

EKTER SA

ANNUAL FINANCIAL REPORT

(According to Article 4 of Law 3556/2007)

PERIOD

1/1/2017 – 31/12/2017

General Electronic Commercial Registry No. 285201000 – (REGISTER NO 2147/06/B/86/06)

15 Nikis Street, 105 57 Athens

**ANNUAL FINANCIAL REPORT
OF EKTER S.A.
For the period from 1 January to 31 December 2017**

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I. STATEMENTS BY REPRESENTATIVES OF THE BOARD OF DIRECTORS

(In accordance with Article 4, par. 2 of Law 3556/2007)

The undersigned:

1. Athanasios Sipsas, President of the Board of Directors
2. Konstantinos Stoumpos, Vice President of the Board of Directors & Managing Director and
3. Georgios Pliatsikas, Member of the Board of Directors

We certify and declare, to the best of our knowledge, that:

- (a) The annual corporate and consolidated financial statements of EKTER S.A. for the period from 1 January 2017 to 31 December 2017, which have been prepared following the applicable International Financial Reporting Standards, present fairly the assets and liabilities, net assets and profit and loss account of operations of EKTER S.A. and the entities included in the consolidation taken as a whole, and
- (b) the annual report of the Board of Directors gives a true and fair view of the development, performance, and position of EKTER S.A. and of the undertakings included in the consolidation taken as a whole, including a description of the principal risks and uncertainties they face.

Athens, 27 April 2018

Athanasios K. Sipsas

Konstantinos I. Stoumpos

Georgios I. Pliatsikas

[signature]

[signature]

[signature]

President of the Board of
Directors

Vice President of the Board of
Directors & Managing Director

Member of the Board of
Directors

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS

Of the Public Limited Company with the name EKTER S.A.

On the consolidated and company financial statements for the period from 1 January to 31 December 2017 following the provisions of Article 4 of Law 3556/2007

Ladies and Gentlemen Shareholders,

We submit to those interested, the financial statements for the financial year 2017 (1 January to 31 December 2017), which have been prepared in accordance with the provisions of Codified Law 2190/1920 and in accordance with the provisions of paragraphs 2, 6, 7 and 8 of Article 4 of Law 3556/2007 and the executive decisions issued by the Board of Directors of the Hellenic Capital Market Commission.

This report includes all the important individual subject areas required in order to extract meaningful and comprehensive information on the company and its group during the financial year 2017.

The following companies are consolidated in the Group:

- IFIKLIS S.A., established in Greece, holding 100% of the shares
- J/V EKTER S.A. - ERTEKA S.A. - THEMELI S.A - INTRAKAT, established in Greece, holding 24% of the shares.
- J/V DOMIKI KRITIS S.A. - EKTER S.A. - ERETVO S.A., established in Greece, holding 33,33% of the shares (PROJECT: GOURNES, HERAKLEIO CRETE)
- J/V AEGEK CONSTRUCTION S.A. - VIOTER S.A. - AKTOR S.A. - EKTER S.A, established in Greece, holding 20% of the shares
- J/V IFIKLIS S.A. - TALOS S.A., established in Greece, holding 37,49% of the shares
- J/V ERETVO S.A. - EKTER S.A. - DOMIKI KRITIS S.A., established in Greece, holding 33,33% of the shares (PROJECT: AGIA VARVARA, CRETE)
- EKTER VENTURES SRL, established in Romania, holding 100% of the shares
- PRIPU RESIDENCE SRL, established in Romania, holding 50% of the shares

The Company as well as any company of the Group has neither established nor maintains a branch.

1. KEY FINANCIAL INDICATORS AND THEIR DEVELOPMENT FOR THE COMPANY AND THE GROUP DURING THE FINANCIAL YEAR UNDER REVIEW

Turnover

In 2017, the Group's turnover fell to € 8,426,953.59, compared to € 17,537,067.13 in 2016, a decrease of 51.95%. Similarly, the Parent Company's turnover decreased by 50.42% to € 8,176,953.59 from € 16,493,067.13 in 2016. As detailed in the significant events of the period, the Company signed only two new construction contracts, the second of which towards the end of the financial year under review, although it continues its uninterrupted activity by participating in tenders for public and private projects, in most of which the Group could not compete due to the excessive discounts offered by the participants. At the same time, the rate of certifications on the construction contracts already signed, some of which are in the process of being completed, caused the figures to decline.

Turnover for the financial year 2017 includes income from the sale of apartments totaling € 588,000.00 and € 338,000.00 for the Group and the Company respectively, compared to € 1,204,000.00 and € 160,000.00 for the Group and the Company for 2016.

GROSS PROFIT

The Group's gross profit for the year was a profit of € 522,392.80 in 2017, compared to a profit of € 2,390,073.24 in 2016. The corresponding figures for the Parent Company were a profit of € 413,235.81 in 2017, compared to a profit of € 2,419,670.89 in 2016, as a result of the decrease in turnover at the Corporate and Consolidated level, which was not accompanied by a corresponding change in the cost of sales.

Furthermore, it is reported that at the corporate level, sales of apartments at a value below their respective costs contributed, as a result of the fall in prices in the real estate market.

EBITDA

Earnings Before Interest, Tax, Depreciation, and Amortization, on a consolidated basis, amounted to a loss of € 1,362,487.09 in 2017, compared to a profit of € 679,557.06 in 2016. The corresponding figures for the parent company were a loss of € 1,447,617.33 in 2017, compared to a profit of € 745,947.14 in 2016. The change is proportional to the change in gross profit, as there were no material changes in operating income while operating expenses have been limited to a minimum compared to previous periods.

Other operating expenses of € 568,765.14 and € 560,277.90 for the Group and the Company respectively, have increased compared to the financial year 2016 by 37.31% and 36.28% respectively. It should be noted that the amount for the financial year 2017 relates by € 509,418.94 to the loss due to impairment of properties, as a result of their revaluation on 31 December 2017. Correspondingly, operating expenses as of 31.12.2016 included the write-off of receivables of joint venture participations for a total amount of € 211,289.70 upon their dissolution and final settlement, as well as a determined fine of € 99,858.00 from the Hellenic Competition Commission.

Administrative expenses - distribution costs

In the financial year 2017, the Group's administrative expenses recorded a marginal increase of 4.51% and amounted to € 1,434,596.99 compared to € 1,372,705.98 in 2016. In the same financial year, the parent company's administrative expenses were € 1,405,617.06 while in 2016 they were € 1,339,074.11, increased by 4.97%. Variations are partly due to the obligation to pay insurance contributions, as of 01.01.2017, for the remuneration attributed to the members of the Board of Directors. These marginal variations demonstrate once again the Management's effort to contain Administrative Expenses.

Net profit and loss account for the year before tax:

At the Group level, the net profit and loss account before tax showed a loss of € 1,669,137.46 in 2017 compared to a profit of € 388,577.07 in 2016. The net profit and loss account before tax of the parent company showed a loss of € 1,891,312.59 in 2017 compared to a profit of € 317,662.63 in the previous year.

The above profit and loss account is a consequence of the above-mentioned events in addition to the limited positive change in financial results due to the limitation of financial expenses.

Net profit and loss account after tax:

The Group's net profit and loss account after tax in 2017 showed a loss of € 1,343,991.55 compared to a profit of € 104,562.91 in 2016. The net profit and loss account after tax of the parent company showed a loss of € 1,494,452.40 compared to a profit of € 59,982.16 in 2016. The trend in profits after tax is in line with profits before tax at a consolidated and corporate level, while losses are limited by the calculated taxes.

Current assets:

The Group's total current assets, not including cash reserves, amounted to € 7,703,314.04 as of 31/12/2017, compared to € 7,338,520.10 as of 31/12/2016, which represents an increase of 4.97%.

The material changes resulted from the decrease in inventories due to sales during the period of fully completed properties and the decrease in receivables from works based on the percentage of completion.

It should be noted that the value of the properties included in inventories was revalued as of 31 December 2017 by an independent external valuer, based on which the impairment of inventories at the Group and company level amounted to € 267,418.94.

At the same time, short-term receivables decreased, mainly due to the refund of the income tax credit claim for the 2015 tax year, which as of 31/12/2016 amounted to € 670,725.78, for which the netting process was completed at the beginning of 2017.

Finally, the change in Receivables Accrued s due to the value of certifications of works carried out during the financial year 2017, which were approved by the respective principals of the projects and invoiced at the beginning of the financial year 2018. This change does not affect revenue from construction contracts, the amount of which is determined based on their stage of completion.

The parent company's total current assets increased marginally to € 7,091,784.92 as of 31/12/2017 compared to € 7,061,725.74 as of 31/12/2016. The reasons for the change were explained above.

Current liabilities

The Group's total current liabilities as of 31/12/2017 amounted to € 4,472,023.03 compared to € 4,901,913.16 as of 31/12/2016, a decrease of 8.77%. At the parent company level, total current

liabilities as of 31/12/2017 amounted to € 4,505,274.07 compared to € 6,072,590.54 as of 31/12/2016, a decrease of 25.81%.

The above decrease in other current liabilities in summary (detailed in paragraph 9.19 of the financial statements) is due to the decrease in liabilities to suppliers-subcontractors, as a result of the progress of works in projects under construction, as well as to the decrease in liabilities from the execution of projects, based on the completion percentage method.

Tax liabilities are reduced, mainly due to an income tax liability for the financial year 2016 and zero liability due to losses for the financial year 2017, while deferred income includes a project advance invoiced as of 31/12/2017, which is amortized as work progresses.

The amount of advances from customers relates to receipts, as per the terms of construction contracts signed, which are amortized progressively over the partial delivery of the projects, while it is noted that the balance on 31/12/2017 relates to an interest-free advance.

The amount of Accrued Expenses relates to subcontractor invoices at the beginning of the financial year 2018, which is related to certifications of works performed in the financial year 2017. The amount has been changed to reflect the increase in Financial Income Receivable.

At the corporate level, there has been a decrease in other current liabilities (also reported in paragraph 9.19 of the financial statements) and mainly relates to the elimination of the interest-free short-term financing of € 900,000, from the subsidiary IFIKLIS S.A.

It should be noted that all the liabilities are up to date.

Total liabilities

The Group's total liabilities as of 31/12/2017 amounted to € 4,800,552.25 compared to € 5,262,920.83 as of 31/12/2016, which represents a decrease of 8.79%. At the Parent Company level, total liabilities as of 31/12/2017 amounted to € 4,833,783.66 compared to € 6,433,588.73 as of 31/12/2016, a decrease of 24.87%. The change is due to current liabilities, as explained above.

2. SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

2.a. Events during the period included in the financial statements

During the period 1/1/2017 - 31/12/2017 the following significant events took place:

1. On 24 February 2017, the signing of a contract with the company ENERGEIAKOS KOMVOS S.A. was announced. The contract scope includes the execution of building and electromechanical works, as well as the landscaping of the hotel's surroundings in Paros, on a plot of land owned by the company ENERGEIAKOS KOMVOS S.A., located in "Pounda" in the Municipality of Paros. The total price of the scope of this Contract was set at the amount of € 7.910.000,00 plus VAT.
2. The company announced that, on 03.08.2017, it was served with decision No. 642/2017 of the Plenary Session of the Competition Commission, concerning the case of an ex officio investigation by the Directorate General of Competition into tenders for public infrastructure projects. This decision was issued during the Dispute Settlement procedure, under Article 25 (a) of Law 3959/2011 and by the Competition Commission's decision No. 628/2016 a fine amounting to € 99.858,00€ was imposed on EKTER S.A.
3. On 12 October 2017, the signing of a contract with the company KATASTIMATA AFOROLOGITON EIDON S.A. was announced. The contract scope concerns the execution of the works for the project "EXTENSION OF THE AIRPORT BUILDING - RELOCATION AND EXTENSION OF THE DUTY-FREE SHOPS AT HERAKLION STATE AIRPORT 'HSA'". The total price of the contract scope was set at € 7.874.000,00, including VAT.
4. On 12 October 2017, the Company announced the establishment of a single shareholder (100%) company, in the form of a limited liability company, under the name EKTER VENTURES S.R.L. The company's registered office is in Bucharest, Romania, and its business activity relates to project development and execution.

5. On 2 November, 2017, there was an announcement concerning the completion of the special tax audit conducted by the statutory auditor in accordance with the provisions of Article 65A of Law 4174/2013, for the fiscal year 2016, for both the Company and its subsidiary IFIKLIS S.A., and the respective Tax Certificates were issued with an unreserved conclusion.
6. The sales of three (3) apartments of the Company in the multi-storey building in Neo Faliro, as well as the remaining apartment of the subsidiary company IFIKLIS S.A. in the area of Vrilissia, Attica, were completed.

2.b. Impact of events on financial figures

Concerning the effects of new projects undertaken on the Company's financial figures, these will be progressively incorporated based on the progress of their execution.

The aforementioned transfers of apartments led to losses of € 289,521.06 at the company level, while at the group level they were limited to losses of € 180,297.58. As already mentioned in the previous apartment transfers of the last two years, the strong downward trend in real estate prices, as this sector continues to be affected by the unstable economic environment, reversed the Group's initial plans, eventually eliminating any profit margins budgeted during the initial planning of the activity.

With regard to the fine imposed by the Competition Commission, it has already been included in the consolidated financial statements for the financial year 2016, burdening the profit and loss account of the financial year, with an equivalent provision shown as a current liability. The fine has now been established as public revenue and has been paid in full to the competent tax authority.

3) OBJECTIVES – PROSPECTS

EKTER S.A. Group participated in 2017 in projects funded by the PCA 2016-2020 (PCA: Partnership and Cooperation Agreement - Successor Programme of the NSRF), public or self-financed. In particular, it participated in approximately 20 project tenders, alone or in broader schemes with other companies, and in 2017 it was responsible for the execution of two projects in the region.

It is also expanding its activities in the development and execution of projects in the countries of the Balkan Peninsula through the establishment of a subsidiary single shareholder company based in Bucharest, Romania. At the same time, it is also oriented towards projects in Asia and the Middle East. Based on the project contracts signed up to 31/12/2017, the Group has a backlog of €14,054,216.08 as of 31/12/2017 compared to €5,552,590.23 as of 31/12/2016. The above construction contracts are within the contractual schedules and are expected to be completed within the next two years. The above amounts include projects constructed on behalf of public and private entities. The share of work in progress of joint ventures amounts to € 12,976,773.73 as of 31/12/2017 compared to € 16,710,673.47 as of 31/12/2016.

Also in the Real Estate sector, the company is planning to obtain a permit for the construction of a residential building on a plot of 1,700m² owned by the company in the area of Amaroussio, Attica.

Finally, the company, fulfilling the necessary requirements, is about to submit a review application to the Ministry of Public Works for its class 6 contractor's license, which expires in September 2018. This process is not expected to change the Register of Contractors' diploma held by the company.

4) RELATED PARTY TRANSACTIONS

The Company's commercial transactions with related parties during 2017 were conducted under usual market terms. The following is an analysis of transactions (provision of services) and balances of EKTER S.A. with all related companies and joint ventures.

4.1. Sales — Purchases of goods and services

| GROUP Company Name | 1/1 - 31/12/2017 | | 1/1 - 31/12/2016 | |
|---|------------------|-------------------|------------------|-------------------|
| | Purchases | Sales | Purchases | Sales |
| J/V "IFIKLIS S.A. - TALOS S.A." | 0.00 | 0.00 | 0.00 | 819,210.81 |
| J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK) | 0.00 | 471,621.73 | 0.00 | 66,000.00 |
| Total | 0.00 | 471,621.73 | 0.00 | 885,210.81 |

| COMPANY Company Name | 1/1 - 31/12/2017 | | 1/1 - 31/12/2016 | |
|---|------------------|-------------------|------------------|-------------------|
| | Purchases | Sales | Purchases | Sales |
| IFIKLIS S.A. | 886.67 | 2,400.00 | 320.00 | 14,400.00 |
| J/V "IFIKLIS S.A. - TALOS S.A." | 0.00 | 0.00 | 0.00 | 819,210.81 |
| J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK) | 0.00 | 471,621.73 | 0.00 | 66,000.00 |
| Total | 886.67 | 474,021.73 | 320.00 | 899,610.81 |

4.2. Transactions — balances with related companies

| GROUP Company Name | 31/12/2017 | | 31/12/2016 | |
|--|-------------------|---------------------|-------------------|-------------------|
| | Liabilities | Receivables | Liabilities | Receivables |
| Companies consolidated | | | | |
| J/V "IFIKLIS S.A. - TALOS S.A." | 801.21 | 0.00 | 568.45 | 0.00 |
| J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK) | 355,497.59 | 292,866.29 | 0.00 | 107,288.04 |
| J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A." | 0.00 | 338,335.29 | 0.00 | 335,478.05 |
| J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA) | 0.00 | 235,584.99 | 0.00 | 20,809.56 |
| PRIPU RESIDENCE SRL | 0.00 | 370,000.00 | 0.00 | 0.00 |
| Subtotal | 356,298.80 | 1,236,786.57 | 568.45 | 463,575.65 |
| Participation Joint Ventures that are not Consolidated | | | | |
| | 290,279.86 | 12,657.58 | 229,924.99 | 25,959.32 |
| Subtotal | 646,578.66 | 1,249,444.15 | 230,493.44 | 489,534.97 |
| Provisions for non-payment/collection | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 646,578.66 | 1,249,444.15 | 230,493.44 | 489,534.97 |

| COMPANY Company Name | 31/12/2017 | | 31/12/2016 | |
|---|-------------------|-------------------|---------------------|-------------------|
| | Liabilities | Receivables | Liabilities | Receivables |
| Companies consolidated | | | | |
| "IFIKLIS S.A." | 22,931.27 | 0.00 | 1,096,831.80 | 0.00 |
| J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK) | 355,497.59 | 0.00 | 76,281.02 | 0.00 |
| J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A." | 0.00 | 355,663.23 | 0.00 | 353,687.24 |
| J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA) | 14,451.59 | 0.00 | 0.00 | 10,550.20 |
| EKTER VENTURES SRL | 0.00 | 400,000.00 | 0.00 | 0.00 |
| Subtotal | 392,880.45 | 755,663.23 | 1,173,112.82 | 364,237.44 |
| Participation Joint Ventures that are not Consolidated | | | | |
| Subtotal | 290,279.86 | 12,657.58 | 229,924.99 | 25,959.32 |
| Provisions for non-payment/collection | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 683,160.31 | 768,320.81 | 1,403,037.81 | 390,196.76 |

4.3. Transactions and Remuneration of Directors and Management

In detail, the management of the Company and the Group has received in the current financial year:

| Category of Board of Directors' Remuneration | Total Exit amount until 31/12/2017 | Balance to be paid on 31/12/17 |
|---|------------------------------------|--------------------------------|
| Remuneration of the Board of Directors Based on the decision of the General Meeting of Shareholders & service contracts | 488,128.32 | 0.00 |
| Remuneration of the Board of Directors From previous financial year | 0.00 | 0.00 |
| Total | 488,128.32 | 0.00 |

As of 31/12/2017 and 31/12/2016, there are no liabilities or receivables from members of the Management.

5) Share information and valuation ratios

The Company has been listed on the Athens Stock Exchange since 23 November 1994. The Company's share capital as of 31/12/2017 amounts to € 5,850,000.00 and is divided into 11,250,000 ordinary registered shares with a nominal value of € 0.52 each. The price of the ordinary share on 31.12.2017 was € 0.640. On the same day, the Market Value of EKTER S.A. amounted to EUR 7,200,000.

The table below shows key information and indicators for the share.

| INFORMATION AND INDICATORS FOR THE SHARE — CONSOLIDATED FIGURES | | |
|--|-------------------|-------------------|
| | 31/12/2017 | 31/12/2016 |
| Share price (Euro) | 0.640 | 0.429 |
| Number of ordinary shares | 11,250,000 | 11,250,000 |
| Weighted total shares | 11,250,000 | 11,250,000 |
| Capitalization (Euro) | 7,200,000 | 4,826,250 |
| Book value per share (Euro) | 1.74 | 1.90 |
| Earnings before tax per share (Euro) | -0.15 | 0.03 |
| Earnings after tax per share (Euro) | -0.12 | 0.01 |
| P/E after tax per share | -5.36 | 46.16 |
| EV / Sales ⁽¹⁾ | 0.27 | -0.18 |
| EV / EBITDA ⁽²⁾ | -1.69 | -4.61 |

⁽¹⁾ EV: Capitalization + Debt — Assets — Securities

⁽²⁾ EBITDA: Earnings Before Interest, Tax, Depreciation, and Amortization

6) Financial indicators

DEVELOPMENT INDICATORS OF CONSOLIDATED FIGURES FOR THE PERIOD 1/1-31/12/2011

| | COMPARABLE PERIOD 1/1-31/12/2016 | |
|----------------------------------|----------------------------------|---------|
| | 2017 | 2016 |
| A) ASSETS | | |
| Total assets | -3.23% | 1.33% |
| Total liabilities | -8.79% | -34.76% |
| Total assets/Total liabilities | 0.33% | 26.79% |
| B) ITEM OF PROFIT OR LOSS | | |
| Total turnover | -51.95% | 17.73% |
| Profit before tax | -529.55% | 9.83% |

INDICATORS OF CONSOLIDATED FIGURES FOR THE PERIOD 1/1-31/12/2017

| <u>INDICATORS</u> | <u>CURRENT PERIOD</u> | <u>COMPARABLE PERIOD</u> |
|---|-----------------------|--------------------------|
| A) EFFICIENCY | | |
| Equity | -6.88% | 0.49% |
| Assets | -5.52% | 0.39% |
| B) MARGINS | | |
| Gross profit | 6.20% | 13.63% |
| Profit before tax | -19.81% | 2.22% |
| C) LIQUIDITY | | |
| General liquidity | 2.82 | 3.12 |
| D) FINANCIAL CHARGES | | |
| Financial charges to earnings before interest and taxes | -19.54% | 48.64% |
| Financial charges to gross profit | 52.23% | 15.40% |
| E) DEBT BURDEN | | |
| Debt to equity | 0.23 | 0.23 |
| Bank & Finance lease liabilities to equity | - | - |
| Bank liabilities to equity | - | - |

7) TREASURY SHARES

The company and its affiliated companies do not hold any treasury shares.

