Greek Environmental & Energy Network S.A.
57, Akti Miaouli str. | 185 36 Piraeus, Greece
T +30 210.42.93.939 | F +30 210.42.95.194
E info@green.com.gr | www.green.com.gr

GREEK ENVIRONMENTAL & ENERGY NETWORK SOCIETE ANONYME

Management report and annual financial statements

According to the L.4308/2014
For the year ended 31 December 2017

AKTI MIAOULI 57, 185 36 Piraeus

Reg. No 65240/02/B/08/12

Comm. Reg. No 044795607000

www.green.com.gr

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Annual Report of the Board of Directors of «GREEK ENVIRONMENTAL & ENERGY NETWORK S.A.» for the annual financial statements of the year 01.01.2017 – 31.12.2017

To the Annual Shareholders' General Meeting

Ladies and Gentlemen, we have the honor to submit to you the Annual Report of the Board of Directors in accordance with the Articles of Association and Article 43a of C.L. 2190/1920 and the financial statements for the year 2017 in order to provide you with important financial information and to request your approval.
Please note that this Annual Report of the Board of Directors was prepared in accordance with the relevant provisions of C.L. 2190/1920 as in force.

General information

During this period, the Company's activities complied with the applicable legislation and its objectives as defined by its articles of association.

The Balance Sheet, the Income Statement and the Statement of Changes in Equity of the aforementioned year as published and submitted to the General Meeting are derived from the Company's books and records and have been prepared in accordance with Greek GAAP (Law 4308/2014).

There are no events after the reporting period, as mentioned in note 32.

1) Analysis of financial performance.

According to the financial statements, the Company, the profitability for 2017 decreased due to the increase of distribution expenses. The Company exhibits increasingly stable financial performance in its basic financial figures and, despite the financial crisis, it has a turnover of 2017 € 71.534.407,42 (2016 € 54.465.180,88) thus the turnover has increased 31% compared to the previous year.

The profit after taxes for 2017 amounted to € 327.051,91, (2016: € 825.650,91), and the decrease is due to the increase of distribution expenses. Administrative expenses decreased by € 69.131,60 and distribution expenses increased by € 725.701,17. During 2017 the Company recorded bad debt allowance that amounted to € 154.523,67 (2016: €351.644,84).
The earnings before taxes, interest, depreciation and amortization (EBITDA) were decreased compared to 2016 by €704.532,36.
The gross profit in 2017 was € 2.583.596,95 (2016: € 2.363.302,33) thus increasing by 9,17% compared to the previous year.
Property, plant and equipment in 2017 amounted to € 209.647,84 and in 2016 amounted to € 248.088,11, and intangible assets in 2017 amounted to € 45.096,03 in 2016 amounted in € 61.245,76.

2) Significant risks

The Company is not dependent on any specific suppliers and its contracts are based on EFET (European Federation of Energy Traders) agreements, i.e. with a payment date on the 20th day of the next delivery month, whereas only for LAGIE the transaction takes place on a weekly basis. Also, guarantee letters have been provided, wherever necessary. All agreements are validated in writing.
The prospects of the sector are auspicious despite the economic crisis, especially until 2020, that PPC will continue to auction electricity at a preferential price. This will allow the industry to compete with PPC by offering its customers competitive prices.
The Company's plan for the next five years is that it will be established in the industry with appropriate co-operations, even though the market is in a mature period and profit margins are reduced due to competition; that is the risk for the next years, i.e. from 2020 onwards. We anticipate that there will be acquisitions and mergers of companies in the industry, and we, with proper planning, will be prepared for the developments.

3) Environmental issues.

The company recognizes its obligations towards the environment and the need to continuously improve its environmental performance so as to achieve a balanced economic development in harmony with environmental protection. Its environmental policy focuses on the following:
Management of solid waste, giving priority to their separate collection and recycling.
Saving energy: Development of a system for monitoring the consumption of natural resources and constant staff training about environmental issues. Training of employees on environmental protection issues. The Company does not create any special waste that is harmful to the environment as a result of its operations..
Obsolete or not appropriate products or raw materials:
They are disposed of according to the mandatory procedure.
The replacement of lighting lamps by new LED technology that reduces the amount of electricity consumed, has already started and is in progress.
Installment of recycling bins for portable batteries (batteries) and electronic devices.
Implementation of a recycling program for recycling printer ink by sending invoices via email, by purchasing or renting transport for staff that consume natural gas or petrol.

4) Labor issues.

Management does not make any discriminations in recruitment / selection, pay, education, job assignment or any other work activities. The factors that are exclusively taken into account are experience, personality, training, qualification, efficiency and ability of each individual. The Company encourages all employees to respect the diversity of each employee or supplier or customer of the Company and to not accept any conduct that may be discriminating. The Company's policy in this area is based on the OECD Guiding Principles or the International Labor Organization (ILO).
In 2017, the Company employed 22 employees of different sexes and ages, and its policy is to provide equal opportunities to employees regardless of gender, religion, disadvantage or other aspects. The Company's relations with its staff are excellent and there are no work-related problems.
The Company has a contract with a Doctor as well as a security technician, and security drills are scheduled, as well as regular medical examinations by the Doctor. The Company also provides its staff with a full health insurance package free of charge. The staff is evaluated once a year by the directors and the relevant reports are evaluated by Management for potential promotions and salary increases. The Company respects the rights of employees and complies with the Labor Legislation. In the year 2017, no violations of labor law were observed. There is no union of workers in the company. Safety at work for employees is a top priority and a prerequisite for the operation of the Company. The Company maintains in all workplaces "first aid kits" (medicines, band aids, etc.)

5) Financial ratios.

The Company is not aware of any specific financial ratios for the financial performance of entities operating in the same sector.

