



CENTRAL GREECE MOTORWAY CONCESSION COMPANY
SOCIETE ANONYME

Annual Financial Statements

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

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A. BOARD OF DIRECTORS' MANAGEMENT REPORT OF CENTRAL GREECE MOTORWAY CONCESSION SOCIETE ANONYME S.A.

Dear Shareholders,

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

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

1. OBJECTIVE OF ACTIVITY

Exclusive activity objective of Central Greece Motorway Concession Company SA (hereinafter referred to as "the Company") is the study, construction, financing, operation, maintenance and exploitation of the project "Central Greece Motorway (E65)", based on the provisions of the respective Concession Agreement.

2. DEVELOPMENT OF PROJECTS

At 23/11/2010, the Company, along with the construction activity, entered into partial operation period with the commencement of the operation of Agia Triada Toll Station, in Municipality of Molos. Subsequently, in September of 2014 two new lateral toll stations, at Molos and Thermopyles commenced operation, while in March of 2015, the lateral toll stations of Ag. Marina and Stilida - Karavomilos as well as the frontal toll station of Mavromantila commenced operation. In December 2017 commenced the exploitation of the Central Greece Motorway (E65) by the I/C Xiniadas until the I/C Trikalon.

The results for the year ended 2017 analyzed as follows:

Revenues	88.067.642,50
Minus: Cost of Sales	(77.017.242,28)
Gross Result	11.050.400,22
Minus: Administrative expenses	(1.731.234,02)
Other operating expenses	(49.868,78)
Plus: Other operating revenue	767.428,86
Earnings before interest and income tax	10.036.726,28

Plus: Financial income	49.092.121,46
Less: Financial expenses	(18.726.902,41)
Earnings before income tax	40.401.945,33
Plus: Income Tax	(11.861.564,15)
Earnings after income tax	28.540.381,18

Other comprehensive income /(losses) after tax

Items re-classified to the Results in following periods:

Cash flow hedging reserve	20.143.195,65
Corresponding tax	(5.841.526,74)
	14.301.668,91

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

Actuarial losses from defined benefit plans	(5.931,00)
Corresponding income tax	1.719,99
	(4.211,01)

Other comprehensive income of the year after tax	14.297.457,90
Total comprehensive income after tax	42.837.839,08

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

	01.01 - 31.12.2017	
Toll revenue MTC	10.350.415,00	
ETC Toll revenue	3.175.092,95	13.525.507,95
Income from the provision of construction services (according to IFRIC 12)		71.221.897,00
Operating Support Revenue proportional to the operation		3.320.237,55
Total		88.067.642,50

The cost of sales for the year ended at 31st of December 2017, includes under IFRIC 12 and among other costs, the construction cost of euro 69.147.472,82, which includes as well, the construction fees of E65 J/V amounting euro 58.198.078,90.

In detail, the construction cost for the year 2017, which amounted to 69.147.472,82 euros, is analyzed per category as follows:

Hellas Tolls J/V fees	8.434.652,65
Independent Engineer's fees	1.730.867,85
Lenders Technical Advisor fees	141.061,25
Technical work Consultants fees	642.812,18
E65 J/V fees	58.198.078,90
Total	<u><u>69.147.472,82</u></u>

The analysis of the construction works of E65 J/V, per geographical section of the project is analyzed as follows:

SECTION - 1 / PATHE – Anavra	44.364.977,53
SECTION - 2 / Anavra – Trikala	13.141.708,20
SECTION - 3 / Skarfia – Raches	553.463,73
Additional Works	137.929,44
Total	<u><u>58.198.078,90</u></u>

3. FINANCIAL RATIOS

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

Financial Year 2017

<u>Revenues</u>	=	<u>88.067.642,50</u>	=	11,70%
Total assets		747.748.539,54		
<u>Current assets</u>	=	<u>88.823.603,29</u>	=	152,80%
Current liabilities		58.114.040,80		
<u>Total assets</u>	=	<u>747.748.539,54</u>	=	614,70%
Total Equity		121.629.868,53		
<u>Total Equity</u>	=	<u>121.629.868,53</u>	=	19,40%
Total Liabilities		626.118.671,01		

<u>Cash and cash equivalents</u>	=	<u>17.442.879,86</u>	=	30,00%
Current liabilities		58.114.040,80		

Financial Year 2016

<u>Revenues</u>	=	<u>144.497.320,27</u>	=	20,20%
Total assets		714.188.008,50		
<u>Current assets</u>	=	<u>116.967.285,76</u>	=	202,80%
Current liabilities		57.667.704,57		
<u>Total assets</u>	=	<u>714.188.008,50</u>	=	906,40%
Total equity		78.792.029,45		
<u>Total equity</u>	=	<u>78.792.029,45</u>	=	12,40%
Total liabilities		635.395.979,05		
<u>Cash and cash equivalents</u>	=	<u>28.907.990,70</u>	=	50,10%
Current liabilities		57.667.704,57		

4. FINANCIAL POSITION

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

Equity

The Company's Equity amounted to 121.629.868,53 euros compared to 78.792.029,45 euros in the previous year 2016. The Equity was enhanced during the fiscal year by euros 42,83 million.

Duration of Constructions – Project Amendment

Within 2017 the whole Concession Project was delivered to circulation. The economic progress of the Project, until December 2017 was at the level 99.7%.

The remaining part of completion refers to a small scale as it has been defined by the 15/12/17 Certification of Project's Works Completion, by the Independent Engineer.

The article 5.2.4 in combination with article 5.2.5 of the Amendment Agreement of the Concession Agreement define the technical objective for the period T1 from the I/C Xiniada until I/C Trikala of total length 78,670 km, as well as the deferred sections of the Project, namely the parts exempted from the construction of the period T1 for which construction is provided for in period T2 under fulfilment of specific conditions. The deferred sections of the Project are the following:

- Section Pathe Semi I/C to Xyniada
- Section of Trikala I/C to Grevena I/C
- Section Grevena I/C to Egnatia I/C

Bank Loans-Cash and cash equivalents

The Company has signed a bond loan agreement of total amount 451.714.635,00 euro that has already been disbursed and its service has been initiated, its balance on 31.12.2017 amounted to 366.302.162,00 euro (including the short-term maturity).

The Cash and cash equivalents (Deposits and Cash on Toll Stations) amount to 17.442.879,86 euro compared to 28.907.990,70 in the previous year 2016 and the Cash is deposited to EUROBANK ERGASIAS SA to the below accounts of the project:

- 1) Proceeds Account amounted to euro 9.427.789,03
- 2) Debt Service Reserve Account amounted to euro 3.880.357,12
- 3) VAT Account amounted to euro 79.792,44
- 4) Escrow Account amounted to euro 132.590,22
- 5) Account of Excessive Liquidity of Operation and Maintenance amounted to euro 3.602.805,50
- 6) Equity Account amounted to euro 2.153,39
- 7) KENTRIKI PASS Subscribers Account amounted to euro 200,00

Concessionaire Compensation

Under the Agreement for the Timely Completion of the Project which was signed on 11th of May 2016, the State agreed and paid compensation to the Concessionaire of Euro 7.500.000,00.

5. BASE IRR

In implementation of the provisions of the Concession Agreement and the approvals of the Project's Lenders, the amount of 15.319.245,00 euro was transferred to a specific bank account (hereinafter referred to as the "Distribution Account") in February 2018. This amount is part of the entitled return of the shareholders and is available to be paid to them.

6. RISKS

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

Credit and Liquidity risk

Due to the nature of the company's activities, from which its revenues derive, no significant concentration of credit risks arises, which could question the Company's cash flow. Exception to the above comprise the receivables from the Greek State in the form of compensation for the loss of income and the operation support. Under the loan agreement, the Company's cash and cash equivalents amounted to 17.125.687,70 €, that are deposited at the EUROBANK ERGASIAS Bank and the credit risk for the cash and cash equivalents as well as for the other receivables is considered to be limited.

The Company's short-term liabilities are substantially covered by the Company's cash and cash equivalents and the working capital.

Foreign currency risk

Foreign currency risk derives from the fluctuations occurring in the values of the financial assets, fixed assets, current assets and liabilities, originating from respective changes in the foreign exchange rate currencies. In the current year the company did not have any transactions in foreign currency.

Cash flow and Interest rate risk

The Company is exposed to cash flow risk due to the floating interest rates on euro denominated loans. In order to offset the risk that derives, it has contracted Interest Rate Swap Agreements, in order to limit the interest rate fluctuations turning indirectly the floating rates to fixed.

The fair value of these contracts was estimated by projecting the interest rate curve (euribor), as at 31/12/2017, throughout the term of the said contracts. Their fair value amounts to 175,83 million euros at the Company's liability.

7. NON FINANCIAL ASSETS

INTRODUCTION

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

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

THE COMPANY

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

The Company is responsible for:

1. The study: Carry out all the necessary studies (environmental, road, geotechnical, etc.)
2. Design 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 construction of the E65 is a project of strategic importance for the development of the country and the region, since it is entirely constructed in new engraving and basically connects Eastern with Western Greece. Upon completion, it links Central Greece with the Trans-European Networks, the ports of Igoumenitsa and Volos and completes the transport system at regional and local level.

This project concerns the construction of the motorway of central Greece (E65), from the PATHE at the height of I/C Thermopiles until the unequal node of Egnatia Odos with Oxinia (total length of 174 km), as well as the management and maintenance of the PATHE department. from Scarfia until Raches (total length of 57 km).

The Board of Directors of the Company consists of 10 members. The Board of Directors decides on important corporate issues after predetermined meetings and its role is crucial in order to secure the interests of the shareholders. The BoD guarantees the proper operation of the Company and ensures a fair, ethical and equitable environment for all. All members are important to have in-depth knowledge of corporate issues and have significant business experience, mature business perception and strategic thinking, ensuring that Management follows and serves the corporate strategy with responsibility and accountability.

STRATEGIC APPROACH

The provision of high-quality services is located in the center of the Company's strategic approach. Priority of the Company consists the high quality in the services offered and under this context its basic aim constitutes the continuous improvement of its performance.

The provision of high quality services to users, the protection of workers' health and the protection of the environment are regulated through a set of activities and tasks. In this context, the Company applies international standards for the certification of processes and systems.

CORPORATE RESPONSIBILITY

The Company, being particularly sensitive to the needs of society, integrates into its strategic design, policies and practices that aim at the support of the society and the protection of the environment.

The Company is fully aware of its great responsibility towards the community, given that it provides a public good of utmost importance. Ensuring the smooth functioning of one of the major road axes of the country, the Company makes continuous efforts in order to define the limits of all those parameters of Corporate Responsibility, organize them, record them but as well as communicate them.

Based on internationally recognized practices, the Company supports its Corporate Responsibility Strategy on five pillars:

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

Consequent of the above pillars' recognition, constitutes the preparation of a comprehensive action plan which fully meets the current situation, to the targets set and their mapping. The Company, two years after the compilation its first Report, continues to improve by placing special focus on the corporate responsibility part.

In 2016, the Company marked a more substantial approach to its Corporate Responsibility strategy. The aim of this was the integrated approach of all the sectors that have an impact on the Company's business activity and are also affected by it. The effect of business activity on both society and environment has an impact on the quality of the services provided. These impacts are also linked to safety issues that directly concern all those using the motorways. The Company's business activity is also related to the Company's contribution to the development of the local communities involved and to the creation of value for the benefit of the wider community.

RESPONSIBILITY IN THE SUPPLY CHAIN

The need for the provision of high-quality services imposes the application of strict criteria in the process for the selection of the Company's partners. Prerequisite for the cooperation with the suppliers constitutes their commitment in the principles adopted by the Company. Its suppliers must fully comply with the specifications and rules that govern the operation of the Company.

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 above criteria underlying the selection of suppliers, the Company takes into account the official certifications of each supplier as proof of the quality of the services or products. It is worth mentioning that our main suppliers are certified with one or more of the following certification systems:

- ISO 9001: 2008
- ISO 14001: 2004
- ISO 22000:2005
- EN 361: 2002
- EN 358: 1999

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

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

Especially for the suppliers that cover the operating needs and issues of infrastructure's maintenance, continuous and thorough audits are conducted for application of the environmental legislation.

Selection or evaluation criteria of the Company's suppliers also include issues related to safety and health at work.

On an annual basis, suppliers and subcontractors are assessed on the basis of specific criteria relating to:

- 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 identified potential risk areas. Due to the nature and requirements of this work, cases of child, forced or compulsory labor are not considered possible within our own activities as well as of our suppliers.

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

SOCIETY AND LOCAL COMMUNITIES

The essential contribution to the development of local communities that are related to our motorways is a firm priority of the Company. Providing support to small suppliers is a key part of our way of action, since we clearly recognize its positive effects. The special relationship developed with local suppliers often leads to overruns of the Company's payment policies.

During the year 2017, the Company invested considerably and significantly increased the expenditure to national and local suppliers, while at the same time it reduced the expenditure towards international suppliers. By this way, it expresses its support for Greek businesses.

8. COMPANY AND ENVIRONMENT

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

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

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

The company's obligations for the protection of the environment are set in the Approved Environmental Terms of the project. The obtaining of the required environmental permits, the installment of noise barriers, the monitoring of traffic noise, the measurement of the air pollution, the construction of fauna underpasses, the restoration and maintenance of vegetation, the construction of pollution collection tanks, the implementation of Environmental Management Plans and the monitoring of traffic volumes are some of the measures that ensure the protection of the environment and the harmonization of the project with it.

The Company's commitment for the protection of the environment is described in the Environmental Policy applied.

The Environmental Management and the implementation of the Approved Environmental Terms is a responsibility of the Company's 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 issuance of the Annual Environmental Report that concerns 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 been achieved through the implementation of an Environmental Management System in all the aspects and activities of Central Greece Motorway S.A, which is certified by the International Standard ISO 14001:2014.