8) PROPOSAL FOR THE DISTRIBUTION OF THE FINANCIAL YEAR RESULTS

The Board of Directors of the Company will propose to the Ordinary General Meeting of Shareholders not to distribute a dividend for the financial year 2017.

9) CORPORATE GOVERNANCE STATEMENT

Introduction

This Corporate Governance Statement has been prepared following the provisions of Article 43 (bb) of Codified Law 2190/1920, which was added by Article 2 of Law 4403/2016 and was in force on 31.12.2017, and consists of the following sections:

9.1. Declaration of Compliance with the Corporate Governance Code

9.2. Board of Directors and Committees

9.3. General Meeting & Shareholders' Rights

- 9.4. Internal audit and Risk Management Matters
- 9.5. Remuneration of members of the Board of Directors
- 9.6. Deviations from the Corporate Governance Code and justifications
- 9.7. Information under Article 10, par. 1 (c), (d), (f), (h), and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on public takeover bids.
- 9.8. Report of the Board of Directors pursuant to paragraph 7 of Article 4 of Law 3556/2007

9.1. Declaration of Compliance with the Corporate Governance Code

As a public limited company listed on the Athens Stock Exchange, the Company diligently enforces the applicable legislation on corporate governance, in particular Codified Law 2190/1920, Laws 3016/2002, 3693/2008, 3884/2010, and 3873/2010, as well as Laws 3556/2007, 3340/2005, as applicable. The provisions of the aforementioned laws formulate the minimum corporate governance requirements for companies whose shares are traded on a regulated market.

In addition to the above, the Company voluntarily complies with and applies in principle the corporate governance practices of the Corporate Governance Code drafted on the initiative of SEV (the "Code") as far as it relates to smaller listed companies, as supplemented and in force - as the Greek Corporate Governance Code ("EKED"), following its revision/amendment by the Hellenic Corporate Governance Council ("ESED") in October 2013, and is posted on <http://helex.gr/el/web/guest/esed-hellenic-cgc>.

It should be noted, however, that the provisions of the above Code incorporate not only the minimum corporate governance requirements as set out in the applicable legislation but also several additional, special provisions, concerning the statutory minimum requirements.

The Company, where applicable, deviates from or does not apply in their entirety certain provisions of the Code relating to "Special Practices for listed companies", as more specifically set out below. However, it is clarified that an explanation of non-compliance is omitted from those "Special Practices" provided for in Annex I of the Code exemption from the obligation to explain non-compliance with them for smaller listed companies, as such are considered those that during most of the year to which the Corporate Governance Statement refers did not participate in the *FTSE/ ATHEX Large Cap* and *FTSE/ ATHEX Mid Cap* indices, as the Company did in the financial year under review.

The Company has not adopted any practices other than the requirements of the law and the Code (with

the exceptions to this statement set out below).

The principles and practices applied by the Company are reflected in the Articles of Association, the Internal Operating Regulations, and, where appropriate, other regulations or policies of the Company governing its individual operations.

The Company's Articles of Association are posted on the Company's website: www.ekter.gr

The Company is considering the introduction/adoption of a Corporate Code based on the general principles and specific practices of the latest revision of the Code.

9.2. Board of Directors and Committees

9.2.a. Board of Directors (Composition — Term of office)

In accordance with the Articles of Association, the Board of Directors is composed of three (3) to nine (9) members as the size and organization of the Company do not necessitate the provision for a larger number of Board of Directors in the Code, i.e. from seven (7) to fifteen (15) members [Special Code Practice: A.II. (2.1)].

The members of the Board of Directors are elected by the General Meeting of Shareholders, which freely determines within the framework of the Articles of Association and the applicable legislation, in particular Law 3016/2002, as applicable, the exact number of members and which of them will be Independent. The Board of Directors shall appoint its Executive and Non-Executive members.

The members of the Board of Directors shall be elected for a five-year term of office, which shall be extended until the Ordinary General Meeting to be held immediately after the expiry of the term of office. Their re-election is permitted. Maintaining the five-year term of the Board of Directors instead of adopting the four-year term of office proposed by the Code was considered preferable for the Company, as it is consistent with the Company's long-standing practice and ensures more stable management, provided that, at the same time, shareholders may by law elect a new Board of Directors whenever they deem it appropriate. Besides, it has been found that in practice, due to the replacement of Board members due to resignations, members are often replaced without the statutory term of office being exhausted [Special Code Practice: A.V. (5.1)].

In accordance with the Articles of Association, the Board of Directors elects from among its members

the President, the Vice President, and the Managing Director.

In the event of resignation, death, or loss in any other way of the BoD membership, the remaining members may continue to manage and represent the Company without replacing the missing members, provided that the number of such members exceeds half of the number of members as they were before the occurrence of the above events and in any case, such members may not be less than three (3). Also, if a member of the Board of Directors resigns, dies, or otherwise ceases to be a member, provided that the Board of Directors has at least 3 remaining members, it may elect members to replace the ones who have resigned, died, or otherwise ceased to be members.

The Company has not adopted a diversity policy, including gender balance for its Board members and senior management. Notwithstanding, the Company encourages a generally safe and healthy work environment, free of discrimination, harassment, or retaliation. All employment-related decisions are based on the individual qualifications, performance, and conduct of associates. The Company does not discriminate or permit harassment based on factors such as race, color, religion, ancestry, gender, age, disability, marital status, or any other characteristic protected by law and efforts are made to make all employment decisions (which include but are not limited to those related to hiring, promotion, training, pay and benefits, transfers, disciplinary offenses, dismissal, etc.) shall be free of any unlawful discrimination.

9.2.b. Current Board and its term of office

The current Board of Directors consists of five (5) members, executive and non-executive ones. Given that the size and structure of the Company do not justify the need to comply with the numerical limits of the Code, the number of non-executive members of the Board is not less than 1/3 of the total number of members, and at least two (2) of them are independent members, within the meaning of article 4 of Law 3016/2002 [Special Code Practice: A.II. (2.2) - (2.3)].

Furthermore, the independent non-executive members of the Board of Directors meet the minimum requirements of Law 3016/2002 as regards their independence, as well as the restrictions set out in the Code concerning the independence of the members of the Board of Directors.

The members of the Board of Directors do not participate in the boards of directors of other listed companies, nor do they have any other significant professional commitments.

The Board of Directors since its reconstitution on 08/04/2014 (Government Gazette 4022/ 23.04.2014)

and until 30/6/2017 was as follows:

| <u>Full name</u> | <u>Status</u> | <u>Term of office (from)</u> |
|------------------------|---|------------------------------|
| Athanasios Sipsas | President of the Board, Executive Member | 12.10.2012 – 30.06.2017 |
| Konstantinos Stoumpos | Vice-President of the Board & Managing Director, Executive Member | 12.10.2012 – 30.06.2017 |
| Ioannis Alexandris | Independent Non-Executive Member | 12.10.2012 – 30.06.2017 |
| Androniki Ioannidou | Non-Executive Member | 12.10.2012 – 30.06.2017 |
| Aristides Papadopoulos | Independent Non-Executive Member | 31.01.2014 – 30.06.2017 |

The Ordinary General Meeting of the shareholders of 30.06.2017, elected a new Board of Directors, due to the imminent expiration of the previous one's term of office on 12.10.2017, for the next five years. The new Board of Directors was constituted and its representation was appointed on the same day, i.e. 30.06.2017. The said resolution for the election of the new Board of Directors dated 30.06.2017 was registered under registration code 1120301 in the General Electronic Commercial Registry (G.E.MI.)/General Market Department/Directorate of Companies & G.E.MI. /Division of Listed Companies & Sports Companies and was ratified by notice No. 845096/19.07.2017.

Following the above, the composition of the Board of Directors is as follows:

| <u>Full name</u> | <u>Status</u> | <u>Term of office (from-to)</u> |
|------------------------|---|---------------------------------|
| Athanasios Sipsas | President of the Board, Executive Member | 30.06.2017 – 30.06.2022 |
| Konstantinos Stoumpos | Vice-President of the Board & Managing Director, Executive Member | 30.06.2017 – 30.06.2022 |
| Georgios Pliatsikas | Independent Non-Executive Member | 30.06.2017 – 30.06.2022 |
| Androniki Ioannidou | Non-Executive Member | 30.06.2017 – 30.06.2022 |
| Aristides Papadopoulos | Independent Non-Executive Member | 30.06.2017 – 30.06.2022 |

The CVs of the members of the Board of Directors are posted on the Company's website www.ekter.gr

9.2.c. Responsibilities of the Board of Directors - Evaluation

There are no rules of procedure for the Board of Directors as the provisions of the Company's Articles of Association and the regulations of the applicable legislation are assessed as sufficient for the

organization and general operation of the Board.

The Board of Directors is the highest management body of the Company and its mission is to fulfill the Company's purpose and constantly strive to enhance the long-term financial value of the Company and defend the general corporate interest.

The Board of Directors shall proceed collectively with all acts relating to the administration, management, and representation of the Company, except in cases that fall within the exclusive competence of the General Meeting based on the law. In accordance with the Articles of Association, the Board of Directors may, by resolution, directly delegate the representation of the Company for certain acts to other members of the Board of Directors, employees of the Company, or third parties.

No explicit distinction is established between the powers of the Executive President and the Vice President and Managing Director, as it is not considered appropriate due to the size of the Company, Moreover, the Vice-President, who was not appointed from among the independent members, has executive functions, as it was assessed as preferable for the Company to have the Vice-President support/replace the President in the exercise of executive functions [Special Code Practice: A.III. (3.1) & A.II. (3.3) & A.II. (3.4)].

The current representation of the Company was decided at the meeting of the Board of Directors held on 30.06.2017, without any change concerning the one in force based on the constitution of the Board of Directors on 08.04.2014. The Company is represented and bound in accordance with the specifics stated in the relevant minutes of the Board of Directors' meeting of 30.06.2017 by the President of the Board of Directors, Mr. Athanasios Sipsas and, in case of his absence or impediment, by the Vice President of the Board of Directors and Director Mr. Konstantinos Stoumpos, each acting individually.

