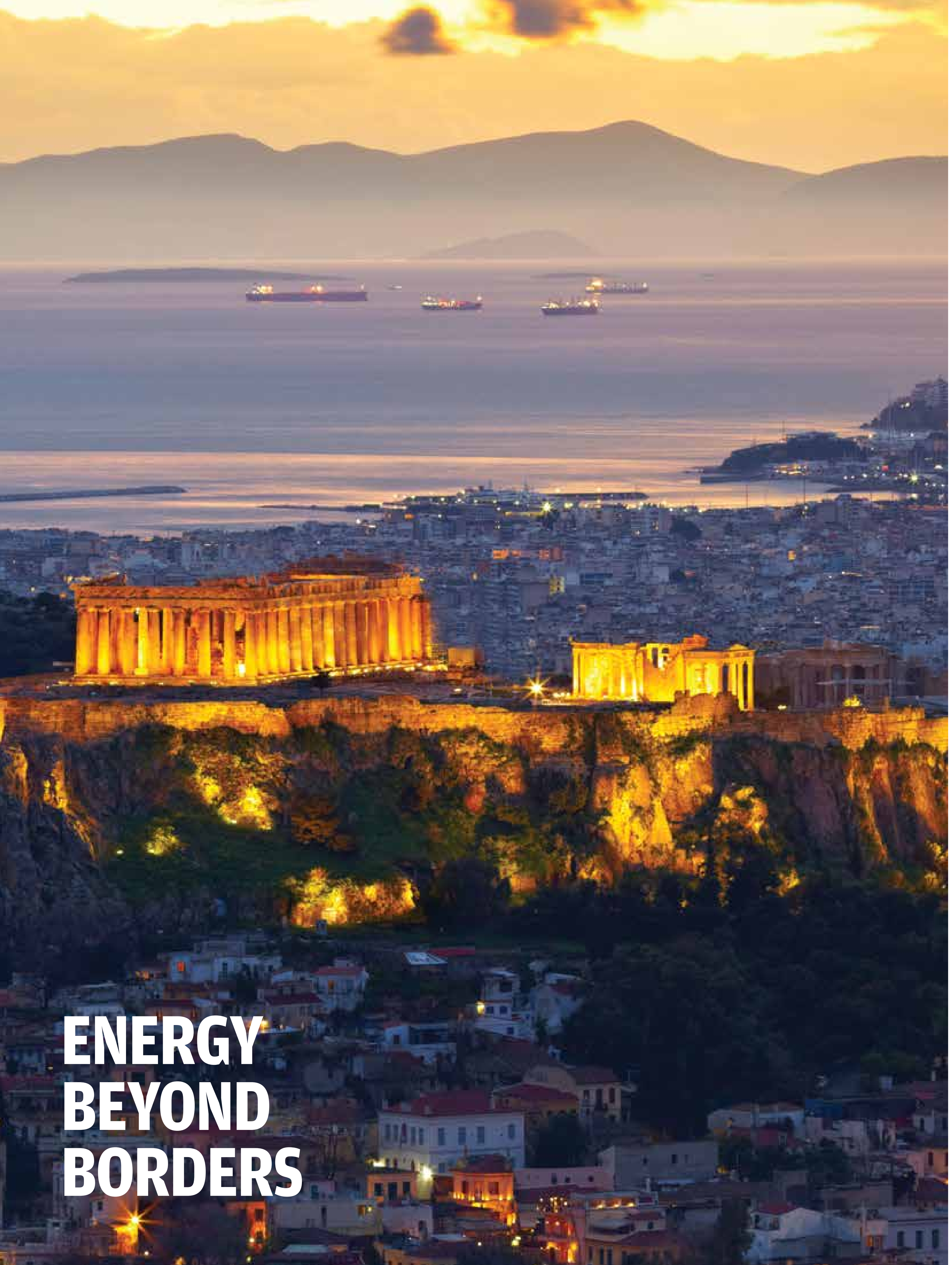
GREEN

Greek Environmental & Energy Network

Annual Report Financial Statements *2018*



“2018 WAS A BROAD TRANSFORMATIVE GROWTH YEAR FOR GREEN”

Dear Partners,

I’m pleased to present to you the Annual Report of GREEN for 2018.

Last year we achieved solid results in all levels. Trading efficiency improved significantly and we exceeded the targets in our program, while we continued to deliver good results.

Committed to our strategy, we achieved significant growth in our volumes, revenues and profit.
Despite recent macroeconomic events and geopolitical turmoil, our business model continues to prove its wisdom, and GREEN has been able consistently to capture profitable opportunities. Moreover, GREEN has been profitable in every consecutive year since its founding in 2008.

In 2018 we improved our revenue by 15.648.046,91 € against the previous year reaching 87.182.454,33€ in 2018, 7% of which was organic growth. This was a marked improvement over recent years. The higher revenue benefitted our earnings, we performed well in a volatile market environment and were able to keep GREEN on a path of profitable growth.

We continued to execute on our solid expansion strategy. We strengthened our organizational footprint and added further employees to support our growth. Our HUPX membership on boarding was completed in December 2018 and the new market activities are now an integrated part of GREEN .

In 2019, we will extend our market and financial product focus with our EEX membership, signaling an ambitious increase of our presence in the Eastern European Energy Market

The growth delivered in 2018 was broad-based across markets, and we expect this tendency to continue in the coming years.

We are well prepared to deal with the volatility in our markets, the demanding situation for the industry and have the competency, capacity and leadership capabilities necessary to meet the challenges that lie ahead. I look forward to further strengthening GREEN in 2019, pursuing the priorities set out at our energy Markets, investing in the next-generation portfolio, and preparing to capture the opportunities when the market turns towards the upside.

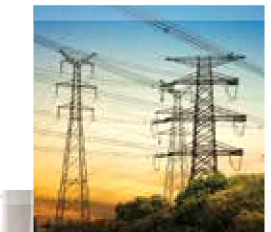
Finally, I would like to thank all our employees for their hard work and contribution to our results in 2018.

Vyron Vasileiadis
Chairman

TIME LINE

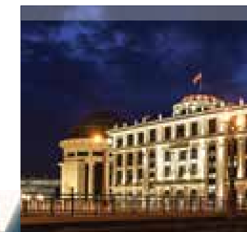
2008
Establishment of GREEN S.A.

2009
GREEN Headquarters in Piraeus



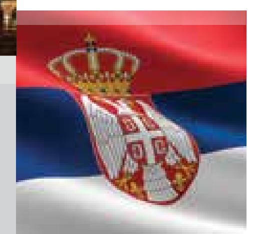
2010
GREEN Electricity Supply License for Greece

2011
Commencement of the company's activities in Power Trading and Electricity Supply to Commercial – Industrial consumers

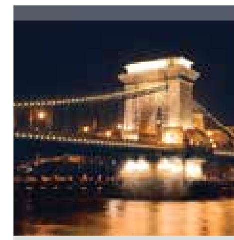


2012
Establishment of the company GREEN Energy Trading DOOEL Skopje, FYROM

Entrance into the Italian Power Exchange (IPEX)

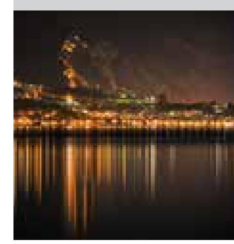


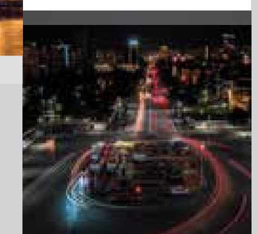
2013
Establishment of the company GREEN Energy Trading DOO Beograd, Serbia



2014
GREEN Power Trading License for Hungary

Power Trading License for Montenegro





2015
Global Business Excellence Awards

National Champion European Business Awards

"Ruban d' Honneur"

2016
Commencement of activities in Household Power Supply

New Corporate Identity

Global Business Excellence Awards

London Stock Exchange: GREEN: one of fastest growing and dynamic companies

2017
National Champion European Business Awards

Seven Stars Sustainable Growing Brand - Business Special Award

GREEN representing over 10.000 customers

2018
GREEN representing over 15.000 customers

GREEN announces its agreement with HERON

2019
becoming member of Hungarian Power Exchange (HUPX) and European Energy Exchange AG (EEX)

Company name
Greek Environmental & Energy Network S.A.

Trade name
GREEN S.A.

Registered office
Akti Miaouli street 57, Piraeus, Athens, Greece

T: +30 210.42.93.939

F: +30 210.42.92.636

E: info@green.com.gr

W: http://www.green.com.gr

Date of establishment
28/01/2008

Tax number
GR998206312

Company registry number
044795607000

GREEN PRESENTATION

Greek Environmental & Energy Network S.A. – GREEN is one of the first private companies trading power in Greece. GREEN is a member of Vasileiadis Group, which is active in Waste Management, Recycling & Energy Sectors. Since its establishment in 2008, GREEN has grown rapidly, paying a major role in the energy sector of our country and beyond borders. GREEN is engaged in power trading in SEE, being present in more than 15 regional markets. GREEN is trading power all across SEE. In recent years, our company a has achieved considerable growth, both in terms of volumes that GREEN trades as well as the overall business development in regional power trading sector. GREEN trades electricity in Greece, Italy, Bulgaria, North Macedonia, Albania, Turkey, Serbia, Montenegro, Hungary, Romania, Bosnia Herzegovina and Slovenia. Through establishment of GREEN Energy Trading DOOEL Skopje, GREEN Energy Trading DOO Beograd and GREEN Energy Trading Albania Shpk, GREEN created a network of power trading entities to expand its activity in SEE energy markets.
On a daily basis we are trading power in the Hellenic Energy Exchange (HENEX), the Italian Power Exchange (IPEX) and the Hungarian Power Exchange (HUPX). We are registered at South East Europe Common Allocation Office (SEECAO) as well as Joint Allocation Office (JAO) and participates in daily, monthly and yearly auctions for the allocation of Cross Border Capacities. Looking into our future development, we focus on expanding GREEN's network, increase GREEN's partnerships, while working on the most reliable and flexible way to benefit our customers & suppliers.