9. HUMAN RESOURCES

The Company, as at 31/12/2017 was employing 118 employees of management personnel. All the personnel are been employed on full-time basis while the majority is covered by individual contracts of indefinite duration. The Company cooperates on a permanent basis with companies that provide seasonal workers. By this personnel the Company covers extraordinary or seasonal needs, such as maternity leave. The 93.24% of the personnel are mainly employed in the services of maintenance and surveillance of the motorway and the toll stations as well as in other similar activities linked 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 the avoidance of mistakes. Furthermore, the Company in its attempt to create a prosperous environment for its employees, invests in training seminars, 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 the value of each personality constitute fundamental element of corporate culture. Gender equality is one of the policies implemented and pursued, in absolute value.

In this context of equality and equity, the Company cultivates a work environment that offers development opportunities with the sole criterion of knowledge, skills, performance and alignment with its principles.

Recruitment and evaluations are based on merit criteria and policies set by the company, and no form of discrimination exists on employees' compensation. All employees are entitled to equal pay for work of equal value. During 2017, there was no incidence of discrimination, but neither occurred any denouncement or complaint from workers and / or third parties about incidents of discrimination in the workplace.

Personnel Training

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

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

The purpose of the training process is to:

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

Human Rights

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

Safety and Health

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

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

appropriate priorities and establishes programs for the implementation of its policy and the achievement of the Safety and Hygiene objectives.

With the support of independent Health and Safety advisers, the Company provides to its human resources the necessary services of Safety Officer and Occupational Physician, ensuring by this way the ongoing monitoring of the health and working conditions of all employees. In order to prevent and protect employees from all kinds of occupational hazards, both Safety Officers and Occupational Physicians regularly visit all of the Company's facilities. Its partners evaluate the current situation, indicate the points that need to be improved, while also informing and guiding the workers with safe working instructions.

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

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

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

10. TREASURY SHARES

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

11. BRANCHES OF THE COMPANY

- 19 N. Erithrea Av. (Offices)
- Two Tunnel Control Centers
- Six tolls stations along PATHE.
- Seven tolls stations along E65.

12. SUBSEQUENT EVENTS OF 31.12.2017

From the end of the fiscal year ending 31.12.2017 until the date of preparation of this report, no other events have occurred that have a significant impact on the Financial Statements of the closing year and should be mentioned in this Report.

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

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

Lamia, 24/05/2018

For the Board of Directors

The Chairman

Emmanouil Vrailas

B. INDEPENDENT AUDITOR’S REPORT

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

**To the Shareholders of “CENTRAL GREECE MOTORWAY CONCESSION COMPANY
SOCIETE ANONYME”
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of “CENTRAL GREECE MOTORWAY CONCESSION COMPANY SOCIETE ANONYME” (the Company), which comprise the statement of financial position as of December 31, 2017, the income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We remained independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

Athens, 25 May 2018

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

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

C. STATEMENT OF COMPREHENSIVE INCOME

For the year that ended on 31st of December 2017

	Note	01.01-31.12.2017	01.01-31.12.2016
Revenues from services' provision	5	16.845.745,50	20.534.960,70
Revenues from construction contracts	5	71.221.897,00	123.962.359,57
Revenues		88.067.642,50	144.497.320,27
Cost of sales	6	(7.869.769,46)	(6.768.884,80)
Cost of projects	6	(69.147.472,82)	(120.351.805,41)
Gross profit		11.050.400,22	17.376.630,06
Other operating income	7	767.428,86	3.863.479,03
Administration expenses	6	(1.731.234,02)	(1.483.061,62)
Other operating expenses		(49.868,78)	(358.209,25)
Operating profit		10.036.726,28	19.398.838,22
Financial income	8	49.092.121,46	18.572.263,38
Financial expenses	8	(18.726.902,41)	(21.582.378,25)
Result before tax		40.401.945,33	16.388.723,35
Income tax	9	(11.861.564,15)	(4.772.627,66)
Result for the period		28.540.381,18	11.616.095,69
Other comprehensive income / (losses) after taxes			
<i>Items reclassified to the Results in the following periods:</i>			
Cash flow hedging reserve	17	20.143.195,65	(13.666.684,23)
Tax corresponding to the items of the other comprehensive income	17	(5.841.526,74)	3.963.338,43
Net comprehensive income to be reclassified to the profit or loss in the following periods		14.301.668,91	(9.703.345,80)
<i>Items that are not reclassified to Results in following periods:</i>			
Actuarial gains and (losses) from defined benefit plans		(5,931.00)	13,004.00
Income tax corresponding to the items of the other comprehensive income		1,719.99	(3,771.16)
Net total comprehensive income - not to be reclassified in profit or losses of following periods		(4,211.01)	9,232.84
Other comprehensive income / (losses) of the year net of taxes		14.297.457,90	(9.694.112,96)
Total comprehensive income after tax		42.837.839,08	1.921.982,73

The notes in pages 24 to 75 constitute an integral part of these financial statements.

D. STATEMENT OF FINANCIAL POSITION

		31.12.2017	31.12.2016	01.01.2016
ASSETS	Note			
<u>Non-current assets</u>				
Fixed tangible assets	10	2.469.558,71	873.933,59	764.465,70
Intangible assets	11	475.631.709,41	441.228.031,16	382.576.694,87
Other non-current receivables		43.264,55	12.788,55	12.788,55
Derivative financial instruments	12	180.780.403,58	155.105.969,44	154.947.878,37
Total		658.924.936,25	597.220.722,74	538.301.827,49
<u>Current assets</u>				
Inventories	13	70.095,44	41.084,31	60.833,66
Trade and other receivables	14	47.616.288,99	64.323.871,75	68.406.802,48
Receivable State Financial Contribution		23.694.339,00	23.694.339,00	23.694.339,00
Cash and cash equivalents	15	17.442.879,86	28.907.990,70	36.250.521,78
Total		88.823.603,29	116.967.285,76	128.412.496,92
Total assets		747.748.539,54	714.188.008,50	666.714.324,41
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	16	65.000.000,00	65.000.000,00	65.000.000,00
Reserves	17	187.124.512,54	110.771.314,96	(130.488.315,88)
Retained earnings		(130.494.644,01)	(96.979.285,51)	142.358.362,60
Total equity		121.629.868,53	78.792.029,45	76.870.046,72
Non-current liabilities				
Interest bearing loans	21	366.227.816,00	366.302.162,00	369.387.515,71
Provisions	18	841.344,00	808.103,00	378.911,00
Liabilities from personnel benefits	19	174.095,00	164.358,00	124.239,00
Derivative financial instruments	21	175.828.002,78	200.580.024,96	183.786.360,39
Other long term liabilities	21	0,00	2.641.624,99	2.443.571,35
Deferred tax liabilities	9	24.933.372,43	7.232.001,53	6.418.941,13
		568.004.630,21	577.728.274,48	562.539.538,58
Current liabilities				
Trade and other receivables	20	53.963.385,80	12.330.530,02	7.173.502,82
Short-term loans	21	4.076.309,00	5.762.250,00	17.789.341,00
Long term liabilities payable during the next financial year	21	74.346,00	3.085.354,00	2.341.895,29
State Financial Contribution	22	0,00	36.489.570,55	0,00
		58.114.040,80	57.667.704,57	27.304.739,11
Total liabilities		626.118.671,01	635.395.979,05	589.844.277,69
Total equity and liabilities		747.748.539,54	714.188.008,50	666.714.324,41

The notes in pages 24 to 75 constitute an integral part of these financial statements.

E. STATEMENT OF CHANGES IN EQUITY

For the year that ended on 31st of December 2017

	Share Capital	Tax-free Reserves	Reserves of cash flow hedging	Retained earnings	Total
Balance, 1st of January 2016	65.000.000,00	0,00	(130.488.315,88)	142.358.362,60	76.870.046,73
Results of the period	0,00	0,00	0,00	11.616.095,69	11.616.095,69
Other comprehensive income / (losses)	0,00	0,00	(9.703.345,80)	9.232,84	(9.694.112,96)
Total comprehensive income	0,00	0,00	(9.703.345,80)	11.625.328,53	1.921.982,73
Formation of tax-free reserves	0,00	250.962.976,64	0,00	(250.962.976,64)	0,00
Balance, 31st of December 2016	65.000.000,00	250.962.976,64	(140.191.661,68)	(96.979.285,51)	78.792.029,45
Results of the period	0,00	0,00	0,00	28.540.381,18	28.540.381,18
Other comprehensive income / (losses)	0,00	0,00	14.301.668,91	(4.211,01)	14.297.457,90
Total comprehensive income	0,00	0,00	14.301.668,91	28.536.170,17	42.837.839,08
Formation of tax-free reserves	0,00	62.051.528,67	0,00	(62.051.528,67)	0,00
Balance, 31st of December 2017	65.000.000,00	313.014.505,31	(125.889.992,77)	(130.494.644,01)	121.629.868,53

The notes in pages 24 to 75 constitute an integral part of these financial statements.

F. CASH FLOWS STATEMENT

for the year that ended on 31st of December 2017

	Note	31/12/2017	31/12/2016
Profit/(losses) before income taxes		40.401.945,33	16.388.723,35
<i>Adjustments for the reconciliation of the net flows from operating activities :</i>			
Depreciation of fixed tangible and intangible assets	6, 10, 11	403.607,94	302.046,24
Provisions		34.582,00	479.830,00
Construction profit based on IFRIC 12	6	(2.074.424,18)	(3.610.554,16)
Compensation Provision based on the 11 th of May 2016		0,00	(3.630.552,00)
(Interest and related income)	8	(117.811,55)	0,00
Interest and other financial expenses	8	18.726.902,41	21.582.378,25
(Gains)/Losses from sale of intangible and tangible fixed assets		525,68	0,00
(Gains) / Losses from derivatives	8	(48.974.309,91)	(18.572.263,38)
Operating profit before changes in working capital		8.401.017,72	12.939.608,30
(Increase)/Decrease in:			
Inventories	13	(29.011,13)	19.749,35
Trade receivables	14	14.457.587,05	(46.204.981,78)
Advances and other receivables		2.249.995,71	53.918.464,51
Other long-term receivables		(30.476,00)	0,00
Increase/(Decrease) in:			
Suppliers	20	40.931.778,50	(2.355.998,89)
Accrued and other short-term liabilities		(1.822.736,17)	7.513.026,09
Collection of subsidies		0,00	99.999.999,00
Other long-term liabilities		0,00	198.053,64
Cash inflows from operating activities		64.158.155,68	126.027.920,22
Income Tax payments		0,00	0,00
Net Cash inflows from operating activities		64.158.155,68	126.027.920,22
Cash flows from investment activities:			
(Purchases of intangible and tangible assets and construction based on the percentage of completion)		(70.818.630,02)	(119.075.225,09)
Sale of intangible and tangible fixed assets		46,67	112.500,00
Net cash outflows from investment activities		(70.818.583,35)	(118.962.725,09)
Cash flows from financing activities :			
(Repayments of long-term loans)		(3.085.354,00)	(2.341.895,29)
Net change in short-term loans	21	(1.685.941,00)	(12.027.091,00)
(Payment of interest and other financial expenses)		(33.388,18)	(38.740,59)
Cash inflows from financing activities		(4.804.683,18)	(14.407.726,88)
Net increase in cash and cash equivalents		(11.465.110,84)	(7.342.531,75)
Cash and cash equivalents at the beginning of period		28.907.990,03	36.250.521,78
Cash and cash equivalents at the end of period		17.442.879,86	28.907.990,03

The notes in pages 24 to 75 constitute an integral part of these financial statements.

G. NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Societe Anonyme under the company name Central Greece Motorway SA Concession Company (hereinafter the "Company") is a Societe Anonyme company which has assumed the study, construction, financing, operation, maintenance and exploitation and of the project "Central Greece Motorway (E65). It involves a project with a total length of 78,670 km by I/C Xyniadas to the I/C Trikala.

The purpose of the Company is exclusively the fulfillment of the obligations and the exercise of rights that have been agreed in the concession agreement signed between the Company, the Greek State and the Company's founders as third parties regarding the project "Design - Construction - Financing - Operation - Maintenance and Exploitation of Central Greece Motorway (E65). "

For the fiscal year ended on 31st December 2017, the financial statements of the Company are incorporated in the consolidated financial statements of the following companies:

- GEK TERNA S.A., 85 Mesogion Ave., Athens, 115 26. (Participation percentage 66.66%, full consolidation method).
- FERROVIAL S.A., Príncipe De Vergana 135, Madrid, (Participation percentage 33.34%, equity method)

On 29/9/2017, IRIDIUM (ACS Group) transferred its share of 33,33% in the Company to GEK TERNA SA and as result the former is no longer a shareholder of the Company. In turn GEK TERNA SA assumed the control of the Company which is now a fully owned subsidiary.

The company was launched in 2007 for a period of 40 years, having its legal establishment in Greece, 1st klm National Road Lamias-Athinon, Lamia. The Company is registered at the General Commercial Registry (GE.MI.) with No.22510254000.

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

The total number of the Company's personnel at 31st December of 2017 was 146 employees (31st of December 2016: 118 employees and on 1st of January 2016: 124 employees) and it is analysed per category as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Employees	140	116	122
Day-labor personnel	6	2	2
Total	<u>146</u>	<u>118</u>	<u>124</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 Basis for the preparation of the Financial Statements

The financial statements for the year ended 31 December 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

and they have been approved by the European Union ("EU") and present the financial position, the results and the cash flows of the Company based on the principle of going concern. In this context, the Management considers that the going concern principle is the appropriate basis for preparing the present financial information. There are no standards and interpretations of standards that have been applied before the mandatory date of their application.