In addition, the Board of Directors has not adopted a calendar of meetings and a 12-month action plan, as the members of the Board are all residents of Athens and are therefore available for Board meetings whenever the needs of the Company so dictate or the law so requires, without the need for a predetermined schedule. Furthermore, no Company Secretary has been appointed, but the relevant essential functions are provided by the Company's secretarial structure and other services, to which all members of the Board and committees have access. Similarly, the creation of introductory briefing programs for new Board members has not been ensured, because people with adequate and proven experience in the management and operational needs of the Company and with sufficient management skills and knowledge are proposed for election, and any issue that arises is discussed at length in the

Board meetings. In addition, the possibility of hiring external consultants to provide any necessary support and information is provided [Special Code Practice: A.VI. (6.1) - (6.3) & A. VI. (6.5)].

The table below shows the frequency of attendance of each Board member in 2017.

| FULL NAME | NUMBER OF MEETINGS HELD DURING 2017 | NUMBER OF MEETINGS ATTENDED IN PERSON | NUMBER OF MEETINGS ATTENDED BY DELEGATION |
|------------------------|-------------------------------------|---------------------------------------|---|
| Athanasios Sipsas | 93 | 93 | --- |
| Konstantinos Stoumpos | 93 | 93 | --- |
| Ioannis Alexandris | 45 | 45 | --- |
| Androniki Ioannidou | 93 | 93 | --- |
| Aristides Papadopoulos | 93 | 93 | --- |
| Georgios Pliatsikas | 48 | 48 | --- |

The work of the Board of Directors is evaluated directly by the General Meeting during the discussion for the approval of the acts and decisions of the Board of Directors and its discharge from liability for compensation at the Ordinary General Meeting of each year. Apart from this, the Company has not adopted any other institutionalized evaluation procedure since it considers the General Meeting to be the most appropriate body [Special Code Practice: A.VII. (7.1) - (7.3)].

9.2.d Committees

The Company has only established an Audit Committee from the members of the Board of Directors. Due to the size and organization of the Company, it was not deemed necessary at this time to establish a Nomination and Remuneration Committee.

This is because as far as nominations for the election of new members to the Board of Directors are concerned, they can be proposed by any member of the Board, who undertakes to make a detailed presentation to the other members of the training and qualifications of the candidate member whom he/she proposes, while the General Meeting decides on the election of the members of the Board of Directors and assesses the independence of the candidates for independent directors [Special Code Practice: A.II (2.4) & A.V. (5.4) – (5.6)].

Also, with regard to the Company's policy with respect to the remuneration of executive directors and

senior executives, said policy is stable and set and is directly linked to the corporate strategy, corporate objectives, and their realization, with the ultimate goal of creating long-term value for the Company. The remuneration of the non-executive directors reflects their length of service with the Company and the scope of their duties. [Special Code Practice: A.I. (1.2.)].

All remuneration of executive and non-executive directors shall be approved by the General Meeting of Shareholders upon the recommendation of the Board of Directors.

The above safeguards make it unnecessary to establish such a committee.

Audit Committee

The Audit Committee is appointed by the General Meeting and is composed of at least two (2) non-executive and one independent non-executive member of the Board of Directors. The independent non-executive member of the Board of Directors must have a proven and sufficient knowledge of accounting and auditing.

The term of office of the Committee shall in principle follow the term of office of the members of the Board of Directors unless the General Meeting decides otherwise. The Audit Committee shall meet at least four (4) times a year and may be convened at the request of the Internal Audit Service or the external auditors.

During the ended financial year (2017), the Audit Committee met four (4) times and submitted its reports to the Board of Directors, and all members were present at these meetings.

The Audit Committee, through its President, reports to the Board of Directors, and its main responsibilities, as referred to in Law 3693/2008, are as follows:

- Monitoring the financial reporting process,
- Monitoring the effective operation of the internal audit system and the risk management system, as well as monitoring the proper functioning of the Company's internal auditors unit,
- Monitoring of the progress of the statutory audit of the individual and consolidated financial statements,
- The review and monitoring of issues related to the existence and maintenance of the objectivity and independence of the external auditors, particularly about the provision of other services to the Company by the external auditors.

The composition of the Audit Committee was changed after its re-election at the Ordinary General Meeting of the company's shareholders on 30.06.2017 and consists of the independent non-executive members of the Board of Directors Mr. Aristides Papadopoulos and the non-executive member Mrs. Androniki Ioannidou, Mr. Georgios Pliatsikas was appointed as the new President of the Audit Committee and his term of office follows that of the Board of Directors, i.e. it is five years and is extended until the Ordinary General Meeting that will be convened immediately after the expiry of his term of office on 30/06/2022.

There are no specific rules of procedure for the Audit Committee, as the duties and responsibilities of the Committee are sufficiently defined in the relevant legal regulations.

9.3. General Meeting & Shareholders' Rights

9.3.a. Convening — Meetings — Powers

The General Meeting of Shareholders is the supreme body of the Company and is entitled to make general decisions on all corporate matters. In accordance with Codified Law 2190/1920 and the Articles of Association, the General Meeting has exclusive competence to decide on:

- a) amendments to the Articles of Association,
- b) the election of members of the Board of Directors and auditors,
- c) the approval of the company's balance sheet,
- d) the approval of the annual profits,
- e) the merger, division, conversion, revival, extension of the duration or dissolution of the company;
and
- f) the appointment of liquidators.

The issues of the convocation, constitution, and conduct of the General Meetings of the Company's shareholders are regulated by the relevant provisions of Codified Law 2190/1920, as amended.

Under the Articles of Association, the President of the Board of Directors and, in case of his/her absence, his/her deputy, and in case of his/her absence, the eldest of the members of the Board of Directors present presides temporarily over the General Meeting of Shareholders and elects the Secretary from among the shareholders present until the list of shareholders entitled to participate in the General Meeting has been ratified by the General Meeting, which elects the definitive Bureau

consisting of the President and a Secretary who also acts as a teller.

The President of the Board of Directors, the Vice-President, the Internal Auditor, and the Statutory Auditor shall be present at General Meetings to provide fuller information and explanations on matters within their competence to the shareholders present if requested, and sufficient time shall be provided for questions to be asked.

About the information of shareholders and the investing public regarding the decisions of the General Meetings, as well as any corporate event which, according to the Athens Exchange Regulations and the institutional framework governing the conduct of listed companies, must be disclosed, the Company will immediately make an announcement in Greek. The ownership structure of the Company and its size do not require that information about General Meetings to be published in English as well.

9.3.b. Shareholders' rights & manner of exercise thereof

The Company has issued ordinary registered shares listed for trading on the Stock Exchange and registered in an intangible form in the records of the Intangible Securities System (S.A.T. in Greek). There are no special rights in favor of specific shareholders.

The acquisition of shares of the Company automatically implies the acceptance of its Articles of Association and the legal decisions of its competent bodies.

Each share confers rights in proportion to the percentage of the share capital represented by it. The liability of shareholders is limited respectively to the nominal value of the shares they hold. In the case of co-ownership of a share, the rights of co-owners shall be exercised only by a common representative of the co-owners. The co-owners are jointly and severally liable for the fulfillment of the obligations arising from the common share.

Each share of the Company incorporates all the rights and obligations established by Codified Law 2190/1920 and its Articles of Association, and in particular:

- The right to participate and vote in the General Meeting.
- The right to the dividend from the Company's profits.
- The right to the proceeds of the liquidation or, respectively, the capital amortization corresponding to the share, if so decided by the General Meeting. The General Meeting of the Company's shareholders retains all its rights during the liquidation.

- The right of pre-emption on any increase in the Company's share capital carried out in cash and the issue of new shares, as well as the right of pre-emption on any issue of convertible bonds unless otherwise decided by the General Meeting approving the increase.
- The right to receive a copy of the financial statements and the reports of the auditors and the Board of Directors of the Company.
- The rights of minority shareholders are set out below.

The possibility to participate in the General Meeting and exercise voting rights by electronic means or by correspondence is not provided, pending the issuance of the relevant ministerial decisions as provided for by Law 3884/2010. There is also no statutory provision allowing for the appointment and withdrawal of a proxy to be notified by electronic means.

Before each General Meeting, the information referred to in Article 27 par. 3 of the Codified Law 2190/1920, including the invitations to the General Meetings, the procedure for exercising voting rights by proxy, the forms for appointing and withdrawing proxies, the draft resolutions on the items on the agenda, as well as more complete information on the exercise of minority rights under par. 2, 2^a, 4, and 5 of Article 39 of Codified Law 2190/1920 are available in hard copy at the Company's Shareholders' Service Department (15 Nikis Street, Athens 10557), where shareholders may obtain copies. Also, all the above documents, the total number of existing shares, and voting rights are available in electronic form on the Company's website (www.ekter.gr).

9.3.c. Minority Rights

The following minority rights are granted as provided for in Codified Law 2190/1920:

Shareholders holding 1/20 of the share capital and voting rights are entitled to make the following requests and the Company is obliged to satisfy them (subject to the conditions stipulated by law):

- Request to the Board of Directors of the Company to convene an Extraordinary General Meeting of shareholders.
- Request to the Company's Board of Directors for the inclusion of an additional item on the agenda of a General Meeting of Shareholders already convened.
- Request to the President of the General Meeting to postpone for one time only the adoption of resolutions of the General Meeting.
- Request that the Board of Directors of the Company make available to shareholders draft

resolutions on the items included in the agenda.

- Request that the decision on any item on the agenda of the General Meeting be taken by roll call.
- Request for the Company to be audited by the competent court of the district in which the Company is domiciled.
- Request to the Board of Directors to announce at a forthcoming Ordinary General Meeting the amounts paid, during the last two years, to each member of the Board of Directors or the directors of the Company and any benefit to such persons from any cause or contract of the Company with them.

Shareholders holding 1/5 of the share capital and voting rights are entitled to make the following requests and the Company is obliged to satisfy them (subject to the conditions stipulated by law):

- A request for the Company's Board of Directors to provide information on the progress of the Company's corporate affairs and the Company's assets and liabilities at the forthcoming General Meeting.
- A request for an audit of the Company by the competent court, if it becomes credible from the whole course of corporate affairs that the management of corporate affairs is not being carried out as required by good and prudent management.

Shareholders representing two percent (2/100) of the paid-up share capital may request the annulment of a resolution of the General Meeting of Shareholders, which was taken without providing due information requested by shareholders in the exercise of minority rights or abuse of majority power.

Shareholders representing one-tenth (1/10) of the paid-up share capital may request the Board of Directors or the liquidators of the Company to pursue all claims of the Company against the members of the Board of Directors arising from the management of corporate affairs.

