



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 2018

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CONTENTS

A. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF NEA ODOS S.A.....	1
B. INDEPENDENT AUDITOR'S REPORT	17
C. STATEMENT OF COMPREHENSIVE INCOME	20
D. STATEMENT OF FINANCIAL POSITION.....	21
E. STATEMENT OF CHANGES IN EQUITY	22
F. CASH FLOWS STATEMENT	23
G. NOTES ON THE FINANCIAL STATEMENTS	24
1. GENERAL INFORMATION.....	24
2. PREPARATION FRAMEWORK AND BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS.....	25
3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS	49
4. FINANCIAL RISK MANAGEMENT	51
5. REVENUES - INCOME	54
6. EXPENSES.....	55
7. OTHER OPERATING EXPENSES.....	57
8. OTHER OPERATING INCOME.....	58
9. FINANCIAL EXPENSES AND INCOME.....	58
10. TANGIBLE FIXED ASSETS	59
11. INTANGIBLE ASSETS.....	60
12. OTHER LONG-TERM RECEIVABLES.....	62
13. INVENTORIES	62
14. TRADE AND OTHER RECEIVABLES	63
15. CASH & CASH EQUIVALENTS	65
16. SHARE CAPITAL	66
17. RESERVES	66
18. PROVISIONS.....	67
19. PROVISIONS FOR EMPLOYEE BENEFITS	68
20. INCOME TAX	69
21. TRADE AND OTHER LIABILITIES – LIABILITIES FROM CONTRACTS WITH CUSTOMERS.....	73
22. FINANCIAL LIABILITIES	74
23. TRANSACTIONS WITH RELATED PARTIES	78
24. AUDITORS' FEES	80
25. COMMITMENTS AND CONTINGENT LIABILITIES	80
26. EVENTS AFTER THE REPORTING PERIOD	82

A. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF NEA ODOS S.A.

Dear Shareholders,

Pursuant to the provisions of article 150 of L. 4548/2018 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 12th fiscal year 2018 (1.1.2018 - 31.12.2018). 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 2018 were prepared by the Company in accordance with the International Financial Reporting Standards and the relevant regulatory provisions.

1. BUSINESS OBJECTIVE

Objective 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 Metamorfosis) - Maliakos (Scarfia) and the connecting part of PATHE Schimatari - Chalkida". The above are based on the provisions of the relevant Concession Agreement or Contract.

2. DEVELOPMENT OF PROJECTS

From 10/1/2008, in parallel with the construction activity, the Company entered into the operating period with the initiation of the exploitation / operation of PATHE Motorway Athens - Maliakos. Also gradually from April until August of 2017 the commencement of the operation of Ionia Odos Motorway was realized.

The results for the year ended 2018 were as follows:

Revenues	131,193,464.25
Minus: Cost of Sales	(62,601,170.81)
Gross Result	68,592,293.44
Plus: Other operational revenues	12,199,954.25
Minus: Administrative expenses	(6,916,808.77)
Minus: Losses from impairment	(400,000.00)
Other expenses	(36,452,714.95)
Earnings before interest and income tax	37,022,723.97
Plus: Financial income and gains from derivatives	1,134,070.32
Less: Financial expenses	(17,656,141.82)
Earnings before income tax	20,500,652.47
Plus: Income Tax (deferred)	(5,360,762.96)
Earnings after income tax	15,139,889.51

Other comprehensive income / (losses)

Items re-classified to the Results in following periods:

Reserve from cash flow risk hedging contracts	1,676,691.67
Tax corresponding	(1,153,967.21)
	522,724.46

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

Actuarial losses from defined benefit plans	(59,421.00)
Tax corresponding	18,847.37
	(40,573.63)

Other comprehensive income of the year after tax	482,150.83
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Total comprehensive income after tax	15,622,040.33
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The Revenue for the year ended at 31st of December of 2018, is analyzed as follows:

<i>MTC Toll revenue</i>	<i>91,741,550.41</i>	
<i>ETC Toll revenue</i>	<i>33,825,488.22</i>	
<i>MSS revenue</i>	<i>1,216.542.21</i>	
<i>Income from the provision of other services</i>	<i>538,737.71</i>	<i>127,322,318.55</i>
Income from the provision of construction services (according to IFRIC 12)		3,871,145.70
Total		131,193,464.25

The cost of sales for the year ended at 31st of December 2018, includes also, under IFRIC 12 and among other costs, the construction cost of euro 3,758,393.88 which contains the construction fees of EUROIONIA J/V amounting euro 3,316,096.49.

In detail, the construction cost and expenses of 2018, amounting to euro 3,758,393.88, are analyzed per category as follows:

EUROIONIA J/V fees	3,316,096.49
Hellas Tolls J/V fees	442,297.39
Total	3,758,393.88

The Company carries out amortization on the intangible concession right, which for the year ended December 31, 2018, amounted to euro 23,192,480.72 while, in total, the amortization of the intangible concession right, including the previous years, amounted to euro 255,117,287.87.

3. FINANCIAL RATIOS

Below the table depicts certain financial ratios with the assistance of which the Company's financial performance and position can be better assessed.

Financial Year 2018

Revenues	=	131,193,464.25	=	23.40%
<hr/> Total assets		<hr/> 559,034,677.63		
Current assets	=	52,118,968.28	=	59.93%
<hr/> Current liabilities		<hr/> 86,965,764.26		
Total assets	=	559,034,677.63	=	216.80%
<hr/> Total Equity		<hr/> 257,784,450.26		
Total Equity	=	257,784,450.26	=	85.50%
<hr/> Total Liabilities		<hr/> 301,250,227.36		
Cash and cash equivalents	=	23,751,277.84	=	27.30%
<hr/> Current liabilities		<hr/> 86,965,764.26		

The main reason that the ratio of Current Assets to Current Liabilities is less than one is related to the amount of € 45,702,928.00 relating to the Performance Basis towards Shareholders that is classified in Current Liabilities and is expected to be repaid within the year 2019, as long as there is cash liquidity. Already, an amount of € 5,207,590.00 was paid in January 2019.

Financial Year 2017

Revenues	=	236,156,819.42	=	36.70%
<hr/>				
Total assets		642,948,112.64		
Current assets	=	141,501,211.53	=	124.47%
<hr/>				
Current liabilities		113,681,019.72		
Total assets	=	642,948,112.64	=	265.50%
<hr/>				
Total equity		242,162,409.92		
Total equity	=	242,162,409.92	=	60.40%
<hr/>				
Total liabilities		400,785,702.71		
Cash and cash equivalents	=	109,454,394.07	=	96.28%
<hr/>				
Current liabilities		113,681,019.72		

4. NON-FINANCIAL RATIOS

The strategic objective of the Company is the construction and operation of modern highways of European standards, which contribute to the development of the national economy, ensure the protection of the environment and improve the quality of life of the wider community. High quality services are provided that increase drivers' confidence and an effort is made to ensure maximum levels of road safety. From the tables below, it is noted that by 2017, although the total transits of the year increased by 24.15%, accidents increased by only 7.6%.

	2017	2018	Increase
Total Vehicle Passes	29,910,886	37,135,255	24.2%

Correspondingly, the events per category for the years 2018 and 2017 respectively were as following:

Events	2017	2018	Change
Accident - Crash	1,358	1,461	7.6%
Vehicle with Damage	19,092	22,458	17.6%
Abandoned vehicle	401	427	6.5%
Obstacle - Outflow - Moving Danger	12,171	14,973	23.0%
Other Event	2,859	5,558	94.4%
Total	35,881	44,877	25.1%

At this point, the response time should also be taken into account per type of event which has been visibly reduced compared to 2017.

Average response time (in minutes)	2017	2018	Change
Accident - Crash	10.6	10.3	-2.8%
Vehicle with Damage	8.3	7.5	-9.6%
Abandoned vehicle	4.5	4.4	-2.2%
Obstacle - Outflow - Moving Danger	10.3	8.7	-15.5%
Other Event	9.8	4.8	-51.0%

The Company is vigilant and looks at new ways to further improve the services provided. Customer satisfaction is a top value for the Company, so all actions are geared towards that direction. Priority is given to communicating with drivers as their own contribution to the smooth running of the motorway is recognized. Undoubtedly, the expression of their opinion contributes to the effort for immediate, responsible and reliable service delivery. These data are also confirmed by the following tables, which show the response index to user requests.

Phone customer service	2017	2018	Change
Number of incoming calls	79,986	70,445	-11.9%
Number of answered calls	69,336	61,459	-11.4%
Performance	86.7%	87.2%	0.6%

5. FINANCIAL POSITION

The financial position of the Company as at 31.12.2018 is satisfactory and reflects the state of the company depicted in the financial statements. More specifically the following are noted:

Equity

The Company's Equity amounted to 257,784,450.2 Euros compared to 242,162,409.92 Euros in the previous year 2017. The Equity was enhanced during the fiscal year by 15,622,040 Euros.

Duration of Constructions – Project Amendment

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 2018 was 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 T2 of 22 million Euros and refer mainly to the tolls' construction of Chalkida, of the Varybobis node and Kaliftaki and the tolls of Varibobis and Ag. Stefanos.

Bank Loans - Cash and cash equivalents

The Company has secured bond loans of 200,800,000 euro (apart from the VAT loan) of which the total disbursed amount is 175,300,000.00 euro. The remaining part of these loans on 31.12.2018 amounted to 132,467,240.00 (including the short-term maturity).

The Cash and cash equivalents (deposits and cash reserves of the toll stations) amounted to 23,751,277.84 euro compared to 109,454,394.07 euro in the previous year 2017.

Cash available at Piraeus Bank SA amounting to € 20,039,370.47 is deposited in the following project accounts:

- 1) Revenue Account amounting to € 4,583,478.08
- 2) Debt Service Account amounting to EUR 6,869,057.33
- 3) Heavy Maintenance Reserve Account amounting to € 6,689,943.06
- 4) Distribution Account amounting to € 14,147.62
- 5) Excessive Operating and Maintenance Liquidity Account amounting to € 73,972.72
- 6) Share Capital Account amounting to € 1,808,770.10
- 7) Transaction User Receipts Account amounting to EUR 1.56

Concessionaire Compensation

The State paid, within 2018, damages to the Company amounting to Euro 12,410,488.92, of which 11,134,387.25 amounted to compensation for loss of revenues from 1.4-31.12.2017 due to the non-timely operation of Toll Stations and an amount of EUR 1,276,101.67 concerning reimbursement of costs. The Company has submitted to the State additional claims for loss of revenues due to the inappropriate operation of Toll Stations for the period spanning from 1.1 to 31.12.2018, for a total amount of EUR 10,039,391.32, the collection of which is expected in the first half of 2019.

6. PERFORMANCE BASIS

In December 2018 and January 2019, in the implementation of the provisions of the Concession Agreement, the total amount of € 23,047,476 was transferred to the Distribution Account. This amount represents the shareholders' return to which they are entitled to for the year 2018.

