant amounts can be reliably measured.

Revenues are recognized more specifically as follows:

Sale of goods: Revenues from sale of goods are recognized when the significant risks and benefits associated with the ownership are been transferred to the buyer and provided that they are accepted by the buyer.

Provision of services and construction contracts: Revenues from services' provision and construction contracts are recognized using the percentage of completion (the completion percentage method).

Interest income: Interest is recognized on a time proportion basis using the effective interest rate method or the straight-line method

Dividends: Dividends or similar nature income from the participation in the equity of other entities, is been recognized when it is approved by the competent body which decides for their distribution.

Rental income: Income from rents regarding operating leases are recognized in the results on a straight-line basis over the lease period.

Revenues are measured at the amounts net from any refund, discount or tax on sales.

The Company's revenues derive mainly from the concession agreement signed by the Company and are as follows:

Revenue from construction of concession project "Ionia Odos Motorway"

According to the concession agreement, the Company has undertaken the study, construction, financing, operation, maintenance and exploitation of the concession project "IONIA ODOS MOTORWAY FROM ANTIRIO TO IOANINA, PATHE MOTORWAY ATHENS (METAMORFOSSI I/C) – MALIAKOS (SKARFIA) AND PATHE CONNECTING BRANCH SCHIMATARI – CHALKIDA".

As mentioned above and based on the Interpretation 12 of IFRS, revenues from construction contracts are recognized based on the method of percentage of completion. Under this method, contract revenues are matched with the contract

costs incurred till the specific stage of completion having as a result the attributable revenues, expenses and profit to be recorded to the proportion of the project completed. The method used by the Company to measure the percentage of completion is the ratio of the contractual costs incurred for a project executed on a given date to the estimated total contractual cost.

Conventional construction costs

The construction cost includes: a) the costs directly related to the contract; b) costs that are attributable to contract's activity in general and can be allocated to the construction contract and c) such other costs as are specifically chargeable to the customer under the terms of the construction contract. The conventional construction costs do not include the interest and other financial expenses which are inextricably linked to the loans that finance the cost of the construction since the Company is in operating period.

Contract revenue

Contract revenues are determined based on the construction cost plus the construction profit margin. The Company has estimated a profit margin of 3%.

Revenue from the exploitation of the concession project "Ionia Odos Motorway"

The revenues from the exploitation of the Motorway are recognized under the model of intangible asset model and they are related (a) revenues from toll collections through manual or electronic toll payment systems and (b) revenues from renting of M.S.S. or other spaces.

As defined in Note 2.2.12 below, according to the model of the intangible asset, the Company recognizes a revenue to the extent that it acquires the right to charge the users of the utility infrastructure. The Company recognizes the received or receivable right on behalf of the operator at fair value, which is considered to be the payments received from users of the infrastructure, based on the accrual principle.

In the concession agreement all the rights and obligations are mentioned with respect to the infrastructure and the services provided.

For more information on the revenues of the Company see Note 5.

2.2.12 Concession agreements of the right to provide services

Under the terms of the concession agreement, the operator acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services) which is used for the provision of a public service and is engaged in the operation and maintenance of that infrastructure (operation services) for a specified period.

According to the IFRS, such infrastructures are recognized as financial assets or intangible assets, depending on the agreed contractual terms. The Company recognizes both the intangible asset from the concession agreement and the financial asset, meaning the Financial Contribution / Capital Subsidy which collects from the State (bifurcated model). On initial recognition of the fair value of the intangible asset and the financial asset, the Company also recognized the obligation to complete the construction of the "Ionian Motorway" project. The item "Construction liability based on concession agreement" of the statement of financial position refers to the relative obligation to complete the construction of the project.

Intangible assets

The Company, as operator, recognizes an intangible asset and revenues to the extent that it acquires the right to charge the users of the utility infrastructure. The recognition of revenue is based on the method of percentage of completion. Furthermore, the intangible asset is subject to amortization based on the duration of the concession and to impairment review, while the revenues from the users of the infrastructure are recognized using the accrual principle.

Financial Contribution of the State (Financial asset)

The Company as an operator recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or other financial asset from the grantor for the construction services.

In the case of concession agreements, the concessionaire has an unconditional right to receive cash if the grantor contractually guarantees to pay to the concessionaire:

(A) specific or fixed amounts; or

(B) the deficit that may arise among the amounts received from the users of the public service and the specific or fixed amount provided for in the Concession Agreement.

The Company recognized the Financial Contribution of the State as financial asset according to the provisions of IFRIC 12. More information is disclosed in note 11.

2.2.13 Leases

The determination of whether a transaction contains a lease or not is based on the substance of the transaction at the date of the relevant contract agreement, namely as to whether there is an agreement in which the lessor transfers to the lessee for a specific price, the right to use an asset for an agreed period.

The Company as lessee

The cases of assets' leases from third parties where the Company does not assume all the risks and the benefits of the asset's ownership, are treated as operating leases and the lease payments are recognized as expenses in the results at a straight-line basis throughout the lease period unless another systematic method is more representative in regards with the allocation of the lease expense during the lease period.

The company leases offices and vehicle which are treated as operating leases. Lease payments are allocated between administration and cost of sales in the income statement. For more information see Note 4.

The copiers of the Company are treated as finance leases and are recognized in the item "Other equipment" in the statement of financial position of the Company.

The Company as lessor

The cases of assets' leases to third parties where the Company does not transfer all the risks and benefits from the ownership of an asset, are treated as operating leases and the lease payments are recognized as revenues on a straight-line method throughout the lease period, unless another systematic method is more representative in regards with the allocation of lease income over the lease period. Any advances are recognized in the income statement using the straight-line method over the lease term.

The Company subleases a part of the offices to the affiliated company "Central Greece Motorway Concession Societe Anonyme" and to HELLAS TOLLS J/V. In addition, under the Concession Agreement, the operation of the Motorway

concerns revenues from renting of M.S.S. or other spaces. The Company sub-leases the premises of M.S.S. and receives rents. The rental income is included in the item "Other operational income" (Note 8), while rental income from M.S.S. are included in the item "Revenue" (Note 5). For more information see Note 26.

2.2.14 Current and deferred taxation

Current taxation

The receivables and liabilities stemming from income tax for the current period are measured at the amount expected to be recovered from or be paid to, the tax authorities. The tax rates and the tax laws used for the calculation, are those that are enacted or substantially enacted till the date of the financial position statement of the Company, in the country in which the Company operates and generates taxable income.

The provision for income tax for the current period as well as for the previous periods, is been calculated based on the amounts expected to be paid to the tax authorities, using the enacted tax rates at the balance sheet date. The income tax provision includes the current income tax from the income tax return and the additional estimates taxes that may arise during future tax audits regarding the unaudited fiscal years and based on the findings of prior tax audits. Therefore, the final settlement of the income taxes may differ from the relevant amounts recorded in the Financial Statements.

The current income tax related to the items recognized directly in equity is been recognized in equity and not in the profit and loss statement. The management periodically evaluates the decided position in respect with the tax return related to cases in which the tax regulations are open to interpretation and makes provision where it is necessary.

Deferred taxation

The entities may recognize deferred income taxes in their financial statements. The entities which recognize deferred tax, should recognize all the deferred tax liabilities. On the contrary, the deferred tax assets are recognized to the extent that it is outstandingly likely and documented that there will be taxable profits against which the deductible temporary differences and the accumulated tax losses can be utilized. The debit and the credit balances of the deferred taxes are subject to offsetting and the corresponding net amounts are presented in the balance sheet and the income statement.

The deferred tax, either asset or liability is initially recognized and subsequently measured at the amount resulting from the application of the current tax rate in each temporary difference.

The changes in the amount of the deferred tax asset or liability in the balance sheet that arise from period to period are recognized as a decrease or an increase depending on the income tax of the income statement. Exceptionally, the differences arising from assets or liabilities whose changes are recognized in the equity are also recognized directly in the equity, as a decrease or an increase depending on the relevant item.

The value of the deferred tax receivables is being tested at each preparation date of the financial statements and is impaired to the degree that it is not probable to generate a sufficient taxable income which would cover partially or in full the deferred tax receivable. The calculation of the deferred tax during the current year for the Company is based on the tax rate 29% (2016: 29%).

For more information about the deferred tax see note 20.

2.2.15 Provisions for staff indemnities

Short term benefits: The short term benefits towards the employees in monetary terms and in kind are being recognized as expense when they become accrued. Any outstanding amount is recorded as liability whereas in case the amount that

was already paid exceeds the amount of the benefits, then the Company recognizes the amount in excess as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of the future payments or to a rebate.

Benefits after the exit from service (retirement benefits): The benefits after the end of employment include pensions or other benefits (life insurance and health care coverage) which are provided by the company on a post-employment basis in exchange for the services of the employees. Therefore, they include both the **defined contribution plans** and the **defined benefit plans**.

Defined contribution plan: According to the defined contribution plan, the Company's obligation (legal or implied) is limited to the amount which contractually must be contributed into the body (for example an insurance fund) which administers the contributions and grants the benefits. Therefore the amount of the benefits which the employee will receive is determined by the amount that will be paid by both the company and the employee, as well as by the realized investments of the above mentioned contributions. The accrued cost of the defined contribution plans is recorded as expense in the period under consideration.