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

2.1.1 First adoption of IFRS

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

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

IFRS 1 First-time Adoption of IFRS provides for the possibility, especially in the transition to IFRS, to apply some exceptions to their general provisions requiring the retrospective application of IFRSs.

The Company, in accordance with previous Greek GAAP standards, until December 31, 2016, recognized an intangible asset given the right to charge users of the motorway, reduced by the recognized capital subsidy. The Company, through the application of paragraph D23, sub-case (a) of IFRS 1, has decided not to restate the borrowing cost that was capitalized by 1 January 2016 (transition date) and it was included in the carrying amount of the intangible asset of the Concession Agreement.

Furthermore, the Company has made use of paragraph D22 of IFRS 1 of the transitional provisions of IFRIC 12 paragraph 30. At the transition date, the Company considering that the Concession Agreement leads to a hybrid model based on IFRIC 12, recognized an intangible asset and a financial asset (the Financial Contribution that it will receive from the State) from the Concession Agreement. The value of the intangible asset at 1 January 2016 was recognized as the carrying amount of the prior period, namely 31 December 2015, adopting the exception D23 of

IFRS 1 (as described above) for a total amount of € 382.527.082,82. At the transition date, the value of the financial asset is recognized as nil, as the amount of € 100.000.000,00 is recognized through the construction period in the year ended 31 December 2016 and 31 December 2017, respectively.

Finally, on the basis of the transitional provisions of IFRIC 12 the Company examined the financial asset and the intangible asset for impairment and considered that there was no impairment since the financial contribution was received in the year 2016 and given the existence of State's Operation Support apart from the toll revenue.

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

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

STATEMENT OF FINANCIAL POSITION		01.01.2016		
	Note	Published Financial Statements under Greek GAAP	Adjustments	IFRS
ASSETS				
Tangible fixed assets		764.465,70	0,00	764.465,70
Intangible assets	d	378.415.361,84	4.161.333,03	382.576.694,87
Other long-term receivables		12.788,55	0,00	12.788,55
Derivative financial items	c	0,00	154.947.878,37	154.947.878,37
Inventories		60.833,66	0,00	60.833,66
Trade and other receivables		68.406.802,48	0,00	68.406.802,48
Subsidy Receivable from the State	d	27.855.672,03	(4.161.333,03)	23.694.339,00
Cash and cash equivalents		36.250.521,78	0,00	36.250.521,78
Total assets		511.766.446,04	154.947.878,37	666.714.324,41
EQUITY AND LIABILITIES				
Share capital		65.000.000,00	0,00	65.000.000,00
Reserves	b	0,00	(130.488.315,88)	(130.488.315,88)
Retained earnings		32.433.880,27	109.924.482,33	142.358.362,60
Bond Loans		369.387.515,71	0,00	369.387.515,71
Provisions		378.911,00	0,00	378.911,00
Liabilities from staff benefits		124.239,00	0,00	124.239,00
Derivatives financial items	b	0,00	183.786.360,39	183.786.360,39
Other long-term liabilities		2.443.571,35	0,00	2.443.571,35
Deferred tax liabilities	e	14.818.253,42	(8.399.312,29)	6.418.941,13
Trade and other liabilities	a	7.048.839,00	124.663,82	7.173.502,82
Short-term loans		17.789.341,00	0,00	17.789.341,00
Long term liabilities payable during the next financial year		2.341.895,29	0,00	2.341.895,29
State's Financial Contribution	f	0,00	0,00	0,00
Total Equity and liabilities		511.766.446,04	154.947.878,37	666.714.324,41

In the above amounts there are included reclassifications of amounts.

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

STATEMENT OF FINANCIAL POSITION		31.12.2016		
	Note	Published Financial Statements under Greek GAAP	Adjustments	IFRS
ASSETS				
Tangible fixed assets		873.933,59	0,00	873.933,59
Intangible assets	d, f	400.577.127,58	40.650.903,58	441.228.031,16
Other long-term receivables		12.788,55	0,00	12.788,55
Derivative financial items	c	0,00	155.105.969,44	155.105.969,44
Inventories		41.084,31	0,00	41.084,31
Trade and other receivables		64.323.871,75	0,00	64.323.871,75
Subsidy Receivable from the State	d	27.855.672,03	(4.161.333,03)	23.694.339,00
Cash and cash equivalents		28.907.990,70	0,00	28.907.990,70
Total assets		522.592.468,51	191.595.539,99	714.188.008,50
EQUITY AND LIABILITIES				
Share capital		65.000.000,00	0,00	65.000.000,00
Reserves	b	250.962.976,64	(140.191.661,68)	110.771.314,96
Retained earnings		(204.802.339,27)	107.823.053,75	(96.979.285,51)
Bond Loans		366.302.162,00	0,00	366.302.162,00
Provisions		808.103,00	0,00	808.103,00
Liabilities from staff benefits		164.358,00	0,00	164.358,00
Derivatives financial items	b	0,00	200.580.024,96	200.580.024,96
Other long-term liabilities		2.641.624,99	0,00	2.641.624,99
Deferred tax liabilities	e	20.451.271,22	(13.219.269,69)	7.232.001,53
Trade and other liabilities	a	12.216.707,93	113.822,09	12.330.530,02
Short-term loans		5.762.250,00	0,00	5.762.250,00
Long term liabilities payable during the next financial year		3.085.354,00	0,00	3.085.354,00
State's Financial Contribution	f	0,00	36.489.570,55	36.489.570,55
Income tax payable		0,00	0,00	0,00
Total Equity and liabilities		522.592.468,51	191.595.539,99	714.188.008,50

In the above amounts there are included reclassifications of amounts.

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

STATEMENT OF COMPREHENSIVE INCOME		01.01 - 31.12.2016		
	Note	Published Financial Statements under Greek GAAP	Adjustments	IFRS
Revenues from services' provision		21.531.614,22	(996.653,52)	20.534.960,70
Revenues from construction contracts		123.962.359,57	0,00	123.962.359,57
Total revenues		145.493.973,79	(996.653,52)	144.497.320,27
Cost of sales		(7.776.380,05)	1.007.495,25	(6.768.884,80)
Cost of projects		(120.351.805,41)	0,00	(120.351.805,41)

Gross profit	a	17.365.788,33	10.841,73	17.376.630,06
Other operating income		3.863.479,03	0,00	3.863.479,03
Administration expenses		(1.483.061,62)	0,00	(1.483.061,62)
Other operating expenses		(358.209,25)	0,00	(358.209,25)
Operating profit		19.387.996,49	10.841,73	19.398.838,22
Financial income	c	0,00	18.572.263,38	18.572.263,38
Financial expenses	b	(41.225,59)	(21.541.152,66)	(21.582.378,25)
Profit /(Loss) before tax		19.346.770,90	(2.958.047,55)	16.388.723,35
Income tax	e	(5.633.017,79)	860.390,13	(4.772.627,66)
Net profit for the year		13.713.753,11	(2.097.657,42)	11.616.095,69
Other comprehensive income / (losses) after tax				
Items reclassified to the Statement of Results in the following periods:				
Reserve of cash flow hedging risk contracts ποών	b	0,00	(13.666.684,23)	(13.666.684,23)
Tax corresponding to the items of the other comprehensive income	b	0,00	3.963.338,43	3.963.338,43
Net comprehensive income to be reclassified to the profit or loss in the following periods		0,00	(9.703.345,80)	(9.703.345,80)
Items that are not reclassified to Results in following periods:				
Actuarial gains/(losses) from defined benefit plans		0,00	13.004,00	13.004,00
Tax corresponding to the items of the other comprehensive income		0,00	(3.771,16)	(3.771,16)
Net total comprehensive income not to be reclassified in profit or losses of following periods		0,00	9.232,84	9.232,84
Other total comprehensive income/(losses) for the period net of taxes		0,00	(9.694.112,96)	(9.694.112,96)
Total comprehensive income after tax		13.713.753,11	(11.791.770,38)	1.921.982,73

The main adjustment entries and reclassification are analysed below:

The change of the Retained earnings and of the Reserves on 1st January 2016 (transition date), is analyzed as follows:

RETAINED EARNINGS 01.01.2016 BASED ON L. 4308	32,433,880,27
Adjustment of deferred tax liability	(44.898.732,22)
Recognition of receivable from derivatives financial items	154.947.878,37
Provision of staff holiday-vacation leave that was not utilized	(124.663,82)
RETAINED EARNINGS 01.01.2016 BASED ON IFRS	142.358.362,60

RESERVES 01.01.2016 BASED ON L. 4308	0,00
Recognition of cash flow hedging derivatives liability	(183.786.360,39)
Recognition of deferred tax liability of derivatives financial items	53.298.044,51
RESERVES 01.01.2016 BASED ON IFRS	(130.488.315,88)

The changes of the Retained earnings and of the Other reserves on 31st December 2016 (comparative period) are analyzed as follows:

RETAINED EARNINGS 31.12.2016 BASED ON L. 4308	(204.802.339,27)
Adjustment of deferred tax liability	(44.042.113,25)
Recognition of receivable from derivative financial items	155.105.969,44
Provision of staff holiday-vacation leave compensation	(113.822,09)
Recognition of non-effective part of derivative	(3.126.980,34)
RETAINED EARNINGS 31.12.2016 BASED ON IFRS	(96.979.285,51)

OTHER RESERVES 31.12.2016 BASED ON L. 4308	250.962.976,64
Recognition of cash flow hedging derivative liability	(197.453.044,62)
Recognition of deferred tax liability from derivative financial items	57.261.382,94
OTHER RESERVES 31.12.2016 BASED ON IFRS	110.771.314,96

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

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

b. Derivative financial liabilities: The Company uses derivative financial instruments of interest rate swaps to hedge the risks associated with the future fluctuation of floating interest rates on loans it has entered into. Since the recognition of derivative financial instruments was voluntary on the basis of Greek GAAP, the Company recognized the six-month period clearing of the derivatives in the Income Statement. During the transition to IFRS, the Company stated the hedging relationship, documented its effectiveness and recognized the fair value of derivative financial instruments, in long-term liabilities and a risk hedging reserve of € 130.488.315,88 (transition date) and amount of € 140.191.661,68 (comparative period) respectively. It should be noted that the amounts of the reserve also include the corresponding tax receivable of € 53.298.044,51 and € 57.261.382,94, respectively. Moreover, in the comparative period, the ineffective portion of derivatives of € 3.126.980,34 has been recognized in the financial expenses in the Income Statement. Finally, the result of the liquidation in each six-month period (exchange of flows) is charged to the income statement, namely for the year ended December 31, 2016 there is a loss of interest rate swaps of € 18.414.172,32.

c. Receivable of derivative financial products: According to article 25 of the concession agreement, as of January 1, 2016, the State undertakes to provide Operation Support to Central Greece Motorway SA for coverage of its expenses, to the extent that they are not covered by its own revenues. The Calculation Period is defined as each successive six-month period (starting January 1st and July 1st of each year) and Operation Support for each calculation period will be the difference between the sum of the eligible project costs and the distributable base yield subtracting the net revenues of that period. Eligible project costs include, but are not limited to, operating expenses and payments resulting from the six-month clearing of financial derivative instruments liabilities (interest rate swaps). Since toll revenues do not cover operating expenses based on the Company's financial models, derivatives payments is almost certain that they will be covered by Operation Support. At 1st of January 2016 (transition date) and at 31st of December 2016 (comparative period), the Company recognized a receivable derivative financial asset based on the Concession Agreement, amounting to € 154.947.878,37 and amounting to € 155.105.969,44

respectively, by discounting the future outflows payments of the interest-rate swaps due to their coverage by the State. The Company has classified this receivable under IAS 39 as financial assets at fair value through profit or loss (more information is given in Note 2.5.2).

In addition, the Company reduces the balance of the financial derivative receivable in each calculation period (consecutive six-month periods) with the part of the Operation Support covering the payments of the interest-rate swaps. The residual amount of the movement in the receivable refers to the valuation of the derivative recognized in the results of the period in the account “financial income” for the year ended 31 December 2016 and there is a gain from valuation of € 18.572.263,38.

Other adjustments entries and reclassification entries were conducted, out of which the main ones are analyzed as follows:

d. State’s contribution: At the transition date and the comparative period, the Company limited the existing receivable of the last part of the State’s subsidy by € 4.161.333,03 due to the lack of further subsidized construction object, increasing by equal amount the value of the intangible asset (classification of subsidy deducted from the intangible asset).

e. Deferred income tax: At the transition date and the comparative period, the Company adjusted the deferred tax that it had calculated. Since the adoption of IFRS, the deferred tax liability has decreased on the date of transition and the comparative period, mainly due to the increased deferred tax asset that arose from the recognition of the derivative financial items’ liability.

f. Financial asset: At 1 January 2016 (transition date) and at 31 December 2016 (comparative period), the Company recognized the State’s Financial Contribution as a financial asset using the transitional provisions of IFRIC 12, as described in the existing section above. At the transition date, the value of the financial asset is recognized as nil, as the receivable amount of € 100.000.000,00 is recognized through the construction period in the year ended 31 December 2016 and 31 December 2017, respectively. More specifically, the Company, through the percentage of completion method, recognized as at 31 December 2016 a financial asset of € 63.510.429,45 which is presented as reduced by the amount of the financial contribution of € 100.000.000,00 (in the year 2016 the total financial contribution was collected). For the purpose of classification, the amount of € 36.489.570,55 is presented as a liability in the Statement of Financial Position, increasing by equal amount the value of the intangible asset.

g. Items of other comprehensive income: allocation of amounts to other comprehensive income (hedging reserve, actuarial gains and losses) for the year ended 31 December 2016 so as to be harmonized in the form of IFRS’ presentation.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.2.1 Tangible fixed assets

Initial recognition

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

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

Subsequent measurement

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

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

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

The depreciation commences when the asset is ready for use as intended. Land is not depreciated. The useful lives, the residual values and the methods of depreciation of the tangible assets are annually reviewed during the preparation of the financial statements and they are been adjusted in future periods, if necessary. When the carrying amount of tangible assets exceeds the recoverable amount, the difference (impairment) is recognized immediately as an expense in the income statement. (Note 2.2.4).