The financial ratios monitored by the Company for 2017 are the following:

5.1 Financial structure rations

Current assets :	20.717.373,33	95,49%
Total assets :	21.696.031,15	

Property, plant and equipment :	254.743,87	1,17%
Total assets: :	21.696.031,15	

The above ratios present the allocation of funds to current and Property, plant and equipment.

Equity :	3.190.961,72	17,28%
Total liabilities :	18.465.700,19	

The above ratio presents the capital efficiency of the Company.

Total liabilities :	18.465.700,19	85,11%
Total equity and liabilities :	21.696.031,15	

Equity :	3.190.961,72	14,71%
Total equity and liabilities :	21.696.031,15	

The above ratios present the debt structure of the Company.

Equity :	3.190.961,72	1.252,62%
Property, plant and equipment :	254.743,87	

This indicator shows the degree of financing of the Company's property, plant and equipment.

Current assets :	20.717.373,33	120,73%
Current liabilities:	17.160.020,79	

This ratio presents the Company’s ability to finance its current liabilities with current assets.

Working capital :	3.557.352,54	17,17%
Net assets :	20.717.373,33	

This ratio reflects the proportion of current assets funded by the excess of long-term capital (Equity and Long-term Liabilities)

5.2 Financial performance ratios

Net operating profit :	655.061,38	0,92%
Sales :	71.534.407,42	

This ratio reflects the financial performance of the Company without taking into account any extraordinary expenses or income.

Net profit before tax :	592.956,86	0,82%
Total revenue :	71.922.441,06	

This ratio reflects the overall performance of the company compared to its total revenue.

Net profit before tax :	592.956,86	18,58%
Equity :	3.190.961,72	

This ratio reflects the Company's return on equity

Gross profit :	2.583.596,95	3,61%
Sales :	71.534.407,42	

This ratio reflects the percentage of gross profit on the Company's sales.

6) Future plans.

Finally, we should refer to the Company's expected development.
The Company aims at its continuous organizational, service quality, and financial improvement.

The Company intends to achieve its organizational goals through recruitment and implementation of stricter procedures in the next years. In this way, the Company will be able to provide high quality services to its clients. Finally, the Company intends to achieve its financial goals through partnerships and by planning the increase of its market share to 5%.

For the Board of Directors

Piraeus 27.08.2018

The Chairman	**The Managing Director**
Vyron Vasileiadis	**Christos Vasileiou**

Income statement

1 January 2017 - 31 December 2017

	Note	2017	2016
Sales (net)	3	71.534.407,42	54.465.180,88
Cost of sales	5	-68.950.810,47	-52.101.878,55
Gross profit		***2.583.596,95***	***2.363.302,33***
Other operating income	4	300.646,59	532.428,33
		2.884.243,54	***2.895.730,66***
Administrative expenses	5	-563.473,68	-632.605,28
Distribution expenses	5	-1.663.067,58	-937.366,41
Other expenses		-20.063,27	-10.112,66
Profit an loses from disposal of non-current asset		99,99	-
Income from investments	6.1	1,22	35.566,96
Other income		17.321,16	8.380,47
Profit before interest and taxes		***655.061,38***	***1.359.593,74***
Interest and other financial income	6.2	69.964,68	72.610,70
Interest and other financial expenses	7	-132.069,20	-106.840,54
Profit before tax		***592.956,86***	***1.325.363,90***
Income tax	19	-265.904,95	-499.712,99
Profit after tax		**327.051,91**	**825.650,91**

Statement of financial position as at 31 December 2017

ASSETS	Note	2017	2016
Non-current assets			
Property, plant and equipment			
Buildings	8.1	173.451,70	181.792,81
Other equipment	8.1	36.196,14	66.295,30
Total		***209.647,84***	***248.088,11***
Intangible assets			
Other intangible assets	8.2	45.096,03	61.245,76
Total		***45.096,03***	***61.245,76***
Financial assets			
Other investments	9.2	500,00	36.500,00
Other non-current assets	9.2	723.413,95	490.430,17
Total		***723.913,95***	***526.930,17***
Total non-current assets		**978.657,82**	**836.264,04**
Current assets			
Inventory			
Products & semi-finished products			
Other inventory		1.178,60	1.577,00
Total		**1.178,60**	**1.577,00**
Receivables and prepayments			
Trade Receivables	10	15.086.415,62	9.441.972,69
Accrued income	12	368.429,49	254.680,75
Other receivables	11	1.218.760,99	1.952.654,31
Other financial assets	13	182.737,00	182.737,00
Prepaid expenses		11.033,14	233.198,61
Cash and cash equivalents	14	3.848.818,49	2.346.014,11
Total		**20.716.194,73**	**14.411.257,47**
Total current assets		**20.717.373,33**	**14.412.834,47**
Total assets		**21.696.031,15**	**15.249.098,51**

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EQUITY AND LIABILITIES	Note.	2017	2016
Equity			
Paid capital			
Share capita	15	600.000,00	600.000,00
Total		***600.000,00***	***600.000,00***
Reserves and retained earnings			
Statutory and other reserves		180.654,28	133.554,28
Retained earnings		2.410.307,44	3.272.355,53
Total		***2.590.961,72***	***3.405.909,81***
Total equity		**3.190.961,72**	**4.005.909,81**
Provisions			
Employee Benefits	16	39.369,24	28.395,34
Total		***39.369,24***	***28.395,34***
Liabilities			
Non-current liabilities			
Other non-current liabilities	17	1.305.679,40	1.064.133,99
Total		***1.305.679,40***	***1.064.139,99***
Current liabilities			
Trade payables	18	13.036.722,00	8.076.674,11
Income tax	19	-	66.072,71
Other tax liabilities	21	300.423,88	168.549,84
Social security liabilities		31.576,05	23.985,32
Other liabilities	20	2.134.777,28	978.919,85
Accrued expenses	22	1.656.521,58	836.451,54
Accrued income		-	-
Total		17.160.020,79	10.150.653,37
Total liabilities		**18.465.700,19**	**11.214.793,36**
Total equity, provisions and liabilities		**21.696.031,15**	**15.249.098,51**