LICENSES

GREEN holds below mentioned business licenses to perform its activities:

- **Electricity Supply License** – Greece
  (Δ5/ΗΛ Β/Φ.72.59/1442/17564/18-10-2010
- **Natural Gas Supply License** – Greece
  (RAE-233/2014/7-5-2014)
- **Electricity Trading License** – Hungary
  (MEKH 1167/2014)
- **Electricity Trading License** – Serbia
  (AERS – 312-129/2018)

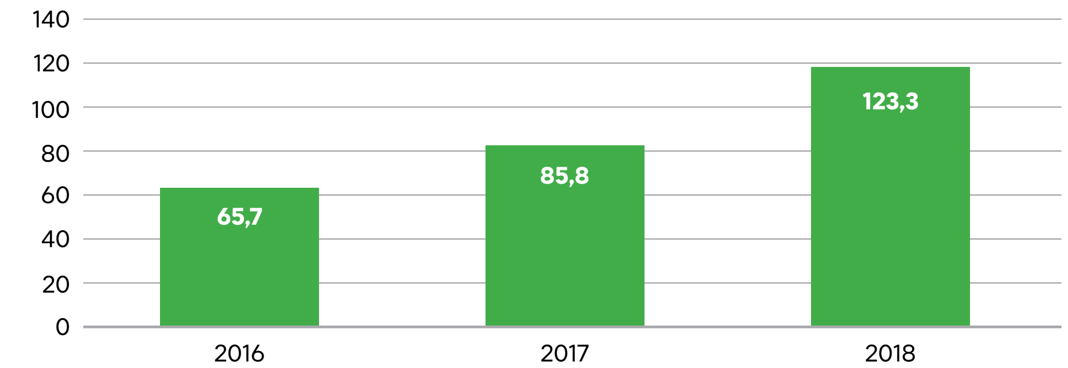
CORPORATE REGISTRATIONS

GREEN is registered in below mentioned organizations to perform its power trading activities:

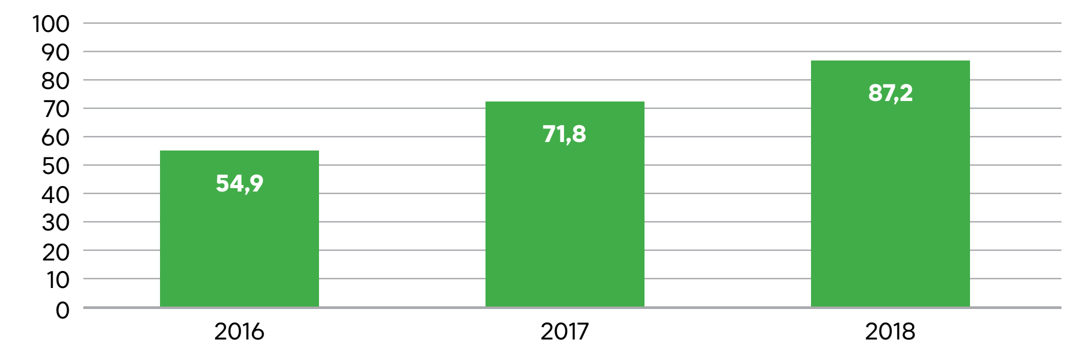
- **IPTO S.A.** - Registered as Power Supplier and Power Trader in Greece
- **HENEX S.A.** - Registered as a Member of the Hellenic Energy Exchange
- **TERNA** - Registered as Power Trader in Italy
- **IPEX** - Registered as Member of the Italian Power Exchange
- **CGES** - Registered as Power Trader in Montenegro
- **MAVIR** - Registered as Power Trader in Hungary
- **HUPX** - Registered as Member of the Hungarian Power Exchange
- **JP EMS** - Registered as a Power Trader in Serbia
- **JAO | Joint Allocation Office** – Registered as Cross Border Capacity Bidder/Holder
- **SEE CAO | South East Europe Central Allocation Office** - Registered as Cross Border Capacity Bidder/Holder
- **EEX** - Registered as Member of the European Energy Exchange

SALES DATA

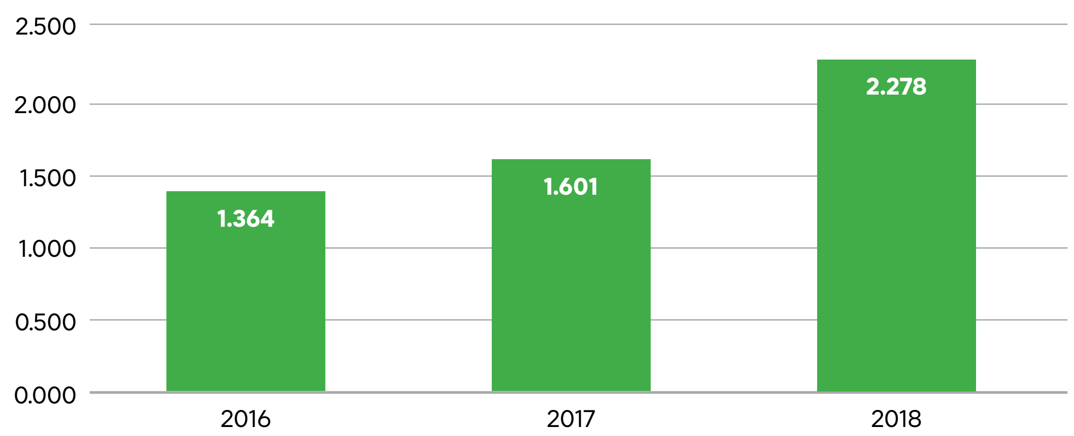
GREEN GROUP - REVENUE (in millions of EUR)

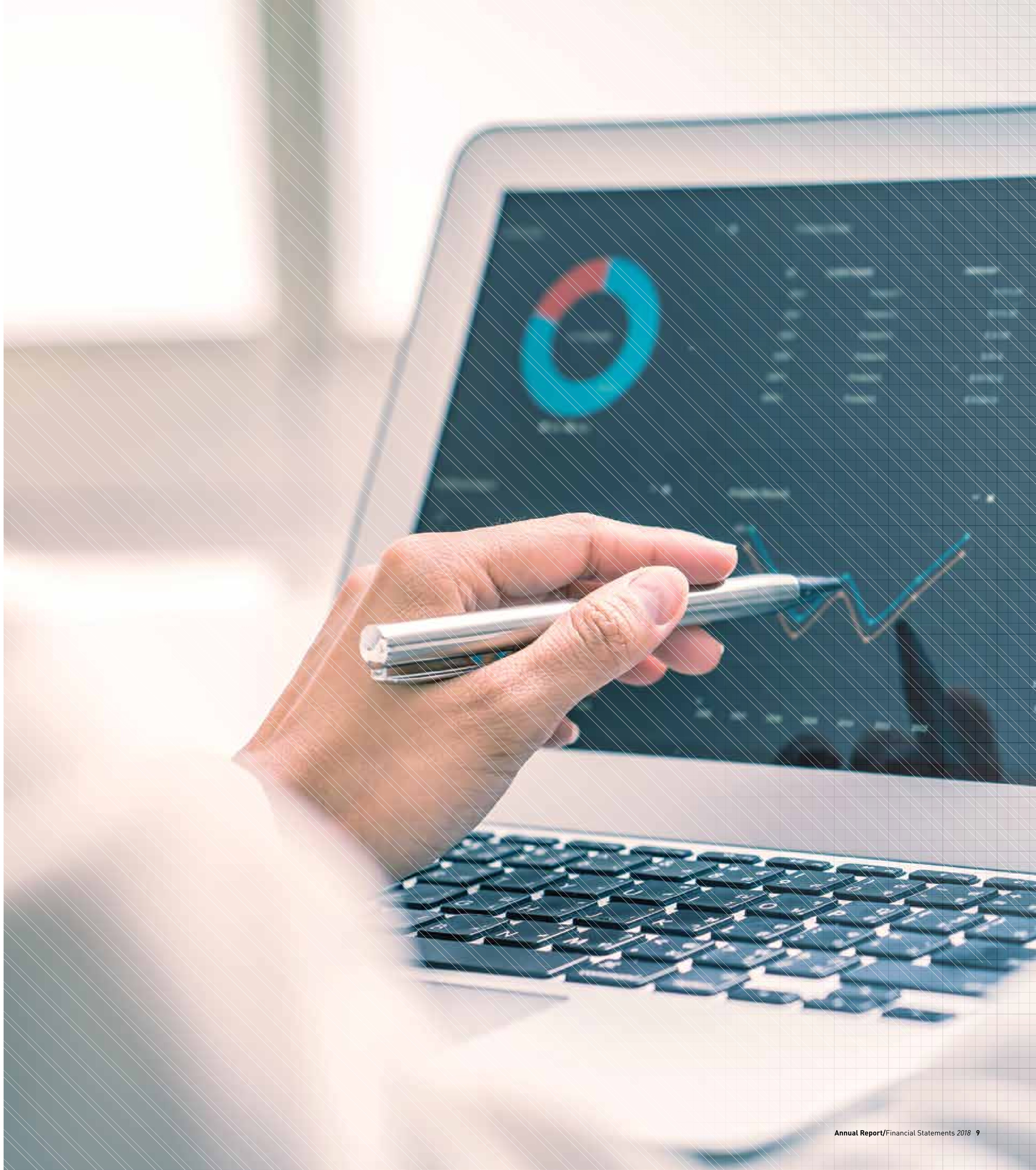


GREEN S.A. - REVENUE (in millions of EUR)



GREEN GROUP - VOLUMES (TWH)





ECONOMIC GROWTH IN EUROPE

While a moderation of growth in the Eurozone was normal after the exceptionally strong year of 2017, the slowdown in the second half of 2018 turned out to be more pronounced than expected. Fading support from the external environment coupled with the abovementioned domestic factors were holding back growth. On the other hand, economic resilience of the Central and Eastern European countries turned out to be surprisingly strong. The pullback across the Euro zone has been more than compensated in 2018 by high investment rates supported by growing inflows of EU funds and still favorable credit conditions, as well as robust private consumption fueled by tightening labor markets. For the first time since the 1990s, Hungary has been the growth champion of the region with accelerating economic activity all over the year, reaching 4.8% in annual terms.

Over the whole year 2018, GDP rose by 1,8% in the EURO area and by 1,9% in the EU28. The annual rate for 2017 was +2,4% for both the EURO area and the EU28. Economic Growth slowdown has been driven largely by external factors, in particular the weakness in external demand.