De-recognition of the assets

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

2.2.2 Intangible assets

The other intangible assets, except from the right recognized under the Concession Agreement, which are acquired separately, upon their initial recognition they are been recognized at cost. Subsequent to the initial recognition, the

intangible assets are measured at cost minus the accumulated amortization and any accumulated impairment losses. The intangible assets which are internally been generated, are not recognized.

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

For more information in relation with the concession agreement, see Note 2.2.13.

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

There are no intangible assets with an indefinite life.

2.2.3 Impairment of non-financial assets

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

Any impairment loss is recognized in the results for the year as expense. Offsetting entries of impairment losses with regard to the value of assets that were recorded in previous years are being performed only when there is sufficient evidence that this impairment does no longer exist or has been reduced. In these cases, the above offsetting is recognized as income. The book value of a fixed asset after the offsetting entry of the impairment loss is not permitted to exceed the book value which the asset would have possessed if no impairment loss had been recognized. There was no necessity for forming an impairment provision at 31st of December 2017, 31st of December 2016 and 1st January 2016 respectively.

2.2.4 Financial Instruments

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

Classification, recognition and measurement

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

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

A financial asset is classified in this category if acquired principally for the purpose of being sold in the short term or if so designated by management. Derivatives are also categorized as 'held for sale' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for sale or are expected to be liquidized within 12 months of the end of the Balance Sheet date. In any other case they are classified as non-current assets.

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

The Company has classified the requirement for financial derivative instruments in this category (more information is given in Note 12)

b) Loans and receivables

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

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

c) Available-for-sale financial assets

Financial assets are classified as available-for-sale in case they do not have fixed or determinable payments and fixed maturities, and the Company's management intends to hold them for the medium to long-term. In addition, the category includes non-derivatives financial assets that cannot be classified in any of the above categories. They are included in non-current assets provided that the management has no intention to liquidize them within 12 months of from the Balance Sheet date. Subsequently, the available for sale financial assets are measured at their fair value and the relevant gains or losses are recorded in the equity reserve until such assets are sold or classified as impaired. At the sale or when they are classified as impaired, gains or losses are transferred to the results. Impairment losses recognized in the results are not reversed through the results.

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

Pause of the recognition

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

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

Impairment

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

- | | |
|--|-------------------------|
| ▶ Disclosures in the accounting policies | Note 2.2.4, Note 2.2.17 |
| ▶ Significant accounting estimates and judgments of the Management | Note 3 |
| ▶ Trade and other receivables | Note 14 |

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

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

2.2.5 Derivatives financial instruments and hedging activities

2.2.5.1 Derivatives financial instruments (liabilities) and hedging activities

Within the context of risk management, the Company utilizes interest rate swap derivatives to hedge against the risk of volatility in the future floating rates of its loans. These derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair values of the derivative financial instruments are recognized at each Balance Sheet date either in the statement of results or in other comprehensive income (losses), depending on whether the derivative meets the requirements of hedging accounting, and this applies, depending on the nature of the item being hedged.

The Company documents, at the date of the transaction, the relationship between hedging instrument and the underlying hedged item, as well as its risk management objectives and implementation strategy for undertaking various hedging transactions. The Company also documents, both at hedge transaction realization and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Cash flow hedges

The portion of changes in the fair value that corresponds to the effective hedging of the risk is recognized as other income/(losses). 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 through the statement of comprehensive income in cost of sales in the periods when the hedged item affects the result (i.e. when the forecasted for hedging transaction takes place).

When a financial instrument of cash flow hedging expires or is sold, or it does no longer meets the criteria for cash flow hedging accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecasted transaction is ultimately recognized in the statement of comprehensive income. When a forecasted transaction is no longer expected to occur, the risk hedging accounting 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)”.

2.2.5.2 Operation Support and derivative financial items (receivables)

The Company under the Concession Agreement recognizes a receivable from an embedded derivative. In accordance with paragraphs 10 and 11 of IAS 39, an embedded derivative is a component of a hybrid (composite) financial instrument that includes also a non-derivative master contract, as a result some of the cash flows of the composite instrument varying in the same way as one independent derivative. The embedded derivative affects some or all of the cash flows that would otherwise have to be changed based on a specified interest rate, financial instrument price, commodity price, exchange rate, price or interest rate index or other variables. A derivative that accompanies a financial instrument but under the contract may be transferred independently of that instrument or has a different counterparty from that instrument is not an embedded derivative but a separate financial instrument.

An embedded derivative separated from the host contract and accounted as a derivative in accordance with this Standard only if the following conditions are met:

- (a) the economic characteristics and risks of the embedded derivative are not closely linked to the financial characteristics and risks of the master contract,
- (b) a separate financial instrument on the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid (composite) instrument is not measured at fair value through recognition of changes in the financial results (ie a derivative embedded in a financial asset or financial liability through the financial results is not dissociated).

If an embedded derivative is segregated, the principal contract, if it is a financial instrument, will be accounted in accordance with this Standard and other appropriate IAS standards, if it is not a financial instrument.

The Company considers that the above conditions are met entirety and has made the appropriate accounting treatment. More information can be found in Note 12.

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 (or part of it) 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 the transferred 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 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 State 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, the amount amortized for tax purposes is separately displayed by the retained earnings so as to be clearly depicted in case of future distribution or capitalization for taxation purposes.
- 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 analyzed 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 contributions that concern assets, are recognized deducted from the related assets 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.

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.

The state subsidy of the Company concerns the State financial contribution as a subsidy for the construction of the project "Central Greece Motorway (E65)" and is in the form of a capital grant. The item "Receivable State Financial Contribution" of the Statement of Financial Position amounting to € 23,694,339.00 refers to a receivable from the State of the Financial Contribution, amount which will be collected upon completion of the construction works in accordance with the Concession Agreement. More information on the State Financial Contribution is given in note 2.2.13 and note 22.

2.2.12 Revenues recognition

Revenues are recognized when the inflow of the transaction's economic benefit to the Company is certain and the relevant amounts can be reliably measured. Revenues come mainly from construction contracts, tolls, operating leases, Operation Support from the State and bank interest.

Revenues are recognized more specifically as follows:

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

Provision of services and construction contracts: Revenues from services' provision and construction contracts are recognized using the percentage of completion (the completion percentage method). Further information is provided below in the subsection "Revenue from construction of concession project"

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

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

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

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

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

Revenue from construction of concession project "Central Greece Motorway(E65)"

According to the concession agreement, the Company has undertaken the study, construction, financing, operation, maintenance and exploitation of the concession project "Central Greece Motorway (E65)".

As mentioned above and based on the Interpretation 12 of IFRS, revenues from construction contracts are recognized based on the method of percentage of completion. Under this method, contract revenues are matched with the contract costs incurred till the specific stage of completion having as a result the attributable revenues, expenses and profit to be recorded to the proportion of the project completed. The method used by the Company to measure the percentage of completion is the ratio of the contractual costs incurred for a project executed on a given date to the estimated total contractual cost.

Conventional construction costs

The construction cost includes: a) the costs directly related to the specific 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 and d) the interest and other financial expenses that are directly linked with the loans financing the construction cost.

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%. The profit margin does not apply to the borrowing cost that is capitalized.

Revenue from the exploitation of the concession project "Central Greece Motorway (E65)"

The revenues from the exploitation of the Motorway are recognized under the model of intangible asset and financial asset and they are related to revenues from toll collections through manual or electronic toll payment systems. More information is defined in Note 2.2.13 below as well as in Note 5 (Revenue). Furthermore, revenue is also the amount of Operation Support under the terms of the Concession Agreement and in particular Article 36.1.3. More information is provided in Note 5 (Turnover).

2.2.13 Concession agreements of the right to provide services

Under the terms of the agreements, the operator acts as a service provider. The operator constructs or upgrades the 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 contract and the financial asset (bifurcated model).

Intangible assets

The Company, as a Concessionaire, recognizes an intangible asset and revenues to the extent that it acquires the right to charge the users of the utility infrastructure. The recognition of revenue is based on the method of percentage of completion. Furthermore, the intangible asset is subject to amortization based on the duration of the concession and to impairment review, while the revenues from the users of the infrastructure are recognized using the accrual principle. Toll revenue during the construction period has been recognized in part as ancillary operations (which are not necessary for the development of the asset for its intended use), covering the operating costs of the Company with the excess amount appearing subtracted to the concession right as a partial compensation for the construction of the motorway. Until 31st of December 2017 there have not been recorded any amortization on the intangible asset, given that the Company is still within the construction period.

For more information about the concession right, see Note 11.

Financial asset (State Financial Contribution)

The Company as a Concessionaire, 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 contracts, 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. In particular, the Company recognizes a receivable financial asset and income based on the percentage of completion method and the asset is measured at amortized cost less any impairment losses. More information is disclosed in note 22.

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 corporate vehicles 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.

At 31 December 2017 there are no receivable leases. The Company entered into a lease agreement in December of the year 2017, the duration of which begins in the year 2018.

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 closing 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 estimated 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

Deferred tax recognized for 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 assets 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 asset. The calculation of the deferred tax during the current year for the Company is based on the tax rate 29% (2016: 29%).

For more information about the deferred tax see note 9.

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 return.

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 manages 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. As discount rate it is considered 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 gain or loss.

The actuarial gains or losses 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.

Provision for trade receivables

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

Provision for restoration or maintenance obligation under the Concession Agreement

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

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

2.2.18 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 in 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 fair value are observable either directly or indirectly,

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

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE PRESENT ACCOUNTING PERIOD AND NOT EARLY ADOPTED BY THE COMPANY

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

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

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

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

The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be

required, including disaggregation of total revenues; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Management of the Company is currently assessing the effect of the standard.

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

The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly with (a) the accounting treatment of performance obligations when there is an amendment in the wording of the "separately recognizable" principle, (b) of estimates that are being conducted for an originator or representative including the assessment of whether an entity is a originator or representative control principle's applications and (c) of the licensing as well as additional clarifications for the accounting of intellectual property and royalties. The clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Management of the Company is currently assessing the effect of the standard.

- **IFRS 16: Leases**

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

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

The IASB adopted the revised conceptual framework for financial reporting on 29 March 2018. The conceptual framework sets out an integrated set of concepts for financial reporting. These concepts help the definition of the standards, guide the authors to develop consistent accounting policies, and support their understanding and interpretation of the standards. The International Accounting Standards Board also issued an Accompanying Document, Amendments to the Conceptual Framework References, which sets out the changes to the standards that affected, to update the references to the revised conceptual framework. The objective of the document is to support the transition to the revised IFRS conceptual framework for the companies that adopt the conceptual framework to develop accounting policies when no standard IFRS refers. For the authors who develop accounting policies under the conceptual framework, it applies for the annual periods beginning on or after January 1, 2020.

- **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures- Amendment: 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 adopted by the EU. The Company does not have any transactions that are related to the scope of application of the above amendment.

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

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

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

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

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

The amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be a burden due to the early repayment), to be measured at amortized cost or at fair value through other comprehensive income. The Management of the Company is currently assessing the effect of the standard.

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

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

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

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting treatment 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 asset. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Management of the Company estimates that this interpretation will not affect its Financial Statements.

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

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

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

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

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation provides guidance for the treatment of uncertainty included in tax treatments, during the accounting treatment of income tax. The interpretation provides additional clarifications regarding the examination of the uncertain tax treatments separately or together, the examination of the tax accounting by tax authorities, the appropriate method to reflect uncertainty of accounting approval by the tax authorities as well as the examination of the changes' consequences in facts and circumstances. This interpretation has not yet been adopted by the EU. The Management of the Company is currently assessing the effect of the standard.

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

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the economic entity re-measures 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 re-measure 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: Define 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 asset ceiling requirements are affected by the accounting treatment of a plan amendment, curtailment or settlement. These Amendments have not yet been adopted by the EU. The Management of the Company is currently assessing the effect of the amendments.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires from the Company's management to make significant accounting judgments, estimates and assumptions that affect the balances of assets and liabilities and disclosures, the disclosure of contingent assets and liabilities as well as the income and expenses presented. Actual results may differ from these estimates. The most important accounting policies, judgments and estimates regarding events whose development could substantially change the items of the financial statements in the next twelve-month period are as follows:

3.1 Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

Specific amounts that are included or affect the Financial Statements as well as the related disclosures are estimated by requiring from the management to make assumptions about values or conditions that cannot be known with

certainty at the time of the financial statements' preparation. An accounting estimate is considered as significant when it is material to the Company's financial position and results and requires difficult, subjective or complex management judgments, often as a result of the need to form assumptions about the effect of presumptions that are uncertain. The Company assesses such estimates on an ongoing basis, based on historical results and experience, meetings with experts, trends and other methods that are considered reasonable in the circumstances, as well as the forecasts of how they may change in the future.