With respect to payments of the Performance Basis to the Shareholders from the Distribution Account, the due performance of up to 2017 was paid to the Shareholders in 2018, amounting to 9,844,586 Euros, as well as the Performance Basis of the first half of 2018, amounting to 17,839,886 Euros. Finally, the Performance Basis of the second half of the year 2018 of € 5,207,590 was paid in January 2019.

Consequently, to date, the Performance Basis provided for in the Concession Agreement has been paid to the Shareholders for the periods up to and including the second half of 2018. In the year 2019, an amount of € 40,495,338.00 will be repaid if there is cash liquidity.

7. RISKS

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

Credit Risk & 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. The receivables from the Greek State in the form of indemnities for loss of income comprise an exception whereas the particular risk is assessed as limited. Under the loan agreement, the Company's cash and cash equivalents (sight and time deposits) amounted to 20,039.370.47 €, 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.

The short-term liabilities of the Company (apart from those towards the Shareholder) are adequately covered from the cash and cash equivalents as well as the working capital.

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 major 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 fixed ones.

The fair value of these contracts was estimated by projecting the effective, on 31.12.2018 interest rate curve (euribor), throughout the whole horizon of the said contracts. Their fair value amounts to a liability of 18.59 million Euros.

8. NON FINANCIAL ASSETS

INTRODUCTION

Since the year 2017, the Management Report includes 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 and construction of all new sections of the motorway
3. Operation: Traffic Control and Monitoring, management of emergency events, routine works (e.g. road cleaning)
4. Maintenance: of buildings, roads, related equipment, vehicles
5. 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, Aitoloakarnania, Preveza, Arta and Ioannina.
- 3) The Schimatari - Chalkida branch of the 11 km length, which is under delivery by the Greek State.

The Company's Board of Directors (BoD) consists 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 to 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 of the recognition of the above pillars, the Company has prepared a comprehensive action plan which fully covers the current data and objectives that have been set and also the depiction of these. Two years after the preparation and release of its first Annual Report, the Company continues to improve its performance placing a special emphasis on corporate responsibility.

Already from the year 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. For the most part, 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
- OHSAS 18001

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

- The construction company
- The study-compilation companies
- The suppliers exclusively engaged with the construction related operations of the Company
- The subcontractors for maintenance of civil engineering works, snow-removal 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.

During 2018, 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 2018, 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 2018, 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 431 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

9. 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.

Approved Environmental Terms (AET) 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 14001:2015.

10. HUMAN RESOURCES

The Company, as at 31/12/2018 was employing 550 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. 81.92% of the personnel are mainly employed in the areas of maintenance of motorway monitoring 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 2018, there was neither any incidence of discrimination nor did any denouncement or complaint occur from workers and / or third parties about incidents of discrimination in the workplace.

Personnel Training

Continuous and uninterrupted employees' training is a commitment for 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'.

11. TREASURY SHARES

On 31st of December 2018 the Company did not hold any treasury shares.

12. BRANCHES OF THE COMPANY

- 19 N. Erithrea Av. (Offices)
- Sorou 14 (Offices)
- Schimatari (Traffic Control Center)
- Agios Konstantinos (Tunnel Control Center)
- 13 tolls stations along PATHE.
- Malakasa (Operation and Maintenance Center)
- Thiva (Operation and Maintenance Center)
- Atalanti (Operation and Maintenance Center)
- 14 tolls stations along IONIA ODOS.
- Klokova (Traffic Control Center)
- Klokova (Tunnel Control Center)
- Mesologgi (Operation and Maintenance Center)

- Amfilochia (Operation and Maintenance Center)
- Filippiada (Operation and Maintenance Center)
- Episkopiko (Traffic Control Center)
- Ampelia (Tunnel Control Center)
- Kalidona (Tunnel Control Center)
- Makinia (Tunnel Control Center)

13. SUBSEQUENT EVENTS OF 31.12.2018

From the end of the closing year as of 31.12.2018, until the date of the present report, no other significant events occurred that could have a significant impact on the Financial Statements of the closing year and that should be reported in the current Report.

Messrs. Shareholders, these are the realized developments during the period ending on 31.12.2018 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 2018 (1.1.2018 - 31.12.2018) and we kindly ask you to approve and discharge the BoD members and the Auditor from any civil liability for the said financial year 2018.

Athens, 12 April 2019

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, 2018, 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 accompanying financial statements present fairly in all material respects the financial position of "NEA ODOS CONCESSIONAIRE SA", as at December 31, 2018 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 includes 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 and Those Charged with Governance 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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.



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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 December 31, 2018.
- b) Based on the knowledge and understanding concerning "NEA ODOS CONCESSIONAIRE SA" and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, 15 April 2019

The Certified Auditor Accountant

Konstantinos Tsekas

S.O.E.L. R.N.1942

Ernst & Young (Hellas)

Certified Auditors Accountants S.A.

8B Chimarras St., Maroussi

151 25, Greece

Company SOEL R.N. 107

C. STATEMENT OF COMPREHENSIVE INCOME

For the year that ended on 31st of December 2018

	Note	1.1 - 31.12.2018	1.1 - 31.12.2017
Results of the Year			
Revenues from construction contracts	5a	129,946,725.00	235,517,495.98
Revenues from leases	5b	1,246,739.25	639,323.44
Total revenues		131,193,464.25	236,156,819.42
Cost of sales	6	(62,601,170.81)	(189,859,084.14)
Gross profit		68,592,293.44	46,297,735.28
Other operating income	8	12,199,954.25	15,669,851.91
Administration expenses	6	(6,916,808.77)	(8,962,367.75)
Other operating expenses	7	(36,852,714.95)	(33,722,113.57)
Operating profit		37,022,723.97	19,283,105.87
Financial income and gains from derivatives	9	1,134,070.32	2,419,052.75
Financial expenses	9	(17,656,141.82)	(20,249,028.21)
Result before income tax		20,500,652.47	1,453,130.41
Income tax	20	(5,360,762.96)	5,313,340.61
Result for the period		15,139,889.51	6,766,471.02
Other comprehensive income / (losses) after taxes			
<i>Items reclassified to the Results in the following periods:</i>			
Cash flow hedging reserve	17	1,676,691.67	3,364,303.86
Tax corresponding to the items of the other comprehensive income	17	(1,153,967.21)	(975,648.12)
Net comprehensive income to be reclassified to the profit or loss in the following periods		522,724.46	2,388,655.74
<i>Items that are not reclassified to Results in following periods:</i>			
Actuarial gains and (losses) from defined benefit plans		(59,421.00)	99,803.00
Income tax corresponding to the items of the other comprehensive income		18,847.37	(28,942.87)
Net total comprehensive income - not to be reclassified in profit or losses of following periods		(40,573.63)	70,860.13
Other comprehensive income / (losses) of the year net of taxes		482,150.83	2,459,515.87
Total comprehensive income after tax		15,622,040.34	9,225,986.89

The notes in pages 24 up to 82 constitute an integral part of these financial statements.

D. STATEMENT OF FINANCIAL POSITIONOn 31st December of 2018

	Note	31.12.2018	31.12.2017
ASSETS			
<u>Non-current assets</u>			
Fixed tangible assets	10	23,448,720.10	9,500,966.91
Intangible assets	11	441,695,408.93	464,900,314.06
Other non-current receivables	12	21,534,653.15	312,810.15
Deferred tax asset	20	20,236,927.17	26,732,809.98
Total		506,915,709.35	501,446,901.11
<u>Current assets</u>			
Inventories	13	176,621.69	194,619.61
Trade and other receivables	14	28,191,068.75	31,665,103.85
Receivable Subsidy from the State	11	0.00	187,094.00
Cash and cash equivalents	15	23,751,277.84	109,454,394.07
Total		52,118,968.28	141,501,211.53
Total assets		559,034,677.63	642,948,112.64
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	16	116,800,980.00	116,800,980.00
Reserves	17	531,295,018.74	481,597,382.86
Retained earnings		(390,311,548.48)	(356,235,952.94)
Total equity		257,784,450.26	242,162,409.92
Non-current liabilities			
Bond loans	22	125,326,910.00	132,467,240.00
Long-term liabilities to related companies	22	43,611,864.33	99,742,929.50
Construction liability based on concession contract	11	26,518,299.43	30,389,445.13
Provisions	18	1,084,547.60	6,067,895.05
Liabilities from staff benefits	19	941,410.00	683,201.00
Derivatives financial instruments	22	15,529,328.75	17,084,626.47
Customer advances in relation to leases		1,272,103.00	650,000.00
Other long term liabilities		0.00	19,346.00
Total		214,284,463.11	287,104,683.15
Current liabilities			
Trade and other receivables	21	27,660,320.75	71,596,273.55
Short-term loans	22	0.00	5,926,813.00
Long term liabilities payable during the next financial year	22	7,291,937.44	20,253,110.00
Derivative financial instruments	22	3,056,999.44	3,519,381.38
Liabilities towards related companies	22	45,702,928.00	9,844,946.00
Liabilities from contracts with customers	21	3,253,578.63	2,540,495.79
Total		86,965,764.26	113,681,019.72
Total liabilities		301,250,227.37	400,785,702.72
Total equity and liabilities		559,034,677.63	642,948,112.64

The notes in pages 24 up to 82 constitute an integral part of these financial statements.

E. STATEMENT OF CHANGES IN EQUITY

For the year that ended on 31st of December 2018

	Share Capital	Reserves based on laws and articles of association	Reserve of cash flows hedging	Retained earnings	Total
Balance. 31 December 2016	116,800,980.00	416,105,919.45	(17,642,769.95)	(282,327,713.18)	232,936,423.02
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
Investment subsidies	0.00	80,745,570.93	0.00	(80,745,570.93)	0.00
Balance. 31 December 2017	116,800,980.00	496,851,490.38	(15,254,107.52)	(356,235,952.94)	242,162,410.18
Results of the period	0.00	0.00	0.00	15,139,889.51	15,139,889.51
Other comprehensive income / (losses) after taxes	0.00	0.00	522,724.46	(40,573.63)	482,150.83
Total comprehensive income	0.00	0.00	522,724.46	15,099,315.88	15,622,040.34
Investment subsidies	0.00	49,174,911.42	0.00	(49,174,911.42)	0.00
Balance. 31 December 2018	116,800,980.00	546,026,401.80	(14,731,383.06)	(390,311,548.48)	257,784,450.26

The notes in pages 24 up to 82 constitute an integral part of these financial statements.