Shareholders representing one-third (1/3) of the paid-up share capital may request the competent court to dissolve the Company if there is an important reason for this, which, in an obvious manner, makes the continuation of the Company impossible.

Any shareholder may request the Board of Directors to provide at a forthcoming General Meeting the specific information requested on the affairs of the Company, to the extent that this information is useful for the actual assessment of the items on the agenda.

9.4. Internal audit and Risk Management Matters

9.4.a. Internal audit

In accordance with the Company's Internal Regulations, the Company's internal audit system consists of the Audit Committee, referred to above, and the Internal Audit Department.

The Internal Audit Department is an independent organizational unit of the Company. The Internal Auditors are appointed by the Board of Directors and the Internal Auditor reports to the Audit Committee and the Board of Directors. The Internal Auditor was appointed by the Board of Directors' resolution dated 18.5.2009 and is Mr. Eleftherios Lambridis.

The Audit Committee holds at least two (2) meetings per year with the Internal Auditor, who additionally submits to the Committee and the Board of Directors at least once (1) a year a letter of recommendations, if he identifies any weaknesses in the internal audit system, indicating proposals for their remediation.

The primary purpose of the Internal Auditor is to continuously monitor the operation of the Company to assess the adequacy and effectiveness of the Company's internal audit points, as well as to prevent and manage risks associated with the operation of the Company. The objective is to ensure the Company's lawful operation, compliance with the procedures and guidelines of the Management, the safeguarding of the Company's assets, and the ability to take timely corrective action to prevent or suppress actions that may jeopardize its operation.

The Board of Directors and the management of the Company shall provide the internal auditors with all the necessary means to facilitate the exercise of appropriate and effective internal audit. In the performance of their duties, the internal auditors shall be entitled to inspect any book, document, record, bank account, and portfolio of the Company and to have access to any of the Company's services.

The Company's elected auditors for the financial year 2017, the audit firm "Elegktikos Kiklos Ltd", did not provide any other non-audit services to the Company and the Group during the financial year.

9.4.b. Risk Management

The Company and the Group companies are exposed to the normal financial risks inherent in the operation of similar businesses, such as market, foreign exchange, credit, liquidity, cash flow, and fair

value risks from changes in interest rates. The Board of Directors provides written instructions and guidelines for the general management of risks, as well as specific instructions for the management of specific risks, in particular liquidity risks.

Market risk

As all of the Company's revenues are derived from construction activity within the territory with the Greek State as the main client, the main external risk factor is the demand for public works, as expressed by tendering and award rates. The detection of any failure in the initial design is immediately communicated to the contracting - supervising authority of the project in question, in order to modify the contract accordingly, with the approval of a corresponding Summary Table of Works (STW).

In recent years, due to the decrease in public works tenders, the company has turned more actively to the market of self-financed housing construction projects, which involves the well-known risks of this market. However, the sharp downward trend in real estate prices has reversed the original plans, as profit margins have been reduced to zero.

The negative situation in the Construction Industry has not led the Group to grant excessive discounts in the limited tenders that are held to ensure that the project can be completed following the relevant specifications. Under no circumstances will the Group proceed to take actions that may damage its positive reputation in the construction industry based on its work.

Management believes that in the coming period, actions will become apparent, mainly through the public sector bodies, which will determine the developments in the market. Until these are realized, the Group maintains a wait-and-see attitude by keeping inelastic costs to a minimum and maintaining significant liquidity to take advantage of opportunities.

The level of work in progress ensures significant activity for the Group over more than two years. The effort to undertake new projects is continuous and uninterrupted and is expressed through the Group's participation in tenders that are put out to tender.

Exchange rate risk

For several years, the Group did not operate in a foreign country, so there were no foreign exchange risks, except for the limited foreign exchange risk from short-term supplies from third countries, which were occasional and very limited in scope, and consequently, the risk was considered negligible.

In the last quarter of 2017, the Group started its operations in Romania, whose financing by the parent company is in EURO, while the general risk from the change in the exchange rate between the EURO and the RON is maintained (Exchange rate at 31/12/2017: 4,6585 RON/EURO). Due to the controlled scope of this operation, the exposure to this risk is considered limited.

Credit and liquidity risk

Concerning its receivables, the Company does not face significant concentrations of credit risk at the level of its Debtors or Customers, beyond the provisions made, which are detailed by category of receivables in the notes to the financial statements. As the Company's main customer is the Greek Government, apart from any arrears, the receivables are expected to be satisfied in full. Also, other sales are derived from contracts that include sufficient guarantees for full payment of the price at the specified time.

In order to ensure the proper operation of the Group, the Group, in almost all cases, settles its liabilities to suppliers and subcontractors at the time of collection of the corresponding receivables generated from projects and other activities.

It should be noted that any significant delays in collections exacerbate liquidity risk. To ensure the required liquidity, the Group maintains approved credit limits from Greek banking institutions.

Cash flow risk and fair value risk due to interest rate fluctuations

The Company's operating income and cash inflows are materially unaffected by changes in interest rates because they are derived from domestic projects which are determined by fixed value construction contracts and are therefore denominated in the domestic currency, which is subject to an environment of monetary stability and relatively low inflation.

The Group, following the repayment in July 2015 of the Parent's Piraeus Bank's debt amortizing loan, no longer has a debt liability.

Within the framework of the signed contracts, advances are received from customers, which may, under the relevant contracts, be interest-bearing with the interest rate determined to be equal to the 12-month interest rates for banknotes (4.85%) plus a margin of 0.25%. This interest rate is unchanged and has remained stable since 13/4/2010.

In any case, the Board of Directors carries out an annual review of the corporate strategy, the main business risks, and the internal audit systems.

9.4.c. Alternative Performance Measurement Indicators (APMI)

From the analysis of the Group's activity, no APMIs were identified that are considered appropriate and useful for decision-making by users. The Group's financial information that is recorded in detail in the financial statements is sufficient for any further analysis by users.

9.5. Remuneration of members of the Board of Directors:

The remuneration of the President, Vice President, and non-executive members of the Board of Directors is approved by the Ordinary General Meeting following the approval of the Company's annual financial statements and the actions and resolutions of the Board of Directors.

The corporate policy in the area of remuneration of the executive members and key management personnel of the Company takes into account both their qualifications and contribution and the importance of attracting and retaining them in the Company and, of course, the market conditions. Except for the remuneration approved by the General Meeting and remuneration under Service Contracts, there are no other compensation or share benefits or share rights for the executive directors and executives of the Company.

In determining their remuneration, the General Meeting takes into account the time available for meetings and the performance of the duties assigned to them.

No member of the Board of Directors is linked to the Company by a dependent employment relationship and does not receive remuneration on this account.

The Ordinary General Meeting (OGM) of the Company's shareholders on 30 June 2017 approved the remuneration of the members of the Board of Directors for the financial year 2016 for € 461,716.08, pre-approved by the 2016 OGM, and pre-approved the remuneration of the Board of Directors for the financial year 2017 in the amount of € 488,128.32, which will be finally approved at the next OGM. The fees for the current financial year are stated in note 4 of the Financial Statements.

9.6. Deviations from the Corporate Governance Code and justifications

There are references in the individual chapters of this statement, to which we refer to avoid repetition.

9.7. Information under Article 10, par. 1 (c), (d), (f), (h), and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

- The information required under point (c) of paragraph (c) of Article 10 of Directive 2004/25/EC concerning significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures or cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC, shall be included in the part of the annual report referred to in the additional information of Article 4 par. 7 of Law 3556/2007.

- About the information required under point (d) par. 1 of Article 10 of Directive 2004/25/EC, there are no securities of the Company which gives special control rights to the holders.

- About the information required under point (f) par. 1 of Article 10 of Directive 2004/25/EC, there is no restriction of any kind on voting rights.

- About the information required under point (h) par. 1 of Article 10 of Directive 2004/25/EC, the provisions of the Company's Articles of Association for the appointment and replacement of members of its Board of Directors and the amendment of its Articles of Association do not differ from those provided for in Codified Law 2190/1920.

- The information required under point (i) par.1 of Article 10 of Directive 2004/25/EC concerning the powers of the members of the Board of Directors, in particular with regard to the possibility of issuing or repurchasing shares, shall be included in the part of the Annual Report referred to in the additional information of Article 4 par. 7 of Law 3556/2007.

9.8. Report of the Board of Directors according to paragraph 7 of Article 4 of Law 3556/2007

This report of the Board of Directors contains detailed information on the matters referred to in paragraph 7 of article 4 of Law 3556/2007 and will be submitted, as per paragraph 8 of the same article, to the Ordinary General Meeting of Shareholders of the Company.

9.8.a. Structure of the Company's share capital

The share capital of the Company amounts to € 5,850,000.00, divided into 11,250,000 common nominal shares with a nominal value of € 0.52 each. All shares are common nominal shares with voting rights, listed for trading on the Athens Stock Exchange.

9.8.b. Restrictions on the transfer of the company's shares

The transfer of the Company's shares is made as required by law and there are no restrictions on transfer by the Company's Articles of Association.

9.8.c. Significant direct or indirect shareholdings within the meaning of the provisions of articles 9 to 11 of Law 3556/2007.

As of 31.12.2017, the following shareholders held more than 5% of the total voting rights of EKTER S.A.:

- NIKIAS S.A., direct share of 21,744%
- POLYKRATIS SA, direct share of 13,183%
- Papageorgiou Angelos, direct share of 5,851%
- CAPDARE OVERSEAS LIMITED, direct share of 5,086%
- Sipsas Athanasios, direct share of 4% and indirect share of 21,744% due to the holding of the majority of the voting rights of the company NIKIAS S.A.

9.8.d. Holders of all types of shares conferring special control rights

There are no holders of any kind of securities conferring special control rights.

9.8.e. Restrictions on voting rights

There are no restrictions on voting rights arising from the company's shares in the company's Articles of Association. The conduct of General Meetings of the company's shareholders is regulated by the relevant provisions of Codified Law 2190/1920 as amended.

9.8.f. Agreements between the shareholders of the company

The Company is not aware of any agreements between its shareholders that entail restrictions on the transfer of its shares or the exercise of voting rights arising from its shares.

9.8.g. Rules for appointment and replacement of members of the Board of Directors and amendment of the Articles of Association

The rules provided by the Company's Articles of Association regarding the appointment and replacement of members of its Board of Directors and amendments to the Articles of Association do not differ from those provided by the provisions of Codified Law 2190/1920.

9.8.h. Authority of the Board of Directors or some of its members to issue new shares or purchase own shares.

According to Article 16 of Codified Law 2190/1920, no such authorizations existed during the financial year under review, nor have they been granted to date.

9.8.i. A significant agreement entered into by the Company that comes into force is amended or expires in the event of a change in control of the Company following a public offer and the effects of such agreement.