European Central Bank insisted in record low EURIBOR values, which slightly increased from -0,186% to -0,121%.

EURO value decreased by 5% compared to USD during 2018 and further boosted the prices of energy products in the Electricity Markets.

In Global level, GDP growth remained strong in 2018. Still, the economic sentiment deteriorated notably throughout the year, signaling a steady weakening of the expansion in the second half of the year. Except for the U.S. most of the large economies were struggling to keep up with their record high 2017 performances. China's annual growth was the slowest in decades, the German economy was impacted more than expected by the new fuel emission standards, while lingering Brexit worries, fragile governments in France and Italy and natural disasters in Japan all weighted on growth as well. Weaker global trade due to heightened trade tensions, notably between the U.S. and China, less accommodative monetary and financial conditions and increased geopolitical uncertainty in Europe and the Middle East have put a cap on economic

OIL, GAS & COAL PRICES

Crude Oil price, Brent (FOB spot) averaged at 71 USD/bbl in 2018, 32% higher than the average of 2017. Still, Brent price closed ~25% lower on the last week of 2018 compared to the first week of the year. We have seen a steady increase in prices from February to October exceeding 85 USD/bbl levels but a disrupt fall to close to 50 USD/bbl levels over the last two months of the year. Robust demand, disciplined OPEC+ production, the Venezuelan crisis, the U.S. threat of Iranian sanctions and U.S. shale production facing logistical constraints supported prices during the upturn. The June OPEC+ decision to compensate for the expected fallout in Venezuelan and Iranian supply together with somewhat eased U.S. logistical constraints, a surprise 6-month waiver to Iranian sanctions and a worsening demand outlook because of the heightened trade tensions and slowing world GDP lead to the return of supply glut fears and a sharp fall in prices. Prices stabilized after OPEC and its allies announced a 1.2m bpd cut in oil production (from October production levels) in the end of the year for six months starting in January.

Natural gas prices have increased in 2018 compared to the previous year driven primarily by higher oil prices, a cold spell in the beginning of the year both in the U.S. and Europe, while in Asia gas prices were supported by the increased consumption due to the continued coal-to-gas switch in the power and industry sector. The European TTF gas price averaged at 283 USD/tcm, 37% higher than in 2017, which is attributable in part to a very cold February-March period which caused the price to jump to 977 USD/tcm on 1st March, amid increased supply concerns. The historically high heating demand depleted European gas storage levels, which had to be refilled later in the year, supporting prices until late autumn. Import dependence of Europe has increased as production in the Netherlands continued its negative trend.

Since the Joint Statement of 25 July 2018in Washington D.C. when EU and US agreed to strengthen EU-US strategic cooperation in the area of energy, EU imports of liquefied natural gas from the US have increased by 181%. Transatlantic Strategic Cooperation with respect to energy as well as Key Projects all over Europe are expected to change the whole gas Market conditions in EU.

Following a year (2017) of significant increase in Coal prices due to the higher demand in Asia, 2018 was a year of relatively stable market prices. Change in merit order between Natural Gas Plants and Coal Plants resulted in falling demand in Western Europe. Coal/Lignite share in generation Mix decreased to 19,2% during 2018 compared to 21,5% during 2017.

ENERGY EQUATION

In 2018, Renewables generated 32% of Europe's Electricity. A rise of 2,3% from 30,0% in 2017. In the last four years, 70% of the growth in Renewables has come from Wind, 14% from Biomass and 16% from Solar. In November 2018, the European Commission released its Long Term Strategy for decarbonising the European Economy. The Commission's calculations show Renewables must rise to 57% by 2030.

2018 saw around average hydro generation for the EU as a whole. This marks a return to normal after the lowest hydro generation this century in 2017. Hydro Generation rose by 13% year-on-year, or 39 GWh. Electricity Prices in SEE were much lower than expected during Q1 2018 due to increased hydro generation all over Balkans.

EU carbon prices increased as high as 25 Eur/tn compared to 8 Eur/tn in 2017. This significant increase in CO2 price is accelerating the switch from Coal to Gas and questioning the rational for keeping old Coal and Lignite Power Plants running in the coming years. CO2 Emissions Price was the key driver for higher electricity prices all over Europe during 2018.

NOTICEABLY SLOWER GROWTH IN EURO AREA

FUTURE MARKET DRIVER FORCES

Energy Markets are undergoing significant changes. To ensure long-term success, energy trading companies like GREEN mush adapt to new drivers of change:

1. Renewables
The market share of Renewables increased rapidly in the last decade all over Europe. Technological development made Renewables competitive with fossil fuels and European policy supports decarbonisation process. European electricity system is undergoing big, systematic changes. The transition towards a low-carbon economy means a growing role for renewable energy sources, greater energy efficiency and the electrification of transport and other sectors, which power markets have to respond to. Naturally, in such a framework, electricity is expected to play a key role.

2. Digitalisation
Power Trading enters the age of digitalisation. The way commodities are bought and sold in marketplaces is changing. New technologies enable companies to have access in an unlimited number of data. Commercial Trading Decisions are being replaced from data driven Algorithmic Trading Decisions. Data processing and Data analysis will be a very big part of the daily routine. Artificial Intelligence, Machine Learning, Meteorology and Business Intelligence are changing the industry as well as the companies involved.

3. Competition
Major changes are underway for the Electricity Sector in Europe. Utilities are changing their business model to adopt with current market conditions. Private Electricity Suppliers are moving towards new products focusing on energy services. At the same time, Oil & Gas companies are entering the electricity business to cover reduction of sales in their traditional markets. Emerging Countries in SEE are still under liberalization process trying to develop efficient energy markets. Trading Companies are facing greater competition with gross margins tightening further.

REGIONAL ELECTRICITY MARKETS

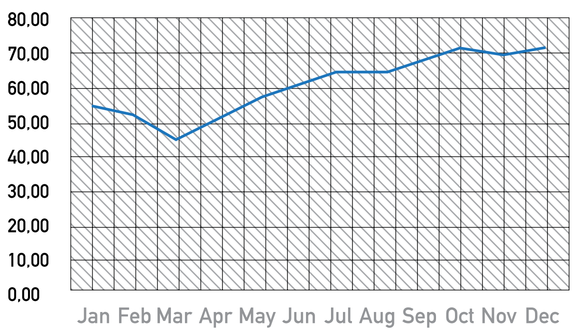
GREEN'S KEY MARKETS ARE GREECE, ITALY, HUNGARY AND GERMANY. GREEK & HUNGARIAN ELECTRICITY MARKET REPRESENT 73% OF GREEN SALES DURING 2018. ITALY IS A VERY IMPORTANT MARKET FOR OUR ACTIVITIES BECAUSE OF THE FACT THAT WE ARE BOTH SELLERS AND BUYERS IN ITALY>GREECE INTERCONNECTION. GERMANY IS TRADITIONALLY THE BIGGEST ELECTRICITY MARKET IN EUROPE AND GERMAN PRICE IS A KEY DRIVER TO ALL EUROPEAN PRICES AND ESPECIALLY WHOLESALE PRICE IN CENTRAL & SOUTH EASTERN EUROPE.

KEY MARKETS DRIVEN FACTORS AND FIGURES

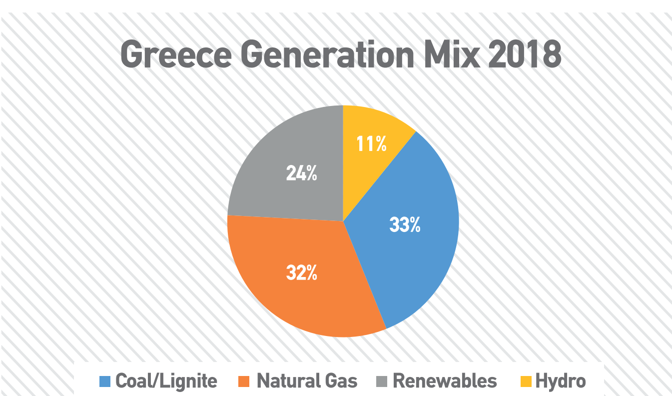
GREECE	
Population:	10.816.286
GDP (PPP):	$326,7 bn
GDP per capita (PPP):	$20.930
Area:	131.957 sq km
Market:	Non-Liquid
Exchange:	HENEX

System Marginal Price – SMP in Greece increased by 10% during 2018 at 60,4 EUR/MWh compared to 54,7 EUR/MWh in 2017.

SMP 2018 (Eur / MWh)



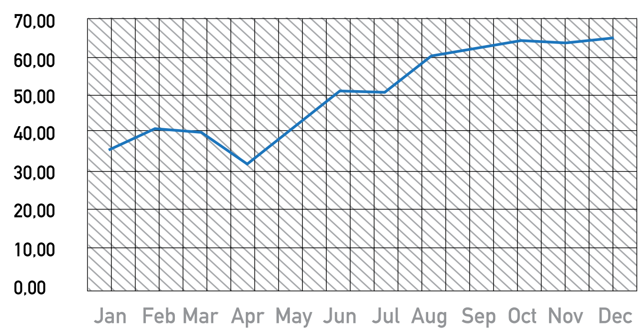
Greek Generation Mix during 2018 shows an increase of Renewables' market share as well as better Hydro production. Coal production is decreasing year-by-year following decarbonisation policies across EU.

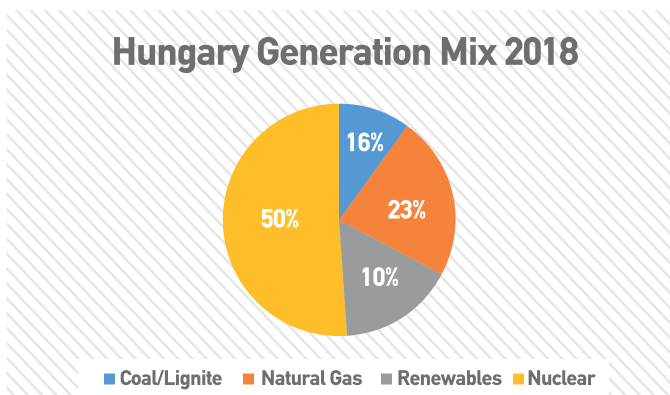


HUNGARY	
Population:	9.797.561
GDP (PPP):	$325,1 bn
GDP per capita (PPP):	$33.408
Area:	93.030 sq km
Market:	Liquid
Exchange:	HUPX

HUPX price in Hungary increased by 1,4% during 2018 at 51,0 EUR/MWh compared to 50,3 EUR/MWh in 2017.