F. CASH FLOWS STATEMENT

for the year that ended on 31st of December 2018

	Note	31/12/2018	31/12/2017
Cash flows from operating activities			
Profit/(losses) before income taxes		20,500,652.47	1,453,130.41
<i>Adjustments for the reconciliation of the net flows from operating activities :</i>			
Depreciation of fixed tangible and intangible assets	6.10.11	25,377,572.62	25,520,071.50
Impairment of value / (recovery of impairment) of trade receivables		400,000.00	0.00
Provisions		2,076,442.61	2,227,103.00
Recognition of indemnity in relation to loss of income	14	(10,039,391.32)	(11,159,806.00)
Construction profit based on IFRIC 12	6	(112,751.82)	(4,064,493.12)
(Interest and related income)	9	(793,082.48)	(2,419,052.75)
Interest and other financial expenses	9	17,656,141.82	20,249,028.21
(Profit)/Losses from valuation of derivatives	9	(340,987.84)	(786,083.34)
(Profit)/Losses from sale of tangible assets		0.00	6,426.74
Operating profit before changes in working capital		54,724,596.35	31,026,324.65
(Increase)/Decrease in:			
Inventories		17,997.92	44,047.88
Trade receivables		214,637.59	(1,878,902.54)
Advances and other receivables		12,898,788.34	75,734,994.32
Other long-term receivables		(22,035.00)	(38,361.00)
Increase/(Decrease) in:			
Suppliers		(49,980,278.05)	21,148,776.65
Accrued and other short-term liabilities		59,123.44	(1,028,995.84)
Collection of subsidies		187,094.00	0.00
Other long-term liabilities		111,251.82	972,667.61
Net cash inflows from operating activities		18,211,176.12	125,980,551.73
Cash flows from investment activities			
(Purchases)/Sales of intangible and tangible fixed assets		(40,569,037.42)	(143,036,193.45)
Collection of interest and related income	9	793,082.48	1,632,969.41
Net cash outflows from investment activities		(39,775,954.94)	(141,403,224.04)
Cash flows from financing activities			
Collection from issued/granted long-term loans		0.00	126,600,000.00
(Repayments of long-term loans)	22	(47,937,941.00)	(22,423,810.00)
Net change in short-term loans	22	(5,926,813.00)	(16,384,039.00)
(Payment of interest and other financial expenses)		(6,767,436.50)	(8,870,656.14)
(Payments from derivatives for hedging risk)		(3,506,147.27)	(3,914,952.00)
Net cash outflows from financing activities		(64,138,337.77)	75,006,542.86
Net increase/(decrease) in cash and cash equivalents		(85,703,116.59)	59,583,870.55
Cash and cash equivalents at the beginning of period		109,454,394.07	49,870,523.52
Cash and cash equivalents at the end of period		23,751,277.84	109,454,394.07

The notes in pages 24 up to 82 constitute an integral part of these financial statements.

G. NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Nea Odos Concession 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 (A / K Metamorphosis) - Maliakos (Skarfia) and connecting branch 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 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 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 2018, the Financial Statements of the Company are incorporated into the Financial Statements of GEK TERNA S.A. (Parent company), 85 Mesogion Ave., Athens, 115 26 with participation percentage of 100% and according to the full consolidation method.

On 11/12/2018, FERROVIAL S.A. 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 (100%).

The financial statements of the Company, were approved for publication by the BoD on 12/04/2019 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 2018 are 550 employees (31st of December 2017: 518 employees) and is analyzed by kind of employment as follows:

	<u>31.12.2018</u>	<u>31.12.2017</u>
Full time employees	524	493
Day-wage employees	26	25
Total	<u>550</u>	<u>518</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 2018 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 of the previous fiscal year 31/12/2017 were the first prepared by the Company according to the IFRS.

The financial statements have been prepared according to the historic cost with the exception of the case of financial derivative instruments that have been valued at fair. 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.

2.2 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:

Installations on third party properties	During the lease period
Machinery	10 years
Transportation means	10 years
Furniture and other equipment:	3.5 to 10 years
P/Cs:	3.5 to 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 2.1.3.

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 de-recognition 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 being derecognized.

2.2.2 Intangible assets

The other intangible assets, except the right recognized under the Concession Agreement, concern PCs' software which is acquired separately and is being recognized at cost during its initial recognition. 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 being generated, are not

recognized. The other intangible assets of the Company include mainly the Software programs. The amortization of the software programs is being calculated using the straight-line method during their useful life, which is estimated at 5 years. The useful lives of intangible assets are estimated to be finite or indefinite, and there are no intangible assets with an indefinite useful life.

The right acquired under the Concession Agreement which was concluded with the State, is also being 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 contract stretches throughout the duration of the concession using the straight line method.

For more information in relation with the concession agreement and the right concerning provision of services see Note 2.1.12.

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 2018 and 31st December 2017 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.

Initial Recognition and Measurement

Upon initial recognition, financial assets are classified according to their nature and characteristics into one of the following three categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through profit or loss,
- Financial assets measured at fair value through other comprehensive income

All financial assets are initially recognized at their fair value, which is usually the acquisition cost plus direct transaction costs. Purchases and sales of investments are recognized at the date of the transaction, which is the date the Company commits to purchase or sell the item.

Subsequent measurement

Financial assets measured at amortized cost

This category classifies the financial assets for which both of the following conditions are met:

1. The financial asset is held within a business model, the objective of which is to hold financial assets for the purpose of collecting contractual cash flows; and
2. On the basis of the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

Included in this category are all financial assets of the Company (mainly trade and other receivables). Financial assets at amortized cost are then measured using the (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

1. the financial asset is retained within a business model the objective of which is achieved both by the collection of contractual cash flows and the sale of financial assets; and
2. On the basis of the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

At the date of the financial statements, the Company did not have investments in this category.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss, unless it is measured at amortized cost in accordance with paragraph (i) or at fair value through other comprehensive income in accordance with paragraph (ii). However, during initial recognition, the Company may elect irrevocably for specific investments in participation equities that would otherwise be measured at fair value through profit or loss, presenting other changes in fair value to other comprehensive income.

Realized and unrealized gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise.

At the date of the financial statements, the Company did not have investments in this category

Termination of recognition of a financial asset

A financial asset is derecognized primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has undertaken to pay fully the cash flows received without significant delay to a third party under a pass-through agreement and either (a) the Company has substantially all the risks and rewards of the asset; or (b) the Company has not transferred or retain substantially all the risks and reassessments of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it assesses whether and to what extent it owns the risks and rewards of ownership. When the Company has not transferred, or has substantially all the risks and rewards of the asset and has not transferred the control of the asset, the Company continues to recognize the transferred asset to the extent of its continued involvement. In this case, the Company also recognizes any relevant obligation. The transferred asset and the related liability are valued on the basis of the rights and obligations that the Company holds.

Impairment

Disclosures regarding the impairment of financial assets are summarized in the following notes:

- | | |
|--|-------------------|
| ▶ Disclosures in the accounting policies | Note 2.1.4, 2.3A, |
| ▶ Significant accounting estimates and judgments by the Management | Note 3.1 |
| ▶ Trade and other receivables | Note 14 |

In the context of IFRS 9, impairment of financial assets measured at amortized cost or at fair value through other comprehensive income is recognized by recognizing the expected credit losses.

At each reporting date, IFRS 9 requires the measurement of the loss provision for a financial instrument to an amount equal to the expected credit losses over the life of the asset if the credit risk of the financial instrument has increased significantly from the initial recognition. On the other hand, if at the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, IFRS 9 requires the provision for a loss provision for that financial instrument to be equal to the expected 12-month credit losses. For trade and other receivables, the Company applied the simplified approach of the standard and calculated the expected credit losses over the life of the receivables and formed a related provision. For this purpose, a maturity forecast matrix is used to measure the projections in a way that reflects past experience and forecasts of the future financial position of customers and the economic environment. With respect to long-term receivables, the Company calculates the expected credit losses based on the general approach of the standard.

The remainder of the impairment is appropriately adjusted for each date of closure of the financial statements to reflect the probable relevant risks.

2.2.5 Derivatives financial instruments and hedging activity

In the framework 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. In addition, they are categorized as hedging derivatives of a specific risk associated with a recognized financial asset or liability or a transaction that is highly probable (cash flow hedge). Derivative financial instruments are included in financial assets when their fair value is positive and in financial liabilities when they are negative. 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. These hedging transactions are expected to be effective in offsetting the fluctuations in fair values or cash flows of hedging items and are reviewed on a regular basis to see how they actually are during the periods in which they are used.

Cash flow hedge

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 the financial cost.

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 Company 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.

2.2.8 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.

2.2.9 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.

2.2.10 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.

2.2.11 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.

2.2.12 Revenues recognition

Revenues from contracts with customers

Revenue consists of the fair value of the consideration received or the receivable from the sale of goods and the provision of services in the normal course of the Company's operations. Revenue from contracts with customers is recognized when the control of services is transferred to the client for an amount that reflects the consideration that the Company expects to obtain from the provision of these services. The control of the services provided is transferred to the customer upon delivery of the corresponding service. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be measured reliably.

In addition, the Company assesses whether it has the role of principal or representative in any relevant agreement. The Company's assessment is that it has a leading role in all of its sales transactions.

In addition, if the consideration in a contract includes a variable amount, the Company recognizes that amount as revenue only to the extent that it is highly probable that there will be no significant reversal in the future.

Revenue from contracts with customers refers to the concession contract signed by the Company and is analyzed 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".

Based on the Interpretation 12 of IFRS, revenues from construction contracts are recognized in the longer run based on the input method (measurement of progress according to the inflows). 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. For the above calculation, the Company takes into account the proportional contract expenses that were incurred with regard to the project that has been executed in a certain date as compared to the total contractual cost of the project.

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 related to (a) revenues from toll collections through manual or electronic toll payment systems and (b) revenues from renting of M.S.S. or other spaces (leasing income is recognized according to the leases related accounting standard, IAS 17, as it is described in note 2.1.14).

As defined in Note 2.2.13 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. The

revenue from toll collection through manual or electronic toll payment systems is recognized at a given point in time when the service is provided. With regard to prepayments, the Company recognizes the relevant obligation from customer contracts when it receives a prepayment before the contract is executed and the goods or services are transported. The relevant liability is de-recognized when the obligations of the contract are executed and the income is recorded in the statement of comprehensive income.

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

More information on the revenues of the Company is presented in Note 5.

Interest income

Interest is recognized on a time proportion basis using the effective interest rate method or the fixed method.

Dividend income

Dividends or similar income from equity participation of other entities are recognized when they are approved by the competent body that decides to distribute them.

Rental income: Rental income from operating leases is recognized in profit or loss on a straight-line basis over the lease term under IAS 17. For more information, see note 2.1.14.

2.2.13 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). In addition to the 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 "Ionia Odos Motorway" project. The item "Obligation for Construction under a Concession Contract" of the statement of financial position refers to the relevant obligation to complete the construction of a 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 performed in the longer run based on the input method (measurement of progress according to the inflows).. 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.

2.2.14 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 6.

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". In addition, under the Concession Agreement, the operation of the Motorway concerns revenues from renting of Motorist Service Stations (M.S.S.) or other spaces. The Company sub-leases the

premises of M.S.S. and receives rents. The rental income in relation to offices and other installations as well as the rental income from M.S.S. are included in the item "Revenue" (Note 5). For more information see Note 25.

2.2.15 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.

Pursuant to Article 23 of the recent Law 4579/2018, passed in December 2018, corporate tax rates of corporate earnings are gradually reduced from 29% (applicable for the years 2018 and 2017) by 1% per year to 25% for the year 2022 and later.

For more information about the deferred taxation see note 20.

2.2.16 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.

2.2.17 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. More information for the provision of the trade and other receivables are included in the accounting policy 2.1.4.