There are no agreements that become effective, are amended, or expire in the event of a change in control of the Company following a public offer.

9.8.j. Agreements with Directors or employees of the Company that provide for compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment as a result of the public offering

The Company has no agreements with members of its Board of Directors or its personnel that provide for the payment of compensation specifically in the event of resignation or dismissal without just cause or termination of their term of office or employment due to a public offering.

The Board of Directors

III. AUDIT REPORT OF THE INDEPENDENT AUDITOR

To the Shareholders of EKTER S.A.

To the Shareholders of "EKTER S.A."

Audit Report on the Corporate and Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of "EKTER S.A." (the Company), which comprise the corporate and consolidated statement of financial position as of 31 December 2017, and the corporate and consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the financial position of "EKTER S.A." and its subsidiaries (the Group) as of 31 December 2017, their financial performance, and their consolidated cash flows for the year then ended following International Financial Reporting Standards (IFRSs) as adopted by the European Union and comply with the regulatory requirements of Codified Law 2190/1920.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as incorporated into Greek Law. Our responsibilities under those standards are further described in the paragraph of our report entitled "Auditor's Responsibilities for the Audit of the Corporate and Consolidated Financial Statements". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's independence

We have been independent of the Company and its consolidated subsidiaries throughout our appointment under the Code of Ethics for Professional Accountants of the Council on International Standards on Auditing Ethics (the "Code of Ethics for Professional Accountants") as incorporated into Greek law and the ethical requirements related to the audit of the corporate and consolidated financial statements in Greece and have fulfilled our ethical obligations in accordance with the requirements of applicable law and the aforementioned Code of Ethics.

Major audit issues

The most significant audit matters are those matters that, in our professional judgment, were of major significance in our audit of the current year's corporate and consolidated financial statements. Those matters and the related risks of material misstatement were considered in the context of our audit of the corporate and consolidated financial statements taken as a whole in forming our opinion on them and we do not express a separate opinion on those matters.

| Major audit issues | How the major audit matters were addressed in our audit |
|---|--|
| Valuation of investment property and inventories (land and buildings) | |
| <p>As of 31 December 2017, the value of land and buildings included in the items "Investments in real estate" and "Inventories" amounted to € 9,076,000.00 (€ 10,226,533.93 as of 31 December 2016) and was determined by management based on valuations by independent professional valuers.</p> <p>The significant value represented for the Group, as a percentage (approximately 37.30%) of total assets, by the land and buildings included in the above-mentioned items, the ongoing recessionary environment prevailing in the Greek real estate market, as well as the subjectivity and significant judgments involved in the process of estimating their fair value, make the valuation of these items one of the most important audit issues.</p> <p>The fair value estimates, which resulted in an impairment of a total amount of € 507,418.94, were based on the Comparative Method, taking into account the factors that determine the value of the above properties, including comparative sales prices, as determined by independent professional valuers, and were fully accepted by the Board of Directors in their entirety.</p> | <p>As part of our audit, we requested and received from the Management, a review, the fair value appraisal report of the properties conducted by the independent professional appraisers and discussed with the Management the appraisal process and methods. In addition, having used independent professional appraisers, we performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • Evaluation of the independence, objectivity, suitability, adequacy of qualifications, and competence of the independent professional appraisers used by the management to estimate the fair value of the properties as of December 31, 2017. • Evaluation of the appropriateness of each property's fair value estimation method relative to accepted fair value estimation methods, taking into account the specific characteristics of each property. • Evaluation of the reasonableness of the assumptions used in the valuation studies of the independent professional appraisers used by the Management. • Verification of the appropriateness, completeness, and accuracy of the data input to the independent professional appraisers' valuation studies. • Review of the accounting records to verify the correct recording of the fair value of |

| | |
|---|--|
| | <p>each property.</p> <ul style="list-style-type: none"> • Reconciliation of the amounts reflected in the financial statements with the fair values in the appraisal studies of the independent professional appraisers. • In addition, we assessed the adequacy and appropriateness of the disclosures in note 9.5 of the financial statements. |
| <p>Recognition of revenue from construction contracts</p> | |
| <p>The Group's revenue for the year ended 31 December 2017 amounted to € 8,426,953.59 (€17,537,067.13 for the year ended 31 December 2016), and mainly includes revenue from construction contracts (2017: € 7.838.953,59, 2016: € 16.333.067,13).</p> <p>The accounting recognition of revenue from the execution of construction contracts is based on significant judgments and estimates made by the Management, with a high degree of uncertainty.</p> <p>Possible future changes in accounting estimates may lead to significant changes in both the revenue recognized and the related profitability.</p> <p>In particular, revenue from construction contracts is recognized over time and as performance commitments are fulfilled and its recognition requires estimates and judgments concerning the following:</p> <ul style="list-style-type: none"> • the recognition of performance obligations and the point in time when they are fulfilled, • the allocation of the transaction price (contract price) to the performance obligations, • the determination of the total costs to completion, • any revisions of the budgeted execution costs, • the likelihood of the client's approval of any claims for compensation and incentives. | <p>The key audit procedures we performed included but were not limited to:</p> <ul style="list-style-type: none"> • Understanding, recording, and evaluating the Group's procedures for recognizing revenue from construction contracts and assessing the effectiveness of their design. • The audit of construction contracts to assess significant and complex areas of the contracts and the proper accounting recognition of these contracts following the accounting principles and methods followed. <p>For the above audit we performed the following procedures:</p> <ul style="list-style-type: none"> • recording and understanding the key terms of the contracts to identify and confirm, on a project-by-project basis, the performance commitments and the point in time at which they are fulfilled, as well as the method of allocating the transaction price to the individual performance commitments. • comparison of actual results per construction contract with approved budgets and historical accounting data in order to assess the degree of reliability of management's judgments and estimates. • confirming, on a sample basis, the completeness and accuracy of the costs and other expenses incurred in fulfilling performance commitments and correlating them with the projects/contracts concerned, by obtaining the corresponding invoices, contracts, and other supporting |

| | |
|--|---|
| | <p>documents.</p> <ul style="list-style-type: none">• recalculation of the rate of the fulfillment of the performance commitments based on the actual costs incurred.• review of subsequent events, on a construction contract by construction contract basis, in order to assess the progress of the project and management's judgments in this regard.• In addition, we assessed the adequacy and appropriateness of the related disclosures in the financial statements. |
|--|---|

Other information

The members of the Board of Directors are responsible for Other Information. Other Information contained in the Annual Report required by Law 3556/2007 is the Management Report of the Board of Directors, for which reference is made in the "Report on Other Legal and Regulatory Requirements", the Corporate Governance Statement, the Explanatory Report of the Board of Directors and the Statements of the Members of the Board of Directors (but not including the financial statements and the audit report thereon), which we received before the date of this auditor's report.

Our opinion on the corporate and consolidated financial statements does not cover other information and we do not express in this opinion any form of assurance conclusion on them.

In connection with our audit of the corporate and consolidated financial statements, our responsibility is to read the Other Information and, in doing so, to consider whether the Other Information is materially inconsistent with the corporate and consolidated financial statements or with 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 in such Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance over the corporate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the corporate and consolidated financial statements in accordance with IFRSs as adopted by the European Union, the requirements of Codified Law 2190/1920, and for such internal audit as the Board of Directors determines is necessary to enable the preparation of corporate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the corporate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and the Group's ability to continue their operations, disclosing, where applicable, matters relating to continuing operations, and the use of the going concern basis of

accounting, unless the Board of Directors either intends to liquidate the Company and the Group or to discontinue operations or has no other realistic intention to do so, or has no other realistic intention to do so.

The Audit Committee (article 44 of Law 4449/2017) of the Company is responsible for overseeing the financial reporting process of the Company and the Group.

Responsibilities of the auditor for the audit of the corporate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the corporate and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes an opinion. Reasonable assurance is a high-level assurance, but it is not a guarantee that an audit performed following the ISAs, as incorporated into Greek law, will always detect a material misstatement when it occurs. Errors may arise from fraud or error and are considered material when, individually or in the aggregate, they could reasonably be expected to affect the financial decisions of users taken on the basis of these consolidated and consolidated financial statements.

As an audit task, in accordance with the ISAs as incorporated into Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement of the corporate and consolidated financial statements, whether due to fraud or error, by designing and performing audit procedures that are appropriate 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 due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, false assurances, or circumvention of internal audits.
- We understand the internal audit relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal audit.
- We evaluate the appropriateness of accounting principles and methods used and the reasonableness of accounting estimates and related disclosures made by the Management.
- We express an opinion on the appropriateness of the Board of Directors' use of accounting and on the basis of the audit evidence obtained as to whether there is any material uncertainty about events or circumstances that may indicate a material uncertainty about the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required in the auditor's report to draw attention to the relevant disclosures in the corporate and consolidated financial statements or, if those disclosures are inadequate, to differentiate our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the Company and the Group ceasing to operate as a going concern.
- We evaluate the overall presentation, structure, and content of the corporate and consolidated financial statements, including disclosures, and whether the corporate and consolidated financial statements present the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial reporting of the entities or business activities within the Group to form an opinion on the corporate and consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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

In addition, we represent to those charged with governance that we have complied with the relevant ethical requirements on independence and disclose to them all relationships and other matters that may reasonably be considered to affect our independence and related safeguards, where applicable.

Of the matters disclosed to those charged with governance, we identify those matters that were significant to the audit of the current period's corporate and consolidated financial statements and are therefore the most significant audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of the Board of Directors

Taking into account that the management is responsible for the preparation of the Management Report of the Board of Directors and the Corporate Governance Statement included in this report, under the provisions of paragraph 5 of Article 2 of Law 4336/2015 (part B), we note that:

- a) The Management Report of the Board of Directors includes a Corporate Governance Statement, which provides the information specified in Article 43 (bb) of Codified Law 2190/1920.
- b) In our opinion, the Management Report of the Board of Directors has been prepared following the applicable legal requirements of Articles 43 (a) and 107A and paragraph 1 (items c' and d') of Article 43 (bb) of Codified Law 2190/1920 and its content corresponds to the attached financial statements for the financial year ended on 31/12/2017.
- c) Based on the knowledge we obtained during our audit, for EKTER S.A. and its environment, we have not identified any material misstatements in the Management Report of the Board of Directors.

2. Supplementary Report to the Audit Committee

Our opinion on the accompanying corporate and consolidated financial statements is consistent with our Supplementary Report to the Audit Committee of the Company, as required by Article 11 of the European Union Regulation (EU) No. 537/2014.