Defined benefit plan: The compensation of the personnel due to exit from the service is recorded in the Statement of Financial Position as defined benefit plan and constitutes the present value of the liability in relation to this defined benefit, taking into account the changes arising from any actuarial profit or loss and the cost of past (prior) service. The discount rate is based on the return, at the preparation date of the financial statements, of high credit rating European corporate bonds with maturities which approach the respective maturities of the Company's liabilities. The obligation in relation to this benefit is determined according to the projected unit credit method from an independent actuary and consists of the present value of the accrued benefits during the year, the interest cost of the future liability, the established prior service cost and the actuarial profit or loss.

The actuarial profits or gains arising from the calculation of the indemnity due to retirement are recognized in the other comprehensive income without the option of reclassification at a future time in the results. The cost of the past service and the interest expense are recorded directly in the Statement of Comprehensive Income.

More details are presented in Note 19.

2.2.16 Provisions

The provisions are initially recognized and subsequently measured at the nominal amount expected to be required for their settlement. The provision represents the best estimation of the amount that it would be needed to cover the relevant liability.

Provisions are initially recognized and subsequently measured at the present value of the amounts expected to be required for their settlement, instead of measuring at the nominal amount, if the measurement based on the present value is expected to have a significant effect on the amounts in the financial statements, in comparison to the measurement at the nominal amount.

Provision for trade receivables

The provision for doubtful debtors is formed on specific customer balances when there are indications that they cannot be recovered. The Company's policy is to establish a provision for all of the outstanding balances beyond 12 months respectively for each customer. The Company's management periodically reassess the adequacy of the provision for doubtful receivables in conjunction with its credit policy and taking account the data from the legal service of the Company, which arise from the processing of past data and recent developments in the cases handled.

Provision for restoration or maintenance obligation under the Concession Agreement

The operator may have contractual obligations that must fulfill as a condition for obtaining the license (a) to maintain the infrastructure at a specified useful level, or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the period of the concession agreement for the right of the provision of services. These contractual obligations for maintenance or restoration of the infrastructure are recognized and measured based on the best estimation of the expenditure that would be required to settle the present obligation at the balance sheet date, as long as the maintenance and restoration obligation arising as a result of the usage during the operating period. The construction or the upgrade services are charged to the contractual revenue and expenses.

The Company has a contractual obligation to maintain the infrastructure every 5-10 years. In addition based on the concession agreement the Company is required to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the period of the concession agreement for the right of provision of services. The methodology used for the calculation of this provision is based on: (a) the Annual average daily traffic, (b) the total estimated cost for heavy maintenance, and (c) the gravity factors for smoothing purposes. The total cost of the provision is provided in the Financial Model. For the restoration provision of the Company see Note 18.

2.2.17 Contingent liabilities

The Company is involved in litigation and claims in the normal course of business. The Company's management, based on previous precedents and on the fact that these issues have not been heard, believes that their outcome will have no significant impact on the financial position and operations. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments regarding the implications and interpretation of laws and regulations. Changes in the judgments or interpretations may result to an increase or a reduction of contingent liabilities of the Company in the future. The sets of the Company's contingent liabilities are analyzed in note 25.

The contingent liabilities are not recorded in the Financial Statements but they are disclosed unless the probability for an outflow of resources incorporating economic benefits is minimal. The contingent receivables are not recorded in the Financial Statements, but they are disclosed provided that the inflow of Financial benefits is likely to occur.

2.2.18 Determination of fair values

The fair value of a financial asset is the price which would be collected from the sale of the asset or the value that would be paid for the transfer of a liability in a normal transaction between market participants at the date of measurement. The fair value of the financial items of the Financial Statements of 31st December 2017 was determined according to the best possible estimate by the Management. In cases in which no available data exist or the data from the active money markets are limited, the measurement of the fair values have derived from the Management's estimates according to the available existing information.

The Company utilizes the following hierarchy for the determination and disclosure of the fair value of the financial instruments per measurement technique:

Level 1: Publicly traded (non-adjusted) prices in active markets for similar assets and liabilities,

Level 2: Other techniques for which all inflows which have a significant effect on the recorded book value are observable either directly or indirectly,

Level 3: Techniques that utilize data which have significant effect on the recorded book value and are not based on observable market data.

2.2.19 Payments to the Greek State –Operation Support of Concessionaire ODOS KENTRIKIS ELLADAS SA

Nea Odos S.A., as of January 1, 2016, is required to make Payments to the State under certain conditions, while the State undertakes to provide Operation Support to the in the other Concession Company Odos Kentrikis Elladas SA to cover its costs, to the extent that they are not covered by its own revenues. Kentriki Odos Greece SA is entitled to receive the said Operation Support through a bank account held in the Attica Bank Banking Company S.A. (Acceptance or Reservoir Account).

In specific terms, pursuant to Article 25 of the Concession Agreement, as from January 1, 2016 and until the end of each Calculation Period, Nea Odos SA is obliged to make payments and, respectively, Odos Kentrikis Elladas SA is entitled to receive form the Acceptance Account the Operation Support. As Calculation Period is defined each successive six month period (commencing on 1 January and 1 July of each year).

In particular, the State shall submit to Nea Odos SA the E65 Support Notice, which it has been received by Odos Kentrikis Elladas SA, twenty (20) days before the end of each Calculation Period. Subsequently, Nea Odos is obliged to deposit to the Acceptance Account, each amount corresponding to the amounts described in the Support Notice or/and the Additional Payment Notice, provided that there are sufficient resources. Nea Odos SA shall deposit the amount of the Payments to the State five (5) days before the end of each Calculation Period, as provided for in Article 25.2.4.

The State is obliged to maintain the Acceptance Account throughout the term of the Concession Agreements.

The Concession Agreement of Nea Odos SA, Article 36.1.3 specifies that the Payment to the State, as described above, constitutes income for the State subject to V.A.T. and operation cost of the Concessionaire.

The Support Notice for the first Calculation Period (January 1 to June 30, 2017), amounted to EUR 7,286,878.00 (plus VAT), and it was notified to Nea Odos SA by Odos Kentrikis Elladas SA with the letter dated on 08/06/2017, while respectively for the second Calculation Period (July 1 to December 31, 2017) the amount stood at EUR 26,044,141.00 (plus VAT), notified to Nea Odos SA by Odos Kentrikis Elladas SA with a letter dated on 8/12/2017.

2.3 Standards issued but not yet effective for the present accounting period and not early adopted by the Company

Until the preparation date of the attached financial statements there have been issued new IFRS, interpretations and amendments of existing standards, which are not yet effective for the present accounting period and have not been early adopted by the Company. These are the following:

- **IFRS 9 Financial Instruments: Classification and Measurement**

The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Management of the Company is currently assessing the effect of the standard.

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

The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Management of the Company is currently assessing the effect of the standard.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Management of the Company is currently assessing the effect of the standard.

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The Management of the Company is currently assessing the effect of the standard.

- **Conceptual Framework of International Financial Reporting Standards**

The IASB adopted the revised conceptual framework for financial reporting on 29 March 2018. The conceptual framework sets out an integrated set of concepts for financial reporting. These concepts help the definition of the standards, guide the authors to develop consistent accounting policies, and support their understanding and interpretation of the standards. The International Accounting Standards Board also issued an Accompanying Document, Amendments to the Conceptual Framework References, which sets out the changes to the standards that affected, to update the references to the revised conceptual framework. The objective of the document is to support the transition to the revised IFRS conceptual framework for the companies that adopt the conceptual framework to

develop accounting policies when no standard IFRS refers. For the authors who develop accounting policies under the conceptual framework, it applies for the annual periods beginning on or after January 1, 2020.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Company does not have any transactions that are related to the scope of application of the above amendment.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Company does not have any transactions that are related to the scope of application of the above amendment.

- **IAS 40: Transfers to Investment Property (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Company does not have any transactions that are related to the scope of application of the above amendment.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value

through other comprehensive income. The Management of the Company is currently assessing the effect of the standard.

- **IAS 28: Long-term Interests in Associates and Joint Ventures(Amendments)**

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the ‘net investment’ in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. The Company does not have any transactions that are related to the scope of application of the above amendment.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Management of the Company estimates that this interpretation will not affect its Financial Statements.

- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. The Management of the Company estimates that the new cycle of annual improvements will not affect its Financial Statements.

- ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.

- ***IAS 28 Investments in Associates and Joint Ventures:*** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23:Uncertainty over Income Tax Treatments**

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Management of the Company is currently assessing the effect of the standard.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. The Management of the Company is currently assessing the effect of the new cycle of IFRS annual improvements.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

- **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU. The Management of the Company is currently assessing the effect of the amendments.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires from the Company's management to make significant accounting judgments, estimates and assumptions that affect the balances of assets and liabilities and disclosures, the disclosure of contingent assets and liabilities as well as the income and expenses presented. Actual results may differ from these

estimates. The most important accounting policies, judgments and estimates regarding events whose development could substantially change the items of the financial statements in the next twelve-month period are as follows:

3.1 Significant accounting judgments, estimates and assumptions

In the process of applying the accounting policies, the Company's management, utilizing as base the fullest information available to it, applies its judgment based on its knowledge of the Company and the market in which it operates. Subsequent possible changes to existing conditions are taken into account in order to implement the appropriate accounting policy. The most significant estimations and assumption of the management regarding the accounting policies are summarized in the following categories of items:

Estimates and assumptions

Specific amounts that are included or affect the Financial Statements as well as the related disclosures are estimated by requiring from the management to make assumptions about values or conditions that cannot be known with certainty at the time of the financial statements' preparation. An accounting estimate is considered as significant when it is material to the Company's financial position and results and requires difficult, subjective or complex management judgments, often as a result of the need to form assumptions about the effect of presumptions that are uncertain. The Company assesses such estimates on an ongoing basis, based on historical results and experience, meetings with experts, trends and other methods that are considered reasonable in the circumstances, as well as the forecasts of how they may change in the future.