HUPX 2018 (Eur / MWh)

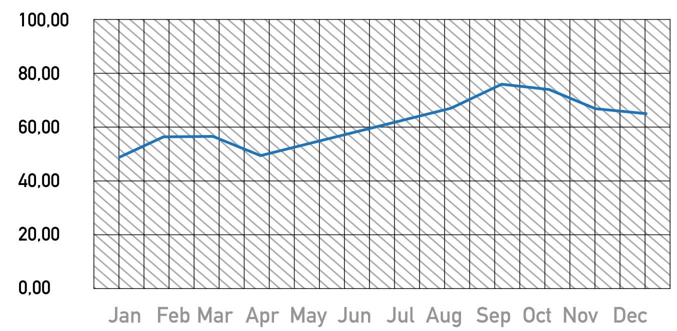


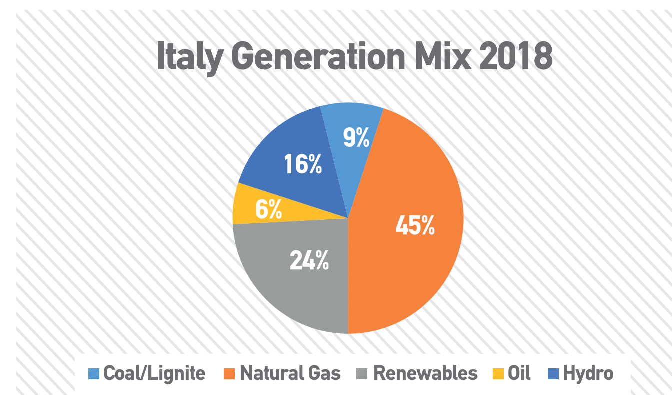


ITALY	
Population:	60.483.973
GDP (PPP):	$2.474 trn
GDP per capita (PPP):	$40.737
Area:	301.340 sq km
Market:	Liquid
Exchange:	IPEX

IPEX price in Italy increased by 14% during 2018 at 61,3 EUR/MWh compared to 53,9 EUR/MWh in 2017.

IPEX 2018 (Eur / MWh)

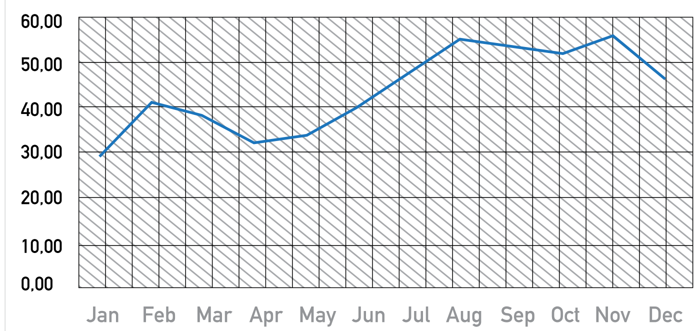


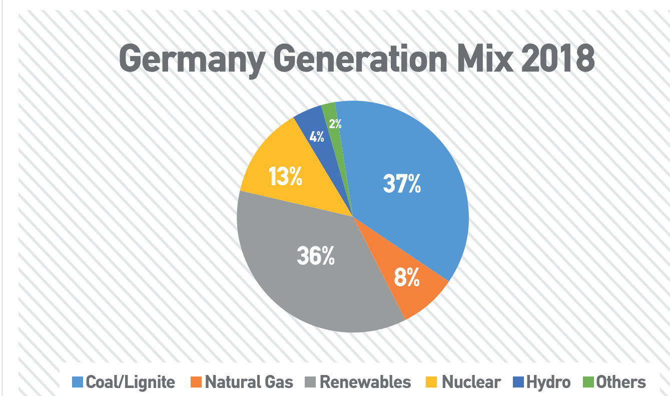


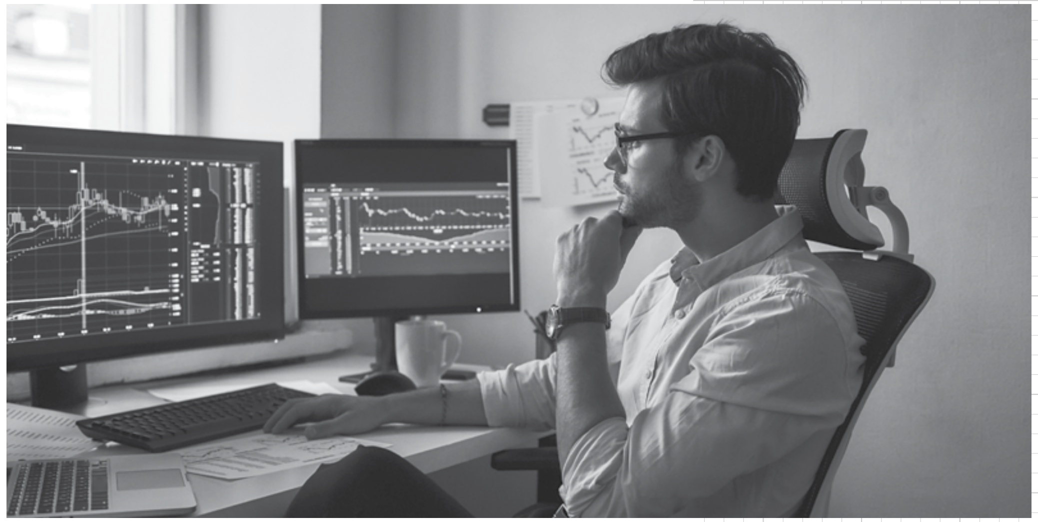
GERMANY	
Population:	83.000.000
GDP (PPP):	$4.555 trn
GDP per capita (PPP):	$54.983
Area:	357.386 sq km
Market:	Liquid
Exchange:	EPEXspot

EPEXspot price in Germany increased by 30% during 2018 at 44,5 EUR/MWh compared to 34,2 EUR/MWh in 2017.

EPEXspot 2018 (Eur / MWh)







WE KEEP UNCERTAINTIES WITHIN ACCEPTABLE LEVELS

AS TRADERS IN A HIGH RISK INDUSTRY WE STAY COMMITTED TO PROFESSIONALLY MANAGE AND MAINTAIN OUR RISKS WITHIN ACCEPTABLE LIMITS AS PER BEST INDUSTRY PRACTICE.

The aim of GREEN Risk Management is to keep the uncertainties of the business environment within acceptable levels and support stable and sustainable operations and the future growth of the company. GREEN Group has developed the risk management function as an integral part of its corporate governance structure.

GREEN operates in dynamic markets with differing characteristics where risks have to be managed systematically to reduce potential negative financial impact.
The goal for the company is to identify, assess and prioritize risks and to react appropriately with suitable actions that mitigate, reduce or control the impact of negative events. GREEN views risk management as a tool which adds value by raising awareness of risks and places focus on efficient day-to-day business operation and in line with the company strategy.

The company's main revenue lines originate from separate markets with independent market dynamics. To some degree this has the effect of spreading the risk.
The company's enterprise risk management (ERM) model ensures that risks are captured and dealt with by either the business line management or the support functions. This tailored reporting structure ensures companywide awareness of risks, opportunities and mitigating actions.

RESPONSIBILITIES

THE FORMAL RESPONSIBILITY FOR RISK MANAGEMENT RESTS WITH THE RELEVANT DEPARTMENT, WHILE CLOSE MONITORING IS CARRIED OUT BY THE BOARD OF DIRECTORS.

GREEN has developed a comprehensive Enterprise Risk Management (ERM) system as an integral part of its corporate governance structure which, considers the organisation's exposure to uncertainty in regard to value creation, meaning factors critical to the success and threats related to the achievement of objectives, also occurrence of incidents causing potential threat to people, assets, environment or reputation. Within the ERM framework we identify, assess, evaluate, treat and monitor all significant risks throughout the whole Group, covering all level business and functions.
The risk management methodology applied by GREEN is based on international standards and best practices. In order to ensure effective risk management, risks are managed (assess, evaluate, treat) by each department, responsible for supervising the existing control framework and implementation of defined risk mitigation actions in responsible levels.

We consider risks on all time horizon. During 2017 and 2018 we identified major long-term risks that may impact the GREEN strategic objectives and detailed analysis and the related mitigation plans have been prepared.
Regular reporting to top management provides oversight on top risks and assurance that updated responses, controls, and appropriate mitigation actions are set and followed, effectiveness of risk management is considered by the Executive Board as well as the Board of Directors .

THE MAIN RISK DRIVERS OF GREEN

RISKS ARE CATEGORIZED TO ENSURE EFFECTIVE RISK REPORTING AND CONSISTENT RESPONSES FOR SIMILAR OR RELATED RISKS.

Market, financial, operational and strategic risks include, but are not limited to:

- **Commodity price risk:** GREEN is exposed to commodity price risk on both the purchasing side and the sales side. We monitor this risk in order to support our strong financial position and capacity to fund operations and investments. When necessary, we consider commodity hedging to eliminate risks other than 'business as usual' risks or general market price volatility.
- **Foreign exchange (FX) risk:** GREEN's current FX risk management policy is to monitor the FX risk, and to balance the FX exposures of the operating cash flow with the financing cash flow exposures when necessary and optimal
- **Interest rate (IR) risk:** According to risk management policy of GREEN IR risk is continuously monitored and managed by the adequate mix of funding portfolio.
- **Credit risk:** GREEN provides products and services to a diversified counterparties portfolio - both from business segment and geographical point of view . GREEN's risk management tracks these risks on a continuous basis, and provides support to the sales processes in accordance with granted credit limits
- **Cyber risk:** Cyber risk needs attention and effective management to ensure the company is able to monitor, detect and respond to cyber threats. GREEN has adapted and changed the way it deals with cyber defence and cyber threats (people, process and technology): a clear vision and strategy has been set up to manage cyber incidents with end-to-end ownership and accountability.
- **Regulatory risk:** GREEN has significant exposure to a wide range of laws, regulations, environmental and government policies that may change significantly over time. Government actions may be affected by the elevated risk of economic and, in some regions, political crisis, increasing their impact on GREEN's operations.
- **Country risk:** The almost international exposure of GREEN contributes to diversification but also exposure to country specific risk at the same time. Therefore we monitor the political risk and compliance with local regulations and international sanctions to keep country risk in our investment portfolio within acceptable limits.
- **Reputation risk:** GREEN , as a strong market player in the region, operates under special attention from a considerable number of counterparties, and we are constantly seeking to meet our responsibilities towards them.