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, according to the concession agreement, the Company must restore the infrastructure in a defined situation before handing it over to the concessionaire upon termination of the service concession agreement. The methodology used for calculating this provision is based on: (a) the Annual average daily traffic; (b) the total estimated cost for heavy maintenance; and (c) gravity factors for smoothing purposes. The total cost of the provision is provided in the Financial Model. For the provision recognized by the Company, see Note 18.

2.2.18 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 26.

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.

2.2.19 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 has 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.

2.2.20 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 concession company Odos Kentrikis Elladas SA to cover its costs, to the extent that they are not covered by its own revenues. Odos Kentrikis Elladas 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 from 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, 2018), amounted to EUR 18,419,819.00 (plus VAT), and it was notified to Nea Odos SA via the Greek State by Odos Kentrikis Elladas SA with the letter dated on 11/06/2018, while respectively for the second Calculation Period (July 1 to December 31, 2018) the amount stood at EUR 17,534,625.00 (plus VAT), notified to Nea Odos SA via the Greek State by Odos Kentrikis Elladas SA with a letter dated on 10/12/2018.

2.3 Changes in standards and interpretations

A. New standards, amendments to standards and interpretations adopted by the Company.

The accounting policies and calculations on which the financial statements were prepared are consistent with those used in the preparation of the financial statements for the year ended 31 December 2017 and have been consistently applied in all periods presented except for the following amendments that were adopted by the Company on 1 January 2018. The Company applied for the first time IFRS 15 «Revenue from Contracts with Customers» and IFRS 9 «Financial Instruments», in its financial statements for the year ended on the 31st of December 2018.

IFRS 9 Financial Instruments

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 1.1.2018. IFRS 9 introduces new requirements for the classification and measurement, impairment and hedge accounting of financial assets.

The Company adopted the new standard on 1 January 2018 without adjusting comparative information. There was no impact from the adoption of the standard.

a) Classification and measurement of financial assets and liabilities

IFRS 9 eliminates the previous categories in IAS 39 for financial assets: held to maturity, loans and receivables and available-for-sale.

According to IFRS 9, financial assets after initial recognition will be measured at fair value through the income statement, amortized cost or fair value through the statement of other comprehensive income. The classification is based on the following two criteria: (a) the business model for the management of a financial asset, i.e. whether the objective is to hold for the purpose of collecting contractual cash flows or the collection of contractual cash flows and the sale of financial assets; and b) whether the contractual cash flows of the financial asset consist exclusively of a capital repayment and interest on the outstanding balance ("SPPI" criterion).

With regards to its trade and other receivables, the Company applies a business model to hold financial assets and to collect contractual cash flows. As a result, the Company, when initially applying IFRS 9, measures these receivables at amortized cost.

At the date of first application, the Company had no financial assets that it had classified as available-for-sale or held-to-maturity under IAS 39 and therefore there was no change in the financial statements. Given this, the new standard did not affect the classification and measurement of the Company's financial liabilities.

The Company's policy on financial liabilities remains largely the same as that followed under IAS 39.

(b) Impairment

The adoption of IFRS 9 resulted in a change in the accounting treatment of impairment losses for financial assets as it replaced the treatment of IAS 39 for recognition of realized losses by recognizing the expected credit losses. The new model of expected credit losses includes trade receivables, other receivables and advance payments to the manufacturer (it is included in the item «other long-term receivables»).

Regarding the "Trade Receivables", the Company applied the simplified approach to the standard and calculated the expected credit losses over the life of the receivables. The Company has assessed the need for an impairment provision for these receivables and concluded that there are no significant expected credit losses and does not make any provision for the specific requirements in the financial statements.

With regard to the "other receivables" and due to the fact that they relate to the largest amount of loss of revenue under the concession contract which is repaid directly by the Greek State, the Company carried out an evaluation and concluded that there is no expected credit loss and does not form a distinct provision for that particular requirement in the financial statements.

Finally, in respect of an advance payment to the manufacturer (see note 12), the Company assessed that there is an equivalent letter of guarantee covering the relevant receivable, so that no provision is made.

Based on the above, the Company assessed that there was no significant impact from the adoption of IFRS 9.

c) Hedging Accounting

At the date of initial application, all existing Company's hedging relationships can be classified as continuing and therefore the application of the new standard has not had a significant impact on the financial statements. The Company's risk management policy is in line with the requirements of the new standard and hedge accounting continues to apply.

• IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and all Interpretations relating to income from contracts with customers, unless such contracts fall within the scope of other standards. The underlying principle of the new standard is that an entity recognizes revenue to reflect the transfer of the promised goods or services to its customers in an amount that reflects the consideration that an entity considers to be entitled to such goods or services.

IFRS 15 provides a single model, based on five steps for determining and recognizing revenue to be applied to all customer contracts. The Standard is additionally applied to the recognition and measurement of gains and losses from the sale of non-financial assets that are not part of the Group's ordinary activities (e.g. sales of tangible fixed assets or intangible assets).

It requires entities to allocate transaction price from contracts to individual discrete promises, i.e. execution obligations, based on standalone selling prices, according to the five-step model. Revenue is then recognized when the entity satisfies the execution obligations, i.e. when it transfers the goods or services specified in the contract to the customer.

With respect to the original application, the Company chose to apply the new standard retroactively only to contracts that are not concluded contracts at the date of first application (1 January 2018), with the cumulative effect of the original application being recognized on the date of initial application. Therefore, any cumulative effect of the original application of the new standard would be recognized as an adjustment to the opening balance of the retained earnings (or other equity, if applicable) on 1 January 2018 (hence no restatement of comparative information).

The Company's Management assessed the impact of the application of the standard on the financial statements, operating results and financial position. On the basis of the above assessment, the Company considered that the new income model had no effect as there were no significant differences with respect to the current accounting policy and revenue accounting, i.e. the recognition of revenue at a given point in time when passing through the toll station, resulting in no adjustment to the retained earnings. For the purposes of the presentation of the financial statements, there have been reclassifications on contractual obligations with customers.

Although the new standard does not introduce material differences from the Company's current accounting policies, the related accounting policy has been dealt with as set out in note 2.2.12 of the financial statements.

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

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 applies IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- **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 (a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (b) for share-based payment transactions with a net settlement feature for withholding tax obligations and (c) 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.

- **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.

- **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 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.

➤ **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.

B. Standards issued but not applicable in the current accounting period and not previously adopted by the company.

The company has not adopted any of the following standards, interpretations or modifications that have been issued but are not applicable in this accounting period. In addition, the company evaluated all standards and interpretations or amendments issued but not applicable in the current period and concluded that with the exception of IFRS 16, which is then analyzed, there will be no significant effect on Financial statements from their implementation.

• **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.

In particular, IFRS 16 introduces a single model for the presentation of all leases in the balance sheet of companies. The lessee must recognize a right of use that represents his right to use the corresponding fixed asset and a relative obligation that will represent his obligation to pay the relevant rents. The standard provides exemptions for short-term leases and leases of low-value fixed assets. The accounting treatment of leases for lessors remains similar to that of the pre-existing standard i.e. the lessors will continue to classify their leases in financial and operational terms.

The company has carried out an assessment of the impact of this standard, which mainly concerns leases of means of transport and real estate. The company will apply for the first time IFRS 16 on 1 January 2019 using the modified retrospective approach. On the basis of this approach, the company (a) will recognize an obligation to measure the present value as shown From the discounting of rents remaining to be paid at the additional borrowing rate in force on the day of the initial application and B) will recognize a right to use a fixed asset by measuring this right to an amount equal to the Corresponding obligation to be recognized. Given the above method of transition, no impact on the own funds situation is expected. The actual effect of adopting the standard on 1 January 2019 may be different from the initial assessment since the new accounting policies and estimates may change until the company presents its Financial statements of the first period comprising the date of initial application.

The company made use of the relevant practical expedient provided by the standard, which, at the date of first application, did not reassess whether a contract constitutes or contains a lease and will therefore apply the standard to Contracts previously recognized as leases in accordance with IAS 17. Also, the Company intends to use the exemption provided by the standard with regard to short-term leases and low-value leases. Therefore, the requirements of the standard concerning recognition, initial and subsequent measurement and the presentation will not be applied to short-term contracts (lasting 12 months or less, without the right to purchase

the underlying item) and contracts for which the underlying asset is of low value. The lessee appreciates the value of the underlying asset as new, regardless of the age of the asset when it is leased. The company has set the amount of €5,000.00 as "low value". Finally, the company decided to apply a single discount rate to each category of leases with similar characteristics (such as leases with equivalent duration, for similar assets and in a corresponding economic environment).

In order to determine the estimated impact on the financial statements of the company in 2019, a relative calculation was carried out with the current lease agreements on 31/12/2018. The expected impact on the statement of financial position and the total income statement of the company is analyzed as follows:

- Estimated initial recognition of rights to use assets (right of Use) and equivalent lease liabilities € 448,625.27,
- Estimated increase in depreciation of use of 2019 amounting to 175,226.71, with corresponding estimated decrease of expenses from rents €185,668.44.

The above effect is expected to entail a change in the cash outflows for operational and financial activities in the cash flow statement of the company.

- **Conceptual framework of international Financial Reporting standards**

The IASB issued the revised conceptual framework for financial reporting on 29 March 2018. The conceptual framework establishes a comprehensive set of concepts for financial reporting. These concepts help to define standards, guide authors to develop consistent accounting policies and support their efforts to understand and interpret standards. The International Accounting Standards Board also issued an accompanying document, amendments to the references of the conceptual framework, which defines the modifications of the affected standards in order to update references to the revised conceptual framework. The aim of the document is to support the transition to the revised IFRS conceptual framework for companies that adopt the conceptual framework to develop accounting policies when no IFRS standard is referenced. For authors who develop accounting policies based on the conceptual framework, it is valid for annual periods beginning on or after 1 January 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 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 Company does not have any transactions that are related to the scope of application of the above amendment.

- **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 economic entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. The Company does not have any transactions that are related to the scope of application of the above amendment.

- **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 provides guidance and addresses the accounting for income taxes when tax treatments involve uncertainty. The Interpretation provides additional 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. 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. 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: Defined Benefit 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 defined benefit plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The Management of the Company is currently assessing the effect of the amendments.

- **IFRS 3: Business Combinations (amendments)**

The IASB has adopted amendments concerning the definition of a company (amendments to IFRS 3) in order to resolve the difficulties encountered when an entity determines whether it has acquired a business or group of assets. The amendments shall apply to combinations of undertakings for which the date of acquisition is determined in the first annual accounting period beginning on or after 1 January 2020 and for the acquisition of assets occurring on or after Start of this period while earliest application is allowed. The amendments have not yet been adopted by the European Union. The company management has no trade in the scope of this amendment.

- **IAS 1 Presentation of financial statements and IAS 8 accounting policies, changes in accounting estimates and errors: Definition of materiality (amendments)**

Amendments shall be applied for annual accounting periods beginning on or after 1 January 2020 while earliest application is permitted. The amendments clarify the definition of materiality and how it should be applied. The new definition states that "information is considered important if it is omitted, hidden or inaccurate, it is reasonably expected to influence the decisions of the main users of the financial statements, which take on the

basis of these financial statements providing financial information for the entity concerned". In addition, the explanations accompanying the definition of materiality have been improved. The amendments ensure that the definition of materiality is consistent with all IFRS standards. The amendments have not yet been adopted by the European Union. The company management is in the process of assessing the impact of the modifications.