- Useful life of tangible and intangible fixed assets: Management makes estimates of the useful lives of depreciable fixed assets that are subject to periodic review. The actual lives of these fixed assets may vary depending on various factors such as technological innovation, maintenance programs, legal and economic environment, etc. More information is provided in Note 2.2.1 and 2.2.2 of the Financial Statements.
- Valuation of cash flow hedges: The Company uses derivative financial products and, in particular, enters into interest rate swaps to hedge risks associated with interest rate fluctuations. For the valuation of these contracts, market assessments are made of the course of the relevant interest rates for periods of up to thirty 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 2.2.16 of the Financial Statements.
- Provision for bad and doubtful debts: The Company's management periodically reassesses the adequacy of the provision for doubtful receivables on the basis of the information at its disposal, including reports from its legal department and estimates for the recoverability of its receivables. Further details are included in Note 2.2.17 of the Financial Statements.
- Income tax provision: In accordance with IAS 12, income tax provisions are based on estimates related to taxes to be paid to the tax authorities and include the current income tax for each fiscal year, the provision for additional taxes that may arise in future tax audits, and the recognition of future tax benefits. The finalization of income taxes may differ from the relevant amounts included in these Financial Statements. Further details are included in Note 2.2.15 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

contract 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 restoration or maintenance obligation is a complex process that includes judgments about the cost and timing of such work and the actual costs may differ from what is foreseen. Further details are included in Note 2.2.17 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 2.2.18 of the Financial Statements.
- **Operating Support and Recognition of Receivable Financial Instruments:** The Company considered the contractual obligation of the Greek State for the operation support as a hybrid financial instrument that includes an embedded derivative and a non-derivative master contract. Subsequently, the Company separated the embedded derivative from the main contract and, in accordance with IAS 39, recognized a derivative financial asset (receivable), that is, the part of the operating support covering future payments of the interest-rate swaps. The calculation of the fair value of the receivable is a complex process including assessments of the counterparty's credit risk (Greek State), estimation of future outflows as well as the existence of a possible time difference between the payments of derivatives and the collection of the operation support. The above estimations are reassessed at each reporting date. More information can be found in Note 12.

Judgments

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

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

4. FINANCIAL RISK MANAGEMENT

4.1 Factors of financial risk

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

Interest rate risk

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

The results of the Company for the years ended December 31, 2017 and December 31, 2016, are charged with interest expense and related expenses of Euro 18.726.902,41 and 21.582.378,25, respectively. These amounts mainly include losses from derivatives of Euro 18.691.049,23 and of Euro 18.414.172,32, 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 would increase / decrease by 1%, the effect on results would be:

	Impact on results before tax	
	<u>31.12.2017</u>	<u>31.12.2016</u>
1% Increase	4,605,107.88	4,906,927.33
1% Decrease	(4,602,335.36)	(4,906,803.29)

Credit risk

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

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

Liquidity risk

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

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

Prudent liquidity management is achieved by the availability of an appropriate mix of cash and approved bond loans. There are no outstanding balances of loans for withdrawal as of 31st December 2017 (more information is given in Note 22).

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

31.12.2017	Less than 3 months	4 until 12 months	1 until 5 years	Total
Trade and other liabilities	50.064.756,70	3.898.629,10	0,00	53.963.385,80
Short-term loans	4.076.309,00	0,00	0,00	4.076.309,00
Long-term liabilities payable in the following year	0,00	74.346,00	0,00	74.346,00
Total	54.141.065,70	3.972.975,10	0,00	58.114.040,80

31.12.2016	Less than 3 months	4 until 12 months	1 until 5 years	Total
Trade and other liabilities	12.079.615,08	117.986,75	132.928,19	12.330.530,02
Short-term loans	5.762.250,00	0,00	0,00	5.762.250,00
Long-term liabilities payable in the following year	0,00	3.085.354,00	0,00	3.085.354,00
Total	17.841.865,08	3.203.340,75	132.928,19	21.178.134,02

4.2 Capital risk management

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

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

	31.12.2017	31.12.2016
Short-term loans	4.076.309,00	5.762.250,00
Long-term loans	366.227.816,00	366.302.162,00
Total loans	370.304.125,00	372.064.412,00
Minus: Cash and cash equivalents	17.310.289,64	28.775.400,48
Minus: Reserved deposits	132.590,22	132.590,22
	17.442.879,86	28.907.990,70
Net debt	352.861.245,14	343.156.421,30
Equity	121.629.868,53	78.792.029,45
Equity and net debt	474.491.113,67	421.948.450,75
Net debt ratio	74,37%	81,33%

4.3 Determination of fair values

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

	Level 1	Level 2	Level 3
Assets 2017			
Hedging derivatives	0,00	0,00	180.780.403,58
Total	0,00	0,00	180.780.403,58
Assets 2016			
Hedging derivatives	0,00	0,00	155.105.969,44
Total	0,00	0,00	155.105.969,44

Assets 2017	Level 1	Level 2	Level 3
Hedging derivatives	0,00	175.828.002,78	0,00
Total	0,00	175.828.002,78	0,00
Assets 2016	Level 1	Level 2	Level 3
Hedging derivatives	0,00	200.580.024,96	0,00
Total	0,00	200.580.024,96	0,00

During the fiscal year of 2017 and 2016 there were no transfers between the levels 1 and 2, nor were there any transfers within and outside the level 3 during the measurement process of the fair value. Furthermore, during the same period there was no change in the objective of any financial asset which would lead into a different classification of this asset. The fair value of the Company's bond loans (including intercompany loans) is close to their book value. The carrying amounts of the following financial assets and liabilities approximate their fair value:

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

5. REVENUES

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

	01.01 - 31.12.2017	01.01 - 31.12.2016
Income from manual toll collection services	10.350.415,00	9.372.363,42
Income from Kentriki Pass	3.175.092,95	2.232.703,28
Income from Operation Support	3.320.237,55	8.929.894,00
Income from construction contracts	71.221.897,00	123.962.359,57
Total	88.067.642,50	144.497.320,27

Net revenues per activity

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

- Operations Activity of the motorway under Concession Agreement for the operation of the infrastructure project "Central Greece Motorway (E65)" which for the fiscal year of 2017 refers to the part of PATHE Scarfia-Raches.
- Construction Activity of the motorway under Concession Agreement for the construction of the project "Central Greece Motorway (E65)". Net revenues per operating segment are analyzed as follows:

	Operation Activity of the Motorways	Construction Activity of Motorway E65	Total
	€	€	€
31-Dec-17	16.845.745,50	71.221.897,00	88.067.642,50
31-Dec-16	20.534.960,70	123.962.359,57	144.497.320,27

In the revenues of the Operation Segment, it is included part of the Operation Support E65, amount of euro 3.320.237,55 which corresponds to its operation. The respective amount for 2016 was 8.829.894,00. The balance is recognised subtracted from the cost of debt and the receivable financial derivative (note 12) .

The item "Income from construction contracts" is analyzed as an addition to the intangible asset (note 11) of EUR 34.732.326,46 (31.12.2016: EUR 60.451.930,12) and part as an addition to the financial asset (Note 22) amounting to EUR 36.489.570,55 (31.12.2016: EUR 63.510.429,45).

6. EXPENSES PER CATEGORY

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost of sales	7,869,769.46	6,768,884.80
Cost of projects	69,147,472.82	120,351,805.41
Administrative expenses	1,731,234.02	1,483,061.62
Total	<u>78,748,476.30</u>	<u>128,603,751.83</u>

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

(a) Cost of sales

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Employees' Compensation and Expenses (note 4d)	2.147.308,55	2.143.668,44
Third parties' fees and expenses	2.945.873,21	2.675.337,49
Third parties' benefits (except leasing)	1.619.965,52	1.195.862,06
Rents of operating leasing	43.336,58	35.375,71
Tax – duties	6.318,87	1.292,85
Other expenses	557.748,69	309.179,17
Depreciation (note 4e)	346.809,63	263.431,22
Provisions (note 4d)	1.341,00	43.042,30
Fixed assets' spare parts consumption	201.067,41	101.695,56
Total	<u>7.869.769,46</u>	<u>6.768.884,80</u>

(b) Cost of projects

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost for the period	69,147,472.82	120,351,805.41
Profit for the period	2,074,424.18	3,610,554.16
Revenues from construction contracts	<u>71,221,897.00</u>	<u>123,962,359.57</u>

The account "Cost of Projects" for the year ended on 31st of December 2017, includes, among other expenses, the fees of the construction J/V E65 of an amount of 58,198,078.89 euro. The respective amount for the year ended on 31st of December 2016, amounted to 114,778,230.66 euro.

(c) Administrative expenses

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Employees' Compensation and Expenses (note 4d)	286.931,34	257.403,73
Third parties' fees and expenses	981.053,15	812.795,50
Third parties' benefits (except leasing)	7.223,22	32.478,89
Rents of operating leasing	112.680,32	76.306,08
Tax – duties	28.662,94	32.529,31
Other expenses	257.884,74	225.337,39
Depreciation (note 4e)	56.798,31	38.615,02
Provisions (note 4d)	0,00	7.595,70
Total	<u>1.731.234,02</u>	<u>1.483.061,62</u>

(d) Employees' Compensation and Expenses

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Salaries – Wages	1.825.195,03	1.833.356,45
Employer's contributions	483.942,07	467.385,03
Subsequent benefits & staff costs	121.274,91	100.330,69
Personnel redundancy cost	3.827,88	0,00
Provision for staff indemnities (note 16)	1.341,00	50.638,00
Total	<u>2.435.580,89</u>	<u>2.451.710,17</u>

(e) Depreciation

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Tangible fixed assets	359.536,33	287.568,49
Intangible assets	44.071,61	14.477,75
	<u>403.607,94</u>	<u>302.046,24</u>

Depreciation per operation

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Cost of Sales (note 4a)	346.809,63	263.431,22
Administrative expenses (note 4b)	56.798,31	38.615,02
	<u>403.607,94</u>	<u>302.046,24</u>

7. OTHER OPERATING INCOME

The other operating income is analysed as follows:

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
State's compensation	750.422,09	3.630.552,00
Other income	17.006,77	232.927,03
Total	<u>767.428,86</u>	<u>3.863.479,03</u>

The item " State's compensation " for the year ended December 31, 2016 refers to the attributable loss of revenue under the 11 May 2016 Agreement with the State of € 3.630.552,00. For the year ended December 31, 2017, the item includes the remaining loss of revenue until March 31, 2017, under the 11 May 2016 Agreement with the State of € 750.422,09.

8. FINANCIAL EXPENSES AND INCOME

The financial expenses and income are analysed as follows:

Interest expense and related expenses

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Payments for interest rate swaps (note 12)	18.691.049,23	18.414.172,32
Financial cost of provision for staff indemnities	2.465,00	2,485.00
Ineffective part of cash flow hedges	0,00	3.126.980,34
Commissions and bank expenses	33,388.18	38,740.59
Total	<u>18.726.902,41</u>	<u>21.582.378,25</u>

Interest income and related income

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Deposits' interests	117.811,55	0,00
Valuation of derivative financial instruments (note 12)	44.365.483,38	18.572.263,38
Ineffective part of cash flow hedges	4.608.826,53	0,00
Total	<u>49.092.121,46</u>	<u>18.572.263,38</u>

The item "Payments for interest rate swaps" for the year 2017 of € 18.691.049,23 (2016: € 18.414.172,32) concerns the payments under the context of the interest rate swaps agreements. The Company has signed the related interest rate swaps agreements in order to eliminate the interest rate risk exposure regarding its bond loans (Note 21).

The ineffective part of the hedging derivatives (interest rate swaps) recorded in the Income Statement for the year ended 31 December 2017 is a revenue of € 4.608.826,53 (2016: € 3.126.980,34 expense).

The item "interest and similar income" includes the valuation of a financial derivative asset for the year ended 31 December 2017 amounting to 44.365.483,38 (2016: € 18.572.263,38). The change in valuation is mainly due to the decrease in the interest rates on State bonds (decrease in State credit risk) at 31 December 2017 compared to 31 December 2016, which used for the estimated outputs of the derivative.

Also, on 31 December 2017 and 31 December 2016 there are interest, loan costs and commissions for letters of guarantees amounting to € 11.319.732,22 and € 11.702.683,20 respectively, amounts that are fully offset with the collection of the operation support received by the Company from the Greek State .

9. INCOME TAX

The Company is taxed with a tax rate of 29% (2016: 29%). The income tax statement is submitted to the tax authorities on annual basis; however the profits or losses that are being stated remain as temporary until the tax authorities audit the tax statements as well as the accounting books and elements of the tax-paying entity and until the release of the final tax audit report. According to the Concession Agreement, the tax losses to the degree they become accepted by the tax authorities may offset future earnings without any time constraint.

a) Expense of Income Tax

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

<u>Income tax on income statement</u>	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Current income tax	0,00	0,00
Deferred tax	(11.861.564,15)	(4.772.627,66)
Total income tax on income	<u>(11.861.564,15)</u>	<u>(4.772.627,66)</u>

Movement of deferred tax

Balance. 1st January 2016	6.418.941,13
Debit / (Credit) in the results for the year	4.772.627,66
Debit / (Credit) in the other total income	(3.959.567,27)
Balance. 31st December 2016	<u>7.232.001,53</u>
Debit / (Credit) in the results for the year	11.861.564,15
Debit / (Credit) in the other total income	5.839.806,75
Balance. 31st December 2017	<u>24.933.372,43</u>

A reconciliation between income tax and the accounting profit multiplied by the applicable tax rate:

	<u>01.01 - 31.12.2017</u>	<u>01.01 - 31.12.2016</u>
Profit / (loss) before income tax	40.401.945,33	16.388.723,35
Nominal tax rate	29%	29%
(Expense) / Income tax on the current nominal tax rate	<u>(11.716.564,14)</u>	<u>(4.752.729,77)</u>
Tax on non-deductible tax expense	(14.500,00)	(14.500,00)
Effect of net temporary differences for which no deferred tax is recognized	(0,00)	(5.397,89)
Actual tax expense	<u>(11.861.564,14)</u>	<u>(4.772.627,66)</u>

For the fiscal years ended after 30th June 2011 and until the years with beginning date 1st January 2016, the Greek Societe Anonyme Companies and the Limited Liability Companies whose financial statements are mandatorily audited by Certified Auditors, are also obliged to receive a “Tax Certificate” according to the article 65a of Law 4174/2013. The “Tax Certificate” must be issued by the same Certified Auditors or auditing firm which audits the annual financial statements. Following the completion of the tax audit, the legal auditor or the auditing firm issues and provides the company with the “Tax Compliance Report” and subsequently it submits the report to the Ministry of Finance. Already, for the years beginning on 1st January 2016, there is no such obligation concerning the Tax Certificate, since the latter was defined as voluntary by Law 4410/2016.