MAIN RISK MANAGEMENT TOOLS

Risk Management tools applied by GREEN are based on international standards and industry best practice. Enterprise Risk Management is a framework covering all business functions, markets and operations, which ensures identification and analysis of risks that threaten the achievement of company objectives and Green's financial performance as well as keeping those risks within acceptable level by taking mitigation actions as needed.

To ensure the profitability and our financial stability, financial risk management is in place to handle short-term, market related risks. Commodity price, FX and interest rate risks are measured regularly by using a complex model based on advanced statistical methods, and are managed – if necessary - with hedging measures. Transferring of the financial consequences of our operational risks is done by insurance management, which represents an important risk mitigation tool used to cover the most relevant exposures and liabilities arising out of our operations. Following best industry practice and focusing on low probability high potential risks that could disrupt our operations and cash generation, green has implemented and is currently working to integrate a crisis management and business continuity program in order to reduce recovery times within tolerable limits for processes critical to our business.

AT GREEN SA, OUR VALUES OF EXCELLENCE, INNOVATION, TEAMWORK, PASSION AND INTEGRITY PROVIDE THE FRAMEWORK WITHIN WHICH WE OPERATE, AND SUPPORT OUR APPROACH TO DOING THE RIGHT THING FOR US AND OUR COUNTERPARTIES. THESE VALUES DEFINE OUR REPUTATION, DETERMINE THE BEHAVIOURS WE EXPECT OF OUR EMPLOYEES AND ARE INTEGRAL TO EVERYTHING THAT WE DO.

HEALTH AND SAFETY
Safety is our first priority. Safety systems, processes and considerations are integral to our operations as we believe 'only a safe operation is a good operation'.
At the same time, we strive to minimise our impact on the environment. We comply with all local laws and regulations related to protecting the environment in the countries where we operate.

EMPLOYEE HEALTH & WELLBEING
We believe firmly that physical and mental well-being play an important role in ensuring work satisfaction and performance. We encourage and support our employees to adopt wholesome, healthy lifestyles through:
- Organised talks by market specialists on topics such as crisis management and haze.
- Coordinated sporting events.

EMERGENCY PREPAREDNESS
Our ability and preparedness to respond to emergencies are critical to prevent incidents from escalating, to ensure the safety of our people, safeguard the continuity of our operations, protect our assets and prevent damage to the environment. Drills and training exercises are conducted to ensure employees are equipped to respond to and manage emergencies and/or threats such as natural disasters, fire and major accidents. Emergency Response Plans are available for our assets and facilities and periodically tested.

COUNTERPARTIES
As a firm, we recognise that we deliver value to society by encouraging businesses to act responsibly.

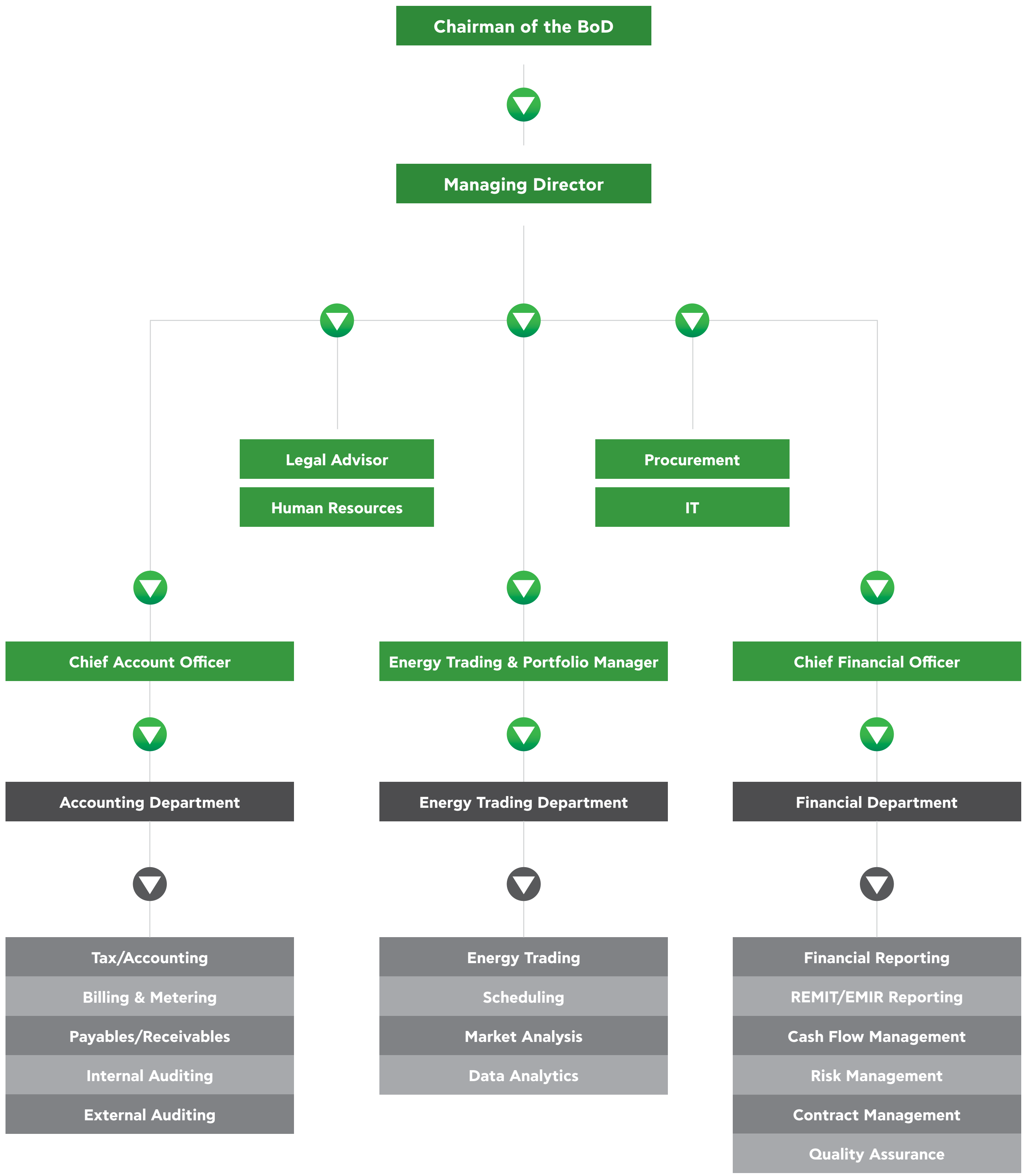
PEOPLE
Our people are our most important asset. Recruiting, retaining and developing this talent enables us to fulfil our potential as an organisation. We value and promote a culture of diversity and inclusion, harnessing the strengths and differing points of view of individuals to surface ideas and insights.

COMMUNITIES
We support the communities in which we operate and encourage our employees to do the same. We have a continued focus on employee-led charitable giving and encourage payroll giving, as well as supporting employee fundraising efforts through matching. Employees in many of our offices can also take paid volunteering leave and apply for time matching for any volunteering they take part in outside of working hours.

ENVIRONMENT
We are committed to minimising the environmental impacts of our operations and to delivering continuous improvement in our environmental performance. During the year under review, we have performed various initiatives to proactively protect and minimize the impact to the environment at planning, solution design phase and while in operation.

ACTIONS
We are aware of our responsibility to humankind and to society, and therefore corporate responsibility is an integral part of our strategic planning. GREEN contributes practically towards a better society and a cleaner environment. In particular, our company focuses on:
- Supporting vulnerable social groups
- Supporting institutions and charities
- Creating new jobs, thus providing young people with employment opportunities
- Providing its staff with ongoing training by organizing special seminars
- Improving, in cooperation with NGOs and public and private sector bodies, the quality of life of vulnerable social groups and providing them with support
- Participating in recycling programs
- Supporting university research programs
- Participating in the granting of scholarships to students
- Supporting bodies for strengthening culture, sports and the environment
- Organizing voluntary actions for the company's staff to clean beaches and forests.

COMPANY HIERARCHY



GREEN
Greek Environmental & Energy Network

GREEK ENVIRONMENTAL & ENERGY NETWORK SOCIETE ANONYME

Management report and annual financial statements

According to the L.4308/2014
For the year ended 31 December 2018

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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 01.01.2018 – 31.12.2018

To the Annual Shareholders' General Meeting

To the shareholders, 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. 4548/2018 and the financial statements for the year 2018 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. 4548/2018 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 of the company, the profitability for 2018 increased compared to the results of 2017, due to the increase of the turnover combined with the limitation of the operational costs. The Company exhibits increasingly stable financial performance in its basic financial figures and, despite the financial crisis, it has a turnover of 2018 € 87.182.454,33 (2017 € 71.534.407,42) thus the turnover has increased 22% compared to the previous year.

The profit after taxes for 2018 amounted to € 559.855,47 (2017: €327.051,91), and the increase is due to the increase of the turnover and the decrease of the distribution and the administrator expenses proportional to the turnover. Administrative expenses increased to € 18.383,40 and distribution expenses decreased by € 42.218,73. During 2018 the Company recorded bad debt allowance that amounted to € 507.934,05 (2016: €154.523,67).
The earnings before taxes, interest, depreciation and amortization (EBITDA) were increased compared to 2017 by €617.406,71.
The gross profit in 2018 was € 2.968.456,78 (2017: € 2.583.596,95) thus increasing by 15% compared to the previous year.
Property, plant and equipment in 2018 amounted to € 216.278,67 and in 2017 amounted to € 209.647,84, and intangible assets in 2018 amounted to € 38.255,90 in 2017 amounted to € 45.096,03.

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 ENEX 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, and it is expected that the sector of energy trading both in Greece and in southeast Europe will continue to grow after the performance of Target model inside the Greek Energy market.
At this point, we note that the company during the fiscal year 2018 announced the withdrawal from retail market and continue the activity to the sector of the wholesale trading of Energy targeting to be established in long term activity base. The company, for the period 2019-2023, has as main priority the continuous growth of its incomes through the geographical development in new energy trading markets, the development of new activities and the investment in new technological systems.