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. The evaluation of the administration is carried out on the basis of the model of expected credit losses in accordance with IFRS 9, i.e. based on past experience but adapted in such a way as to reflect forecasts for the future economic situation of customers and the economic environment. Further information is included in the accounting policy, see note 2.2.4.
- **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 2.2.15 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, 2018 and December 31, 2017, are charged with interest expense and related expenses of Euro 17,656,141,821 and 20,249,028.21, respectively. These amounts mainly include interest on loans of Euro 13,076,772.96 and of Euro 15,382,439.70 as well as losses from derivatives of Euro 3,506,147.27 and of Euro 3,905,231.76, 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 by 1%, the effect on results would be:

	<u>31.12.2018</u>	<u>31.12.2017</u>
1% Increase	1,528,491.69	2,264,330.35

As referred to in the Common Terms Agreement concluded with creditors, in the case of a negative Euribor interest rate, this is deemed to be equal to 0% for the purposes of calculating interest, so any reduction in the interest rate of Euribor does not affect the calculation of Interest. The calculations have excluded the interest of Secondary Debt received from the shareholders due to the fixed interest rate that these loans bear.

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 and due to the nature of its business activity there is risk of insufficient cash liquidity. 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 2018 (more information is provided in Note 22).

The table below summarizes the maturity dates of short-term financial liabilities at 31 December 2018 and 2017 respectively, based on payments resulting from the relevant contracts and agreements, at non-discounted values:

31.12.2018	Less than 3 months	4 to 12 months	1 to 5 years	Total
Trade and other liabilities	18,787,248.86	7,861,397.72	1,011,674.17	27,660,320.75
Short-term loans	0.00	0.00	0.00	0.00
Long-term liabilities payable in the following year	0.00	7,291,937.44	0.00	7,291,937.44
Derivative financial instruments	0.00	3,056,999.44	0.00	3,056,999.44
Liabilities towards related companies	0.00	45,702,928.00	0.00	45,702,928.00
Customer advances	3,253,578.63	0.00	0.00	3,253,578.63
Total	22,040,827.49	63,913,262.60	1,011,674.17	86,965,764.26

31.12.2017	Less than 3 months	4 to 12 months	1 to 5 years	Total
Trade and other liabilities	68,660,563.20	2,550,285.63	385,424.71	71,596,273.54
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
Derivative financial instruments	0.00	3,519,381.38	0.00	3,519,381.38
Liabilities towards related companies	9,844,946.00	0.00	0.00	9,844,946.00
Customer advances	2,540,495.79	0.00	0.00	2,540,495.79
Total	86,887,072.99	26,408,522.01	385,424.71	113,681,019.71

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.

	31.12.2018	31.12.2017
Short-term loans	0.00	5,926,813.00
Long-term loans	125,326,910.00	132,467,240.00
Total loans	125,326,910.00	138,394,053.00
Minus: Cash and cash equivalents	23,751,277.84	111,912,180.59
Minus: Reserved (blocked) deposits	0.00	(2,457,786.52)
	23,751,277.84	109,454,394.07
Net debt	101,575,632.16	28,939,658.93
Equity	257,784,450.26	242,162,409.92
Equity and net debt	359,360,082.42	271,102,068.85
Net debt ratio	28.20%	10.68%

4.3 Determination of Fair Values

The following table presents the financial assets and liabilities that are measured at fair value under the proper measurement method (as of 31 December 2018 and 2017). The different valuation categories are described in the accounting policies (specifically in note 2.2.19).

Liabilities' items 31.12.2018	Level 2
Hedging derivatives IRS (long-term and short-term)	18,586,328.19
Total	18,586,328.19
Liabilities' items 31.12.2017	Level 2
Hedging derivatives IRS (long-term and short-term)	20,604,007.70
Total	20,604,007.70

For years 2018 and 2017 there were no transfers between levels 1 and 2 nor were there transfers within and outside level 3 during the measurement of the fair value. During the same period there was no change in the scope of any financial instrument which would lead to a different reclassification of the particular item.

The fair value of the Company's bond loans approaches their book values.

The book values of the following financial assets and liabilities approach their fair value:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities

5. REVENUES - INCOME

The revenues – income in the attached Financial Statements for the years 2018 and 2017 are analyzed as follows:

a) Revenues from contracts with customers	1.1 - 31.12.2018	1.1 - 31.12.2017
Income from construction services in relation to Concession Agreement	3,871,145.70	139,547,597.04
Income from the toll collection based on the Manual Collection System	91,741,550.41	72,932,795.27
Income from the toll collection based on FastPass	33,825,488.22	22,985,716.50
Income from provision of other services to customers	508,540.67	51,387.17
Total	129,946,725.00	235,517,495.98

b) Revenues from leases	1.1 - 31.12.2018	1.1 - 31.12.2017
Income from MSS leasing	1,216,542.21	608,296.65
Income from leasing of other facilities	30,197.04	31,026.79
Total	1,246,739.25	639,323.44

Revenue per business activity

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

a) Operations Activity of the motorways under Concession Agreement for the operation of the infrastructure project "Ionia Odos Motorway-PATHE Athens Maliakos-connecting branch Schimatari-Chalkida". Income from this business activity are recognized directly with the provision of the service.

b) Construction Activity of the motorway under Concession Agreement for the construction of the "Ionia Odos Motorway" project. The recognition of income – revenue is based on the input method (measurement of progress according to the inflows).

Net revenues per activity are analyzed as follows:

	Operation Activity of Ionia Odos Motorway PATHE	Construction Activity of Ionia Odos Motorway	Total
31-Dec-18	127,322,318.55	3,871,145.70	131,193,464.25
31-Dec-17	96,609,222.38	139,547,597.04	236,156,819.42

The item "Income from construction services in relation to Concession Agreement" concerns the addition of year 2018 on the intangible asset (note 11) of 3,871,145.70 euro (31.12.2017: 139,547,597.04 euro).

6. EXPENSES

Expenses per category are analyzed as follows:

	1.1 - 31.12.2018	1.1 - 31.12.2017
Cost of sales from the provision of services to customers	58,842,776.93	54,375,980.22
Cost of construction services in relation to Concession Agreement	3,758,393.88	135,483,103.92
Administrative expenses	6,916,808.77	8,962,367.75
Total	69,517,979.58	198,821,451.89

The above expenses have been allocated as follows in the years 2018 and 2017 respectively:

(a) Cost of sales from the provision of services to customers	1.1 - 31.12.2018	1.1 - 31.12.2017
Employees' Compensation and Expenses (note 6d)	10,842,548.58	8,366,652.01
Third parties' fees and expenses	12,658,184.34	10,996,626.04
Third parties' benefits (except leasing)	8,141,315.34	6,824,093.13
Rents of operating leasing	212,850.48	278,675.41
Tax – duties	113,872.35	149,693.72
Other expenses	1,856,924.58	2,289,443.18
Depreciation (note 6e)	24,827,126.30	24,919,710.44
Consumption of fixed assets' spare parts	189,954.96	551,086.29
Total	58,842,776.93	54,375,980.22
(b) Cost of construction services in relation to Concession Agreement	1.1 - 31.12.2018	1.1 - 31.12.2017
Cost of the period	3,758,393.88	135,483,103.92
Profit for the period	112,751.82	4,064,493.12
Income from construction services in relation to Concession Agreement	3,871,145.70	139,547,597.04

The item "Cost of Construction Services in relation to Concession Agreement" for the year ended 31st of December 2018, includes, among other costs, the construction J/V EUROIONIA fees of € 3,316,096.49. The respective amount for the year ended 31st of December 2017, amounted to € 121,052,384.92. 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 € 26.6 million which is to be realized has been recognized in the item "Construction liability due to Concession Agreement").

(c) Administrative expenses	1.1 - 31.12.2018	1.1 - 31.12.2017
Employees' Compensation and Expenses (note 6d)	2,159,408.73	2,055,052.44
Third parties' fees and expenses	2,459,306.38	4,501,420.56
Third parties' benefits (except leasing)	313,035.09	313,374.53
Rents of operating leasing	182,697.04	348,909.27
Tax – duties	192,199.12	175,040.37
Other expenses	1,059,715.76	968,209.52
Depreciation (note 6e)	550,446.32	600,361.06
Total	6,916,808.77	8,962,367.75

(d) Payroll cost	1.1 - 31.12.2018	1.1 - 31.12.2017
Salaries - Wages	9,184,473.23	7,707,901.46
Employer's contributions	2,368,739.10	2,024,232.59
Subsequent benefits & staff costs	421,382.94	525,678.40
Sub-Total	11,974,595.27	10,257,812.45
Provisions for personnel indemnity (note 19)	297,312.16	163,892.00
Provision for allowance of personnel due to annual leave	730,049.88	0.00
Total	13,001,957.31	10,421,704.45

Payroll cost per operation	1.1 - 31.12.2018	1.1 - 31.12.2017
Cost of Sales (Note 6a)	10,842,548.58	8,366,652.01
Administrative Expenses (note 6c)	2,159,408.73	2,055,052.44
Total	13,001,957.31	10,421,704.45

(e) Depreciation	1.1 - 31.12.2018	1.1 - 31.12.2017
Tangible fixed assets	1,744,588.03	1,901,414.77
Intangible assets	440,503.72	426,176.03
Concession right	23,192,480.70	23,192,480.70
Total	25,377,572.45	25,520,071.50

Depreciation per operation	1.1 - 31.12.2018	1.1 - 31.12.2017
Cost of sales (note 6a)	24,827,126.30	24,919,710.44
Administrative expenses (note 6c)	550,446.32	600,361.06
Total	25,377,572.62	25,520,071.50

7. OTHER OPERATING EXPENSES

The other operating expenses are analyzed as follows:

	1.1 - 31.12.2018	1.1 - 31.12.2017
Operation support expenses E65	35,954,444.00	33,331,019.00
Losses from bad debt	400,000.00	0.00
Accidents' compensations	53,846.25	103,941.81
Other operating expenses	444,424.70	287,152.76
Total	36,852,714.95	33,722,113.57

In the item “Operation support expense E65” are included the Payments to the State (Operation Support of Central Greece Motorway SA) for the year 2018 of total amount 35,954,444.00 (2017: € 33,331,019.00).

8. OTHER OPERATING INCOME

The other operating income is analyzed as follows:

	1.1 – 31.12.2018	1.1 – 31.12.2017
Greek State indemnities	10,338,057.99	15,056,923.70
Common-space utility income and rents	126,279.87	288,068.57
Grants and subsidies of expenses	30,716.41	33,327.25
Other operating income		291,532.39
Income from unutilized provisions	1,163,104.19	0.00
Total	12,199,954.25	15,669,851.91

The item "State Compensation" for the prior year ending 31 December 2017 refers to a loss of revenue of € 15,056,923.70 corresponding to 2017. For the year ended December 31, 2018, the item mainly includes the corresponding loss of revenue for the year 2018, amounting to € 10,039,391.32 due to delay events (toll stations not operated under 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.