For the years 2011, 2012 and 2013, there was a tax audit by Xatzipavlou Sofianos & Kampanis S.A.(DELOITTE SA) while for the years 2014, 2015 and 2016, there was a tax audit by EY Hellas Certified Auditors Accountants SA and tax compliance reports were issued without reservation. The tax audit for the fiscal year 2017 is conducted by

the company EY Hellas Certified Auditors Accountants SA. During the completion of the tax audit, the Management does not expect to arise any significant tax obligations apart from those already recorded and depicted in the financial statements.

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

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

b) Deffered Tax

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

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

	Statement of Financial Position		Net Profit (Debit) / Credit	Other Comprehensive Income (Debit) / Credit
	31.12.2017	31.12.2016	1.1 – 31.12.2017	1.1 – 31.12.2017
Deferred tax asset				
Derivative financial instruments	(1.436.196,29)	13.187.476,10	(8.782.145,84)	(5.841.527,00)
Provisions	243.989,76	234.349,87	9.639,89	0,00
Trade and other liabilities	33.008,41	33.008,41	0,00	0,00
Tax-recognized losses	161.301.106,11	139.930.091,59	21.371.014,52	0,00
Employee benefits liabilities	50.487,55	47.663,82	1.103,73	1.720,00
Deferred tax liability				
Intangible assets	(183.918.981,42)	(159.457.804,74)	(24.461.176,68)	0,00
Deferred tax on net profits / other comprehensive income			(11.861.564,38)	(5.839.807,00)
Net Deferred Income Tax Receivable / (Liability)	(23.726.585,88)	(6.025.214,95)		

	Statement of Financial Position		Net Profit (Debit) / Credit	Other Comprehensive Income (Debit) / Credit
	31.12.2016	01.01.2016	1.1 – 31.12.2016	1.1 – 31.12.2016
Deferred tax asset				
Derivative financial instruments	13.187.476,10	8.363.159,79	860.978,32	3.963.338,00
Provisions	234.349,87	109.884,19	124.465,68	0,00
Trade and other liabilities	33.008,41	36.152,51	(3.144,10)	0,00
Tax-recognized losses	139.930.091,59	37.532.091,73	102.397.999,86	0,00
Employee benefits liabilities	47.663,82	36.029,31	15.405,67	(3.771,16)
Deferred tax liability				
Intangible assets	(159.457.804,74)	(51.289.472,08)	(108.168.332,66)	0,00
Trade receivables	0,00	0,00	0,00	0,00
Deferred tax on net profits / other comprehensive income			(4.772.627,23)	3.959.566,84
Net Deferred Income Tax Receivable / (Liability)	(6.025.214,95)	(5.212.154,55)		

10. TANGIBLE ASSETS

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

	Premises-facilities on third parties' property	Mechanical equipment	Other equipment	Assets under construction and prepayments	Total
Acquisition value					
01.01.2016	359.439,87	2.140,00	680.597,93	0,00	1.042.177,80
Additions	27.510,00	334,80	369.191,58	0,00	397.036,38
Reductions	0,00	0,00	0,00	0,00	0,00
31.12.2016	386.949,87	2.474,80	1.049.789,51	0,00	1.439.214,18
Additions	115.801,40	13.230,30	1.030.434,54	800.000,00	1.959.466,24
Reductions	0,00	(350,00)	(6.545,38)	0,00	(6.895,38)
31.12.2017	502.751,27	15.355,10	2.073.678,67	800.000,00	3.391.785,04
Accumulated depreciation and impairment					
01.01.2016	(45.312,22)	(1.264,48)	(231.135,40)	0,00	(277.712,10)
Depreciation expense for the year	(14.306,37)	(548,78)	(272.713,34)	0,00	(287.568,49)
Reduction of depreciation	0,00	0,00	0,00	0,00	0,00
31.12.2016	(59.618,59)	(1.813,26)	(503.848,74)	0,00	(565.280,59)
Depreciation expense for the year	(23.270,15)	(11.640,70)	(324.625,48)	0,00	(359.536,33)
Reduction of depreciation	0,00	303,33	2.287,26	0,00	2.590,59
31.12.2017	(82.888,74)	(13.150,63)	(826.186,96)	0,00	(922.226,33)

Net book value					
31.12.2017	<u>419.862,53</u>	<u>2.204,47</u>	<u>1.247.491,71</u>	<u>800.000,00</u>	<u>2.469.558,71</u>
31.12.2016	<u>327.331,28</u>	<u>661,54</u>	<u>545.940,77</u>	<u>0,00</u>	<u>873.933,59</u>
01.01.2016	<u>314.127,65</u>	<u>875,52</u>	<u>449.462,53</u>	<u>0,00</u>	<u>764.465,70</u>

The Company's tangible assets are subject to pledges in favor of the Project Lenders. More information is provided in note 21. Moreover, the Company's Management estimates that on 31 December 2017 there is no evidence of impairment of its tangible fixed assets.

The item "Assets under construction and prepayments" amounting to € 800.000 refers to advances to a supplier for the purchase of firefighting vehicles. Additions to other equipment refer mainly to vehicle additions of € 326.695,84 and additions of furniture and other equipment amounting to € 703.738,70 (toll equipment).

11. INTANGIBLE ASSETS

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

	Other Intangible	State's Concessions	Total
Acquisition cost			
01.01.2016	<u>91,979.84</u>	<u>382,531,271.85</u>	<u>382,623,251.69</u>
Additions	22,357.78	61,448,584.64	61,470,942.42
Reductions	0.00	(2,805,128.38)	(2,805,128.38)
31.12.2016	<u>114,337.62</u>	<u>441,174,728.11</u>	<u>441,289,065.73</u>
Additions	29,380.00	34,732,326.46	34,761,706.46
Reductions	0.00	(313,956.60)	(313,956.60)
31.12.2017	<u>143,717.62</u>	<u>475,593,097.97</u>	<u>475,736,815.59</u>
Accumulated depreciation and impairment			
01.01.2016	<u>(46,556.82)</u>	<u>0.00</u>	<u>(46,556.82)</u>
Depreciation expense for the period	(14,477.75)	0.00	(14,477.75)
Reduction of depreciation	0.00	0.00	0.00
31.12.2016	<u>(61,034.57)</u>	<u>0.00</u>	<u>(61,034.57)</u>
Depreciation expense for the period	(44,071.61)	0.00	(44,071.61)
Reduction of depreciation	0.00	0.00	0.00
31.12.2017	<u>(105,106.18)</u>	<u>0.00</u>	<u>(105,106.18)</u>
Net book value			
31.12.2017	<u>38,611.44</u>	<u>475,593,097.97</u>	<u>475,631,709.41</u>
31.12.2016	<u>53,303.05</u>	<u>441,174,728.11</u>	<u>441,228,031.16</u>
01.01.2016	<u>45,423.02</u>	<u>382,531,271.85</u>	<u>382,576,694.87</u>

The Company's Management estimates that on 31 December 2017 there are no indications of impairment of its intangible assets. Additions to the State Concessions item of current year include mainly the cost of construction plus a profit margin totaling € 34.732.326,46 (2016: € 60.451.930,12). The fair value of the intangible right resulting from the Concession Agreement was determined at 31 December 2017 at the amount of Euro 475.593.097,97 (2016: Euro 441,174,728.11). The State Financial Contribution is recognized as a financial asset using the percentage of

completion method and was determined at 31 December 2017 at EUR 100.000.000,00 (31.12.2016: EUR 63.510.429,45). The amount of the Financial Contribution was recovered in the year ended 31 December 2016 (more information is given in Note 22). At the end of the year 2017 the entire Concession Project was delivered. The remaining works concern small-scale pending work as defined in the Works Completion Certificate by the Independent Engineer issued at 15/12/2017. The depreciation of the intangible asset commenced in January 2018, when the corresponding tolls stations entered into operation.

The important terms of the Concession Agreement are listed below:

Important Terms of the Concession Contract

- ▶ 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. DERIVATIVE FINANCIAL TOOLS

The balances on financial derivative instruments are analysed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Derivative financial instruments	180.780.403,58	155.105.969,44	154.947.878,37
Total	<u>180.780.403,58</u>	<u>155.105.969,44</u>	<u>154.947.878,37</u>

The movement of the derivative financial instruments is as follows:

Movement of derivative financial instruments

Receivable Balance 01.01.2016	<u>154.947.878,37</u>
Operating Support - Payments for Interest Rate Swaps (Note 8)	(18.414.172,32)
Derivative valuation (note 8)	<u>18.572.263,38</u>
Receivable Balance 31.12.2016	<u>155.105.969,44</u>
Operating Support - Payments for Interest Rate Swaps (Note 8)	(18.691.049,23)
Derivative valuation (note 8)	<u>44.365.483,38</u>
Receivable Balance 31.12.2017	<u>180.780.403,58</u>

Derivative financial instruments and operation support

According to article 25 of the concession agreement, as of January 1, 2016, the State undertakes to provide operation support on Central Greece Motorway SA to cover its expenses in every Calculation Period, to the extent that they are not covered by its own revenues.

The Calculation Period is defined as each successive six-month period (beginning January 1 and July 1 of each year) and the operation support for each calculation period will be the difference between the sum of the eligible project costs and the distributable base yield net of the net revenues of that period .

At the latest twenty (20) days before the end of each calculation period, the Company will submit to the State a support notice for the same calculation period. By submitting the support notice, the Company is entitled in each calculation period to withdraw without conditions and limitations from the Reservoir account on the immediately following business day from the deposit of payments by the State, and thereafter, any amount corresponding to the amounts described in the support notice, up to the amount of the positive balance of the Reservoir account. The deposit of Payments by the State will be conducted five (5) days before the end of each calculation period as specified in the Concession Agreement.

The support notice includes the following three distinct parts:

- i.) a part corresponding to the eligible project costs
- ii.) a portion corresponding to the distributed base yield,
- iii.) a part corresponding to the additional interest rate margin, if applicable.

In the eligible project costs are mainly included the following categories: movements of debt reserve and heavy maintenance, operating expenses, debt service, the sum of which are deducted from direct revenues in order to calculate the amount of support. The distributable base yield as well as the additional interest rate margin are included as additional support amounts. In the category debt service are included, but not limited to, payments resulting from the six-month clearing of hedging instruments' liabilities (exchange rate swaps).

The Company recognized the fair value of interest rate swaps (liability) on the transition date and 31 December 2016 and recognized respectively a derivative financial item (receivable), namely, the part of the operation support covering future payments of interest rate swaps.

The Company, in accordance with paragraph 10 of IAS 39, considered the contractual liability of the Greek State for the operation support as a hybrid financial instrument that includes an embedded derivative (the part of the operation support that covers the payments of the interest rate swaps) and one non-derivative main contract (the remaining part of the operation support). Subsequently, the Company separated the embedded derivative from the main contract and it accounts for it as a derivative (receivable) in accordance with IAS 39 since:

- i) the embedded derivative meets the definition of derivative in accordance with paragraph 9 of IAS 39:
 - a. its value that changes according to the changes of a fixed interest rate, namely it changes according to the liquidation of the interest rate swap, which depends on defined and non-defined interest rates,
 - b. the amounts of the operation support, are not conditional and are independent of any initial net investment,
 - c. operation support as a whole is settled at future dates, in every six-month period until the end of the concession.

(ii) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and the risks of the main contract:

- a. Based on the Company's financial model, direct revenue (toll revenue) does not cover all operating costs, thus the derivatives payments will almost certainly be covered by operation support, which reflects the different risks,
 - b. The value of the embedded derivative is influenced by interest rate swaps while the operating costs are recognized as incurred,
 - c. The embedded derivative accompanying the total hybrid financial instrument cannot be transferred independently of the total, thus it cannot be considered as a separate financial instrument.
- iii.) the hybrid (composite) instrument is not measured at fair value with recognition of changes in results since it includes operating expenses recognized when incurred.

The fair value of the financial receivable reflects future payments on interest rate swaps. The Company for the discounting of the future flows has taken into account the following:

- i) Future outflows as derived from the Company's financial model, which has been approved by all parties (Lenders, State, Company),
- ii.) State's credit risk as embodied in the Greek Government bond's yield curve with multiple maturities. More specifically, each future flow was discounted at the appropriate reference period (transition date, comparative period and current period) at the appropriate Greek Government bond rate. Additionally, the discount on the transition date and the comparative period was made, based on the assumptions in force at each reference date,
- iii.) Possible time difference between derivative payments and operation support receipt. The clearing and payment of financial interest rate swaps is carried out at the end of each six-month period up to the end of the concession. Accordingly, the operation support's calculation period is carried out on a six-month basis. In addition, under the Concession Agreement (see above) the submission of the Support Notice is made twenty (20) days before, while the payment of the amounts is made five (5) days before the end of each calculation period, respectively. Any actual difference has been deemed not to be significant for discounted purposes.

This financial receivable has been classified in the fair value hierarchy at level 3.