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 the collection and recycling in separately method.
- **Saving energy:** Development of a system for monitoring the consumption of natural resources and constant staff training about environmental issues.
- **The replacement of lighting lamps** by new LED technology that reduces the amount of electricity consumed.
- Placement of recycling bins for empty batteries and electronic devices
- **Obsolete or not appropriate products or raw materials:**

- 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 discrimination in recruitment / selection, wages, education, job assignment or any other work activities. The factors that are exclusively taken into account are the 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 2018, 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 2018, 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) TARGET MODEL

Since 2019 the electricity market is undergoing a transformation period according to EU Directive in reference with the Target Model concerning the harmonisation of an integrated market to the contemporary European energy markets. According to this model, network access terms of cross-border exchanges in electricity will be determined pursuant to Regulation (EC) No. 714/2009 of the European Parliament and of the Council and four new electricity markets will be established by laws 4425/2016 and 4512/2018. This development will provide suppliers with access to more risk hedging tools and with the optimization of the energy portfolio they hold, thus reducing the risk of energy price volatility.
The Law 4425/2016 on the reshaping of electricity market includes the basic principles of a Target Model, comprising of four markets, namely the term products market, the day-ahead market, the intraday market and the balancing market. Hellenic Energy Exchange was established along with the restructuring of Greek energy market in compliance with European and wide international standards. The purpose of Hellenic Energy Exchange is to organize and manage power and natural gas markets (day-ahead market, intraday market, term products market), along with environmental and energy instruments, as well as any other relevant activity. Balancing market will be managed by Independent Power Transmission Operator (IPTO) and supervised by the Energy Exchange. Hellenic Energy Exchange was founded following secession of Operator of Electricity Market (LAGIE).
RES Management remains within LAGIE jurisdiction, now renamed to Renewable Energy Market Operator. Codes concerning the operation of Day-Ahead Market, Intraday Market and Balancing Market have been set under public consultation. The Authorities are about to establish day-ahead market, intraday market and balancing market within second semester of 2019.

6) 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 2018 are the following:

5.1 Financial structure rations

Current assets :	18.241.947,41	92,19%
Total assets :	19.809.537,19	

Property, plant and equipment :	254.534,57	1,2679%
Total assets: :	19.809.537,19	

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

Equity :	3.750.817,19	23,40%
Total liabilities :	16.019.350,76	

The above ratio presents the capital efficiency of the Company.

Total liabilities :	16.019.350,76	81%
Total equity and liabilities :	19.809.537,19	

Equity :	3.750.817,19	18,90%
Total equity and liabilities :	19.809.537,19	

The above ratios present the debt structure of the Company.

Equity :	3.750.817,19	1.473,60%
Property, plant and equipment :	254.537,57	

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

Current assets :	18.241.947,41	121,80%
Current liabilities:	14.965.573,76	

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

Working capital :	3.276.373,65	17,70%
Net assets :	18.241.947,41	

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

FINANCIAL PERFORMANCE RATIOS

Net operating profit :	1.274.401,06	1,46%
Sales :	87.182.454,33	

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

Net profit before tax :	1.246.431,60	1,4197%
Total revenue :	87.182.454,33	

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

Net profit before tax :	1.246.431,60	33,23%
Equity :	3.750.817,19	

This ratio reflects the Company's return on equity

Gross profit :	2.968.456,78	3,404%
Sales :	87.182.454,33	

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 strategy for the period 2019-2023 aims to the upgrade of company's position to the Energy Trading sector in southeast Europe. The management set as main target, the creation of an innovator and flexible organization which is inspired by the international standards and will continue being developed with extroversion.

The strategy of the company is analyzed in the following six (6) steps.

1. We aim to increase market share and the wholesales to the main markets where we are active, and focus on the short term energy transactions in wholesale market. (daily, weekly and monthly transactions)
2. We aim to expand our activity in new energy markets which are considered to have the potential for satisfactory profit margins.
3. The company will develop new activities to the trade of natural gas and to CO2 emission rights.
4. The company will invest to the continuous evolution of information system and the creation of new technology, which is considered to be necessary for the wholesale trading.
5. We will upgrade the risk management policy which we currently follow, in order to improve the optimum use of the working capital and to reduce the financial risks.
6. We will continue to invest to the development of the human resources and to the recruitment of over qualified personnel.

We consider that with the above strategy, the size development of the company will be positive and the targets which have been set, will be accomplished.

7) IMPORTANT EVENTS AFTER THE DATE OF BALANCE SHEET

It should be mentioned that no significant events (subsequent to the fiscal year ended 31/12/2018), have occurred that could have affected the financial statements or affected the Company's performance and viability.

To the shareholders, taken into consideration the aforementioned, kindly approve the financial statements of 2018 and also approve the whole management for the fiscal year 2018 according to the law and the corporation charter.

For the Board of Directors
Piraeus 17.09.2019

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

Building a better working world

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK
INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Greek Environmental & Energy Network SA
Report on the Audit of the Financial Statements

QUALIFIED OPINION

We have audited the accompanying financial statements of **Greek Environmental & Energy Network SA.** (the Company), which comprise the statement of financial position as of December 31, 2018, the income statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.
In our opinion, except for the effects of the matter described in paragraph 1 and the possible effects of the matter described in paragraph 2 of the 'Basis for Qualified Opinion', the accompanying financial statements, present fairly, in all material respects, the financial position of **Greek Environmental & Energy Network SA.** as of December 31, 2018, and its financial performance for the year then ended in accordance with Law 4308/2014.

BASIS FOR QUALIFIED OPINION

From our audit we noted the following:

1. The Company has recorded in current year results prior year purchases amounting to €543k, in deviation of the requirements of the Law 4308/2014.Therefore, current year's results are understated by €543k, and prior year retain earnings overstated by €543k.

2. The Company's tax liabilities for fiscal year 2013 have not been examined by the tax authorities and, accordingly, tax results for the related fiscal years cannot be considered as final. The Company has not estimated the additional taxes and penalties that may be assessed in a future tax audit and has not recognized a related provision for such possible liability. From our audit we were not able to reasonably estimate the amount of the provision which may be required.

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 are 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 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 qualified opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information includes the Board of Directors' Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except for the references made under "Report on Other Legal and Regulatory Requirements" section.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Law 4308/2014 and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with management 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 Director's Report has been prepared in accordance with applicable legal requirements of article 43a of CL. 2190/1920 and its content corresponds to the accompanying financial statements for the year ended December 31, 2018;

b) Based on the knowledge and understanding concerning **Greek Environmental & Energy Network SA** and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement, except for the effects of matter (1) and the possible effects matters (2) as described in the 'Basis for Qualified Opinion' paragraph.

Athens, 30 September 2019

The Certified Auditor Accountant
Kaplanis Vassilis
Registration No 19321

Ernst & Young (Hellas) Certified Auditors Accountants S.A.
8B Chimarras St., Maroussi
151 25, Greece
Company SOEL R.N. 107

INCOME STATEMENT

1 January 2018 - 31 December 2018	Note	2018	2017
Sales (net)	3	87.182.454,33	71.534.407,42
Cost of sales	5	-84.213.997,55	-68.950.810,47
Gross profit		**2.968.456,78**	**2.583.596,95**
Other operating income	4	511.433,42	300.646,59
		3.479.890,20	**2.884.243,54**
Administrative expenses	5	-581.857,08	-563.473,68
Distribution expenses	5	-1.620.848,85	-1.663.067,58
Other expenses		-3.303,04	-20.063,27
Profit an loses from disposal of non-current asset		0,00	99,99
Income from investments	6.1	0,00	1,22
Other income		519,83	17.321,16
Profit before interest and taxes		**1.274.401,06**	**655.061,38**
Interest and other financial income	6.2	101.302,56	69.964,68
Interest and other financial expenses	7	-129.272,02	-132.069,20
Profit before tax		**1.246.431,60**	**592.956,86**
Income tax	19	-686.576,13	-265.904,95
Profit after tax		**559.855,47**	**327.051,91**

The accompanying notes on pages 15 to 33 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

ASSETS	Note	2018	2017
Non-current assets			
Property, plant and equipment			
Buildings	8.1	165.110,57	173.451,70
Other equipment	8.1	51.168,10	36.196,14
Total		**216.278,67**	**209.647,84**
Intangible assets			
Other intangible assets	8.2	38.255,90	45.096,03
Total		**38.255,90**	**45.096,03**
Financial assets			
Other investments	9.2	500,00	500,00
Other non-current assets	9.2	1.312.555,21	723.413,95
Total		**1.313.055,21**	**723.913,95**
Total non-current assets		**1.567.589,78**	**978.657,82**
Current assets			
Inventory			
Products & semi-finished products			
Other inventory		1.228,40	1.178,60
Total		1.228,40	1.178,60
Receivables and prepayments			
Trade Receivables	10	14.906.230,51	15.086.415,62
Accrued income	12	184.278,62	368.429,49
Other receivables	11	528.035,68	
1.218.760,99			
Other financial assets	13	182.737,00	182.737,00
Prepaid expenses		916.649,07	11.033,14
Cash and cash equivalents	14	1.522.788,11	3.848.818,49
Total		**18.240.719,01**	**20.716.194,73**
Total current assets		**18.241.947,41**	**20.717.373,33**
Total assets		**19.809.537,19**	**21.696.031,15**

The accompanying notes on pages 14 to 30 form an integral part of these Financial Statements.

EQUITY AND LIABILITIES	Note:	2018	2017
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		200.000,00	180.654,28
Retained earnings		2.950.817,19	2.410.307,44
Total		**3.150.817,19**	**2.590.961,72**
Total equity		**3.750.817,19**	**3.190.961,72**
Provisions			
Employee Benefits	16	39.369,24	39.369,24
Total		**39.369,24**	**39.369,24**
Liabilities			
Non-current liabilities			
Other non-current liabilities	17	1.053.777,00	1.305.679,40
Total		**1.053.777,00**	**1.305.679,40**
Current liabilities			
Trade payables	18	10.831.056,04	13.036.722,00
Income tax	19	420.044,45	-
Other tax liabilities	21	247.978,33	300.423,88
Social security liabilities		41.982,71	31.576.05
Other liabilities	20	2.137.306,51	2.134.777,28
Accrued expenses	22	1.230.827,82	1.656.521,58
Accrued income		56.377,90	-
Total		14.965.573,76	17.160.020,79
Total liabilities		**16.019.350,76**	**18.465.700,19**
Total equity, provisions and liabilities		**19.809.537,19**	**21.696.031,15**

The accompanying notes on pages 15 to 33 form an integral part of these Financial Statements.