- Useful life of tangible and intangible fixed assets: Management makes estimates of the useful lives of depreciable fixed assets that are subject to periodic review. The actual lives of these fixed assets may vary depending on various factors such as technological innovation, maintenance programs, legal and economic environment, etc. More information is provided in Note 2.2.1 and 2.2.2 of the Financial Statements.
- Valuation of cash flow hedges: The Company uses derivative financial products and, in particular, enters into interest rate swaps to hedge risks associated with interest rate fluctuations. For the valuation of these contracts, market assessments are made of the course of the relevant interest rates for periods of up to twenty years. Based on these estimated interest rates, cash flows are discounted to determine the liability at the date of the financial statements.
- Employee benefits: Employee benefits after retirement are calculated using actuarial methods. The actuarial study requires significant estimates that may differ from actual developments in the future. These estimates include the setting of the discount rate, future salary increases, disability rates, mortality rates and retirement rates. Because of the complexity of the valuation and the underlying assumptions involved, the defined benefit obligation is particularly sensitive to changes in these assumptions. Actuarial gains and losses arising from the diversification of actuarial assumptions are recognized directly in Equity. Actuarial assumptions are subject to periodic review by the management. Further details are included in Note 19 of the Financial Statements.
- Provision for bad and doubtful debts: The Company's management periodically reassesses the adequacy of the provision for doubtful receivables on the basis of the information at its disposal, including reports from its legal department and estimates for the recoverability of its receivables. Further details are included in Note 14 of the Financial Statements.

- **Income tax provision:** In accordance with IAS 12, income tax provisions are based on estimates related to taxes to be paid to the tax authorities and include the current income tax for each fiscal year, the provision for additional taxes that may arise in future tax audits, and the recognition of future tax benefits. The finalization of income taxes may differ from the relevant amounts included in these Financial Statements. Further details are included in Note 20 of the Financial Statements.
- **Deferred tax assets:** Deferred tax assets are recognized for all tax losses to the extent that it is probable that there will be sufficient tax profits to offset these tax losses. Considerable judgment is required by the management to determine the amount of deferred tax assets that may be recognized based on the probable timing and level of future taxable profits and future tax planning strategies. Further details are included in Note 2.2.14 of the Financial Statements.
- **Provision for a restoration or maintenance obligation based on the Concession Agreement.** The concession agreement with the Greek State includes the contractual obligation of the concessionaire to maintain the infrastructure at a defined level of service provision or to restore the infrastructure to a specific situation before delivering it to the concessionaire at the end of the concession period. Calculating the amount to be considered as a provision for the “heavy maintenance” obligation is a complex process that includes judgments about the cost and timing of such work and actual costs may differ from what is foreseen. Further details are included in Note 18 of the Financial Statements.
- **Contingent Liabilities:** The existence of contingent liabilities requires management to continually make assumptions and judgments about the probability that future events will occur or not occur, and the likely consequences that these events may have for the Company's activity. Determining contingent liabilities is a complex process involving judgments about future events, laws, regulations, etc. Changes in judgments or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future. Further details are included in Note 25 of the Financial Statements.

Judgments

The significant judgments during the application of the Company's policies:

- **Impairment of tangible and intangible fixed assets subject to amortization:** These assets are been tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining whether there is any evidence of impairment requires from the management to make judgments about external and internal factors as well as for the extent to which they affect the recoverability of such assets. If it is assessed that there are indications of impairment, the Company calculates the recoverable amount. For the purpose of calculating value in use, the management estimates the future cash flows from the asset or cash-generating unit and selects the appropriate discount rate to calculate the present value of future cash flows. Also, assessment and judgment is required in determining whether the potential impairment is temporary or permanent.

4. FINANCIAL RISK MANAGEMENT

4.1 Factors of financial risk

The Company is exposed to various financial risks, such as market risks (changes in interest rates), credit risk and liquidity risk. The Company's overall risk management plan aims to minimize the adverse impact that these risks may have on the Company's financial performance.

Interest rate risk

The operating income and cash flows of the Company are not significantly affected by interest rate fluctuations as the Company has entered into contractual interest rate swap agreements (Interest rate swaps). Exposure to interest rate risk on liabilities and investments is monitored on a budget basis. The Company's policy is to continuously monitor the interest rate trends as well as the financial needs of the Company.

The results of the Company for the years ended December 31, 2017 and December 31, 2016, are charged with interest expense and related expenses of Euro 20,249,028.21 and 17,338,847.48, respectively. These amounts mainly include interest on loans of Euro 15,382,439.70 and of Euro 12,606,329.50 as well as losses from derivatives of Euro 3,905,231.76 and of Euro 4,007,473.23, respectively.

The table below shows the changes in the Company's earnings before taxes (through the effects of end-of-year floating-rate loans on profits) on potential interest rate changes, keeping all other variables constant.

If interest rates increased / decreased by 1%, the effect on results would be:

	Impact on results before tax	
	31.12.2017	31.12.2016
1% Increase	2,874,687.00	2,590,604.00
1% Decrease	(3,165,014.00)	(2,455,243.00)

Credit risk

The Company does not have a significant concentration of credit risk vis-à-vis the parties, mainly due to the large dispersion of the clientele basis as well as due to the collection of its revenues (tolls) in the form of cash. Exception to the above comprise the receivables from the Greek State in the form of compensation for the loss of income. More information is provided in the note of the trade and other receivables (see Note 14).

The Company continuously evaluates the amount of credit provision as well as the credit limits of the accounts. At the end of the year, the management considered that there is no material credit risk that is not already covered by collateral or a provision for doubtful debts.

Liquidity risk

The Company's cash and cash equivalents arise from its ordinary trading activity.

The Company manages the risks that may arise from lack of sufficient liquidity by ensuring that there are always secured bank credits for use.

Prudent liquidity management is achieved by the availability of an appropriate mix of cash and approved bond loans.

There are no outstanding balances of loans for withdrawal as of 31st December 2017 (more information is provided in Note 22).

The table below summarizes the maturity dates of financial liabilities at 31 December 2017 and 2016 respectively, based on payments resulting from the relevant contracts and agreements, at non-discounted values:

31.12.2017	Less than 3 months	4 to 12 months	1 to 5 years	Total
Trade and other liabilities	81,019,235.99	2,550,285.63	385,424.71	83,954,946.33
Short-term loans	5,841,068.00	85,745.00	0.00	5,926,813.00
Long-term liabilities payable in the following year	0.00	20,253,110.00	0.00	20,253,110.00
Short term liability of financial leasing	26,769.00	0.00	0.00	26,769.00
Total	86,887,072.99	22,889,140.63	385,424.71	110,161,638.33
31.12.2016	Less than 3 months	4 to 12 months	1 to 5 years	Total
Trade and other liabilities	51,012,834.92	1,985,554.50	933,501.55	53,931,890.97
Short-term loans	22,310,852.00	0.00	0.00	22,310,852.00
Long-term liabilities payable in the following year	0.00	180,190.00	0.00	180,190.00
Short term liability of financial leasing	0.00	0.00	0.00	0.00
Total	73,323,686.92	2,165,744.50	933,501.55	76,422,932.97

4.2 Capital risk management

The primary objective of the Company's capital management is to ensure the maintenance of its high credit rating as well as the sound capital ratios in order to support and expand its activities and maximize the value of the shareholders.

There were no changes to the Company's approach regarding the capital management during the current fiscal year.

	31.12.2017	31.12.2016
Short-term loans	5,926,813.00	22,310,852.00
Long-term loans	132,467,240.00	48,363,970.00
Total loans	138,394,053.00	70,674,822.00
Minus: Cash and cash equivalents	111,912,180.59	52,328,310.52
Minus: Reserved (blocked) deposits	(2,457,786.52)	(2,457,786.52)
	109,454,394.07	49,870,524.00
Net debt	28,939,658.93	20,804,298.00
Equity	242,162,409.92	232,936,423.03
Equity and net debt	271,102,068.85	253,740,721.03
Net debt ratio	10,68%	8,20%

4.3 Determination of fair values

The below table shows the financial assets and liabilities measured at fair value, by measurement method (at 31 December 2017 and 31 December 2016). The different valuation categories are described in accounting policies (particularly note 2.2.18).

Liabilities 2017	Level 1	Level 2	Level 3
Hedging derivatives	0,00	20.604.007,70	0,00
Total	0,00	20.604.007,70	0,00

Liabilities 2016	Level 1	Level 2	Level 3
Hedging derivatives	0,00	24.754.394,90	0,00
Total	0,00	24.754.394,90	0,00

For the years 2017 and 2016 there were no transfers between Levels 1 and 2, nor transfers within and outside Level 3 when measuring the fair value. Also, during the same period, there was no change in the purpose of a financial asset that would result in a different classification of that asset. The fair value of the Company's bond loans (including intercompany loans) is close to their book value. The carrying amounts of the following financial assets and liabilities approximate their fair value:

- Trade and other receivables
- State Financial Contribution receivables
- Cash and cash equivalents
- Suppliers and other liabilities

5. REVENUES

The revenues in the accompanying Financial Statements for the years 2017 and 2016 is analyzed as follows:

	01.01 - 31.12.2017	01.01 - 31.12.2016
Income from construction activity	139,547,597.04	278,175,955.97
Income from the toll collection based on the Manual Collection System	72,971,392.7	59,513,563.00
Income from the operation of MSS	608,296.65	651,991.19
Income from electronic toll collection services	23,029,533.03	16,658,067.87
Total	236,156,819.42	354,999,578.03

Net revenues per Activity

The Company monitors its activities separately, in terms of organization and services' provision and recognizes the following two operating segments:

- Operations Activity of the motorway under Concession Agreement for the operation of the infrastructure project "Ionia Odos Motorway-PATHE Athens Maliakos-connecting branch Schimatari-Chalkida".
- Construction Activity of the motorway under Concession Agreement for the construction of the "Ionia Odos Motorway" project.