Given all the above, the Company has conventionally transferred the risk arising from the liability of interest rate swaps to the State. At the transition date and on 31 December 2016, a derivative financial receivable was recognized by the State of € 154.947.878,37 and amount of € 155.105.969,44 respectively. The fair value of this derivative at 31 December 2017 is € 180.780.403,58. At each reporting date, the Company re-examines the financial receivable for impairment's indication. The Company assessed that there is no evidence of impairment on the transition date, on 31 December 2016 and 31 December 2017.

According to the Concession Agreement, the Operation Support that the Company receives, constitutes gross income for the purposes of income taxation, it is not subject to tax withhold and is subject to the relevant VAT.

The operation support for the calculation period (January 1 to June 30, 2017), amounted to EUR 7.286.878,00 (plus VAT), submitted to the State by Central Greece Motorway SA's letter dated 08/06/2017, while for the calculation period (July 1 to December 31, 2017) amounted to EUR 26.044.141,00 (plus VAT), submitted to the State by Central Greece Motorway SA's letter dated 8/12/2017. In each calculation period, from the total operation support income, the amount related to the payments for interest rate swaps is recognized as deductible from the receivable financial derivatives, for 31 December 2017 of euro 18.414.172,32 (31.12.20126: euro 18.691.049,23). Subsequently, any

change in the valuation of the derivative is recognized in the results of the period presented, ie 31 December 2017 44.365.483,38 and 31 December 2016 18.572.263,38 (Note 8).

13. INVENTORIES

The inventories are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Fixed assets spare parts	70,095.44	41,084.31	60,833.66
Total	<u>70,095.44</u>	<u>41,084.31</u>	<u>60,833.66</u>

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

14. TRADE, OTHER RECEIVABLES AND PREPAID EXPENSES

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

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Trade receivables	33.345.995,41	47.803.582,46	1.598.600,68
Other receivable	14.093.969,45	11.670.597,30	9.900.465,86
Prepaid expenses	176.324,13	4.849.691,99	56.907.735,94
Total	<u>47.616.288,99</u>	<u>64.323.871,75</u>	<u>68.406.802,48</u>

The trade receivables are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Trade receivables	677.008,62	257.294,92	1.209.722,10
Operation Support (including the corresponding VAT)	32.294.734,84	47.182.119,04	0,00
Bad debts	3.362.028,43	3.351.944,98	3.376.655,06
Total	<u>36.333.771,89</u>	<u>50.791.358,94</u>	<u>4.586.377,16</u>
Minus: Provision for bad debt	(2.987.776,48)	(2.987.776,48)	(2.987.776,48)
Net amount of trade receivables	<u>33.345.995,41</u>	<u>47.803.582,46</u>	<u>1.598.600,68</u>

The "Operation support" item refers to the operation support received by the Company from the Greek State for each calculation period (calculated on a six-monthly basis starting on 1 January 2016) and is defined as the difference between the sum of the eligible costs of the project and the distributable base IRR, reduced by the net income for the relevant calculation period. Further information can be found in Note 12.

The movement of the provision for bad debt are as follows:

Movement of the provision for doubtful receivables

Provision for bad debt 01.01.2016	2,987,776.48
Additional provision in the year	0.00
Provision for bad debt 31.12.2016	2,987,776.48
Additional provision in the year	0.00
Provision for bad debt 31.12.2017	2,987,776.48

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

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

The maturity of the above receivables is presented below:

	Not overdue, nor impaired	9 - 12 months	1 - 2 years	2 - 3 years	> 3 years	Total
€						
31.12.2017	32.971.743,46	0,00	0,00	13.212,97	3.348.815,46	36.333.771,89
	0,00	0,00	0,00	0,00	(2.987.776,48)	(2.987.776,48)
31.12.2016	47.439.413,96	0,00	0,00	0,00	3.351.944,98	50.791.358,94
	0,00	0,00	0,00	0,00	(2.987.776,48)	(2.987.776,48)
01.01.2016	1.209.722	0,00	0,00	0,00	3.376.655,06	4.586.377,16
	0,00	0,00	0,00	0,00	(2.987.776,48)	(2.987.776,48)

The other receivables are analysed as follows:

	31.12.2017	31.12.2016	01.01.2016
Receivable of Constructor's credit invoice	10.000.000,00	0,00	0,00
Greek State-compensation	8.856,67	6.435.680,38	0,00
VAT to be returned	4.016.332,59	5.164.232,68	6.829.655,27
Tax receivables	0,00	0,00	3.036.663,21
Other receivables	68.780,19	70.684,24	34.147,38
Total	14.093.969,45	11.670.597,30	9.900.465,86

The item " Receivable of Constructor's credit invoice" refers to realized construction costs of Central Greece motorway amounting to Euro 10 million. According to the Amended & Restated Design & Construction Agreement of E65 and the Concession Agreement, these expenses will be covered directly by the parent company GEK TERNA S.A. whereas, in the form of a Committed Investment where certain conditions are met. Since the conditions set out in the Concession Agreement for the payment of the Committed Investment are not met, the Company recognized a credit invoice receivable from the construction J/V of the E65 motorway. This amount has been deducted from the construction cost in the statement of comprehensive income.

The prepaid expenses are analysed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Suppliers' advances	0.00	4.765.962,40	56.820.303,09
Prepaid fees to third parties	174.986,13	80.932,72	85.585,92
Prepaid interest and related expenses	0.00	0.00	232,93
Other prepaid expenses	1.338,00	2.796.,87	1.614,00
Total	<u>176.324,13</u>	<u>4.849,691,99</u>	<u>56.907.735,94</u>

The a suppliers advance payments amounting to € 4.765.962,40 and € 56.820.303,09 on 31 December 2016 and 1 January 2016 respectively, refer to the construction of the E-65 motorway, balances which are reduced during the completion of the motorway.

15. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are analysed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Cash	317.192,16	290.698,41	374.865,09
Bank deposit	17.125.687,70	28.617.292,29	35.875.656,69
Total	<u>17.442.879,86</u>	<u>28.907.990,70</u>	<u>36.250.521,78</u>

In Bank deposits at 31.12.2017 is included an amount of 132,590.22 euro, which refers to the Escrow account.

16. CAPITAL

The share capital of the Company is analysed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Paid in Share Capital 65.000.000 common registered shares of face vale 1.,00 Euro each	<u>65,000,000.00</u>	<u>65,000,000.00</u>	<u>65,000,000.00</u>

The shareholders of the Company and the respective participation percentages are analysed as follows:

	31.12.2017	31.12.2016
GEK TERNA SA	33,33%	66,66%
FERROVIAL S.A.	33,34%	33,34%
ACS Servicios Y Concesiones SL	33,33%	0,00%

On 29/9/2017, IRIDIUM (ACS Group) transferred its share of 33,33% in the Company to GEK TERNA SA and as result the former is no longer a shareholder of the Company while GEK TERNA SA assumed the control of the Company is now considered a subsidiary of the latter.

17. RESERVES

The movement of reserves is set out below:

	Reserves of laws and statutes	Cash flow hedge reserve	Total
Balance 1 January 2016	0,00	(130.488.315,88)	(130.488.315,88)
Tax Depreciation of the Financial Contribution	250.962.976,64	0,00	250.962.976,64
Derivatives clearing losses	0,00	(18.414.172,32)	(18.414.172,32)
Transfer of derivatives clearing losses to results	0,00	18.414.172,32	18.414.172,32
Changes in valuation of cash flow hedges	0,00	(16.793.664,57)	(16.793.664,57)
Ineffective part of cash flow hedges	0,00	3.126.980,34	3.126.980,34
Derivative deferred tax	0,00	3.963.338,43	3.963.338,43
Balance 31 December 2016	250.962.976,64	(140.191.661,68)	110.771.314,96
Tax Depreciation of the Financial Contribution	62.051.528,67	0,00	62.051.528,67
Derivatives clearing losses	0,00	(18.691.049,23)	(18.691.049,23)
Transfer of derivatives clearing losses to results	0,00	18.691.049,23	18.691.049,23
Changes in valuation of cash flow hedges	0,00	24.752.022,18	24.752.022,18
Ineffective part of cash flow hedges	0,00	(4.608.826,53)	(4.608.826,53)
Derivative deferred tax	0,00	(5.841.526,74)	(5.841.526,74)
Balance 31 December 2017	313.014.505,31	(125.889.992,77)	187.124.512,54

1) Tax Free Reserve of Law 3555/2007

The Company, according to the Article 36.1.7 of the Concession Contract, amortizes 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 the case of distribution, the reserve of the State Financial Contribution will be taxed at the tax rate applied at the time of the distribution to the shareholders. Given this, it is not taken into account in the deferred tax calculation.

2) Hedging Reserve

The risk hedging reserve is being used for the recording of gain or losses from derivative financial instruments, which can be designated as derivatives for the hedging of future cash flows (cash flow hedges). The ineffective part of the respective amounts is being transferred to the Statement of Other Comprehensive Income.

18. PROVISIONS

The provisions are analysed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Heavy maintenance provision	841.344,00	808.103,00	378.911,00
Total	<u>841.344,00</u>	<u>808.103,00</u>	<u>378.911,00</u>

The movement of the heavy maintenance provision is analyzed below:

Heavy Maintenance provision 01.01.2016	<u>378.911,00</u>
Additional provision in the fiscal year	429.192,00
Provision used	0,00
Reversal of unused provision	0,00
Heavy Maintenance provision 31.12.2016	<u>808.103,00</u>

Additional provision in the fiscal year	767.839,90
Transfer to short-term	(734.598,90)
Reversal of unused provision	0,00
Heavy Maintenance provision 31.12.2017	841.344,00

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

19. PROVISION FOR STAFF INDEMNITIES

The account in the accompanying Financial Statements is analysed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Provision for staff indemnities	<u>174.095,00</u>	<u>164.358,00</u>	<u>124.239,00</u>

The liabilities for the compensation of the personnel are defined based on the actuarial study which was conducted by a certified actuary.

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

	<u>31.12.2017</u>	<u>31.12.2016</u>
Net liability 1 January	164.358,00	124.239,00
Cost of current employment	31.117,00	50.638,00
Cost of end of services' Benefits	(25.948,00)	0,00
Financial Cost	2.465,00	2.485,00
Paid benefits	(3.828,00)	0,00
Actuarial (gain)/loss	5.931,00	(13.004,00)
Net liability 31 December	<u>174.095,00</u>	<u>164.358,00</u>

The major actuarial assumptions that were utilized are the following:

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

Quantitative analysis of sensitivity concerning important actuarial assumptions:

	31.12.2017	31.12.2016
Discount rate:	Effect on the provision for staff indemnity	Effect on the provision for staff indemnity
0,5% Increase	(10.305,00)	(9.732,00)
0,5% Decrease	11.448,00	10.823,00
Future salaries' increases:	Effect on the provision for staff indemnity	Effect on the provision for staff indemnity
0,25% Increase	5.572,00	5.266,00
0,25% Decrease	(5.312,00)	(5.018,00)

20. TRADE AND OTHER LIABILITIES

The trade and other liabilities are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Trade liabilities	42.461.276,11	1.647.309,16	4.003.308,05
Other liabilities	11.502.109,69	10.683.220,86	3.170.194,77
Total	<u>53.963.385,80</u>	<u>12.330.530,02</u>	<u>7.173.502,82</u>

The trade liabilities are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Domestic suppliers	42.329.533,42	1.514.676,53	3.917.305,10
Foreign suppliers	17.488,04	117.444,04	82.211,80
Customers advances	114.254,65	15.188,59	3.791,15
Total	<u>42.461.276,11</u>	<u>1.647.309,16</u>	<u>4.003.308,05</u>

The "Domestic suppliers" item includes obligations mainly to the constructors of the E65 motorway. An amount of EUR 33.997.266,01 and an amount of EUR 6.323.754,30 refer to the construction J/Vs Central Greece Motorway E65 and Hellas Tolls respectively. The other liabilities are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Liabilities to related parties	2.844.584,99	0,00	0,00
Accrued expenses	1.409.837,91	1.784.481,04	1.240.502,59
Other taxes and duties	6.950.643,61	8.641.726,31	1.431.179,12
Social security organizations	126.921,75	106.877,37	110.724,19
Sundry creditors	170.121,43	150.136,14	387.788,87
Total	<u>11.502.109,69</u>	<u>10.683.220,86</u>	<u>3.170.194,77</u>

Liabilities to related parties contain a sum of Subordinated Debt with the accrued interest to the Shareholders which at 31.12.2017 amounts to € 2.844.584,99. Based on the provisions of the Concession Agreement and the Loan Agreements, the Company now fulfills the conditions for the repayment of the relevant amounts. The Company estimated that the repayment of the aforementioned amount of € 2.844.584,99 will be made in the fiscal year of 2018 and recognized this obligation as a short-term one.