	Share capital	Statutory reserves	Retained earnings	Total
Balance 01.01.2017	**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 Distibution			-1.142.000,00	-1.142.000,00
Profit for the period	0	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**
Transfer to statutory reserves	0	19.345,72	-19.345,72	0
Dividend Distribution			0,00	0,00
Profit for the period	0,00	0	559.855,47	559.855,47
Balance 31.12.2018	**600.000,00**	**200.000,00**	**2.950.817,19**	**3.750.817,19**

The accompanying notes on pages 15 to 33 form an integral part of these Financial Statements.

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 2018 amounted to 22 employees (31.12.2018: 23 employees). The financial statements of the Company were approved by the Board of Directors on 17.09.2019 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.

FIRST TIME IMPLEMENTATION OF GREEK ACCOUNTING STANDARDS («NEW GAAP»)

The financial statements for the year ended 31 December 2018 (01.01.2018-31.12.2018) are the fourth 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».

2.2 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:

2.2.1 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.

2.2.2 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 2018 and 2017 and 2016 respectively.

2.2.3 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 2018 and 2017 and 2016 respectively.

2.2.4 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.

2.2.5 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.

2.2.6 INCOME TAX AND DEFERRED TAXATION

INCOME TAX

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.

DEFERRED TAXATION

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

2.2.7 INVENTORY

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

2.2.8 CASH AND CASH EQUIVALENTS

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

2.2.9 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.

2.2.10 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.

2.2.11 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.

2.2.12 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.

2.2.13 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.

2.2.14 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.

2.2.15 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. 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.

3. SALES

Sales for 2018 and 2017 are analyzed as follows:

	01.01 - 31.12.2018	01.01 - 31.12.2017
Sales (domestic)	53.940.211,82	53.276.499,65
Sales (Abroad)	33.242.242,51	18.257.907,77
Total	**87.182.454,33**	**71.534.407,42**

4. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	01.01 - 31.12.2018	01.01 - 31.12.2017
Royalties	355.639,85	183.335,15
Other operating income	155.793,57	117.311,44
Total	**511.433,42**	**300.646,59**

5. COST OF SALES, ADMINISTRATIVE AND DISTRIBUTION EXPENSES

The expenses for 2018 and 2017 are analyzed as follows:

	01.01 - 31.12.2018	01.01 - 31.12.2017
Payroll and personnel costs	827.501,04	687.166,42
Third party fees and expenses	25.182.479,03	22.187.220,49
Third party provisions	156.869,11	156.161,93
Taxes	11.689,19	26.965,78
Miscellaneous expenses	226.966,51	494.575,89
Depreciation and amortizations	34.187,19	36.120,16
Staff Leaving Indemnity Provision (Note.16.1)	0	10.973,90
Other provisions	507.934,05	154.523,67
Total	**26.947.626,12**	**23.753.708,24**

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

Category	01.01 - 31.12.2018	01.01 - 31.12.2017
Cost of sales	24.744.920,19	21.527.166,98
Administrative expenses	581.857,08	563.473,68
Distribution expenses	1.620.848,85	1.663.067,58
Total	**26.947.626,12**	**23.753.708,24**

Cost of sales is analyzed as follows:

Inventory movement	01.01 - 31.12.2018	01.01 - 31.12.2017
Opening Inventoryς	1.178,60	1.577,00
(Increase)/ Decrease in Inventories	59.470.460,58	47.428.962,60
Closing Inventory	-1.228,40	-1.178,60
Total	**59.470.410,78**	**47.429.361,00**
Other A	-.1.333,42	-5.080,77
Total (a)	**59.469.077,36**	**47.423.643,48**

Cost of sales is analyzed as follows:

Cost of Sales	01.01 - 31.12.2018	01.01 - 31.12.2017
Payroll and personnel costs	353.038,94	293.167,61
Third party fees and expenses	23.779.456,74	20.951.076,70
Third party provisions	93.210,88	92.790,68
Taxes	433,48	1.000,00
Miscellaneous expenses	10.846,11	23.634,43
Depreciation and amortizations	0,00	0,00
Other Provisions	507.934,05	165.497,57
Total (b)	**24.744.920,19**	**21.527.166,99**
Cost of sales (a + b)	**84.213.997,55**	**68.950.810,47**

Administrative expenses are analyzed as follows:

Administrative expenses

	01.01 - 31.12.2018	01.01 - 31.12.2017
Payroll and personnel costs	227.094,75	188.582,10
Third party fees and expenses	249.204,95	219.563,97
Third party provisions	40.975,17	40.790,45
Taxes	11.255,71	25.965,78
Miscellaneous expenses	28.711,73	62.564,86
Depreciation and amortizations (Note)	24.614,78	26.006,52
Total	**581.857,08**	**563.473,68**

Distribution expenses are analyzed as follows:

Distribution expenses

	01.01 - 31.12.2018	01.01 - 31.12.2017
Payroll and personnel costs	247.367,36	205.416,72
Third party fees and expenses	1.153.817,35	1.016.579,82
Third party provisions	22.683,06	22.580,80
Taxes	0,00	0,00
Miscellaneous expenses	187.408,67	408.376,60
Depreciation and amortizations	9.572,41	10.113,64
Total	**581.857,08**	**563.473,68**

Payroll and personnel costs are analyzed as follows:

	01.01 - 31.12.2018	01.01 - 31.12.2017
Salaries – wages	633.356,27	545.250,61
Employer social security contributions	154.806,48	135.259,87
Other provisions and personnel expenses	8.804,12	4.293,00
Compensations	30.534,17	2.362,94
Total	**827.501,04**	**687.166,42**

The average number of personnel as at 31 December 2018 and 2017 is as follows:

	31.12.2018	31.12.2017
Employees	23	22
Total	**23**	**22**

6. FINANCIAL INCOME

6.1 INCOME FROM INVESTMENTS

Interest and other financial income is analyzed as follows:

	01.01 - 31.12.2018	01.01-31.12.2017
Interest from bank deposits	12.569,81	9.345,66
Interest from loans provided	0,00	0,00
Other interest income	88.732,75	60.619,02
Total	**101.302,56**	**69.964,68**

7. INTEREST AND OTHER FINANCIAL EXPENSES

Interest and other financial expenses are analyzed as follows:

	01.01 - 31.12.2018	01.01 - 31.12.2017
Discount interes	0,00	2.189,72
Interest and expenses of short term bank borrowings.	21.864,57	6.186,94
Interest and expenses of other short term borrowing.	0,75	1.380,41
Letters of guarantee commissions	75.154,08	85.967,21
Other expenses	32.252,62	36.344,92
Total	**129.272,02**	**132.069,20**

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 1.1.2017	208.527,79	190.409,55
Additions	0,00	4.891,57
Reductions	**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**
Book value		
Balance 1.1.2018	208.527,79	171.339,24
Additions	0,00	25.171,19
Impairment of the year	0,00	0,00
Balance 31.12.2018	**208.527,79**	**196.510,43**
Accumulated depreciation and impairment		
Balance 1.1.2018	35.076,09	135.143,10
Depreciation for the year	8.341,13	10.716,73
Balance 31.12.2018	**43.417,22**	**145.342,33**
Net book value 31.12.2018	**165.110,57**	**51.168,10**

8.2. INTANGIBLE ASSETS

Table of intangible assets	Other intangible assets
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 value 31.12.2017	**45.096,03**
Book value	
Balance 1.1.2018	193.131,88
Additions	8.289,20
Capitalized interest	0,00
Impairment of the year	0,00
Period transfers	0,00
Balance 31.12.2018	**201.421,08**
Accumulated depreciation and impairment	
Balance 1.1.2018	148.035,85
Depreciation for the year	15.129,33
Decrease depreciation of period	0,00
Impairment of the year	0,00
Reversal of impairment loss	0,00
Period transfers	0,00
Balance 31.12.2018	**163.165,18**
Net book value31.12.2018	**38.255,90**

Intangible assets include mainly software and rights to use software

9. FINANCIAL ASSETS

9.1 OTHER INVESTMENTS

The Company no longer participate in other company.

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 € 100.000,00 (Transfer: Greece to Italy).
- Guarantees for ENEX SA € 143.000,00.
- Guarantees to ADMIE for participation in bids € 50.000,00 (Transfer: Greece to Bulgaria and reverse).
- Guarantees to CAO for participation in bids € 350.000,00 (Transfer: Albania to Turkey and reverse).
- Guarantees to DEDDIE for regulated charges € 298.036,49 (Crete).
- Guarantees to DEDDIE for regulated charges € 29.610,73 (Rhodes).
- Guarantees to DEDDIE for regulated charges €187,93 (Chios)
- Guarantees to DEDDIE for regulated charges €91,72 (Kalymnos-Kos)
- Guarantees to DEDDIE for regulated charges €61,23 (Lesvos)
- Guarantees to DEDDIE for regulated charges €173,52(Samos)
- Guarantees to IPEX (Italy) €20.000,00
- Guarantees to HUPX (Hungary) €40.000,00
- Guarantees to LEASEPLAN for leasing € 4.474,44.
- Guarantees to JAO for participation in bids € 140.539,86
- Guarantees to MAVIR for participation € 134.415,79 (Hungary).