Net revenues per activity are analyzed as follows:

	Operation Activity of Ionia Odos Motorway PATHE	Construction Activity of Ionia Odos Motorway	Total
	€	€	€
31-Dec-17	96,609,222.38	139,547,597.04	236,156,819.42
31-Dec-16	76,823,622.06	278,175,955.97	354,999,578.03

6. EXPENSES PER CATEGORY

Expenses per category are analyzed as follows:

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost of sales	54,375,980.22	47,351,482.59
Cost of construction activity	135,483,103.92	270,073,743.66
Administrative expenses	8,962,367.75	6,577,865.54
Total	<u>198,821,451.89</u>	<u>324,003,091.79</u>

The above expenses have been allocated as follows in the years 2017 2016 respectively:

(a) Cost of sales

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Employees' Compensation and Expenses (note 6d)	8,269,085.01	5,628,884.35
Third parties' fees and expenses	10,996,626.04	9,610,799.98
Third parties' benefits (except leasing)	6,824,093.13	5,503,936.99
Rents of operating leasing	278,675.41	186,873.96
Tax – duties	149,693.72	119,310.76
Other expenses	2,289,443.18	1,219,400.90
Depreciation (note 6e)	24,919,710.44	24,570,611.49
Provisions	97,567.00	361,051.60
Warehouse's consumables	551,086.29	150,612.56
Total	<u>54,375,980.22</u>	<u>47,351,482.59</u>

(b) Cost of construction activity

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost of the period	135,483,103.92	270,073,743.66
Profit for the period	4,064,493.12	8,102,212.31
Revenues from construction contracts	<u>139,547,597.04</u>	<u>278,175,955.97</u>

The item "Cost of Construction Activity" for the year ended 31st of December 2017, includes, among other costs, the construction J/V EUROIONIA fees of € 121,052,384.92. The respective amount for the year ended 31st of December 2016, amounted to € 262,614,758.53. The reduction of the construction costs as well as of the income related to the fact that the motorway IONIA ODOS has been practically completed (the remaining construction income of € 30.4 million which is to be realized has been recognized in the item "construction liability due to Concession Agreement").

(c) Administrative expenses

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Employees' Compensation and Expenses (note 6d)	2,055,052.44	1,595,120.48
Third parties' fees and expenses	4,501,420.56	2,623,663.32
Third parties' benefits (except leasing)	313,374.53	269,051.32
Rents of operating leasing	348,909.27	330,862.24
Tax – duties	175,040.37	627,940.57
Other expenses	968,209.52	742,233.88
Depreciation (note 6e)	600,361.06	388,993.73
Total	<u>8,962,367.75</u>	<u>6,577,865.54</u>

(d) Employee Compensation and Expenses

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Salaries - Wages	7,707,901.88	5,467,118.06
Employer's contributions	2,024,232.59	1,342,606.96
Subsequent benefits & staff costs	525,678.40	355,855.25
Personnel redundancy cost	66,324.58	58,424.56
Partial Sum	<u>10,324,137.45</u>	<u>7,224,004.83</u>
Provisions for personnel redundancy (note 19)	163,892.00	108,415.00
Total	<u>10,488,029.45</u>	<u>7,332,419.83</u>

Payroll cost per operation

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost of Sales (Note 6a)	8,269,085.01	5,628,884.35
Administrative Expenses (note 6c)	2,055,052.44	1,595,120.48
Total	<u>10,324,137.45</u>	<u>7,224,004.83</u>

(e) Depreciation

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Tangible fixed assets	1,901,414.77	1,333,686.11
Intangible assets	426,176.03	433,438.41
Concession right	23,192,480.70	23,192,480.70
Total	<u>25,520,071.50</u>	<u>24,959,605.22</u>

Depreciation per operation

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost of sales (note 6a)	24,919,710.44	24,570,611.49
Administrative expenses (note 6c)	600,361.06	388,993.73
Total	<u>25,520,071.50</u>	<u>24,959,605.22</u>

7. OTHER OPERATING EXPENSES

The other operating expenses are analyzed as follows:

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Operation support expenses E65	33,331,019.00	38,050,096.00
Losses from bad debt	0.00	203,375.67
Accidents' compensations	103,941.81	28,485.66
Other operating expenses	293,579.50	420,211.46
Total	<u>33,722,113.57</u>	<u>38,702,168.79</u>

In the item "Operation support expense E65" are included the Payments to the State (Operation Support of Central Greece Motorway SA) for the year 2017 of total amount 33,331,019.00 (2016: 38,050,096.00).

8. OTHER OPERATING INCOME

The other operating income is analyzed as follows:

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Indemnities due to loss of income	15,056,923.70	20,597,990.91
Common-space utility income and rents	288,068.57	39,376.09
Grants and subsidies of expenses	33,327.25	91,104.50
Other operating income	291,532.39	191,153.86
Total	<u>15,669,851.91</u>	<u>20,919,625.36</u>

The item “Indemnities due to loss of income” for the year ended on 31st December 2016 refers to a proportional within the year indemnity due to loss of income based on the Agreement with the Greek State dated 11th May 2016. Correspondingly for the year ended 31st December 2017, the item includes, on the one hand, the corresponding loss of revenue until 31 March 2017, under the agreement of 11 May 2016 with the State, amounting to € 3.883.891 and, on the other hand, the submitted two applications to the Greek State from the Company, for loss of revenue from the non-operation of tolls of € 4.9 million for the period 1/4/2017-30/6/2017 and of € 6.3 million for the period 1/7/2017-31/12/2017, due to the event of delay (the tolls were not operated due to the responsibility of the State). The Company has recognized the entire amount as it is certain that it will be fully collected given that the amounts are estimated according to the relevant clauses of the Concession Agreement.

9. FINANCIAL EXPENSES AND I NCOME

Financial expenses and income are analyzed as follows:

(a) Interest expense and related expenses

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Loans’ interest expense	15,382,439.70	12,606,329.50
Payments for interest rate swaps	3,905,231.76	4,007,473.23
Commission of letters of guarantee and other bank expenses	951,226.75	714,051.75
Financial cost for staff indemnities	10,130.00	10,993.00
Total	<u>20,249,028.21</u>	<u>17,338,847.48</u>

(b) Interest income and related income

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Interest from deposits	1,632,969.41	1,203,569.16
Non-effective part of derivatives cash flow hedging	786,083.34	94,567.06
Total	<u>2,419,052.75</u>	<u>1,298,136.22</u>

The item “Payments for interest rate swaps” for the year 2017, amount of €3,905,231.76 (2016: €4,007,473.2) refer to the settlements within the context of the interest rate swaps’ contracts. The Company has signed the respective interest rate swaps’ contracts in order to minimize the exposure to interest rate risk regarding the bond loans (Note.22).

The interest and related income include the non-effective part of the hedging derivatives (interest rate swaps) of € 786,083.34 (2015: 94,567.06).

10. TANGIBLE FIXED ASSETS

The tangible fixed assets are analyzed as follows for the years ended on 31st of December 2017, 31st of December 2016 and 1st January 2016:

	Premises and premises' facilities	Mechanical equipment	Other equipment	Assets under construction	Total
Acquisition value					
01.01.2016	829,203.34	88,318.90	9,740,180.09	0.00	10,657,702.33
Additions	335,908.61	19,034.12	1,766,693.41	0.00	2,121,636.14
Reductions	0.00	0.00	0.00	0.00	0.00
31.12.2016	1,165,111.95	107,353.02	11,506,873.50	0.00	12,779,338.47
Additions	324,575.79	52,437.50	3,369,772.90	3,585,000.00	7,331,786.19
Reductions	(2,080.00)	(4,878.00)	(247,710.41)	0.00	(254,668.41)
31.12.2017	1,487,607.74	154,912.52	14,628,935.99	3,585,000.00	19,856,456.25
Accumulated depreciation and impairment					
01.01.2016	(414,782.17)	(63,569.18)	(6,837,639.70)	0.00	(7,315,991.05)
Depreciation expense for the year	(43,865.57)	(14,272.21)	(1,275,548.31)	0.00	(1,333,686.09)
Reduction of depreciation	0.00	0.00	0.00	0.00	0.00
31.12.2016	(458,647.74)	(77,841.39)	(8,113,188.01)	0.00	(8,649,677.14)
Depreciation expense for the year	(51,360.01)	(45,023.30)	(1,805,031.44)	0.00	(1,901,414.75)
Reduction of depreciation	1,560.00	4,333.81	189,708.74	0.00	195,602.55
31.12.2017	(508,447.75)	(118,530.88)	(9,728,510.71)	0.00	(10,355,489.34)
Net book value					
31.12.2017	979,159.99	36,381.64	4,900,425.28	3,585,000.00	9,500,966.91
31.12.2016	706,464.21	29,511.63	3,393,685.49	0.00	4,129,661.33
01.01.2016	414,421.17	24,749.72	2,902,540.39	0.00	3,341,711.28

Pledges have been provided on the tangible assets of the Company, in favor of the Lenders of the Project. More information is provided in note 22. Moreover, the Company's Management estimates that on 31 December 2017 there is no evidence of impairment of its tangible fixed assets.