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Statement of changes in Equity as at 31 December 2017

	Share capital	Statutory reserves	Retained earnings	Total
Balance 01.01.2016	**600.000,00**	**83.064,83**	**2.497.194,07**	**3.180.258,90**
Transfer to statutory reserves	0	50.489,45	-50.489,45	0
Profit for the period	0	0	825.650,91	825650,91
Balance 31.12.2016	**600.000,00**	**133.554,28**	**3.272.355,53**	**4.005.909,81**
Transfer to statutory reserves	0	47.100,00	-47.100,00	0
Dividend Distribution			-1.142.000,00	-1.142.000,00
Profit for the period	0,00	0	327.051,91	327.051,91
Balance 31.12.2017	**600.000,00**	**180.654,28**	**2.410.307,44**	**3.190.961,72**

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

GREEK ENVIRONMENTAL & ENERGY NETWORK S.A.(the «Company») a trading company that operates in the energy sector and its site is www.green.com.gr. The Company was incorporated in 2008, the headquarters are located in Greece and its registered office is 57 Akti Miaouli, Piraeus, P.C. 185 36. The average number of staff for the year 2017 amounted to 22 employees (31.12.2017: 17 employees). The financial statements of the Company were approved by the Board of Directors on 27.08.2018 and are subject to approval by the Annual General Meeting of Shareholders.

2. Summary of significant accounting policies

2.1 Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with the Greek Accounting Standards prescribed by L.4308/2014. The financial statements have been prepared under the historical cost and the going concern principles.

The financial statements are presented in euro, which is the Company's functional and presentation currency.

2.2 First time implementation of Greek Accounting Standards («New GAAP»)

The financial statements for the year ended 31 December 2017 (01.01.2017-31.12.2017) are the third ones prepared by the Company in accordance with the Greek GAAP. For the fiscal years up to and including the year ended 31 December 2014, the Company kept its books and records and prepared its financial statements in accordance with the provisions of C. L. 2190/1920, taking into account the provisions of the current tax legislation if necessary. The Company, in accordance with Article 2 of L. 4308/2014, is categorized as medium-sized entity.

The Company has prepared the financial statements in compliance with Greek GAAP as they apply for accounting periods beginning on or after 1 January 2015.

The Company applied Article 37 (5) according to which «Balance sheet items that do not meet the recognition criteria according to this law but were recognized under the previous accounting framework may continue to be shown in the balance sheet after 31 December 2014 and until full depreciation on the basis of the tax provisions in force or their disposal in any way».

2.3 Summary of significant accounting policies and estimates

The preparation of the financial statements requires the Company's management to make significant accounting estimates, assumptions and judgments that affect assets and liabilities and disclosures, the disclosure of contingent assets and liabilities as well as the reported income and expense. 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:

2.3.1 Property, plant and equipment

Initial recognition

An item of property, plant and equipment should initially be recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. Repair and maintenance are recognized as assets when they meet the respective recognition criteria, otherwise they are charged to profit and loss.

Subsequent measurement
The asset is carried at cost less accumulated depreciation and impairment. .

Assets with finite useful life are subject to annual depreciation that is calculated using the straight – line method and reflects their useful life:

Buildings	25 years
Machinery	10 years
Transportation (passenger cars)	6,25 years
Vehicles - trucks	8,33 years
Computer equipment and software	5 years
Furniture and other equipment:	10 years

Depreciation begins when the asset is available for use. Land is not subject to depreciation.

Useful lives, net book value and the depreciation method should be reviewed at least annually for any impairment indications at the reporting date and should be changed if necessary.

Derecognition

An asset should be removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and should be recognized in profit and loss.

2.3.2 Intangible assets

Intangible assets acquired separately are initially recorded at cost. After initial recognition intangible assets should be carried at cost less accumulated amortization and impairment losses. Internally generated intangible assets are not recognized.

Intangible assets are mostly software with useful life of five years. There are no intangible assets with infinite useful life.

Impairment of non-financial assets

Non-financial assets measured at cost or amortized cost are subject to impairment testing when there are indications and if it is estimated that the impact of any impairment in the financial statements is significant. Impairment losses arise when the recoverable amount of the asset becomes less than its carrying amount. The recoverable amount of an asset is defined as the greater of the fair value less costs to sell an asset and its value in use. Value in use is the present value of future cash flows expected to arise from the continued use of an asset and from disposal at the end of its useful life.

The obligation to recognize impairment loss exists only when it is estimated that the impairment is of a permanent nature and is of significant amount. If it is considered that the impairment is of a temporary nature, it is not considered. Any impairment loss is recognized in profit or loss as an expense. Impairment losses are reversed in the results when the circumstances that caused them cease to exist.

There were no indications for impairment as at 31 December 2017 and 2016 and 2015 respectively.

2.3.3 Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee: a lease is classified as an operating lease if the lessor retains all the risks and rewards incidental to ownership of an underlying asset. Leases are charged to the profit and loss using the straight-line method unless another systematic method is more representative of the allocation of the expense.

Company as lessor: a lease is classified as an operating lease if the Company retains all the risks and rewards incidental to ownership of an underlying asset. Leases are charged to the profit and loss using the straight-line method unless another systematic method is more representative of the allocation of the expense.

All leases have been classified as operating leases as at 31 December 2017 and 2016 and 2015 respectively.

2.3.4 Impairment of property, plant and equipment

Each asset that is measured at historical cost, is being reviewed for impairment when relevant indications occur and the impact of the impairment to the financial statements is material. An impairment loss occurs when the carrying amount of the asset is greater than the recoverable amount. The recoverable amount is the higher amount between the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows the entity expects to derive from the asset during its use and its disposal at the end of its useful life.

An impairment loss is recognized only when it is assessed to be of permanent nature and material. If it is not permanent, then it is not recognized. The impairment losses are recognized in the income statement and are reversed as gains to it, when the circumstances which cause them, cease to exist.