The item "Income from unused provisions" relates to the final legal action of the Company's lawsuit with the Municipality of Oropos, in connection with the illegal imposition of municipal taxes on cleanliness and electricity on behalf of the Municipality, which, with final decisions of the Council of State, issued in 2018 ended with full company vindication. More information is provided below in the note on Trade and Other Receivables.

9. FINANCIAL EXPENSES AND INCOME

Financial expenses and income are analyzed as follows:

(a) Interest expense and related expenses	1.1 - 31.12.2018	1.1 - 31.12.2017
Loans' interest	13,076,772.96	15,382,439.70
Transfer of losses into the results due to the settlement of derivatives	3,506,147.27	3,905,231.76
Commissions on letters of guarantee and other bank expenses	1,062,973.59	951,226.75
Financial cost for the provision of personnel indemnity	10,248.00	10,130.00
Total	17,656,141.82	20,249,028.21
(b) Interest income and related income	1,1 - 31,12,2018	1,1 - 31,12,2017
Interest from deposits	793,082.48	1,632,969.41
Non-effective part of derivatives IRS	340,987.84	786,083.34
Total	1,134,070.32	2,419,052.75

The item "Transfers of Derivatives Losses in Results" for the year 2018, amounting to € 3,506,147.27 (2017: € 3,905,231.76) relates to the accrued amount of the reclassification from the Cash Flow hedge reserve under the swap contracts of the interest rate that the Company has concluded in order to minimize the exposure to interest rate risk in respect of its bond loans (Note 22).

Credit interest and related revenues include the inefficient part of the valuation of IRS derivatives amounting to €340,987.84 (2017: €786,083.34).

10. TANGIBLE FIXED ASSETS

The tangible fixed assets are analyzed as follows for the years ended on 31st of December 2018 and 2017:

	Premises and premises' facilities	Mechanical equipment	Other equipment	Assets under construction	Total
Acquisition value					
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
Additions	13,429,594.65	25,099.80	3,469,208.86	2,360,145.30	19,284,048.61
Reductions	(0.00)	(0.00)	(0.00)	(3,585,000.00)	(3,585,000.00)
31.12.2018	14,917,202.39	180,012.32	18,098,144.85	2,360,145.30	35,555,504.86
Accumulated depreciation and impairment					
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)
Depreciation expense for the year	(317,998.27)	(22,505.33)	(1,410,791.82)	0.00	(1,751,295.42)
Reduction of depreciation	0.00	0.00	0.00	0.00	0.00
31.12.2018	(826,446.02)	(141,036.21)	(11,139,302.53)	0.00	(12,106,784.76)
Net book value					
31.12.2018	14,090,756.37	38,976.11	6,958,842.32	2,360,145.30	23,448,720.10
31.12.2017	979,159.99	36,381.64	4,900,425.28	3,585,000.00	9,500,966.91

The increase of the "buildings and Installations" line is due to the completion of the construction of the new motorway service stations along the Ionia Odos and PATHE motorways. The additions to other equipment refer mainly to purchases of patrol vehicles of €2,398,042.04 and to purchases of furniture and other equipment amounting to €1,071,166.82 (toll equipment), while additions to the fixed assets under construction are related to projects of improvement of the Tunnel Infrastructure of the project.

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 2018 there is no evidence of impairment of its tangible fixed assets.

11. INTANGIBLE ASSETS

The intangible assets are analyzed as follows for the year ended on 31st of December 2018 and 2017:

	PC Software	State's Concessions	Total
Acquisition cost			
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
Additions	421,138.11	0.00	421,138.11
Reductions	0.00	0.00	0.00
31.12.2018	3,559,814.38	695,774,421.69	699,334,236.07
Accumulated depreciation and impairment			
31.12.2016	(1,661,800.72)	(208,732,326.43)	(210,394,127.15)
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	(2,087,976.75)	(231,924,807.14)	(234,012,783.90)
Depreciation expense for the period	(433,562.55)	(23,192,480.70)	(23,626,043.25)
Reduction of depreciation	0.00	0.00	0.00
31.12.2018	(2,521,539.30)	(255,117,287.84)	(257,638,827.14)
Net book value			
31.12.2018	1,038,275.08	440,657,133.85	441,695,408.93
31.12.2017	1,050,699.52	463,849,614.54	464,900,314.06

The Management of the Company estimates that on 31st December 2018 there are no indications for impairment of the value of its intangible assets.

The fair value of the intangible right deriving from the concession agreement was determined at the amount of €695,774,421.09, deducted from the Financial Contribution of the State which amounted to €620,880,486. The Financial Contribution of the State was recognized as a financial asset, while in 2018 the last payment that was made by the State amounted to Euro 187,094.

In addition, the company, in each reference period, acknowledges the corresponding obligation to complete the construction of the "Ionia Odos" project amounting to €26,518,299.43 on 31.12.2018 (31.12.2017: €30,389,445.13). Construction is estimated to be completed within the 2021. For more information see note 2.1.12.

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:

	31.12.2018	31.12.2017
Guarantees granted	334,845.15	312,810.15
Advance payment to the Constructor	21,199,808.00	0.00
Total	21,534,653.15	312,810.15

The amount of the advance payment to the manufacturer of €21.2 million concerns the value of the cost of construction of the frontal toll stations of Chalkida, the nodes of Varibobi and Kalyftaki and the lateral toll stations of Varibobi and Ag. Stephanos to the constructor Euroionia JV, an amount for which an equivalent letter of guarantee letter of deposit has been received.

13. INVENTORIES

The Company's inventories of 176,621.69 euro (2017: 194,619.61 euro) concern the spare parts of the fixed assets which are being used for restoring any malfunctions in the motorway. The Management of the Company estimates that on 31st December 2018 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:

	31.12.2018	31.12.2017
Trade receivables	2,194,138.46	2,808,776.05
Other receivables	25,094,935.04	27,782,230.77
Prepaid expenses	901,995.25	1,074,097.03
Total	28,191,068.75	31,665,103.85

The trade receivables are analyzed as follows:

	31.12.2018	31.12.2017
Customers	3,292,262.98	2,135,666.28
LEPL and State enterprises	75,413.08	1,664,573.47
Doubtful customers	5,749,113.57	5,531,187.47
Total	9,116,789.63	9,331,427.22
Minus: Provision for doubtful trade receivables	(6,922,651.17)	(6,522,651.17)
Net amount of trade receivables	2,194,138.46	2,808,776.05

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

Provision for bad debt 31.12.2016	6,522,651.17
Additional provision in the year	0.00
Provision for bad debt 31.12.2017	6,522,651.17
Additional provision in the year	400,000.00
Provision for bad debt 31.12.2018	6,922,651.17

The trade receivables are depicted at nominal value, after provisions made for any non-collected balances based on the model of the expected credit losses as introduced by IFRS 9.

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
31.12.2018	1,910,974.01	0.00	30,660.73	0.00	7,175,154.89	9,116,789.63
Provision for impairment	0.00	0.00	0.00	0.00	(6,922,651.17)	(6,922,651.17)
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)

The aforementioned balance of € 1,716,208.26 depicted in the balances column "Not Overdue or Depreciated" is not impaired because it relates to a receivable by the affiliated company "Odos Kentrikis Ellados SA" for transit of customers of Kentriki Pass, from the Company's toll stations (electronic transit) and, on the other hand, the lessees of Motorway Service Stations (SARs), which are well-known fuel and catering companies. These balances are normally collected in the following year 2019.

During the year 2018, the Company has formed a provision for doubtful receivables of € 400,000.00 whereas the total amount as of 31/12/2018 accounted for € 6,922,651.17 (2017: € 6,522,651.17). These concern violations and trespassing of tolls as well as older leases which the Company estimates that there is very low probability of collection.

The other receivables are analyzed as follows:

	31.12.2018	31.12.2017
Accrued Receivables for indemnities of year 2018 based on Concession Agreement	10,039,391.32	11,159,806.00
Receivables from the Greek State / LEPL	11,379,237.98	3,433,928.99
VAT for offsetting purposes	2,673,212.62	10,431,018.66
Various debtors	1,023,758.12	2,778,142.12
Total	25,115,600.04	27,802,895.77
Minus: Provision for other receivables	(20,665.00)	(20,665.00)
Net amount of other receivables	25,094,935.04	27,782,230.77

The item "receivables from the Greek State/Public Entities" includes the invoiced income loss compensation of the second half of 2017 amounting to Euro 6,252,860 which was collected in January 2019.

Moreover, a receivable is included from the municipality of Oropos of EUR 3,880,113.34, deriving from the payments in the framework of the payment of cleaning and lighting duties, for which the company had recourse to the competent courts and was finally vindicated according to the No. 2780/2018, 2781/2018, 2782/2018 and 2783/2018 irreversible decisions of the Council of the State. As early as February 2019, the Company ceased to pay these installments and filed on 27.2.2019 an out-of-court declaration to the Municipality of Oropos **declaring** that there is no need to continue to apply the settlement / payment of municipal fees from 25.5.2015 in installments and the Municipality **is called** upon to: a) fully comply with no. 2780/2018, 2781/2018, 2782/2018 and 2783/2018 irrevocable decisions of the Council of State; b) to abstain from any action, which imposes burden on the Company with municipal cleaning and lighting fees and related fines and to proceed with any necessary positive action for the restoration of legality, which has been disturbed by illegal acts and actions of the Municipality, c) to refund the amounts paid for municipal cleaning and lighting fees and related fines, with the legal interest, d) to revoke every act of the Municipality, which is related to the imposition and collection of municipal cleaning and lighting fees and related fines, as well as any enforcement measure against the Company; and (e) to waive any appeal or remedy before any competent Court which has brought proceedings against the Company and is connected with the imposition or collection or enforcement against the Company of debts of municipal cleanliness and lighting charges and related fines, to a final settlement and elimination of their inter alia trials.

The Prepaid expenses are analyzed as follows:

	31.12.2018	31.12.2017
Prepaid third party benefits	590,262.05	753,731.33
Prepaid third party fees	266,766.52	301,156.26
Prepaid other expenses	44,966.68	19,209.44
Total	901,995.25	1,074,097.03

15. CASH & CASH EQUIVALENTS

The cash and cash equivalents are analyzed as follows:

	31.12.2018	31.12.2017
Cash and reserves of toll stations	3,711,907.37	3,715,262.49
Sight deposits	20,039,370.47	105,739,131.58
Total	23,751,277.84	109,454,394.07

16. SHARE CAPITAL

The Company's share capital which is fully paid-in, amounts to 116,800,980.00 euro and consists of 116,800,980 common registered shares with a value of 1.00 euro per share.

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

	31.12.2018	31.12.2017
GEK TERNA S.A.	100.00%	78.59%
FERROVIAL S.A.	0.00%	21.41%

On 11/12/2018, FERROVIAL SA transferred to GEK TERNA SA an equity stake of 21.41% and as result GEK TERNA SA is the sole shareholder of the Company.