The item assets under construction of € 3,585,000 concerns advance payments towards suppliers for the construction of the new Motorist Service Stations ("MSS") as well as to suppliers for the purchase of fire trucks.

The additions of other equipment concern mainly the additions of vehicles of € 884,788.93 and of furniture and other equipment of € 2,484,983.97 (tolls' equipment).

11. INTANGIBLE ASSETS

The intangible assets are analyzed as follows for the year ended on 31st of December 2017 and 2016:

	Other Intangible	State's Concessions	Total
Acquisition cost			
01.01.2016	2,502,923.95	695,774,421.69	698,277,345.64
Additions	361,809.88	0.00	361,809.88
Reductions	0.00	0.00	0.00
31.12.2016	2,864,733.83	695,774,421.69	698,639,155.52
Additions	273,942.44	0.00	273,942.44
Reductions	0.00	0.00	0.00
31.12.2017	3,138,676.27	695,774,421.69	698,913,097.96

Accumulated depreciation and impairment			
01.01.2016	<u>(1,228,362.31)</u>	<u>(185,539,845.72)</u>	<u>(186,768,208.03)</u>
Depreciation expense for the period	(433,438.41)	(23,192,480.72)	(23,625,919.13)
Reduction of depreciation	0.00	0.00	0.00
31.12.2016	<u>(1,661,800.72)</u>	<u>(208,732,326.43)</u>	<u>(210,394,127.15)</u>
Depreciation expense for the period	(426,176.03)	(23,192,480.72)	(23,618,656.75)
Reduction of depreciation	0.00	0.00	0.00
31.12.2017	<u>(2,087,976.75)</u>	<u>(231,924,807.15)</u>	<u>(234,012,783.90)</u>
Net book value			
31.12.2017	<u>1,050,699.52</u>	<u>463,849,614.54</u>	<u>464,900,314.06</u>
31.12.2016	<u>1,202,933.11</u>	<u>487,042,095.26</u>	<u>488,245,028.37</u>
01.01.2016	<u>1,274,561.64</u>	<u>510,234,575.97</u>	<u>511,509,137.61</u>

The Management of the Company estimates that on 31st December 2017 there are no indications for impairment of the value of its intangible assets.

The total fair value of the intangible Right that emanates from the Concession Agreement is determined at €695,774,421.09. The total Financial Contribution amounts to €620,880,486.00 and is recognized as an intangible financial asset. On each reporting date the Company recognizes the respective liability for the completion of constructions of the project, amounting to € 30,389,445.13 on 31.12.2017 (31.12.2016: € 169,937,042.17 and 1.1.2016: € 448,112,998.14). For more information see Note 2.2.12.

Important Terms of the Concession Agreement

- ▶ Concession Period: 2007-2037 (30 years)
- ▶ Contractual Return: Collection of tolls from the users and right to commercially operate the Motorist Service Stations
- ▶ Financial contribution of the Greek State: Yes
- ▶ Terms for renewal and termination of the agreement:

Renewal up to 3 years in case of not achieving the Base IRR.

Termination of the agreement due to denouncement on behalf of the Greek State or the Concessionaire party due to a Default Event

- ▶ Maintenance expenditures: Obligation for maintenance services (heavy maintenance and other regular or extraordinary maintenance) and restoration of the infrastructure according to a pre-specified condition in order to be delivered to the Concessionaire prior to the expiration of the concession agreement
- ▶ Changes in the agreement which occurred during the period: They do not exist

12. OTHER LONG-TERM RECEIVABLES

Other long-term receivables are being analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Guarantees granted	312,810.15	274,449.15	261,313.61
Total	<u>312,810.15</u>	<u>274,449.15</u>	<u>261,313.61</u>

13. INVENTORIES

The inventories are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Equipment spare parts	194,619.61	238,667.49	242,775.19
Total	<u>194,619.61</u>	<u>238,667.49</u>	<u>242,775.19</u>

The Company's inventories concern the spare parts of the fixed assets which are being used mainly in the toll stations. The Management of the Company estimates that on 31st December 2017 there are no indications for any impairment in the value of inventories.

14. TRADE AND OTHER RECEIVABLES

The trade and other receivables of the Company are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Trade receivables	2,808,776.05	929,873.51	1,434,643.19
Other receivable	27,782,230.77	84,260,289.28	78,775,575.11
Prepaid expenses	1,074,097.03	9,171,226.82	41,005,104.03
Total	<u>31,665,103.85</u>	<u>94,361,389.61</u>	<u>121,215,322.33</u>

The trade receivables are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Customers	2,135,666.28	1,934,844.73	2,281,373.70
LEPL and State enterprises	1,664,573.47	75,413.08	75,413.08
Doubtful customers	5,531,187.47	5,442,266.87	5,347,870.98
Total	<u>9,331,427.22</u>	<u>7,452,524.68</u>	<u>7,704,657.76</u>
Minus: Provision for doubtful trade receivables	<u>(6,522,651.17)</u>	<u>(6,522,651.17)</u>	<u>(6,270,014.57)</u>
Net amount of trade receivables	<u>2,808,776.05</u>	<u>929,873.51</u>	<u>1,434,643.19</u>

The movement of the provision for doubtful receivables is the following:

Movement for the provision of doubtful receivables

Provision for bad debt 01.01.2016	6,270,014.57
Additional provision in the year	252,636.60
Provision for bad debt 31.12.2016	<u>6,522,651.17</u>
Additional provision in the year	-
Provision for bad debt 31.12.2017	<u>6,522,651.17</u>

The trade receivables are depicted at nominal value, after provisions made for any non-collected balances.

At each date of the financial statements, all overdue or doubtful receivables are being assessed in order to determine the necessity of any provision for doubtful receivables.

The maturity of the above receivables is presented below:

	Neither overdue, nor impaired	9 - 12 months	1 - 2 years	2 - 3 years	> 3 years	Total
€						
31.12.2017	2.148.349,69	17.604,35	19.654,56	39.805,34	7.106.013,28	9.331.427,22
Provision for impairment	0,00	0,00	0,00	0,00	(6.522.651,17)	(6.522.651,17)
31.12.2016	410.928,63	360.224,89	660.760,76	659.180,74	5.361.429,66	7.452.524,68
Provision for impairment	0,00	0,00	(252.636,60)	(366.742,26)	(5.903.272,31)	(6.522.651,17)
01.01.2016	966.993,21	660.760,76	659.180,74	0,00	5.417.723,05	7.704.657,76
Provision for impairment	0,00	0,00	(366.742,26)	(618.847,21)	(5.284.425,10)	(6.270.014,57)

During the year 2017, the Company has formed a provision for doubtful receivables of €6,522,651.17 (2016: €6,522,651.17) with regard to amounts which the Company estimates that there is low probability of collection.

The other receivables are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Receivables from indemnities based on the Concession Agreement	11,159,806.00	20,116,109.00	0.00
Receivables from the Greek State	3,433,928.99	2,783,787.47	5,389,876.43
VAT receivables	10,431,018.66	56,863,999.65	69,451,640.16
Various debtors	2,778,142.12	4,517,058.16	3,954,723.52
Total	<u>27,802,895.77</u>	<u>84,280,954.28</u>	<u>78,796,240.11</u>
Minus: Provision for other receivables	(20,665.00)	(20,665.00)	(20,665.00)
Net amount of other receivables	<u>27,782,230.77</u>	<u>84,260,289.28</u>	<u>78,775,575.11</u>

The prepaid expenses are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Prepaid benefits of third parties	753,731.33	377,651.72	337,255.24
Prepaid fees of third parties	301,156.26	287,238.33	232,278.06
Prepaid interest and related expenses	0.00	0.00	16,208.56
Prepaid other expenses	19,209.44	8,506,336.77	40,419,362.17
Total	<u>1,074,097.03</u>	<u>9,171,226.82</u>	<u>41,005,104.03</u>

15. CASH & CASH EQUIVALENTS

The cash and cash equivalents are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Cash and reserves of toll stations	3,715,262.49	744,459.94	1,314,148.63
Sight deposits	105,739,131.58	49,126,063.58	134,194,278.72
Total	<u>109,454,394.07</u>	<u>49,870,523.52</u>	<u>135,508,427.35</u>

16. SHARE CAPITAL

The Company's share capital is analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Paid in Share Capital 116,800,980 common registered shares with nominal value of EUR 1.00 per share	116,800,980.00	116,800,980.00	75,000,000.00
Total	<u>116,800,980.00</u>	<u>116,800,980.00</u>	<u>75,000,000.00</u>

The Company's shareholders with the respective equity stakes are being analyzed as follows:

	31.12.2016	31.12.2017
GEK TERNA SA	57.19%	78.59%
FERROVIAL SA	21.41%	21.41%
ACS Servicios Y Concesiones SL	21.40%	0.00%

On 29/9/2017, IRIDIUM (ACS Group) transferred its share of 21.40% in the Company to GEK TERNA SA and as result the former is no longer a shareholder of the Company. In turn GEK TERNA SA assumed the control of the Company which is now a fully owned subsidiary.