There were no indications of impairment as at 31 December 2017 and 2016 and 2015 respectively.

2.3.5 Financial assets

Initial recognition

All the financial assets are initially recognized at cost. Cost includes the cash (or cash equivalents) or the fair value of other consideration given for the acquisition plus acquisition costs.

Subsequent measurement

Subsequently to the initial recognition, the financial assets are measured at cost less any impairment losses.

Specifically, subsequently to the initial recognition, interest bearing financial assets are measured at their amortizable cost using the effective interest rate method or the straight line method, instead of acquisition cost less any impairment losses, if the amortizable cost method has significant impact on the Financial Statements.

Financial assets comprise of trade and other receivables and cash and cash equivalents. For more information relating to trade and other receivables please refer to notes 10 and 11.

Derecognition

The Company ceases to recognize (i.e. withdraw from the balance sheet) a financial asset when:

- The contractual rights to the cash flows of the financial asset expire, or
- -All the risks and rewards of ownership of that asset are substantially transferred.

Impairment

Any financial asset (whether or not interest-bearing) is subject to an impairment test if the relevant information referred to in paragraph 5 of Article 19 of Law 4308/2014 exists.

Indications of impairment are presumed to exist when:

- There are obvious, serious financial difficulties of the issuer or the obligor of the financial asset, or
- When the carrying book value of a financial asset is significantly higher than its fair value (if the fair value is available), or
- When adverse local, national or international conditions entail an increased likelihood of default on key obligations relating to the financial assets.

Impairment losses are recognized when the carrying value of an asset exceeds its recoverable amount. Specifically for long-term financial assets (non-current assets), impairment losses are recognized when the impairment is deemed to be of permanent nature. If it is considered that the impairment is temporary, it is not considered.

Impairment losses are recognized in profit or loss and reversed as gains in the income statement when the circumstances that caused them cease to exist. Reversal occurs up to the value of the asset if no impairment loss had been recognized. In particular, for financial assets of non-current assets, impairment losses are recognized when the impairment is deemed to be of permanent nature. If it is considered that the impairment is temporary, it is not considered.

For more information relating to trade and other receivables please refer to notes 10 and 11.

2.3.6 Income tax and deferred taxation

<u>Income tax</u>

Income tax and tax liabilities are recognized at the amount expected to be recovered or paid to the tax authorities. The tax rates and tax laws used to calculate the amount are those that have been enacted or materially enacted by the date of the statement of financial position in the country in which the Company operates and generates taxable income.

The provision for income tax for this fiscal year as well as for previous years is calculated on the basis of the amounts estimated to be paid to the tax authorities using the statutory tax rates at the reporting date. The income tax provision includes the current income tax for each fiscal year according to the income tax statement and the estimated additional tax that may arise in tax audits of unaudited fiscal years based on previous tax audit findings. As a result, the final settlement of income taxes may differ from the relevant amounts in the financial statements.

The income tax is recognized in the income statement. Management periodically evaluates the assessment of cases where tax regulations are subject to interpretation and makes the necessary provisions.

<u>Deferred taxation</u>

According to L. 4308/2014, deferred taxation is optional and was not adopted by the Company.

2.3.7 Inventory

Stocks include vouchers for customers according to the commercial policy of the Company.

2.3.8 Cash and cash equivalents

Cash and cash equivalents include cash at the Company's cash register and bank deposits.

2.3.9 Share Capital

Common shares are recorded in equity. Costs that are directly attributable to a component of equity are deducted from it if they are material to the financial statements. Otherwise, this amount is recognized as an expense in the period when incurred.

2.3.10 Financial Liabilities

Initial recognition
Financial liabilities are initially recognized in their due amount. Amounts in excess of or below par value, as well as costs directly related to liabilities, are recorded as expenses or income in the period in which the liabilities were initially recognized.

Subsequent measurement
Subsequently to their initial recognition, financial liabilities are measured at their due amount

Instead of applying the above, financial liabilities are initially recognized and subsequently measured at amortized cost using the effective interest method or the straight-line method if it has a material effect on the financial statements. In particular, the initial recognition of financial liabilities shall take into account the amounts attributable to extra-ordinary shares, interest, as well as the costs directly attributable to them.

The resulting interest on financial liabilities is recognized as an expense in the income statement.

Derecognition
A financial liability should be removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. If there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Financial liabilities include trade liabilities and other non-current and current liabilities. Trade and other current liabilities are not interest-bearing accounts and are usually settled within 90 to 120 days for the Company.

2.3.11 Non-financial liabilities

Non-financial liabilities shall be initially recognized and subsequently measured at the nominal amount that is expected to be incurred for their settlement.

2.3.12 Commitments and contingencies

The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that an entity would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party. If the provision or the amount required for their settlement will have a significant impact on the financial statements, then they are measured using a discount rate. In this case, the provision is recorded in the income statement proportionally.

The Company has made the following disclosures in the financial statements (note 31):

1. A possible obligation that results from past events, the existence of which will only be confirmed by the occurrence or not of one or more uncertain future events that are not under the control of the entity
   A present obligation that results from past events that:
   2a) payment is probable (more likely than not), or
   2b) the amount cannot be reliably estimated.

2.3.13 Employee retirement benefits

According to the labor legislation the Company is obliged to pay indemnities to employees upon dismissal or retirement. The amount of the indemnity depends on the years of employment and the salary. The program has been classified as a defined benefits program

According to the labor legislation the Company is obliged to pay indemnities to employees upon dismissal or retirement. The amount of the indemnity depends on the years of employment and the salary. The program has been classified as a defined benefits program. The provision for retirement indemnity has been calculated on the basis of 40% of the retirement benefit obligation as defined by Law 4093/2012 and Law 3198/1955. The Company's management, taking into account the age profile, the years of service and the rate of retirement of its employees, considers that the difference from the provision that would arise after an actuarial study is not significant.