17. RESERVES

The movement of reserves is the following:

	Reserves based on law and articles of association	Reserve of cash flows hedging	Total
Balance 31 December 2016	416,105,919.45	(17,642,762.99)	398,463,156.46
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	496,851,490.38	(15,254,107.25)	481,597,383.13
Tax amortization of Financial Contribution	49,174,911.42	0.00	49,174,911.42
Loss from settlement of derivatives	0.00	(3,506,147.27)	(3,506,147.27)
Transfer of loss from settlement of derivatives into the results	0.00	3,506,147.27	3,506,147.27
Change in the valuation of cash flow hedging derivatives	0.00	2,017,679.51	2,017,679.51
Non-effective part of derivatives cash flow hedging	0.00	(340,987.84)	(340,987.84)
Deferred tax of derivatives	0.00	(1,153,967.21)	(1,153,967.21)
Balance 31 December 2018	546,026,401.80	(14,731,383.06)	531,295,018.74

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.

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>31.12.2018</u>	<u>31.12.2017</u>
Provisions for pending litigations	149,056.86	149,056.86
Provision for heavy maintenance	935,490.74	4,755,734.00
Provisions for extraordinary risks and extraordinary expenses (Note 8)	0.00	1,163,104.19
Total	<u>1,084,547.60</u>	<u>6,067,895.05</u>

The Company has a contractual obligation to maintain the infrastructure on the basis of a program for heavy maintenance. In addition, according to the concession agreement, the company must deliver the infrastructure to the granting authority in a specified situation at the end of the Concession Contract. In the course of the year 2018 an additional forecast of €2,942,235.74 (2017: €2,129,536) was formed. However, the amount of €6,762,479.00 was transferred to the short-term liabilities (note 21 "other liabilities") as the company estimates that at least the corresponding work will be carried out within 2019.

19. PROVISIONS FOR EMPLOYEE BENEFITS

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, 2018 and 2017 is the following:

	31.12.2018	31.12.2017
Net liability 1 January	683,201.00	675,307.00
Current employment cost	256,752.00	149,914.00
Cost of end of service benefits	59,598.00	13,978.00
Financial Cost	10,248.00	10,130.00
Benefits paid	(108,771.00)	(66,325.00)
Actuarial (profit)/loss	40,382.00	(99,803.00)
Net liability 31 December	941,410.00	683,201.00

The major actuarial assumption that were utilized are the following:

	31.12.2018	31.12.2017
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:

31.12.2018

Discount rate:	Effect on the provision for staff indemnity
0.5% Increase	(50,006.00)
0.5% Decrease	62,183.00

Future salaries' increases:	Effect on the provision for staff indemnity
0.25% Increase	31,994.00
0.25% Decrease	(24,144.00)

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)

20. INCOME TAX

The company for the fiscal year of 2018 is taxed at a nominal rate of 29% (2017, 29%), while on the basis of article 23 of Law 4579/2018, tax rates are reduced to 28% for 2019, to 27% for 2020, to 26% for 2021 and to 25% for the year 2022 and subsequently.

At 31 December 2018, the effect of the change in future tax rates amounted to a loss of € 5 million, of which € 4.4 million resulted in the income statement and € 0.6 million in other comprehensive income.

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 2018 and its breakdown, as compared to the year 2017, is analyzed as follows:

	1.1 - 31.12.2018	1.1 - 31.12.2017
Current Tax	0.00	0.00
Deferred Tax	(5,360,762.96)	5,313,340,61
Total Income Tax in the results	(5,360,762.96)	5,313,340,61

Movement of deferred tax

Balance, 31st December 2017	26,732,809.98
(Debit) / Credit in the results for the year	(5,360,762.96)
(Debit) / Credit to other comprehensive income	(1,135,119.84)
Balance, 31st December 2018	20,236,927.18

Below is the reconciliation of the income tax and the accounting profit multiplied by the applicable tax rate:

	1.1 - 31.12.2018	1.1 - 31.12.2017
Gain/(Loss) before income tax	20,500,652.47	1,453,130.41
Nominal tax rate	29%	29%
(Expense) / income of Income Tax based on the applicable nominal tax rate	(5,945,189.21)	(421,407.82)
Tax on non-deductible tax expenses	(406,000.00)	(290,000.00)
Tax on deductible differences of previous year for which no deferred tax had been recognized	0.00	22,903.73
Tax adjustments of previous years	(273,005.50)	0.00
Effect of net temporary differences for which no deferred tax is recognized	(337,300.22)	0.00
Impact from change in the tax rate	(4,401,112.73)	0.00
Tax- exempt results	6,001,844.70	6,001,844.70
Actual (Expense) / Income Tax	(5,360,762.96)	5,313,340.61

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, were 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 issued and provided the company with the "Tax Compliance Report" and subsequently it submitted 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. Despite the above, the Company continues to assign the Certified Auditor with the issuance of the Tax Certificate on voluntary basis.

For the years 2011, 2012 and 2013, there was a tax audit by Xatzipavlou Sofianos & Kampanis (DELOITTE SA) while for the years 2014, 2015, 2016 and 2017, 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

2018 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 today. 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 Counsel 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 fiscal year ended 31st December 2012, has been elapsed, 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.

The Company, for the fiscal year 2018, recognized a deferred tax asset of € 178,217,514.31 (2017: € 189,873,020.45) for the reported tax losses that arise mainly from the accelerated depreciation of the construction cost of the Project, tax losses which, under the Concession Agreement, will be in favor of future profits without a time limit. From the approved Financial Model, it appears that until the end of the concession period, i.e. 2037, there will be taxable profits against which cumulative tax losses can be offset.

Deferred taxes (receivable and liability) for the years 2018 and 2017 are analyzed as follows:

	Statement of financial position		Net Profit	Other Total
	31.12.2018	31.12.2017	(Debit) / Credit	Income (Debit) / Credit
Deferred tax asset				
Derivative financial instruments	4,702,341.03	5,975,162.23	(118,853.99)	(1,153,967.21)
Provisions	2,438,448.82	1,759,689.56	678,759.26	0.00
Trade and other liabilities	0.00	119,910.31	(119,910.31)	0.00
Other long term liabilities	321,842.06	188,500.00	133,342.06	0.00
Tax-recognized losses	178,217,514.31	189,873,020.45	(11,655,506.14)	0.00
Employee benefits liabilities	235,352.50	198,128.29	18,376.84	18,847.37
Deferred tax liability				
Intangible assets	(162,781,760.16)	(168,145,257.12)	5,363,496.96	0.00
Trade receivables	(2,896,811.39)	(3,236,343.74)	339,532.35	0.00
Deferred tax on net profits / other comprehensive income			(5,360,762.97)	(1,135,119.84)
Net Deferred Income Tax Receivable / (Liability)	20,236,927.17	26,732,809.99		

	Statement of financial position		Net Profit	Other Total
	31.12.2017	31.12.2016	(Debit) / Credit	Income (Debit) / Credit
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	119,910.31	119,910.31	0.00	0.00
Other long term liabilities	188,500.00	0.00	188,500.00	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)	26,732,809.98	22,424,060.36		

21. TRADE AND OTHER LIABILITIES – LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The trade and other liabilities are analyzed as follows:

	31.12.2018	31.12.2017
Trade liabilities	17,795,183.52	67,802,230.57
Other liabilities	9,865,137.23	3,794,042.97
Total	27,660,320.75	71,596,273.54

The trade liabilities are analyzed as follows:

	31.12.2018	31.12.2017
Domestic suppliers	17,667,660.10	67,683,941.28
Foreign suppliers	127,523.42	118,289.29
Total	17,795,183.52	67,802,230.57

The other liabilities are analyzed as follows:

	31.12.2018	31.12.2017
Accrued expenses for the year	8,477,098.40	1,246,506.48
Other taxes and duties	689,246.82	1,100,487.09
Social security organizations	539,856.48	560,356.62
Various creditors	158,835.53	886,692.78
	9,865,137.23	3,794,042.97

The accrued expenses for the year are analyzed as follows:

	31.12.2018	31.12.2017
Third party benefits accrued	335,082.78	106,640.05
Cleaning and lighting duties	0.00	8,673.10
Interest and related expenses accrued	0.00	279,174.47
Various expenses for the year accrued	107,237.49	127,566.02
Third party benefits accrued	367,263.46	351,001.35
Accrued liabilities concerning allowance for leave of the following year	1,103,501.37	373,451.49
Provision for heavy maintenance (note 18)	6,564,013.30	0.00
	8,477,098.40	1,246,506.48

Other taxes and duties are analyzed as follows:

	31.12.2018	31.12.2017
Subcontractors tax	102,032.71	383,309.36
Interest tax	327,413.40	447,928.28
Payroll tax & Solidarity levy	179,934.07	169,176.08
Tax on fees of free lancers	66,882.92	69,843.01
Stamp duties and Agr. Ins. Org. construction related benefits	12,983.72	30,230.36
Total	689,246.82	1,100,487.09

The item “Liabilities from contracts with customers” of €3,253,578.63 (2017: €2,540,495.79) concerns the total balance of the customers of Fast Pass, deposited to the Company against future transits (passing through) from the electronic lanes of the toll stations.

22. FINANCIAL LIABILITIES

The financial liabilities are analyzed as follows:

Financial liabilities – long term	31.12.2018	31.12.2017
Bond loans	125,326,910.00	132,467,240.00
Liabilities towards related parties	43,611,864.33	99,742,929.50
Total	168,938,774.33	232,210,169.50

The maturity dates of the Bond Loans granted by banks are the following:

	31.12.2018	31.12.2017
Between 1 and 2 years	9,401,120.00	11,617,320.00
Between 2 and 5 years	24,418,090.00	19,293,400.00
Over 5 years	91,507,700.00	101,556,520.00
Total	125,326,910.00	132,467,240.00

Financial liabilities – short term	31.12.2018	31.12.2017
Short-term loans (VAT loan)	0.00	5,926,813.00
Liabilities towards related companies	45,702,928.00	9,844,946.00
Long-term liabilities payable in the following fiscal year	7,291,937.44	20,253,110.00
Total	52,994,865.44	36,062,869.00

Bond Loans granted from banks

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, Standby Facility: The Company issued the bond loans and collected the respective proceeds, except for the Standby Facility which was not finally required, 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 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. During the year 2018, the full amount was repaid and there are no pending applications for VAT return from the pertinent tax authority.