17. RESERVES

The movement of reserves is the following:

	Reserves based on law and articles of association	Reserve of cash flows hedging	Total
Balance 1 January 2016	<u>324,765,957.25</u>	<u>(17,930,122.04)</u>	<u>306,835,835.21</u>
Tax amortization of Financial Contribution	91,339,962.20	0.00	91,339,962.20
Loss from settlement of derivatives	0.00	(4,007,473.23)	(4,007,473.23)
Transfer of loss from settlement of derivatives into the results	0.00	4,007,473.23	4,007,473.23
Change in the valuation of cash flow hedging derivatives	0.00	499,298.12	499,298.12
Non-effective part of derivatives cash flow hedging	0.00	(94,567.06)	(94,567.06)
Deferred tax of derivatives	0.00	(117,372.01)	(117,372.01)
Balance 31 December 2016	<u>416,105,919.45</u>	<u>(17,642,762.99)</u>	<u>398,463,156.46</u>
Tax amortization of Financial Contribution	80,745,570.93	0.00	80,745,570.93
Loss from settlement of derivatives	0.00	(3,905,231.76)	(3,905,231.76)
Transfer of loss from settlement of derivatives into the results	0.00	3,905,231.76	3,905,231.76
Change in the valuation of cash flow hedging derivatives	0.00	4,150,387.20	4,150,387.20
Non-effective part of derivatives cash flow hedging	0.00	(786,083.34)	(786,083.34)
Deferred tax of derivatives	0.00	(975,648.12)	(975,648.12)
Balance 31 December 2017	<u>496,851,490.38</u>	<u>(15,254,107.25)</u>	<u>481,597,383.13</u>

1) Tax Free Reserve of Law 3555/2007

The Company, according to the Article 36.1.7 of the Concession Agreement, amortizes for tax purposes the aggregate cost of the investment including the interest charges of the Period T1. The part of the Financial Contribution of the Greek State that corresponds to the construction cost of the administration period and specifically to the recorded amortization

charges of the cost, is being deducted from the said amortization as proportional to the year's capital subsidy (according to article 36.1.2 of the Concession Agreement). The amount of the proportional to the year capital subsidy which was restated according to the above is being transferred to a tax free reserve account. In case of distribution, the reserve of the Financial Contribution of the Greek State will be taxed according to the tax rate which will be effective at the time of distribution to the shareholders. As a result, the Company has not calculated deferred tax on that reserve.

2) Hedging Reserve

The hedging reserve is being used for the recording of profit or losses from derivative financial instruments, which can be designated as derivatives for the hedging of future cash flows (cash flow hedges). The non-effective part of the change of the derivative financial instruments is being transferred to the Statement of Other Comprehensive Income.

18. PROVISIONS

The provisions are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Provisions for pending litigations	149,056.86	149,056.86	149,056.86
Provision for heavy maintenance	4,755,734.00	2,626,198.00	1,620,230.00
Provisions for extraordinary risks and extraordinary expenses	1,163,104.19	1,163,104.19	0.00
Total	<u>6,067,895.05</u>	<u>3,938,359.05</u>	<u>1,769,286.86</u>

The Company has a contractual obligation to maintain the infrastructure on the basis of a program for heavy maintenance. In addition, under the concession agreement, the Company is required to deliver the infrastructure to the State in a defined situation at the expiration of the concession agreement.

19. PROVISIONS FOR EMPLOYEE BENEFITS

The item in the attached Financial Statements is analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Provisions for employee benefits	<u>683,201.00</u>	<u>675,307.00</u>	<u>549,642.00</u>

The liabilities for the personnel indemnities were determined according to the actuarial study, which was prepared by a certified actuary.

The movement of the respective provision for the years ended on December 31, 2017 and 2016 is the following:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Net liability 1 January	675,307.00	549,642.00
Current employment cost	149,914.00	108,415.00
Cost of end of service benefits	13,978.00	0.00
Financial Cost	10,130.00	10,993.00
Benefits paid	(66,325.00)	0.00

Actuarial (profit)/loss	(99,803.00)	6,257.00
Net liability 31 December	683,201.00	675,307.00

The major actuarial assumption that were utilized are the following:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Future salaries' increases	1.25%	1.25%
Discount rate	1.50%	1.50%
Growth rate of voluntary exits from service	1.00%/6.00%	1.00%/6.00%

Quantitative analysis of sensitivity concerning important actuarial assumptions:

31.12.2017

Discount rate:	Effect on the provision for staff indemnity
0.5% Increase	(38,756.00)
0.5% Decrease	42,893.00

Future salaries' increases:	Effect on the provision for staff indemnity
0.25% Increase	20,891.00
0.25% Decrease	(19,959.00)

31.12.2016

Discount rate:	Effect on the provision for staff indemnity
0.5% Increase	(38,301.00)
0.5% Decrease	42,410.00

Future salaries' increases:	Effect on the provision for staff indemnity
0.25% Increase	20,657.00
0.25% Decrease	(38,301.00)

The accrued expenses for the year are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Accrued third party fees	106,640.05	917,884.04	2,013,613.97
Duties for cleanup and light services	8,673.10	8,314.48	881,176.56
Interest and related accrued expenses	279,174.47	217,952.67	159,707.01
Various accrued expenses for the year	127,566.02	130,459.47	124,150.46
Accrued third party benefits	351,001.35	205,206.54	218,702.20
Personnel fees and expenses	373,451.49	373,451.49	337,417.28
Total	1,246,506.48	1,853,268.69	3,734,417.28

20. INCOME TAX

The Company is taxed with a tax rate of 29% (2016: 29%). The income tax statement is submitted to the tax authorities on annual basis; however the profits or losses that are being stated remain as temporary until the tax authorities audit the

tax statements as well as the accounting books and elements of the tax-paying entity and until the release of the final tax audit report. According to the Concession Agreement, the tax losses to the degree they become accepted by the tax authorities may offset future earnings without any time constraint.

a) Income Tax Expense

Income tax recognized in the income statement for the year 2017 and its breakdown, as compared to the year 2016, is analyzed as follows:

Income Tax

	01.01 - 31.12.2017	01.01 - 31.12.2016
Current Tax	0,00	0,00
Deferred Tax	5.313.340,61	7.103.125,81
Total Income Tax	5.313.340,61	7.103.125,81

Movement of deferred tax

Balance, 1st January 2016	15.436.492,29
(Debit) / Credit in the results for the year	7.103.125,81
(Debit) / Credit to other comprehensive income	(115.557,48)
Balance, 31st December 2016	22.424.060,36
(Debit) / Credit in the results for the year	5.313.341,61
(Debit) / Credit to other comprehensive income	(1.004.590,99)
Balance, 31st December 2017	26.732.809,98

The reconciliation of the income tax and the accounting profit multiplied by the applicable tax rate, is the following:

	01.01 - 31.12.2017	01.01 - 31.12.2016
Gain/(Loss) before income tax	1.453.130,41	(2.826.768,45)
Nominal tax rate	29%	29%
(Expense) / income of Income Tax based on the applicable nominal tax rate	(421.407,82)	819.762,85
Tax on non-deductible tax expenses	(290.000,00)	(290.000,00)
Tax on deductible differences of previous year for which no deferred tax had been recognized	22.903,73	644.782,87
Effect of net temporary differences for which no deferred tax is recognized	0,00	(73.264,61)
Tax- exempt results	6.001.844,70	6.001.844,70
Actual income tax	5.313.340,61	7.103.125,81

For the fiscal years ended after 30th June 2011 and until the years with beginning date 1st January 2016, the Greek Societe Anonyme Companies and the Limited Liability Companies whose financial statements are mandatorily audited by

Certified Auditors, are also obliged to receive a “Tax Certificate” according to the article 65a of Law 4174/2013. The “Tax Certificate” must be issued by the same Certified Auditors or auditing firm which audits the annual financial statements. Following the completion of the tax audit, the legal auditor or the auditing firm issues and provides the company with the “Tax Compliance Report” and subsequently it submits the report to the Ministry of Finance. Already, for the years beginning on 1st January 2016, there is no such obligation concerning the Tax Certificate, since the latter was defined as voluntary by Law 4410/2016.

For the years 2011, 2012 and 2013, there was a tax audit by Xatzipavlou Sofianos & Kampanis (DELOITTE SA) while for the years 2014, 2015 and 2016, there was a tax audit by EY Hellas Certified Auditors Accountants SA and tax compliance reports were issued without reservation. The tax audit for the fiscal year 2017 is conducted by the company EY Hellas Certified Auditors Accountants SA. During the completion of the tax audit, the Management does not expect to arise any significant tax obligations apart from those already recorded and depicted in the financial statements.

On 21st February 2017, based on protocol number 5106, the AALE (Audit Authority for Large Enterprises) issued a tax audit mandate for the years 2008-2010. However the respective audit had not been conducted until the release date of the financial statements of 31st December 2017. With the ministerial circulars (POL) 1154/2017, 1191/2017, 1192/2017, 1194/2017 and 1208/2017, the Governor of the Independent Authority for Public Revenue (IAPR) provided special guidelines about the uniform application of the issues which were approved and accepted by the opinions 1738/2017 (Plenary Session), 2932/2017, 2934/2017 and 2935/2017 of the Council of State as well as the Opinion no. 268/2017 of the Legal Council of the State. From the above circulars there is provision for a waiver 5-year period - according to the general rule - for the fiscal years beginning from 2011, as well as for the tax years for which the Tax Procedure Code – TPC is in effect (from the year 2014 onwards), apart from special exceptions stipulated by the relevant clauses of the TPC.

Therefore, the right of the Greek State to impose a tax charge until the year 2010, namely for the fiscal year ended 31st December 2010, has been elapsed and therefore no final acts concerning amended determination of taxes and fines are expected to be issued with regard to the cases for which there are pending audit mandates or tax audits under progress (Plenary Session of the Council of State, 1738/2017, Min. Dec. 1054/2017), unless there is the case of the reinforcement of special provisions of the pertinent 10-year, 15-year and 20-year legislation concerning cases that have been elapsed.

b) Deferred Tax

The deferred income tax is calculated upon all temporary tax differences between the accounting value and the tax value of the assets and liabilities. The calculation is being performed with the use of the expected effective tax rate at the maturity time of the tax receivable / liability.