The net costs of the period in the accompanying statement of income are included in "Provisions for employee benefits" and consist of the present value of the benefits accrued during the year.

2.3.14 Revenue Recognition

Revenue is recognized on an accrual basis, when the following criteria are met:

a) All the substantial risks and rewards related to the goods are transferred to the buyer.
b) The goods are accepted by the buyer, and
c) All the economic benefits of the transaction can be measured reliably and it is highly probable that they will flow to the Company.

Revenue from the sales of goods is measured net of any discounts, returns or taxes.

More specifically, revenue is recognized when the economic benefits of the transaction can be measured reliably and it is highly probable that they will flow to the Company. Subsequent inability of the customer to repay his obligation does not revoke the sale, since at the time when the sale was made, the economic benefits were highly likely to flow to the Company. In this case, a loss is recognized from the impairment of the receivable.

The Company’s sales are analyzed in note 3.

For interest, royalties and dividends, provided that it is probable that the economic benefits will flow to the enterprise and the amount of revenue can be measured reliably, revenue should be recognized as follows:

a) Interest: using the effective interest method or the straight-line method
b) Dividends or similar income: when the shareholder's right to receive payment is approved by the General meeting
c) Royalties: on an accruals basis in accordance with the substance of the relevant agreement.

2.3.15 Significant accounting estimates and judgments

The preparation of the financial statements requires estimates and assumptions made by the Management that affect the amounts and disclosures in the financial statements. Management continuously evaluates these estimates and assumptions, which mainly include the cases listed below:

Estimates and judgments are continually evaluated and are based on empirical data and other factors, including expectations for future events that are reasonably expected.

These estimates and assumptions are the basis for making decisions about the carrying amounts of assets and liabilities that are not available from other sources. The resulting accounting estimates, by definition, will rarely match perfectly with the actual results. Estimates and assumptions that present a material risk of causing material changes in the amounts of receivables and payables in the following year are set out below.

(a) Bad debt allowance: The adequacy of these formed provisions for doubtful debts is reassessed and reviewed at each Balance Sheet date taking into consideration the credit policy of the Company, information about pending litigation cases against debtors by the legal department, as well as Management's judgment and assessment about the impact of various other factors on the collectability of the receivable amounts.

(b) Income tax Provision: The provision for income tax is calculated by estimating the taxes to be paid to the tax authorities and is mainly related to the current income tax for each fiscal year. The final settlement of income taxes may differ from the relevant amounts in the financial statements.

(c) Useful life: The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life. The residual value and the useful life of an asset should be reviewed at least at each financial year-end if they reflect the pattern in which the asset's economic benefits are consumed by the entity. Useful lives may be affected by other factors such as repair and maintenance plans.

(d) Impairment of assets: The Company must assess whether there are any indication of impairment for its assets at each reporting date. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable.

(e) Contingent liabilities: The Management of the Company is required to continually exercise judgment in respect of the possibility of events that may occur or not in the future, as well as the possible impact of these events on the Company's operations.

(f) Going concern: Management taking into account: a) the financial position of the Company, b) the risks that the Company faces that could have a negative impact on the Company's business model and its capital adequacy, and c) the fact that there are no significant uncertainties for the Company's ability to continue to operate as a "going concern" for the foreseeable future and in any case for a period of at least 12 months from the date of approval of the Financial Statements, declares that it still considers the "going concern" principle as the appropriate basis for the preparation of the Financial Statements and that there are no significant uncertainties regarding the ability of the Company to continue as a going concern for the preparation of the Financial Statements for the foreseeable future and in any case for a period of at least 12 years s from the date of approval of the financial statements.

2.3.16 Risk Factors of the Company's as a going concern

The Company conducted an assessment and did not identify any risk factors for going concern.

3Sales

Sales for 2017 and 2016 are analyzed as follows:

	01.01 - 31.12.2017	**01.01 - 31.12.2016**
Sales (domestic)	53.276.499,65	45.613.665,16
Sales (Abroad)	18.257.907,77	8.851.515,72
Total	**71.534.407,42**	**54.465.180,88**

4. Other operating income

Other operating income is analyzed as follows:

	01.01 - 31.12.2017	01.01 - 31.12.2016
Royalties	183.335,15	466.458,75
Other operating income	117.311,44	65.969,58
Total	**300.646,59**	**532.428,33**

5. Cost of sales, administrative and distribution expenses

The expenses for 2017 and 2016 are analyzed as follows:

	01.01 - 31.12.2017	01.01 - 31.12.2016
Payroll and personnel costs	687.166,42	506.148,82
Third party fees and expenses	22.187.220,49	12.083.450,57
Third party provisions	156.161,93	91.707,66
Taxes	26.965,78	19.027,41
Miscellaneous expenses	494.575,89	533.475,44
Depreciation and amortizations	36.120,16	51.322,67
Staff Leaving Indemnity Provision (Note.16.1)	10.973,90	12.952,68
Other provisions	154.523,67	351.644,84
Total	**23.753.708,24**	**13.649.730,09**

Expenses have been allocated to cost of sales, administrative and distribution expenses as follows:

Category	01.01 - 31.12.2017	01.01 - 31.12.2016
Cost of sales	21.527.166,98	12.079.758,40
Administrative expenses	563.473,68	632.605,28
Distribution expenses	1.663.067,58	937.366,41
Total	**23.753.708,24**	**13.649.730,10**

Cost of sales is analyzed as follows:

Inventory movement	01.01 - 31.12.2017	01.01 - 31.12.2016
Opening Inventoryς	1.577,00	0,00
(Increase)/ Decrease in Inventories	47.428.962,60	40.028.777,92
Closing Inventory	-1.178,60	-1.577,00
Total	**47.429.361,00**	**40.027.200,92**
Other A	-5.717,52	-5.080,77
Total (a)	**47.423.643,48**	**40.022.120,15**