The balances and repayments of loans for the year ended on 31st December 2018 are analyzed as follows:

BANK	BALANCE AS AT 31.12.2017	REPAYMENTS	BALANCE AS AT 31.12.2018
BANCO BILBAO VIZCAYA ARGENTINA SA	12,383,327.00	1,663,764.00	10,719,563.00
EUROBANK ERGASIAS SA	22,231,590.00	4,595,103.00	17,636,486.00
BNP PARIBAS FORTIS SA SUCURSAL EN ESPANA	13,261,873.00	1,667,391.00	11,594,482.00
BANCO SANTANDER SA LONDON BRANCH	12,383,327.00	1,663,764.00	10,719,563.00
INSTITUTO DE CRÉDITO OFICIAL	3,514,181.00	14,508.00	3,499,673.00
ALPHA BANK SA	12,871,900.00	2,349,857.00	10,522,043.00
NATIONAL BANK OF GREECE SA	14,020,997.00	2,688,021.00	11,332,976.00
BANK OF ATTICA	3,121,472.00	62,919.00	3,058,554.00
PIRAEUS BANK SA	54,232,260.00	9,818,087.00	44,414,174.00
BANCIA S,A,	2,049,939.00	8,463.00	2,041,476.00
ESPIRITO SANTO Plc	4,288,148.00	824,023.00	3,464,125.00
CAIXA GERAL De DEPOSITOS SA SUCURSAL EN ESPANA	4,288,148.00	824,023.00	3,464,125.00
TOTAL	158,647,162.00	26,179,922.00	132,467,240.00

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 according to the balances of the banks' bond loans. 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 31.12.2018 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 31.12.2018 settled at 18.59 million Euros (loss) for the Company, whereas on 31.12.2017 at 20.60 million Euros (loss) for the Company. For more information on the movement of derivatives see Note 17. The expenses incurred in relation to the interest rate swaps contracts for the year 2018 settled at € 3,506,147.27 (2017: € 3,905,231.76).

Secondary Debt towards Shareholders

In reference to the liabilities towards related companies, these concern the Secondary Debt granted to the Company by the Shareholders, according to the Concession Agreement.

Below, there is analysis of the Secondary Debt capital amounts due as of 31/12/2018 and 31/12/2017:

	SHAREHOLDER	AMOUNTS UP UNTIL 31.12.2018	AMOUNTS UP UNTIL 31.12.2017
1	FERROVIAL S.A.	0.00	16,143,597.09
2	GEK TERNA S.A.	74,815,026.09	59,285,439.00
	TOTAL	74,815,026.09	75,429,036.09

The above capital amounts of the Secondary Debt do not include the due interest due until 31.12.2018 amounting to € 14,499,766.24 (31.12.2017: € 34,158,839.41). The interest expense for the years ended December 31, 2018 and 2017 is € 7,483,322.73 and € 7,394,961.52, respectively.

Under the Concession Agreement, a capital amount of € 614,010.00 and interest of € 27,070,822.00 was repaid to the shareholders in 2018, whereas from the above total amount of interest and capital due on the 31st of December 2018 of € 89,314,792.33, an amount of € 45,702,928.00 will be repaid if cash liquidity exists in the

year 2019 and for this reason, it has been classified as short-term liabilities under the item "Short-term liabilities to affiliated companies. An amount of € 5,207,590.00 was paid in January 2019.

Derivatives

The Company, in order to manage the interest rate risk arising from the bond loans it has issued, it has entered into interest rate swaps, the nominal value of which changes on the basis of bank bond loans balances. The nominal value of the interest rate swaps agreed is 45% of the nominal value of the respective loans.

Interest rate swaps refer to contracts whereby the variable interest rate on loans is converted into a fixed amount over the total maturity of the loans so that the Company is protected against any interest rate hikes. The fair value of these contracts was valued by projecting the current euribor curve on 31.12.2018 throughout the time horizon of these contracts. The valuation of their fair value at 31.12.2018 and 31.12.2017 and the breakdown, based on the maturity of the relevant amounts, in the long-term and short-term part is analyzed as follows:

	31.12.2018	31.12.2017
Derivative financial instruments-long term part	15,529,328.75	17,084,626.47
Derivative financial instruments-short term part	3,056,999.44	3,519,381.38
Total	18,586,328.19	20,604,007.85

For more information on the movement of derivatives see Note 17. The expenses incurred in relation to the interest rate swaps contracts for the year 2018 settled at € 3,506,147.27 (2017: € 3,905,231.76).

Some additional information for the derivatives is presented below:

Type	Beginning	Ending	Interest rate of fixed part	Interest rate of floating part	Nominal amount 31.12.2018	Nominal amount 31.12.2017
Interest Rate Swaps	2008	2028-2032	4.733%-4.994%	euribor	59,606,042.00	68,722,547.00

The contracts with the counterparties define nominal amounts which change on semi-annual basis in correspondence with the net balances of the bond loans granted by the banks.

Guarantees

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

- 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	1.1 - 31.12.2018		1.1 - 31.12.2017	
	Purchases / expenses	Sales of services	Purchases / expenses	Sales of services
Parent Company				
GEK TERNA SA	6,840,840.97	171.82	6,661,907.17	175.38
Group's Companies				
ODOS KENTRIKIS ELLADAS SA	4,247,100.10	1,787,779.71	2,930,978.64	716,419.85
GEK SERVICES SA	747,335.11	0.00	1,492,883.34	0.00
HERON THERMOELECTRIC SA	3,811,133.96	1,137.24	3,097,131.51	0.00
J/V HELLAS TOLLS	442,297.39	9,600.00	10,331,290.08	9,800.00
J/V EUROIONIA	29,949,190.90	885,054.75	193,496,422.27	0.00
TERNA ENERGY SA	0.00	250.99	0.00	216.50
J/V AKTOR ATE-JP AVAX SA-TERNA SA	0.00	23,683.76	0.00	0.00
J/V AKTOR ATE-JP AVAX SA-TERNA SA	0.00	18,323.24		
TERNA SA	13,790,000.00	1,019.74	0.00	2,014.33
Other related parties				
FERROVIAL SA	1,823,223.16	0.00	2,535,552.21	0.00
IRIDIUM SA	0.00	0.00	1,647,054.63	0.00
Total	61,651,121.59	2,727,021.25	222,193,219.85	728,626.06

b) Amounts of unpaid balances	31.12.2018		31.12.2017	
	Liabilities	Receivables	Liabilities	Receivables
Parent Company				
GEK TERNA SA	0.00	0.00	417,254.38	0.00
Group's Companies				
ODOS KENTRIKIS ELLADAS SA	1,842,435.84	1,043,474.75	677,008.62	245,689.65
GEK SERVICES SA	203,469.64	0.00	324,858.45	0.00
HERON THERMOELECTRIC SA	1,109,793.19	0.00	988,032.86	0.00
J/V HELLAS TOLLS	174,987.51	75,477.34	174,987.51	68,534.56
J/V EUROIONIA	2,207,834.03	22,297,275.89	54,118,601.46	0.00
J/V TERNA – AKTOR SA	0.00	0.00	0.00	0.00
TERNA ENERGY SA	138.90	0.00	128.05	0.00
TERNA SA	4,970,471.31	816.08	71,834.01	2,385,000.00
J/V AKTOR ATE-JP AVAX SA- TERNA SA	0.00	4,746.53	0.00	0.00
J/V AKTOR ATE-JP AVAX SA- TERNA SA	0.00	5,862.00	0.00	0.00
Other related companies				
FERROVIAL SA	0.00	0.00	340,855.93	0.00
IRIDIUM SA	0.00	0.00	0.00	0.00
Total	10,509,130.42	23,427,652.59	57,113,561.27	2,699,224.21

With HERON THERMOELEKTRIC SA there is an outstanding balance of guarantees on 31st December 2018 of € 260,439.94 whereas the transactions of the year 2018 against the guarantees amount to € 64,576.25.

c) Loans from related parties	31.12.2018		31.12.2017	
	Interest payable	Amount of liability	Interest payable	Amount of liability
GEK TERNA SA	14,499,766.24	74,815,026.09	23,530,068.52	59,285,439.00
FERROVIAL SA	0.00	0.00	10,628,770.89	16,143,597.09
Total	14,499,766.24	74,815,026.09	34,158,839.41	75,429,036.09

The interest expenses of the Subordinated debt for the years ended on 31st December 2018 and 31st December 2017 amounted to € 7,486,322.73 and € 7,394,961.52 respectively.

d) Fees to administrative directors	31.12.2018	31.12.2017
Fees to management's senior members	270,000.00	248,891.96
Liabilities	0.00	124.00

24. AUDITORS' FEES

		31.12.2018	31.12.2017
ERNST & YOUNG HELLAS SA	Statutory Audit	49,000.00	38,000.00
	Tax Audit	22,500.00	22,900.00
	Non-auditing services	166,135.00	94,560.00

25. COMMITMENTS AND CONTINGENT LIABILITIES

i) Pending Litigations – Legal Cases

The Management of the Company as well as its legal counselors estimate that there are no legal or under arbitration differences of judicial or arbitration bodies that may have a material effect on the financial statements, the financial position or the results of the Company's operation. In this context the Company has not proceeded with any necessary provisions.

ii) Letters of Guarantee – Other Guarantees

	31.12.2018	31.12.2017
Letter of Guarantee of Construction Studies	8,000,000.00	56,000,000.00
Letter of Guarantee of Maintenance Operations	5,000,000.00	3,414,304.00
Letter of Guarantee of Remaining Services	1,800,000.00	0.00
Total	14,800,000.00	59,414,304.00

In the year 2018, the Construction Design Letter of Guarantee was replaced in value to € 8,000,000 due to the completion of the Construction and the issuance of the T1 Completion Certificate issued by the Independent Engineer of the Project. The Letter of Guarantee of Residual Works of € 1,800,000 was issued to cover the remaining works on the PATHE motorway.

The above Letters of Guarantee have been submitted to the Ministry of Infrastructure and Transport, and have been issued and fully 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 2018 and 2017 are presented as follows:

	31.12.2018	31.12.2017
Within 1 year	304,474.78	278,982.01
From 2 to 5 years	271,195.04	390,211.14
Over 5 years	192,931.20	220,492.80
Total future payable leases of operating leasing agreements	768,601.02	889,685.95

iv) Receivables from operating leases – As lessor

The minimum future receivable leases according to irrevocable operating leasing agreements on 31st December 2018 and 2017 are presented as follows:

	31.12.2018	31.12.2017
Within 1 year	1,179,789.44	1,152,322.75
From 2 to 5 years	3,492,600.09	4,197,767.60
Over 5 years	11,054,199.44	12,910,552.34
Total future receivable leases of operating leasing agreements	15,726,588.97	18,260,642.69

26. EVENTS AFTER THE REPORTING PERIOD

From the end of the closing fiscal year until the preparation date of the Financial Statements there were no other significant events which may materially affect the Financial Statements of the closing year and which should have been presented in the current Report.

Athens, 12 April 2019

THE CHAIRMAN
OF THE BOARD OF DIRECTORS




EMMANUEL VRAILAS
ID NO.: AK 837985

THE CHIEF EXECUTIVE OFFICER



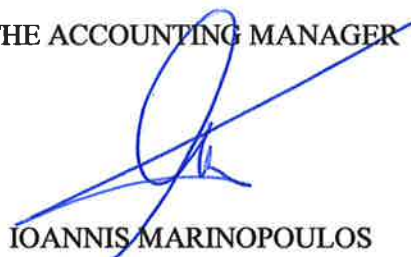
STELIOS PENTHEROUDAKIS
ID NO.: AN 523264

THE CHIEF FINANCIAL OFFICER



KONSTANTINOS KONSTANTINIDIS
ID NO.: X670038

THE ACCOUNTING MANAGER



IOANNIS MARINOPOULOS
ID NO.: Ε448367