10. TRADE RECEIVABLE

Trade receivables are analyzed in the table below:

Trade receivable	**31/12/2018**	**31/12/2017**
Trade customers (domestic)	6.576.336,65	7.562.946,39
Trade customers (foreign)	9.257.948,14	7.950.944,26
Notes not paid on due date	1.900,00	1.900,00
Checques/promisory notes receivables	87.101,31	79.746,51
Cheques not paid on due date	13.893,13	13.893,13
Bad debt allowance	(1.030.948,72)	(523.014,67)
Total	**14.906.230,51**	**15.086.415,62**

The bad debt allowance as at 31 December 2018 and 2017 is analyzed as follows:

	31.12.2018	**31.12.2017**
Balance brought forward	(523.014,67)	(368.491,00)
Charge for the year	(507.934,05)	(154.523,67)
Balance at year end	**(1.030.948,72)**	**(523.014,67)**

11. OTHER RECEIVABLES

Other receivables are analyzed in the table below:

Other receivables	**31.12.2018**	**31.12.2017**
Other debtors	0,00	36.000,00
Personnel	74,26	19.997,95
Bank deposits	524.982,74	933.110,86
Other third parties	2.978,68	510,79
Income tax		229.141,39
Total	**528.035,68**	**1.218.760,99**

12. ACCRUED INCOME

Accrued income relates to income invoiced by ADMIE and DEDDIE in the next fiscal year but was realized in 2018.

13. OTHER FINANCIAL ASSETS

Other financial assets are analyzed as follows:

	31.12.2018	**31.12.2017**
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 Pancreta bank. The Company evaluates investments at cost and there were no indications for impairment.

14. PRE-PAID EXPENSES

The certain expense concerns mainly invoices for auctions initiated in 2018. The quantities which will be delivered and will be invoiced in the particular agreed price next year, have one year validity.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	31.12.2018	**31.12.2017**
Cash in hand	30.042,04	9.359,36
Bank deposits in local currency	1.492.746,07	3.839.459,13
Time deposit	0,00	0,00
Total	**1.522.788,11**	**3.848.818,49**

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.

16. 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.

17. PROVISIONS

17.1 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:

	31.12.2018	31.12.2017
Net liability brought forward	39.369,24	28.395,34
Expenses/(income) recognized in profit and loss	0,00	10.973,90
Net liability at year end	**39.369,24**	**39.369,24**

18. OTHER NON-CURRENT LIABILITIES

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

Other non-current liabilities	31/12/2018	31/12/2017
Received guarantees	1.053.777,00	1.305.679,40
Total	**1.053.777,00**	**1.305.679,40**

19. TRADE PAYABLES

Trade payables are analyzed in the table below:

Trade payables	31/12/2018	31/12/2017
Suppliers (domestic)	1.386.518,33	5.067.205,08
Advances from client	0,00	74.756,24
Suppliers (abroad)	9.444.537,71	7.894.760,68
Total	**10.831.056,04**	**13.036.722,00**

20. INCOME TAX

Income tax for 2018 and 2017 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:

	31.12.2018	31.12.2017
Profit before tax	1.246.431,60	592.956,86
Income tax based on current tax rate (2017: 29%, 2016: 29%)	361.465,16	171.957,48
Non-deductible expenses	606.446,04	158.459,18
Income tax from non-deductible expenses	175.869,35	45.953,18
Non-taxable income (Greek GAAP temporary differences)	514.626,29	0,00
Income tax from Greek GAAP temporary differences	149.241,62	47.994,29
Total income	686.576,13	265.904,95
Income tax advance from previous year	(266.532,70)	(495.046,34)
Total	**420.044,45**	**(229.141,39)**

21. TAX LIABILITIES

Other taxes and fees are analyzed in the table below:

	31.12.2018	31.12.2017
VAT	56.013,84	106.867,20
Consumption tax (N.2127/1993)	65.353,29	94.225,77
Withholding personnel taxes	19.504,54	17.034,74
Other taxes	107.106,66	82.296,17
Total	**247.978,33**	**300.423,88**

22. OTHER LIABILITIES

Other liabilities are analyzed as follows:

	31.12.2018	31.12.2017
Salaries payable	1.973,99	1.798,97
Creditors (domestic)	2.131.812,39	2.129.458,16
Other current liabilities	3.520,13	3.520,15
Purchases under settlement	0,00	0,00
Total	**2.137.306,51**	**2.134.477,28**

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

23. ACCRUED EXPENSES

Accrued expenses relate to expenses incurred in 2018 but that will be invoiced in the next year.

24. DISTRIBUTION OF PROFIT

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

Statutory reserve 19.345,72
Distribution to shareholders 0,00

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 2018 has been calculated as follows:

Profit before taxes	1.246.431.60	592.956,86
Less: income tax (29%)	(361.465,16)	(171.957,48)
Total	**884.966,44**	**420.999,37**
5% for statutory reserves	19.345,72	21.049,96
Other roundings	0,00	0,04
Statutory reserve	**19.345,72**	**21.050,00**

25.1. DIVIDENDS

The dividends are included at Statement of changes in Equity as at 31 December 2018.

25.2. LOSSES FOR THE PERIOD

The Company had profits for 2018.

26. DEFERRED TAXATION

The Company does not calculate deferred taxation.

27. 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 2018.

28. INVESTMENTS IN COMPANIES WITH UNLIMITED LIABILITY OF PARTNERS

There are no such investments.

29. 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.

30. FEES OF THE BOARD OF DIRECTORS AND MANAGEMENT

The following fees were paid during 2018:

	Fees
To Board of Directors members charged with Management	9.365,89
Total	**9.365,89**

31. 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 31.12.2018

	31/12/2018	**31/12/2017**
Sales		
Sales	6.078.418,95	8.764.025,78
	6.078.418,95	**8.764.025,78**
Total sales		
Purchase of goods	18.038.745,90	7.260.301,33
Purchase of services	942.409,91	1.097.380,90
	18.981.155,81	**8.357.682,23**
Balance of amounts receivable at year end		
Trade receivables	6.236.291,21	5.584.348,92
Total receivables		
	6.236.291,21	**5.584.348,92**
Balance of amounts payable at year end		
Trade payables	7.641.796,86	6.536.458,87
Other payables		
Total payables	**7.641.796,86**	**6.536.458,87**

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)
Bconn Creative Studios (Greece)
Fos Eleas Energy
Vasiliadis Filippos

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

32. GUARANTEES

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

	31.12.2018	**31.12.2017**
Good performance guarantees	1.039.921,00	1.254.000,00
Other guarantees	0,00	0,00
Total	**1.039.921,00**	**1.254.000,00**

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 to 2013 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 and 2017 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

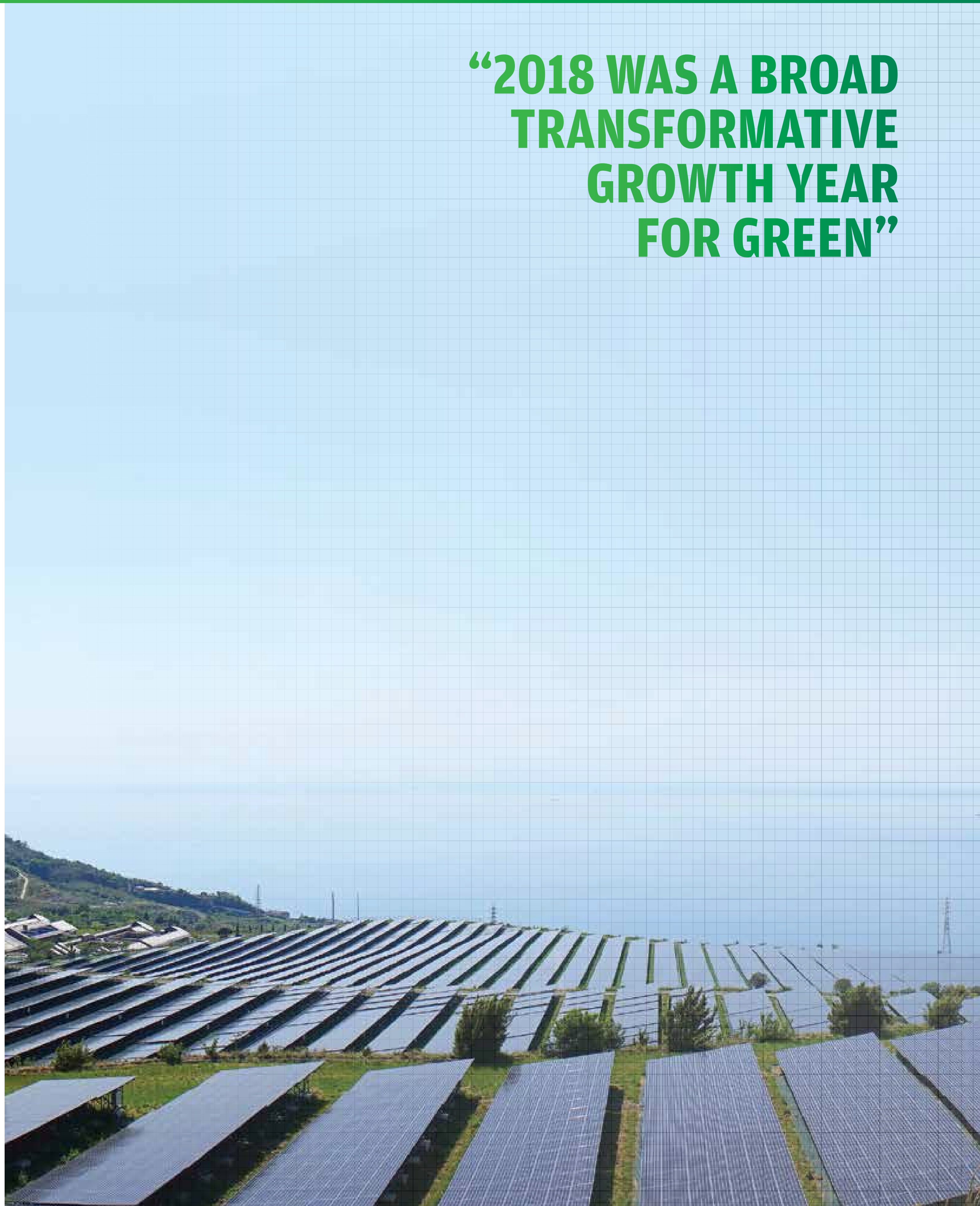
Finally, there are no legal claims or other legal issues that may constitute a potential contingent liability for the company.

32. EVENTS AFTER THE REPORTING DATE

There are no significant events relating to the Company after 31 December 2018 that should be disclosed or would require adjustments on the Financial Statements as of 31.12.2018

Piraeus 17.09.2019

Chairman	**Managing Director**	**Accountant**
Vyron Vasileiadis	Christos Vasileiou	Konstantinos Kiritsis



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