Cost of sales is analyzed as follows:

Cost of Sales	01.01 - 31.12.2017	01.01 - 31.12.2016

Payroll and personnel costs	293.167,61	105.410,37
Third party fees and expenses	20.951.076,70	11.604.203,70
Third party provisions	92.790,68	0,00
Taxes	1.000,00	1.000,00
Miscellaneous expenses	23.634,43	4.546,80
Depreciation and amortizations	0,00	0,00
Other Provisions	165.497,57	364.597,53
Total (b)	**21.527.166,99**	**12.079.758,40**
Cost of sales (a + b)	**68.950.810,47**	**52.101.878,55**

Administrative expenses are analyzed as follows:

Administrative expenses ς	**01.01 - 31.12.2017**	**01.01 - 31.12.2016**
Payroll and personnel costs	188.582,10	283.636,93
Third party fees and expenses	219.563,97	111.794,66
Third party provisions	40.790,45	42.296,42
Taxes	25.965,78	17.627,41
Miscellaneous expenses	62.564,86	140.297,54
Depreciation and amortizations (Note)	26.006,52	36.952,32
Total	**563.473,68**	**632.605,28**

Distribution expenses are analyzed as follows:

Distribution expenses	**01.01 - 31.12.2017**	**01.01 - 31.12.2016**
Payroll and personnel costs	205.416,72	117.101,52
Third party fees and expenses	1.016.579,82	367.452,21
Third party provisions	22.580,80	49.411,24
Taxes	0,00	400,00
Miscellaneous expenses	408.376,60	388.631,10
Depreciation and amortizations	10.113,64	14.370,35
Total	**1.663.067,58**	**937.366,41**

Payroll and personnel costs are analyzed as follows:

	01.01 - 31.12.2017	**01.01 - 31.12.2016**
Salaries – wages	545.250,61	410.127,03
Employer social security contributions	135.259,87	93.039,20
Other provisions and personnel expenses	4.293,00	265,00
Compensations	2.362,94	2.717,59
Total	**687.166,42**	**506.148,82**

The average number of personnel as at 31 December 2017 and 2016 is as follows:

	31.12.2017	31.12.2016
Employees	22	18
Total	**22**	**18**

6. Financial income

6.1 Income from investments

Income from investments is analyzed as follows:

	01.01 - 31.12.2017	01.01-31.12.2016
Dividends	1,22	35.566,96
Total	**1,22**	**35.566,96**

The dividends derive from OPAP shares that the Company owned and sold during the fiscal year 2016.

6.2 Interest and other financial income

Interest and other financial income is analyzed as follows:

	01.01 - 31.12.2017	01.01-31.12.2016
Interest from bank deposits	9.345,66	5.928,86
Interest from loans provided	0,00	29.656,80
Other interest income	60.619,02	37.025,04
Total	**69.964,68**	**72.610,70**

7. Interest and other financial expenses

Interest and other financial expenses are analyzed as follows:

	01.01 - 31.12.2017	01.01 - 31.12.2016
Discount interes	2.189,72	8.777,54
Interest and expenses of short term bank borrowings.	6.186,94	4.448,52
Interest and expenses of other short term borrowing.	1.380,41	1.068,24
Letters of guarantee commissions	85.967,21	46.001,08
Other expenses	36.344,92	46.545,16
Total	**132.069,20**	**106.840,54**

GREEN
Greek Environmental & Energy Network S.A.
57, Akti Miaouli str. | 185 36 Piraeus, Greece
T +30 210.42.93.939 | F +30 210.42.95.194
E info@green.com.gr | www.green.com.gr

8. Information for property, plant and equipment and intangible assets

8.1. Property, plant and equipment

Table of property, plant and equipment	Buildings	Other equipment
Book value		
Balance 1.1.2016	208.527,79	153.201,16
Additions	0,00	37.208,39
Balance 31.12.2016	**208.527,79**	**190.409,55**
Accumulated depreciation and impairment		
Balance 1.1.2016	18.393,87	105.440,08
Depreciation for the year	8.341,11	18.674,17
Balance 31.12.2016	**26.734,98**	**124.114,25**
Net book value 31.12.2016	**181.792,81**	**66.295,30**
Book value		
Balance 1.1.2017	208.527,79	190.409,55
Additions	0,00	4.891,57
Impairment of the year	0,00	23.961,88
Balance 31.12.2017	**208.527,79**	**171.339,24**
Accumulated depreciation and impairment		
Balance 1.1.2017	26.734,98	124.114,25
Depreciation for the year	8.341,11	11.028,85
Balance 31.12.2017	**35.076,09**	**135.143,10**
Net book value 31.12.2017	**173.451,70**	**36.196,14**

8.2. Intangible assets

Table of intangible assets	Other intangible assets
Book value	
Balance 1.1.2016	171.509,03
Additions	21.022,37
Capitalized interest	0,00
Impairment of the year	0,00
Period transfers	0,00
Balance 31.12.2016	**192.531,40**
Accumulated depreciation and impairment	
Balance 1.1.2016	106.978,25
Depreciation for the year	24.307,39
Decrease depreciation of period	0,00
Impairment of the year	0,00
Reversal of impairment loss	0,00
Period transfers	0,00
Balance 31.12.2016	**131.285,64**
Net book value 31.12.2016	**61.245,76**
Book value	
Balance 1.1.2017	192.531,40
Additions	600,48

Capitalized interest	0,00
Impairment of the year	0,00
Period transfers	0,00
Balance 31.12.2017	**193.131,88**
Accumulated depreciation and impairment	
Balance 1.1.2017	131.285,64
Depreciation for the year	16.750,21
Decrease depreciation of period	0,00
Impairment of the year	0,00
Reversal of impairment loss	0,00
Period transfers	0,00
Balance 31.12.2017	**148.035,85**
Net book value31.12.2017	**45.096,03**

Intangible assets include mainly software and rights to use software

9. Financial assets

9.1 Other investments

The Company owned 100% of B CON CREATIVE STUDIOS LTD that amounts to € 36.000 as at 31.12.2016. This investment of company was assigned in the year 2017.