3. Provision of Non-Audit Services

We have not provided non-audit services to the Company, which are prohibited following the provisions of Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and the Council and Law 4449/2017. We have not provided non-audit services to the Company that is in accordance with the aforementioned legal and regulatory framework and the Code of Professional Ethics of the International Federation of Accountants.

stamp: AIKATERINI CH. KATECHI
LAWYER

Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.
ANNUAL FINANCIAL STATEMENTS OF 31 DECEMBER 2017

4. Appointment of Auditor

We were appointed as the Company's auditors by resolution of the Annual General Meeting of Shareholders held on 29/06/2015. Since then, our appointment has been continuously renewed for a total period of 3 years based on the resolutions passed annually at the annual general meeting of the shareholders.

Glyfada, 27 April 2018



ELEGTIKOS KIKLOS LTD

11 Dimarhou Angelou Metaxa Street, Glyfada, Attica

Αττικής

ASSOCIATION OF STATUTORY AUDITORS

REG. NO. 133

The Statutory Auditor

[signature]

Stefanos K. Kioulafas
ASSOCIATION OF STATUTORY
AUDITORS REG. NO. 32681

IV. FINANCIAL STATEMENTS

A. ELEMENTS OF THE STATEMENT OF FINANCIAL POSITION

Concise Published Form

| <u>ASSETS</u> | | GROUP | | COMPANY | |
|---|--------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| | Note (CH.9) | | | | |
| Property, plant and equipment used by company itself | 10 | 360,245.42 | 396,812.93 | 344,860.39 | 378,063.33 |
| Investment property | 10 | 7,891,000.00 | 8,129,000.00 | 7,829,000.00 | 8,069,000.00 |
| Intangible assets | 10 | 8.80 | 422.31 | 8.80 | 422.31 |
| Other non-current assets | 15 | 3,487,911.63 | 2,764,773.12 | 3,927,387.89 | 3,915,207.12 |
| Inventories-Receivables from project execution | 13 | 1,813,679.62 | 3,700,957.03 | 1,813,679.62 | 3,629,151.44 |
| Trade receivables | 14 | 2,008,062.69 | 685,178.01 | 2,004,714.69 | 684,483.61 |
| Other current assets | 15 | 3,881,571.73 | 2,952,385.06 | 3,273,390.61 | 2,748,090.69 |
| Cash & cash equivalents | 16 | 4,892,860.39 | 7,962,609.32 | 4,618,765.80 | 7,931,646.77 |
| TOTAL ASSETS | | <u>24,335,340.28</u> | <u>26,592,137.78</u> | <u>23,811,807.80</u> | <u>27,356,065.27</u> |
| <u>EQUITY AND LIABILITIES</u> | | | | | |
| Share Capital | 22 | 5,850,000.00 | 5,850,000.00 | 5,850,000.00 | 5,850,000.00 |
| Other equity items | 22 | 13,684,788.03 | 15,479,216.95 | 13,128,024.14 | 15,072,476.54 |
| Total equity of parent company owners (a) | | 19,534,788.03 | 21,329,216.95 | 18,978,024.14 | 20,922,476.54 |
| Long-term debt liabilities | 18 | 0.00 | 0.00 | 0.00 | 0.00 |
| Provisions / Other long-term liabilities | 17 | 328,529.22 | 361,007.67 | 328,509.59 | 360,998.19 |
| Other short-term liabilities | 19 | 4,472,023.03 | 4,901,913.16 | 4,505,274.07 | 6,072,590.54 |
| Total liabilities (b) | | 4,800,552.25 | 5,262,920.83 | 4,833,783.66 | 6,433,588.73 |
| TOTAL EQUITY AND LIABILITIES (a)+(b) | | <u>24,335,340.28</u> | <u>26,592,137.78</u> | <u>23,811,807.80</u> | <u>27,356,065.27</u> |

The notes on pages 47 to 92 form an integral part of these annual financial statements.

B. STATEMENT OF COMPREHENSIVE INCOME

| ELEMENTS OF THE STATEMENT FOR THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD | Note (CHA P.9) | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Turnover | 2 | 8,426,953.59 | 17,537,067.13 | 8,176,953.59 | 16,493,067.13 |
| Cost of sales | 3 | -7,904,560.79 | -15,146,993.89 | -7,763,717.78 | -14,073,396.24 |
| Gross profit | | 522,392.80 | 2,390,073.24 | 413,235.81 | 2,419,670.89 |
| (% of net turnover) | | 6.20% | 13.63% | 5.05% | 14.67% |
| Other operating income | 5 | 70,827.06 | 36,075.21 | 59,864.54 | 37,595.21 |
| Administrative expenses | 4 | -1,434,596.99 | -1,372,705.98 | -1,405,617.06 | -1,339,074.11 |
| Other operating expenses | 5 | -568,765.14 | -414,224.26 | -560,277.90 | -411,130.96 |
| Profit/loss before tax, financial and investment result and depreciation | | -1,362,487.09 | 679,557.06 | -1,447,617.33 | 745,947.14 |
| (% of total turnover) | | -16.03% | 3.87% | -17.57% | 4.51% |
| Amortizations | | -47,655.18 | -40,338.85 | -45,177.28 | -38,886.11 |
| Profit/loss before tax, financial and investment profit/loss | | -1,410,142.27 | 639,218.21 | -1,492,794.61 | 707,061.03 |
| (% of total turnover) | | -16.59% | 3.64% | -18.12% | 4.28% |
| Financial income | 6 | 5,200.99 | 9,219.36 | 5,069.26 | 9,217.46 |
| Financial expenses | 6 | -272,835.85 | -368,016.90 | -272,668.72 | -364,455.02 |
| Other financial results | 7 | 8,639.67 | 108,156.40 | -130,918.52 | -34,160.84 |
| Profit/(loss) before tax | | -1,669,137.46 | 388,577.07 | -1,891,312.59 | 317,662.63 |
| (% of total turnover) | | -19.64% | 2.21% | -22.96% | 1.92% |
| Minus taxes | 8 | 325,145.91 | -284,014.16 | 396,860.19 | -257,680.17 |
| Profit/(loss) after tax (A) | | -1,343,991.55 | 104,562.91 | -1,494,452.40 | 59,982.46 |
| (% of total turnover) | | -15.82% | 0.60% | -18.14% | 0.36% |
| <u>Breakdown:</u> | | | | | |
| Owners of Parent Company | 9 | -1,343,991.55 | 104,562.91 | -1,494,452.40 | 59,982.46 |
| <u>Other comprehensive income :</u> | | | | | |
| <u>Items that may be further classified in the income statement</u> | | | | | |
| Effect of exchange rates from conversion of financial statements | | -437.37 | 0.00 | 0.00 | 0.00 |
| Other comprehensive income after tax (B) | | -437.37 | 0.00 | 0.00 | 0.00 |
| <u>Aggregated total income after tax (A)+(B)</u> | | -1,344,428.92 | 104,562.91 | -1,494,452.40 | 59,982.46 |
| Owners of Parent Company | 9 | -1,344,428.92 | 104,562.91 | -1,494,452.40 | 59,982.46 |
| Number of shares (units) | | 11,250,000 | 11,250,000 | 11,250,000 | 11,250,000 |
| Weighted average number of shares (units) | | 11,250,000 | 11,250,000 | 11,250,000 | 11,250,000 |
| Earnings after tax per share - basic | | -0.1195 € | 0.0093 € | -0.1328 € | 0.0053 € |

The notes on pages 47 to 92 form an integral part of this annual financial information.

C. STATEMENT OF CHANGES IN EQUITY

C.1. CONSOLIDATED FIGURES

| EQUITY FLOW | SHARE CAPITAL | PREMIUM | OTHER RESERVES | RETAINED EARNINGS | TOTAL EQUITY |
|-----------------------------------|----------------------|----------------|-----------------------|--------------------------|---------------------|
| Balances 1/1/2017 | 5,850,000.00 | 8,360,843.73 | 6,622,637.30 | 495,735.92 | 21,329,216.95 |
| Aggregated total income after tax | | | -437.37 | -1,343,991.55 | -1,344,428.92 |
| | 5,850,000.00 | 8,360,843.73 | 6,622,199.93 | -848,255.63 | 19,984,788.03 |
| Dividends Distributed | | | -430,000.00 | -20,000.00 | -450,000.00 |
| Balances 31/12/2017 | 5,850,000.00 | 8,360,843.73 | 6,192,199.93 | -868,255.63 | 19,534,788.03 |

| EQUITY FLOW | SHARE CAPITAL | PREMIUM | OTHER RESERVES | RETAINED EARNINGS | TOTAL EQUITY |
|--|----------------------|----------------|-----------------------|--------------------------|---------------------|
| Balances 1/1/2016 | 5,850,000.00 | 8,360,843.73 | 6,928,271.91 | 635,538.40 | 21,774,654.04 |
| Aggregated total income after tax | | | | 104,562.91 | 104,562.91 |
| | 5,850,000.00 | 8,360,843.73 | 6,928,271.91 | 740,101.31 | 21,879,216.95 |
| Transfer to Ordinary Reserve | | | 9,365.39 | -9,365.39 | |
| Dividends Distributed | | | -315,000.00 | -135,000.00 | -450,000.00 |
| Remuneration of the board of directors | | | | -100,000.00 | -100,000.00 |
| Balances 31/12/2016 | 5,850,000.00 | 8,360,843.73 | 6,622,637.30 | 495,735.92 | 21,329,216.95 |

The notes on pages 47 to 92 form an integral part of these annual financial statements.

C.2. CORPORATE INFORMATION

| EQUITY FLOW | SHARE CAPITAL | PREMIUM | OTHER RESERVES | RETAINED EARNINGS | TOTAL EQUITY |
|-----------------------------------|---------------|--------------|----------------|-------------------|---------------|
| Balances 1/1/2017 | 5,850,000.00 | 8,360,843.73 | 6,622,637.30 | 88,995.51 | 20,922,476.54 |
| Aggregated total income after tax | | | | -1,494,452.40 | -1,494,452.40 |
| | 5,850,000.00 | 8,360,843.73 | 6,622,637.30 | -1,405,456.89 | 19,428,024.14 |
| Dividends Distributed | | | -430,000.00 | -20,000.00 | -450,000.00 |
| Balances 31/12/2017 | 5,850,000.00 | 8,360,843.73 | 6,192,637.30 | -1,425,456.89 | 18,978,024.14 |

| EQUITY FLOW | SHARE CAPITAL | PREMIUM | OTHER RESERVES | RETAINED EARNINGS | TOTAL EQUITY |
|--|---------------|--------------|----------------|-------------------|---------------|
| Balances 1/1/2016 | 5,850,000.00 | 8,360,843.73 | 6,928,271.91 | 273,378.44 | 21,412,494.08 |
| Aggregated total income after tax | | | | 59,982.46 | 59,982.46 |
| | 5,850,000.00 | 8,360,843.73 | 6,928,271.91 | 333,360.90 | 21,472,476.54 |
| Transfer to Ordinary Reserve | | | 9,365.39 | -9,365.39 | 0.00 |
| Dividends Distributed | | | -315,000.00 | -135,000.00 | -450,000.00 |
| Remuneration of the Board of Directors | | | | -100,000.00 | -100,000.00 |
| Balances 31/12/2016 | 5,850,000.00 | 8,360,843.73 | 6,622,637.30 | 88,995.51 | 20,922,476.54 |

The notes on pages 47 to 92 form an integral part of these annual financial statements.