Other taxes and duties are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
VAT	6.091.715,96	7.457.535,57	0,00
Subcontractors taxes	313.240,82	598.907,26	800.917,71
Interest tax	508.096,04	547.452,09	592.426,98
Payroll taxes and Solidarity Levies	20.368,74	18.044,66	13.334,35
Third parties taxes	12.376,71	16.270,67	19.174,15
Other taxes	4.845,34	3.516,06	5.325,93
Total	<u>6.950.643,61</u>	<u>8.641.726,31</u>	<u>1.431.179,12</u>

The accrued expenses are analyzed as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>01.01.2016</u>
Accrued third party fees	787.477,97	1.261.735,39	740.534,75
Accrued other charges from third parties	268.215,66	248.298,40	239.173,05

Miscellaneous expenses	156.763,38	103.349,48	100.266,23
Accrued other expenses	83.558,81	57.275,68	35.864,74
Employee compensation and expenses	113.822,09	113.822,09	124.663,82
Total	<u>1.409.837,91</u>	<u>1.784.481,04</u>	<u>1.240.502,59</u>

21. FINANCIAL LIABILITIES

The financial liabilities are analysed as follows:

Financial liabilities –long-term

	31.12.2017	31.12.2016
Bond loans	366.227.816,00	366.302.162,00
Long-term liabilities to affiliated companies	0,00	2.641.624,99
Total	<u>366.227.816,00</u>	<u>368.943.786,99</u>

The maturity dates of the Bank's Bond Loans are as follows:

	31/12/2017	31/12/2016
Between 1 and 2 years	7.285.897,00	2.416.242,00
Between 2 and 5 years	19.144.064,00	16.616.305,00
Above 5 years	339.797.855,00	347.269.615,00
Total	<u>366.227.816,00</u>	<u>366.302.162,00</u>

Financial liabilities –short-term

	31.12.2017	31.12.2016
Bank loans-Short term liabilities	4.076.309,00	5.762.250,00
Long-term liabilities payable in the next fiscal year	74.346,00	3.085.354,00
Total	<u>4.150.655,00</u>	<u>8.847.604,00</u>

The Company has signed a bond loan agreement of amount 470.914.635,00 (including VAT loan of 19.200.000,00 euro). More specifically, there are the following loan categories:

Project Facilities: The company disbursed the bond loans to cover its needs for the Approved Project Costs during the Construction Period T1. These loans are repaid on each repayment date, based on the current amortization rate of the timetable set out in the Common Terms Agreement.

Vat Facility: The Concession company disbursed the recycled VAT bond loan to cover its obligations to pay the VAT due for the construction cost during the Construction Period T1. The VAT loan is repaid by the amounts reimbursed by the tax office upon request of VAT return application.

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

BANK	BALANCE AS AT 31/12/2016	DISBURSEMENTS	REPAYMENTS	BALANCE AS AT 31/12/2017
ALPHA BANK	8.909.170,00	3.026.628,00	2.754.486,00	8.637.028,00
EUROBANK ERGASIAS	22.169.191,00	5.973.744,00	5.400.884,00	21.596.331,00
NATIONAL BANK OF GREECE	11.006.016,00	3.472.714,00	3.154.356,00	10.687.658,00
PIRAEUS BANK	114.286.661,00	13.286.996,85	11.506.437,00	112.506.101,15
BANCO BILBAO VIZCAYA ARGENTARIA	48.016.339,00	401.062,00	0,00	47.615.277,00
BNP PARIBAS FORTIS SUCURSAL EN ESPANA	17.778.647,00	148.498,00	0,00	17.630.149,00
BNP PARIBAS FORTIS	30.237.692,00	252.564,00	0,00	29.985.128,00
BANCO SANTANDER LONDON BRANCH	42.154.497,00	352.100,00	0,00	41.802.397,00
BANCO ESPIRITO SANTO LONDON BRANCH	20.325.714,00	169.773,00	0,00	20.155.941,00
ESPIRITO SANTO	30.956.623,00	258.569,00	0,00	30.698.054,00
INSTITUTO DE CREDITO OFICIAL	14.654.608,00	122.404,64	0,00	14.532.203,36
AGRICULTURAL BANK OF GREECE	14.654.608,00	122.404,64	0,00	14.532.203,36
TOTAL	375.149.766,00	27.587.458,13	22.816.163,00	370.378.470,87

There are no available balances for withdrawal as at 31 December 2017. The outstanding balance of loans at 31/12/2015 amounted to € 389,518,752.00, the disbursements amounted to € 28,459,132.00 and the repayments amounted to € 42,828,118.00, respectively.

In addition the Company has the following subordinated debt based on the Concession Agreement:

	SHAREHOLDER	AMOUNTS UNTIL 31/12/2016	AMOUNTS UNTIL 31/12/2017
1	FERROVIAL S.A.	554,784.00	554.784,00
2	GEK TERNA SA	554,618.00	1.109.236,00
3	DRAGADOS S.A	532,486.00	0,00
4	IRIDIUM C.I	22,132.00	0,00
	TOTAL	1,664,020.00	1.664.020,00

The above subordinated debt does not include the corresponding until 31.12.2017 due interest expense of amount euro 1.180.564,99 (31.12.2016: 977.604,99 and 01.01.2016: 779.551,35). The interest expense for the years ended 31 December 2017 and 31 December 2016 is € 202.960,00 and € 198.053,64, respectively.

On December 31, 2017, the Company estimated that an amount of € 2.844.584,99 (interest due and subordinated debt) would be repaid in the year 2018 and for this reason it has been classified as short-term liabilities in the item "Trade and other liabilities" and more specifically in the item "Liabilities to affiliated companies".

The increase in the subordinated debt of the Company to GEK TERNA SA for the year ended 31.12.2017 is due to the acquisition of the shares held by DRAGADOS S.A. and IRIDIUM S.A. by GEK TERNA SA

The Company in order to manage the interest rate risk arising from the bond loans issued, it has signed interest rate swaps the nominal value of which changes per month. The nominal value of the interest rate swaps that are contracted are reported as 100% of the nominal value of the respective loans.

The interest rate swaps concern contracts with which the floating rate of the loans is converted into fixed for the total duration of the loans so as the Company is protected from any potential interest rate increase. The fair value of these contracts is valued based on the projection of the effective, on 31.12.2017, interest rate curve (euribor) to all the time horizon of the respective contracts. The valuation of their fair value at 31.12.2017 amounts to euro 175,83 million on the burden of the Company (loss), at 31.12.2016 amounts to euro 200,58 million on the burden of the Company (loss) and at 01.01.2016 amounts to euro 183,79 million on the burden of the Company (loss). For more information on the movement of derivatives, see Note 17. The expenses from the interest rate swap agreements for the year 2017 amounted to € 18.691.049,23 (2016: € 18.414.172,32).

For security of the loans disbursed, the Lenders have been provided with the following pledges:

- the bank accounts of the Company
- the Concession Agreement
- the Design and Construction Agreement
- the Independent Engineer Agreement
- The Procurement of Tolls' Equipment Agreement
- the issued guarantee letters
- the issued insurance contracts

22. STATE FINANCIAL CONTRIBUTION

The Company, in accordance with the provisions of IFRIC 12, recognizes a financial asset receivable and a revenue from the State Financial Contribution based on the rate of the percentage of completion method. The aforementioned State Financial Contribution is collected by the achievement of milestones and other conditions stipulated in the Concession Agreement.

At the transition date, in accordance with IFRS 1 First-time Adoption of IFRS and Transitional Provisions in paragraph 30 of IFRIC 12 (see Note 1 above), the value of the financial asset is recognized as nil, as the expected amount of € 100.000.000,00 to be collected is recognized through the construction period for the years ended 31 December 2016 and 31 December 2017, respectively. In order to achieve the purpose of the fair presentation, the State Financial Contribution is analyzed as follows:

Financial Contribution analysis	31/12/2017	31/12/2016
Recognition of financial asset	100.000.000,00	63.510.429,45
Collected Financial Contribution	(100.000.000,00)	(100.000.000,00)
Receivable / (Liability)	0,00	(36.489.570,55)

23. TRANSACTIONS WITH RELATED PARTIES

The nature and the amounts of the transactions with the related parties are displayed below:

	01.01 - 31.12.2017		01.01 - 31.12.2016	
	Purchases / Expenses from affiliated parties	Sales of services in affiliated parties	Purchases / Expenses from affiliated parties	Sales of services in affiliated parties
Transactions with related parties				
Parent company				
GEK TERNA SA	1.189.664,33	0,00	782.328,97	0,00
Group companies				
GEK SERVICES SA	398.571,80	0,00	343.293,12	0,00
HELLAS TOLLS J/V	8.434.652,65	0,00	1.953.689,14	0,00
E65 J/V	85.798.078,89	0,00	164.778.857,24	0,00
NEA ODOS SA	716.419,85	2.930.978,64	306.306,91	2.269.384,28
HERON THERMOELECTRIC SA	738.849,30	0,00	623.028,51	0,00
Other related parties				
IRIDIUM SA	119.232,55	0,00	45.299,43	0,00
FERROVIAL SA	203.983,98	0,00	46.259,00	0,00
Total amount of transactions with related parties	97.599.453,35	2.930.978,64	168.879.062,32	2.269.384,28

B) Amounts of outstanding balances with related parties

	31.12.2017		31.12.2016		01.01.2016	
	Liabilities	Receivables	Liabilities	Receivables	Liabilities	Receivables
Parent company						
GEK TERNA SA	268.184,85	0,00	73.083,12	0,00	270.329,67	0,00
Group companies						
GEK SERVICES SA	70.841,09	0,00	117.138,72	0,00	237.504,51	0,00
HELLAS TOLLS J/V	6.323.754,30	0,00	143.981,40	0,00	2.513.335,73	0,00
E65 J/V	33.997.266,01	0,00	192.312.022,01	0,00	140.140.305,92	0,00
NEA ODOS SA	260.792,81	677.008,62	133.232,38	482.371,56	132.650,79	0,00
HERON THERMOELECTRIC SA	170.753,23	0,00	299.753,02	0,00	98.030,70	0,00
Total	41.091.592,29	677.008,62	193.079.210,65	482.371,56	143.392.157,32	0,00

With HERON THERMOELECTRIC SA there is a balance of guarantees at 31 December 2017 amounting to € 30.476,00 and the transactions on the guarantees for the year 2017, amount to € 30.476,00.

	31.12.2017		31.12.2016		01.01.2016	
	Interest payable	Amount of liability	Interest payable	Amount of liability	Interest payable	Amount of liability
Loans from related parties						
Related parties:						
GEK TERNA SA	774.490,60	1.109.236,00	308.558,99	554.618,00	242.477,50	554.618,00
FERROVIAL SA	406.074,39	554.784,00	334.866,15	554.784,00	268.764,53	554.784,00
IRIDIUM	0,00	0,00	12.773,10	22.132,00	10.347,06	22.132,00

DRAGADOS	0,00	0,00	321.406,75	532.486,00	257.962,26	532.486,00
Total	1.180.564,99	1.664.020,00	977.604,99	1.664.020,00	779.551,35	1.664.020,00

24. COMPENSATION OF MANAGEMENT

The compensation of the managing personnel (balance and transactions) are analysed as follows:

	<u>31/12/2017</u>	<u>31/12/2016</u>
Compensation to free lancers	56,000.00	128.950,00
Total	56.000,00	128.950,00

	<u>31/12/2017</u>	<u>31/12/2016</u>
Liabilities	1.719,97	186,20

25. AUDITORS' FEES

		31.12.2017	31.12.2016
ERNST & YOUNG HELLAS SA	STATUTORY AUDIT FOR THE YEAR 2017	23.250,00 €	15.750,00 €
ERNST & YOUNG HELLAS SA	TAX AUDIT FOR THE YEAR 2017	13.000,00 €	13.000,00 €
ERNST & YOUNG HELLAS SA	NON-AUDIT SERVICES	40.560,50 €	16.235,00 €

26. CONTINGENT LIABILITIES

i) Pending Litigations – Legal Cases

The Company within the ordinary context of its activities is a defendant in a small number of court cases. At 31.12.2017 and 31.12.2016 there were no pending lawsuits that were significant and for which entries or disclosure would have been required in the Financial Statements.

ii) Letters of guarantee-other collateral

Letter of guarantee- Other collateral	<u>31.12.2017</u>	<u>31.12.2016</u>
Letters of Guarantees to the State	67.460.175,00	59.432.588,80
Committed Investment Letter of Guarantee from the shareholders	20.000.000,00	20.000.000,00
Total	<u>87.460.175,00</u>	<u>79.432.588,80</u>

The Letter of Guarantee for the Good Execution of the Design and– Construction works which has been submitted to the Ministry of Infrastructure and Transport and amounts to € 40 million, has been issued and is being covered by the exclusive corporate guarantee of the shareholder GEK TERNA SA. Following the issuance of the Works Completion Certificate by the Independent Engineer the amount of the LG has been decreased in 2018 to €8.000.000.

Correspondingly, the Letter of Guarantee for the Committed Investment amounts to € 20 million which has been also submitted to the Ministry of Infrastructure and Transport, has been issued and is being covered by the exclusive corporate guarantee of the shareholder GEK TERNA SA, as well as, the Letter of Guarantee for the Good Execution of the Operation and Maintenance which has been also submitted to the Ministry of Infrastructure and Transport and amounts to € 1,06 million.

iii) Obligations from operating leases - As a lessee

The minimum future lease payments under non-cancellable operating leases on 31 December 2017 and 2016 are as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Within 1 year	87.135,33	104.362,68
From 2 to 5 years	106.384,65	96.926,33
Over 5 years	216.000,00	226.800,00
Total	<u><u>409.519,98</u></u>	<u><u>428.089,01</u></u>

iv) Operating lease receivables - As lessor

The minimum future lease receivables on non-cancellable operating leases on 31 December 2017 and 2016 are as follows:

	<u>31.12.2017</u>	<u>31.12.2016</u>
Within 1 year	20.000,00	0,00
From 2 to 5 years	80.000,00	0,00
Over 5 years	300.000,00	0,00
Total	<u><u>400.000,00</u></u>	<u><u>0,00</u></u>

27. EVENTS AFTER THE REPORTING PERIOD

From the end of the fiscal year ending 31.12.2017 until the date of preparation of this report, no events have occurred which have a significant impact on the Financial Statements of the closing year and should be mentioned in this Report

Athens, 24/05/2018

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

THE VICE PRESIDENT
OF THE BOARD OF DIRECTORS

EMANOUIL VRAILAS
ID NO : AK 837985

EMMANOUIL MOUSTAKAS
ID NO: AE 080733

THE CHIEF FINANCIAL OFFICER

KONSTANTINOS KONSTANTINIDIS
ID NO: X670038

THE ACCOUNTING MANAGER

YANNIS MARINOPOULOS
ID NO : Ε448367