Deferred taxes (receivable and liability) for the years 2017 and 2016 are analyzed as follows:

	Statement of financial position		Net Profit (Debit) / Credit	Other Total Income (Debit) / Credit
	31.12.2017	31.12.2016	1.1 – 31.12.2017	1.1 – 31.12.2017
Deferred tax asset				
Derivative financial instruments	5.975.162,23	7.178.774,52	(227.964,17)	(975.648,12)
Provisions	1.759.689,56	1.142.124,12	617.565,44	0,00
Trade and other liabilities	106.971,96	106.971,96	0,00	0,00
Other long term liabilities	188.500,00	0,00	188.500,00	0,00
Financial leasing liability	12.938,35	12.938,35	0,00	0,00
Tax-recognized losses	189.873.020,45	146.400.357,63	43.472.662,82	0,00
Employee benefits liabilities	198.128,29	195.839,03	31.232,13	(28.942,87)
Deferred tax liability				
Intangible assets	(168.145.257,12)	(132.612.945,25)	(35.532.311,87)	0,00
Trade receivables	(3.236.343,74)	0,00	(3.236.343,74)	0,00
Deferred tax on net profits / other comprehensive income			5.313.340,61	(1.004.590,99)
Net Deferred Income Tax Receivable / (Liability)	26.732.809,99	22.424.060,36		

	Statement of financial position		Net Profit (Debit) / Credit	Other Total Income (Debit) / Credit
	31.12.2016	01.01.2016	1.1 – 31.12.2016	1.1 – 31.12.2016
Deferred tax asset				
Derivative financial instruments	7.178.774,52	7.323.570,98	(27.424,44)	(117.372,01)
Provisions	1.142.124,12	513.093,19	629.030,94	0,00
Trade and other liabilities	106.971,96	96.522,04	10.449,92	0,00
Other long term liabilities	0,00	0,00	0,00	0,00
Financial leasing liability	12.938,35	12.938,35	0,00	0,00
Tax-recognized losses	146.400.357,63	97.295.971,78	49.104.385,85	0,00
Employee benefits liabilities	195.839,03	159.396,18	34.628,32	1.814,53
Deferred tax liability				
Intangible assets	(132.612.945,25)	(89.965.000,22)	(42.647.945,03)	0,00
Trade receivables	0,00	0,00	0,00	0,00
Deferred tax on net profits / other comprehensive income			7.103.125,81	(115.557,48)
Net Deferred Income Tax Receivable / (Liability)	22.424.060,36	15.436.492,29		

21. TRADE AND OTHER LIABILITIES

The trade and other liabilities are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Trade liabilities	70,315,957.36	49,925,291.02	63,774,739.43
Other liabilities	13,638,988.97	4,006,599.95	6,111,258.55
Total	<u>83,954,946.33</u>	<u>53,931,890.97</u>	<u>69,885,997.98</u>

The trade liabilities are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Domestic suppliers	67,657,172.28	48,063,782.02	62,318,630.80
Foreign suppliers	118,289.29	6,413.97	56,131.95
Customer prepayments	2,540,495.79	1,855,095.03	1,399,976.68
Total	<u>70,315,957.36</u>	<u>49,925,291.02</u>	<u>63,774,739.43</u>

The other liabilities are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>31.12.2015</u>
Liabilities towards related parties	10,603,056.31	167,664.02	572,372.97
Accrued expenses for the year	1,246,506.48	1,853,268.69	3,734,767.48
Other taxes and duties	1,100,487.09	1,515,969.06	1,343,138.14
Social security organizations	560,356.62	334,709.47	296,121.40
Various creditors	128,582.47	134,988.71	164,858.56
	<u>13,638,988.97</u>	<u>4,006,599.95</u>	<u>6,111,258.55</u>

The liabilities towards related parties mainly include payable accrued interest of an amount of € 9,844,946.00 of the Subordinated Debt to the Shareholders. According to the provisions of the Concession Agreement and the Loan Agreements, the Company fulfills all the conditions for the repayment of part of the accrued interest of the Subordinated Debt. The Company assessed that the repayment of the interest of the Subordinated Debt amounting to € 9,844,946.00 will take place within the year 2018 and it recorded the above liability as short-term.

In addition, the above liabilities to related parties include an amount of €758,110.31 (2016: €167,664.02), towards GEK TERNA S.A. of €417,254.38 (2016: €163,807.48) as well as to CINTRA SA of €340,855.93 (2016: €0.00).

Other taxes and duties are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Subcontractors tax	383,309.36	1,010,415.63	922,482.36
Interest tax	447,928.28	258,606.98	189,660.41
Payroll tax & Solidarity levy	169,176.08	119,133.22	93,875.61
Tax on fees of free lancers	69,843.01	53,764.87	53,173.41
Stamp duties and Agr. Ins. Org. construction related benefits	30,230.36	74,048.36	83,946.35
Total	<u>1,100,487.09</u>	<u>1,515,969.06</u>	<u>1,343,138.14</u>

The other taxes and duties include mainly taxes on interest charges of €447,928.28 (2016: €258,606.98) as well as taxes of sub-contractors of €383,309.36 (2016: €1,010,415.63).

The liabilities towards social security organizations mainly include amounts payable to the Greek Social Security Organization (EFKA) of €503,586.55 (2016: €302,287.22).

The accrued expenses for the year are presented below:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Accrued third party fees	106,640.05	917,884.04	2,013,613.97
Duties for cleanup and light services	8,673.10	8,314.48	881,176.56
Interest and related accrued expenses	279,174.47	217,952.67	159,707.01
Various accrued expenses for the year	127,566.02	130,459.47	124,150.46
Accrued third party benefits	351,001.35	205,206.54	218,702.20
Personnel fees and expenses	373,451.49	373,451.49	337,417.28
Total	<u>1,246,506.48</u>	<u>1,853,268.69</u>	<u>3,734,767.48</u>

The item “Accrued third party fees” mainly includes accrued construction expenses. The change that is observed in the year 2017 compared to 2016 is due to the fact that the construction project has almost been completed as of 31st December 2017. Therefore there are no other provisions for construction cost.

22. FINANCIAL LIABILITIES

The financial liabilities are analyzed as follows:

Financial liabilities – long term

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Bond loans	132,467,240.00	48,363,970.00	48,545,160.00
Liabilities towards related parties	99,744,429.50	102,657,829.71	69,633,112.70
Total	<u>232,211,669.50</u>	<u>151,021,799.71</u>	<u>118,178,272.70</u>

The maturity dates of the Banks Bond loans are the following:

	<u>31/12/2017</u>	<u>31/12/2016</u>
Between 1 and 2 years	11,617,320.00	769,460.00
Between 2 and 5 years	19,293,400.00	6,662,160.00
Over 5 years	101,556,520.00	40,932,350.00
Total	<u>132,467,240.00</u>	<u>48,363,970.00</u>

Financial liabilities – short term

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Banks – Accounts of short-term liabilities	5,926,813.00	22,310,852.00	32,011,181.00
Long-term liabilities payable in the following fiscal year	20,253,110.00	180,190.00	154,840.00
Total	<u>26,179,923.00</u>	<u>22,491,042.00</u>	<u>32,166,021.00</u>

The Company has signed a bond loan agreement of EUR 241,700,000 (including VAT related loan of EUR 40,900,000.00). More analytically, the following categories exist:

SCB Facility, Project Facilities, New Debt Facility: The Company issued the bond loans and collected the respective proceeds in order to finance its needs for the Approved Project Costs during the Construction Period T1. These loans are being repaid at each Repayment Date according to the current amortization schedule stipulated in the Common Terms Agreement.

Vat Facility: The Concession Company collected the VAT bond rollover facility in order to cover its liabilities for the payment of the due and payable VAT of the construction cost during the Construction Period T1. The VAT loan is being repaid with the amounts returned from the tax authorities following relevant applications.

The balances, the disbursements and repayments for the year ended on 31st December 2017 are analyzed as follows:

BANK	BALANCE 31/12/2016	DISBURSEMENTS	REPAYMENTS	BALANCE 31/12/2017
BANCO BILBAO VIZCAYA ARGENTINA SA	3,821,213.00	10,404,340.00	1,842,226.00	12,383,327.00
EUROBANK ERGASIAS SA	9,574,384.00	33,752,112.00	21,094,906.00	22,231,590.00
BNP PARIBAS FORTIS SA SUCURSAL EN ESPANA	4,703,032.00	10,404,340.00	1,845,499.00	13,261,873.00
BANCO SANTANDER SA LONDON BRANCH	3,821,213.00	10,404,340.00	1,842,226.00	12,383,327.00
INSTITUTO DE CRÉDITO OFICIAL	3,527,273.00	0.00	13,092.00	3,514,181.00
ALPHA BANK SA	6,422,367.00	17,213,771.00	10,764,238.00	12,871,900.00
NATIONAL BANK OF GREECE SA	6,632,495.00	19,712,723.00	12,324,221.00	14,020,997.00
BANK OF ATTICA	3,003,431.00	379,912.00	261,871.00	3,121,472.00
PIRAEUS BANK SA	27,292,027.00	71,907,926.00	44,967,693.00	54,232,260.00
BANCIA S.A,	2,057,577.00	0	7,638.00	2,049,939.00
ESPIRITO SANTO Plc	0.00	5,202,169.00	914,021.00	4,288,148.00
CAIXA GERAL De DEPOSITOS SA SUCURSAL EN ESPANA	0.00	5,202,169.00	914,021.00	4,288,148.00
TOTAL	70,855,012.00	184,583,802.00	96,791,652.00	158,647,162.00

No available balances for withdrawal exist in relation to the above debt on 31st December 2017. Respectively, for the comparative period, the balance of the loans as at 31/12/2015 stood at €80,711,181.00, the disbursements were €81,908,150.00 and the repayments €91,764,319.00.