9.2 Other non-current assets

The holding of € 500.00 in the ESEPIE (Hellenic Association of Electricity Trading & Supply Companies) is our participation in the establishment of ESEPIE. The valuation of holding is at acquisition cost.

Other non-current assets are analyzed as follows:

- Guarantees for rentals € 1.963,50
- Guarantees to TERNA for participation in bids € 50.000,00 (Transfer: Greece to Italy).
- Guarantees for IEP – LAGIE SA € 75.000,00.
- Guarantees to ADMIE for participation in bids € 50.000,00 (Transfer: Greece to Bulgaria and reverse).
- Guarantees to CAO for participation in bids € 150.000,00 (Transfer: Albania to Turkey and reverse).
- Guarantees to DEDDIE for regulated charges € 260.453,01 (Crete).
- Guarantees to DEDDIE for regulated charges € 12.313,46 (Rhodes).
- Guarantees to LEASEPLAN for leasing € 4.474,44.
- Guarantees to JAO for participation in bids € 69.507,70.
- Guarantees to MAVIR for participation € 49.701,84 (Hungary).

10. Trade receivable

Trade receivables are analyzed in the table below:

Trade receivable	**31/12/2017**	**31/12/2016**
Trade customers (domestic)	7.562.946,39	5.028.157,30
Trade customers (foreign)	7.950.944,26	4.780.406,39
Notes not paid on due date	1.900,00	1.900,00
Checques/promisory notes receivables	79.746,51	-

Cheques not paid on due date	13.893,13	-
Bad debt allowance	(523.014,67)	(368.491,00)
Total	**15.086.415,62**	**9.441.972,69**

The bad debt allowance as at 31 December 2017 and 2016 is analyzed as follows:

	31.12.2017	**31.12.2016**
Balance brought forward	(368.491,00)	(16.846,16)
Charge for the year	(154.523,67)	(351.644,84)
Balance at year end	**(523.014,67)**	**(368.491,00)**

11. Other receivables

Other receivables are analyzed in the table below:

Other receivables	**31.12.2017**	**31.12.2016**
Other debtors	36.000,00	732.211,04
Personnel	19.997,95	19.939,83
Bank deposits	933.110,86	1.200.000,00
Other third parties	510,79	503,44
Income tax	229.141,39	0,00
Total	**1.218.760,99**	**1.952.654,31**

Other debtors comprise of an amount € 732.211,04 that relates to a loan granted to the Shareholder of the Company including interest of € 29.656,80. This amount was collected in 2017.

12. Accrued income

Accrued income relates to income invoiced by ADMIE and DEDDIE in the next fiscal year but was realized in 2017.

13. Other financial assets

Other financial assets are analyzed as follows:

	31.12.2017	**31.12.2016**
Investments in listed entities	-	-
Investments in non-listed entities	182.737,00	182.737,00
Total	**182.737,00**	**182.737,00**

Investments in non-listed entities comprise of shares in Pagkritia bank. The Company evaluates investments at cost and there were no indications for impairment.

14. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31.12.2017	**31.12.2016**
Cash in hand	9.359,36	163.786,78
Bank deposits in local currency	3.839.459,13	2.087.266,49
Time deposit	0,00	94.960,84
Total	**3.848.818,49**	**2.346.014,11**

Bank deposits are at floating rates based on monthly bank rates. Interest income from bank and time deposits with banks is accounted for using the accrual method.

The amount of € 1.200.000 transferred from Bank Deposit (prior year) to Other Receivables for purpose of comparability in the current year. (Note 11)

15. Equity

The paid-up share capital of the company is divided into 20,000 common shares of nominal value € 30.00 each and amounts to € 600.000,00.

16. Provisions

16.1 Staff retirement provision

Under Greek labor law, employees and employees are entitled to compensation in the event of dismissal or retirement with a payment amount calculated on the basis of employee remuneration, past service and termination of the employment relationship (dismissal or retirement).

Employees who resign or are dismissed with cause are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the amount that would be payable for dismissal without cause. In Greece, according to local practice, these programs are not funded.

The Company recognized in the income statement the accrued benefits in each period with a corresponding increase in the staff retirement liability. Benefit payments to employees that retire in each period are charged against this liability.

The movements in the net liability presented in the accompanying financial statements are as follows:

	31.12.2017	31.12.2016
Net liability brought forward	**28.395,34**	**15.442,66**
Expenses/(income) recognized in profit and loss	10.973,90	12.952,68
Net liability at year end	**39.369,24**	**28.395,34**

17. Other non-current liabilities

Other non-current liabilities are analyzed in the table below:

Other non-current liabilities	**31/12/2017**	**31/12/2016**
Received guarantees	1.305.679,40	1.064.139,99
Total	**1.305.679,40**	**1.064.139,99**

18. Trade payables

Trade payables are analyzed in the table below:

Trade payables	**31/12/2017**	**31/12/2016**
Suppliers (domestic)	5.067.205,08	2.608.800,86

Advances from client	74.756,24	31.891,17
Suppliers (abroad)	7.894.760,68	5.435.982,08
Total	**13.036.722,00**	**8.076.674,11**

19. Income tax

Income tax for 2017 and 2016 is analyzed in the table below:

The effective tax rate differs from the nominal tax rate mostly due to non-deductible expenses and non-taxable income. The difference is analyzed as follows:

	31.12.2017	**31.12.2016**
Profit before tax	592.956,86	1.325.363,90
Income tax based on current tax rate (2017: 29%, 2016: 29%)	171.957,48	384.355,53
Non-deductible expenses	158.459,18	392.212,13
Income tax from non-deductible expenses	45.953,18	113.741,52
Non-taxable income (Greek GAAP temporary differences)		5.572,21
Income tax from Greek GAAP temporary differences	47.994,29	(1.615,92)
Total income	265.904,95	
Income tax advance from previous year	(495.046,34)	(433.640,26)
Total	**(229.141,39)**	**66.072,71**

20. Other liabilities

Other liabilities are analyzed as follows:

	31.12.2017	**31.12.2016**
Salaries payable	1.798,97	2.138,28
Creditors (domestic)	2.129.458,16	926.934,14
Other current liabilities	3.520,15	4.583,43
Purchases under settlement	0,00	45.264,00
Total	**2.134.777,28**	**978.919,85**

Domestic creditors relate to liabilities to municipalities as well as liability to pay fees to municipalities (levies, taxes and TAP).