Furthermore the Company possesses the following Subordinated Debt to the Shareholders according to the Concession Agreement:

	SHAREHOLDER	AMOUNTS UNTIL 31/12/2016	AMOUNTS UNTIL 31/12/2017
1	FERROVIAL S.A.	16,143,597.09	16,143,597.09
2	GEK TERNA S.A.	43,146,686.00	59,285,439.00

3	ACS SERVICIOS	11,136,854.00	0.00
4	DRAGADOS S.A	4,357,899.00	0.00
5	IRIDIUM S.A.	644,000.00	0.00
	TOTAL	75,429,036.09	75,429,036.09

The above amounts of Subordinated debt do not include the corresponding, until 31.12.2017, payable interest amounting to € 34,158,839.41 (31.12.2016: € 27,227,293.62 and 31.12.2015: € 21,212,008.61). The interest expense for the years ended on 31st December 2017 and 31st December 2016, amounted to € 7,394,961.52 and € 6,346,464.21 respectively. Of the above amount of payable interest on 31st December 2017, an amount of € 9,844,946.00 will be repaid within the year 2018 and for this reason it has been classified in the short-term liabilities and specifically in the item “Trade and other receivables” and more specifically in the item “Liabilities towards related parties”.

The increase of the subordinated debt of the Company towards GEK TERNA SA for the year ended 31.12.2017 is due to the takeover of the bonds held by the group of companies ACS SERVICIOS, DRAGADOS SA and IRIDIUM SA from GEK TERNA SA.

The Company in order to effectively manage its interest rate risk associated with the bond loans it has already issued, has entered into interest rate swaps agreements, the nominal value of which changes on monthly basis. The nominal value of the interest rate swaps contracts that have been signed, represent 45% of the nominal value of the corresponding loans.

The interest rate swaps concern agreements according to which the floating interest rate of the loans is converted into fixed interest rate throughout the duration of the loans so that the Company is hedged against any interest rate hikes. The fair value of these contractual agreements was valued on 31.12.2017 via the use of the existing interest rate curve (Euribor) across the entire horizon of the above agreements. The valuation of their fair value on 31.12.2017 settled at 20.6 million Euros (loss) for the Company, on 31.12.2016 at 24.75 million Euros (loss) for the Company and on 01.01.2016 at 25.25 million Euros (loss) for the Company. Further details for the derivatives are included in Note 17.

The expenses in relation to the interest rate swaps for the year 2017 amounted to € 3,905,231.76 (2016: € 4,007,473.23 €).

The Company has provided the following as security against the loans provided from the Lenders:

- the Company's bank accounts
- the Concession Agreement
- the Design and Construction Agreement
- the Independent Engineer Agreement
- the Tolling and Supply System Agreement
- the issued letters of guarantee
- the issued insurance contracts

23. TRANSACTIONS WITH RELATED PARTIES

The nature of transactions with the related parties concerns the following:

a) Transactions with related parties

	01.01 - 31.12.2017		01.01 - 31.12.2016	
	Purchases / expenses from related parties	Sales of services to related parties	Purchases / expenses from related parties	Sales of services to related parties
Parent Company				
GEK TERNA SA	6,661,907.17	175.38	972,362.14	0.00
Group's Companies				
ODOS KENTRIKIS ELLADAS SA	2,930,978.64	716,419.85	2,269,384.28	273,619.46
GEK SERVICES SA	1,492,883.34	0.00	1,855,784.91	0.00
HERON THERMOELECTRIC SA	3,097,131.51	0.00	2,612,644.91	0.00
J/V HELLAS TOLLS	10,331,290.08	9,800.00	1,967,089.66	10,200.00
J/V EUROIONIA	193,496,422.27	0.00	383,315,074.31	0.00
J/V TERNA AKTOR ATE	0.00	0.00	0.00	2,377.32
TERNA ENERGY SA	0.00	216.50	0.00	216.87
J/V AKTOR ATE-JP AVAX SA-TERNA SA	0.00	0.00	0.00	112.57
TERNA SA	0.00	2,014.33	330,000.00	916.97
Other related parties				
FERROVIAL SA	2,535,552.21	0.00	302,719.00	0.00
IRIDIUM SA	1,647,054.63	0.00	259,063.34	0.00
Total amount of transactions with related parties	222,193,219.85	728,626.06	393,884,122.55	287,443.19

B) Amounts of unpaid balances with related parties

	31.12.2017		31.12.2016		01.01.2016	
	Liabilities	Receivables	Liabilities	Receivables	Liabilities	Receivables
Parent Company						
GEK TERNA SA	417,254.38	0.00	163,807.48	0.00	517,956.64	0.00
Group's Companies						
ODOS KENTRIKIS ELLADAS SA	677,008.62	245,689.65	257,271.22	133,232.38	209,722.10	132,650.79
GEK SERVICES SA	324,858.45	0.00	277,601.32	0.00	257,022.37	0.00
HERON THERMOELECTRIC SA	988,032.86	0.00	737,288.80	0.00	278,499.92	0.00
J/V HELLAS TOLLS	174,987.51	68,534.56	523,923.46	251,669.34	374,986.76	0.00
J/V EUROIONIA	54,118,601.46	0.00	33,492,216.20	0.00	57,230,536.32	0.00
J/V TERNA AKTOR ATE	0.00	0.00	0.00	0.00	0.00	10.65
TERNA ENERGY SA	128.05	0.00	0.00	0.00	10.95	621.60
JOINT VENTURE GEK SERVICES SA - SPACON LTD	0.00	0.00	0.00	0.00	82,427.40	0.00
TERNA SA	71,834.01	2,385,000.00	70,862.91	0.00	0.00	0.00
Other related parties						
FERROVIAL SA	340,855.93	0.00	0.00	0.00	48,280.01	0.00
IRIDIUM SA	0.00	0.00	3,856.54	0.00	6,136.32	0.00
Total	57,113,561.27	2,706,220.21	35,526,827.93	384,901.72	59,005,578.79	133,283.04

With HERON THERMOELEKTRIKI SA there is an outstanding balance of guarantees on 31st December 2017 of € 260,439.94 whereas the transactions of the year 2017 against the guarantees amount to € 64,576.25.

ii) Letters of Guarantee – Other Guarantees

	<u>31.12.2017</u>	<u>31.12.2016</u>
Letters of guarantee of subcontractors	3,716,995.75	5,419,165.00
Letters of guarantee of other suppliers	1,349,606.00	323,182.00
Letters of guarantee of Greek State	59,414,404.00	59,414,304.00
Guarantee letters of collection of Binding Investment from the Shareholders	0.00	68,808,912.00
Customers' letters of guarantee MSS	818,887.36	1,529,326.39
Total	<u>65,299,893.11</u>	<u>135,494,889.39</u>

The Letter of Guarantee for the Good Execution of the Design and Construction works which has been submitted to the Ministry of Infrastructure and Transport and amounts to € 56 million, has been issued and is being covered by the exclusive corporate guarantee of the shareholder GEK TERNA SA.

Correspondingly, the Letter of Guarantee for the Good Execution of the Operation and Maintenance which has been also submitted to the Ministry of Infrastructure and Transport and amounts to € 3.4 million has been issued by NEA ODOS and is being covered by the exclusive corporate guarantee of the shareholder GEK TERNA SA.

iii) Liabilities from operating leases – As lessee

The minimum future payable leases according to irrevocable operating leasing agreements on 31st December 2017 and 2016 are presented as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Within 1 year	278,982.01	480,172.01
From 2 to 5 years	390,211.14	655,412.35
Over 5 years	220,492.80	234,273.60
Total future payable leases of operating leasing agreements	<u>889,685.95</u>	<u>1,369,857.96</u>

iv) Receivables from operating leases – As lessor

The minimum future receivable leases according to irrevocable operating leasing agreements on 31st December 2017 and 2016 are presented as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Within 1 year	1,152,322.75	639,323.84
From 2 to 5 years	4,197,767.60	1,812,648.61
Over 5 years	12,910,552.34	3,392,994.92
Total future receivable leases of operating leasing agreements	<u>18,260,642.69</u>	<u>5,844,967.37</u>

The change recorded in the future receivable leases is due to the new leasing contracts for MSS which were signed in the year ended 31st December 2017. The period of the new leases commences from the year 2018.

27. EVENTS AFTER THE REPORTING PERIOD

From the end of the closing fiscal year on 31.12.2017 until the preparation date of the present financial report there were no other significant events which may materially affect the Financial Statements of the closing year and which be presented in the current Report.

Athens, 24/05/2018

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

EMMANUEL VRAILAS
ID NO. : AK 837985

THE CHIEF FINANCIAL OFFICER

KONSTANTINOS KONSTANTINIDIS
ID NO. : X670038

THE VICE PRESIDENT
OF THE BOARD OF DIRECTORS

EMMANUEL MOUSTAKAS
ID. NO. : AE 080733

THE ACCOUNTING MANAGER

YANNIS MARINOPOULOS
ID NO. : Ε448367