21. Other tax liabilities

Other tax liabilities are analyzed as follows:

	31.12.2017	**31.12.2016**
VAT	106.867,20	40.876,54
Consumption tax (N.2127/1993)	94.225,77	70.493,54
Withholding personnel taxes	17.034,74	9.717,62
Other taxes	82.296,17	47.462,14
Total	**300.423,88**	**168.549,84**

22. Accrued expenses

Accrued expenses relate to expenses incurred in 2017 but that will be invoiced in the next year. More specifically accrued expenses comprise of ADMIE charges € 728 (2016:€ 452), DEDDIE charges €775 (2016:€ 191) LAGIE charges € 60 (2016 € 140), other expenses €93 (2016 €53).Amounts in thousands euro.

23. Distribution of profit

The Board of Directors proposes to the next regular general meeting of shareholders the distribution of after tax profits as follows:

	31.12.2017	**31.12.2016**
Statutory reserve	21.050,00	47.100,00
Distribution to shareholders	0,00	1.142.000,00
Retained earnings	2.389.257,44	2.083.255,53
Total	**2.410.307,44**	**3.272.355,53**

Statutory reserve: Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of the share capital. This reserve cannot be distributed

The statutory reserve for 2017 has been calculated as follows:

Profit before taxes	592.956,86
Less: income tax (29%)	(171.957,48)
Total	**420.999,37**
5% for statutory reserves	21.049,96
Other roundings	0,04
Statutory reserve	**21.050,00**

23.1. Dividends

The dividends are included at Statement of changes in Equity as at 31 December 2017.

23.2. Losses for the period

The Company had profits for 2017.

24. Deferred taxation

The Company does not calculate deferred taxation.

25. Remuneration, advances and credits to members of the Board of Directors and Management

No remuneration, advances and credits to members of the Board of Directors and Management was paid in 2017.

26. Investments in companies with unlimited liability of partners

There are no such investments.

27. Information of the parent company of subgroup of companies that prepares consolidated financial statements

The Company is not a subsidiary company in a subgroup for which consolidated financial statements are prepared.

28. Fees of the Board of Directors and Management

The following fees were paid during 2017:

	Fees
To Board of Directors members charged with Management	22.965,50
Total	**22.965,50**

29. Related party transactions

The Company has carried out the following transactions with affiliated parties. The table below presents all amounts receivables or payables from related parties (including the Shareholder receivable) as at 31.12.2017

	31/12/2017	**31/12/2016**
Sales		
Sales	8.764.025,78	6.535.372,71
	8.764.025,78	**6.535.372,71**
Total sales		
Purchase of goods	7.260.301,33	8.727.732,81
Purchase of services	1.097.380,90	219.096,41
	8.357.682,23	**8.946.829,22**
Balance of amounts receivable at year end		
Trade receivables	5.584.348,92	4.428.549,91
Total receivables		
	5.584.348,92	**4.428.549,91**
Balance of amounts payable at year end		
Trade payables	6.536.458,87	4.175.555,19
Other payables		
Total payables	**6.536.458,87**	**4.175.555,19**

Related parties are:

1) Members of the Board of Directors and Management
2) T) Close and financially dependent relatives of the Board of Directors and Management
3) Other group companies:

Antipollution ANE (Greece
Antipollution processing center L.T.D. (Greece)
GREEN ENERGY TRADING DOO Green energy trading doo (Serbia)
Green energy trading dooel Skopje (Fyrom)

Green energy trading Albania Shpk (Albania)
Kafsis Energy (Greece)
Bcon Creative Studios (Greece)
Fos Eleas Energy
Valeiadhs Filippos

Related parties transactions have been performed at an arm's length.

30. Guarantees

The Company has provided letters of guarantee to third parties as follows:

	31.12.2017	**31.12.2016**
Good performance guarantees	1.254.000,00	799.360,00
Other guarantees	0,00	1.000.000,00
Total	**1.254.000,00**	**1.799.360,00**

31. Contingent liabilities

The Company has not been tax audited for the years 2009 to 2013. According to the Company any tax claims for the years 2009 and 2010 are subject to the statute of limitations (decision of the Plenary Session of the Council of State). In particular, the Plenum of the Council of State in its decision No. 1738/2017 ruled that the limitation of the tax claims is five years and the continuous extensions are unconstitutional.
The Company has obtained by external auditors tax certificates for the years 2014 and 2015 without any findings by SOL Certified Auditors. As well, the Company has obtained by external auditors tax certificates for the year 2016 without any findings by Ernst&Young.

The tax audit (according to L. 4174/2013 article 65A and the amendments of L. 4410/2016 as well as the Ministerial Circular POL 1124/2015) for 2016 has not been completed. No additional material tax liabilities are expected to arise

Finally, there are no legal claims or other legal issues that may constitute a potential contingent liability for the company.

32. Events after the reporting date

There are no significant events relating to the Company after 31 December 2017 that should be disclosed or would require adjustments on the Financial Statements

Πειραιάς 27.08.2018

Chairman	**Managing Director**	**Accountant**
Vyron Vasileiadis	Christos Vasileiou	Manolis Vasileiou