D. CASH FLOW STATEMENT

| | GROUP | | COMPANY | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| <u>Operating Activities</u> | | | | |
| Accounts receivable | 6,978,989.42 | 14,863,720.66 | 6,677,342.49 | 13,821,135.06 |
| Payments to suppliers, employees etc. | -9,903,222.46 | -15,409,951.26 | -9,917,310.26 | -14,311,710.43 |
| Tax payments (collection of refunds) | 938,383.90 | -100,011.97 | 926,942.73 | -175,789.75 |
| Interest and related expenses paid | -272,835.85 | -368,732.48 | -272,668.72 | -365,170.60 |
| Total inflows / (outflows) from operating activities (a) | <u>-2,258,684.99</u> | <u>-1,014,975.05</u> | <u>-2,585,693.76</u> | <u>-1,031,535.72</u> |
| <u>Investment Activities</u> | | | | |
| Purchase of tangible and intangible assets | -16,560.83 | -261,951.08 | -16,560.83 | -261,951.08 |
| Proceeds from the sale of tangible and intangible assets | 2,086.67 | 67,000.00 | 1,200.00 | 72,000.00 |
| Proceeds (payments) from the sale (purchase) of investment securities | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest received | 5,200.99 | 9,219.36 | 5,069.26 | 9,217.46 |
| Proceeds (payments) from equity investments, joint ventures, investment securities | -360,484.11 | -258,542.00 | -275,588.98 | -258,542.00 |
| Total inflows / (outflows) from investment activities (b) | <u>-369,757.28</u> | <u>-444,273.72</u> | <u>-285,880.55</u> | <u>-439,275.62</u> |
| <u>Financing Activities</u> | | | | |
| Proceeds of from issued / received loans | 0.00 | 0.00 | 0.00 | 0.00 |
| Proceeds (payments) from financial leasing contracts | 0.00 | 0.00 | 0.00 | 0.00 |
| Paid dividends | -441,306.66 | -548,852.31 | -441,306.66 | -548,852.31 |
| Total inflows / (outflows) from financing activities (c) | <u>-441,306.66</u> | <u>-548,852.31</u> | <u>-441,306.66</u> | <u>-548,852.31</u> |
| Net increase (decrease) in cash & cash equivalents for the year (a)+(b)+(c) | <u>-3,069,748.93</u> | <u>-2,008,101.08</u> | <u>-3,312,880.97</u> | <u>-2,019,663.65</u> |
| Cash and cash equivalents at beginning of year | <u>7,962,609.32</u> | <u>9,970,710.40</u> | <u>7,931,646.77</u> | <u>9,951,310.42</u> |
| Effect of exchange rate differences on cash and cash equivalents | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Cash and cash equivalents at end of year | <u>4,892,860.39</u> | <u>7,962,609.32</u> | <u>4,618,765.80</u> | <u>7,931,646.77</u> |

The notes on pages 47 to 92 form an integral part of these annual financial statements.

E. NOTES TO THE FINANCIAL STATEMENTS

1. The context in which the financial statements are drawn up

The consolidated and unconsolidated financial statements of EKTER S.A. as of 31 December 2017, covering the period from 1 January to 31 December 2017, have been prepared based on:

- the historical cost principle, as modified by the revaluation of certain assets and liabilities at current values,
- the going concern principle,
- the principle of separation of functions,
- the uniformity of presentation,
- the significance of items

and comply with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and their interpretations issued by the IASB's Interpretations Committee (IFRIC) and adopted by the European Union. These financial statements of the Company and the Group for the period 1/1-31/12/2017 have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements should be read in conjunction with the 2016 annual and periodic financial statements, as this provides the user with more comprehensive information.

The preparation of financial statements following IFRS requires the use of estimates and judgments in the application of accounting principles by the Company. The management uses all information available to it in preparing the financial statements and restates line items where necessary based on the principles and rules set out in the IFRS framework.

The accounting principles followed by the Company and the Group in the preparation of the annual financial statements as of 31/12/2017 are consistent with those described in the published financial statements for the year ended 31/12/2016, after taking into account the amendments issued by the International Accounting Standards Board (IASB), adopted by the European Union and whose application is mandatory at the specific times mentioned below, where applicable:

(a) New standards, amendments, and improvements to existing standards adopted by the Group

The new standards, amendments, and improvements to existing standards whose application is mandatory for annual periods beginning on or after 1 January 2017 are set out below, and do not result in significant changes unless otherwise stated.

IAS 7 (Amendments) 'Disclosures'

The amendments introduce mandatory disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 (Amendments) 'Recognition of deferred tax assets on unrealized losses'

The amendments clarify the accounting treatment for the recognition of deferred tax assets on unrealized losses arising from loans measured at fair value.

(b) New standards, amendments, and improvements to existing standards and interpretations whose application is mandatory for periods beginning after 1 January 2018 — Except for those standards that are explicitly referenced, the Group does not expect to be significantly affected by the following changes

IFRS 9 “Financial Instruments: Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39”
(effective for annual periods beginning on or after 1 January 2018)

The IASB (International Accounting Standards Board) issued IFRS 9 Hedge Accounting, the third phase in the project to replace IAS 39, which establishes a principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current IAS 39 model. The second amendment requires changes in the fair value of an entity's liability that are attributable to changes in the entity's own credit risk to be recognized in other comprehensive income and the third amendment removes the mandatory application date of IFRS 9.

In 2017, the Group and the Company completed their study regarding the classification and measurement requirements of IFRS 9 (including impairment), concluding that the majority of their financial instruments will be accounted for in a manner similar to IAS 39. In particular, the consideration of the business model and cash flow characteristics does not affect the classification

and measurement of the Group's and the Company's trade and other receivables, which will continue to be measured at amortized cost. It is also stated that the Group and the Company have not applied hedge accounting and will not elect to apply hedge accounting on 1 January 2018 following the new standard.

IFRS 9 (Amendments) “Early redemption rights with negative redemption penalties” (effective for annual accounting periods beginning on or after 1 January 2019)

The amendments provide companies with the option if they meet a specified condition, to measure financial assets with early repayment rights and negative compensation at amortized cost or fair value through other comprehensive income instead of at fair value through profit or loss. The Group cannot adopt earlier the amendments as they have not yet been adopted by the European Union.

IFRS 15 “Revenue from Contracts with Customers” - (effective for annual accounting periods beginning on or after 1 January 2018)

IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, understandable model for recognizing revenue from all customer contracts to improve comparability between companies in the same industry, different industries, and different capital markets. It includes the principles that an entity should apply to determine the measurement of revenue and the timing of its recognition. The basic principle is that an entity shall recognize revenue in a manner that reflects the transfer of goods or services to customers in the amount that it expects to be entitled to in exchange for those goods or services.

IFRS 15 establishes a five-step model to be applied to revenue arising from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or industry. The requirements of the standard will also apply to the recognition and measurement of profit and loss on the sale of certain non-financial assets that are not the output of the entity's ordinary activities (e.g., sales of property, plant, and equipment, or intangible assets). Extensive disclosures will be required, including an analysis of total revenues, information about performance obligations, changes in balances of contract assets and contract liabilities between periods, and key judgments and estimates.

The Group and the Company will adopt the standard on 1 January 2018 using the modified retrospective method, i.e., the effect of transition will be recognized cumulatively in "Retained earnings" and comparative amounts will not be restated. However, the Group and the Company do not expect any impact on their profitability, liquidity, or financial position when they apply IFRS 15 for the first time. Therefore, no adjustment will be made to "Retained earnings" on 1 January 2018.

IFRS 16 “Leases” - (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and replaces IAS 17. The objective of the standard is to ensure that lessees and lessors provide useful information that fairly presents the substance of transactions involving leases. IFRS 16 introduces a single model for lessee-side accounting treatment, which requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is not of significant value. With respect to lessor accounting, IFRS 16 substantially incorporates the requirements of IAS 17. Therefore, the lessor continues to categorize leases into operating and finance leases, and applies different accounting treatments for each type of lease.

The Group and the Company plan to adopt the new standard on the effective date (1 January 2019) and no change is expected.

IFRS 17 “Insurance Contracts” (effective for annual accounting periods beginning on or after 1 January 2021)

IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes principles for the recognition, measurement, and presentation of insurance contracts within the scope of the standard and related disclosures. The objective of the standard is to ensure that an entity provides relevant information that presents those contracts in a fair manner. The new standard resolves the comparability problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance liabilities will be measured at current values and not at historical cost. The standard has not yet been adopted by the European Union.

IFRS 2 “Classification and Measurement of Share-based Payment Transactions (Amendments)”
(effective for annual periods beginning on or after 1 January 2018)

The amendment provides clarifications on the measurement basis in respect of cash-settled share-based payment transactions and the accounting treatment for modifications to terms that change a cash-settled benefit to an equity-settled benefit. In addition, they introduce an exception to the principles of IFRS 2 whereby a benefit should be treated as if it were to be settled entirely in equity instruments, in cases where the employer is required to withhold an amount to cover employees' tax liabilities arising from share-based payment transactions and remit it to the tax authorities. The amendments have not yet been adopted by the European Union.

IFRS 4 (Amendments) “Application of IFRS 9 Financial Instruments to IFRS 4 Insurance Contracts”
(effective for annual periods beginning on or after 1 January 2018)

The amendments introduce two approaches. The amended standard will (a) provide an option for all entities that issue insurance contracts to recognize in other comprehensive income rather than in the income statement any differences arising from the application of IFRS 9 before the new standard for insurance contracts is issued, and (b) provide entities whose activities are primarily in the insurance industry with an option for a temporary exemption from applying IFRS 9 until 2021. Entities that defer the application of IFRS 9 will continue to apply the existing IAS 39 standard for financial instruments.

IAS 28 (Amendments) “Long-term investments in affiliated companies and joint ventures”
(effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that entities shall account for their long-term interests in an affiliated company or joint venture, to which the equity method is not applied, in accordance with IFRS 9. The amendments have not yet been adopted by the European Union.

IAS 40 (Amendments) “Transfers of investment property” (effective for annual periods beginning on or after 1 January 2018)

The amendments clarify that for a transfer to or from investment property to take place, a change in use must have occurred. In order for a change in the use of a property to be considered to have occurred, it must be assessed whether the property complies with the definition and the change of use must be capable of being documented. The amendments have not yet been adopted by the European Union.

IFRIC 22 “Foreign currency transactions and advances” (effective for annual periods beginning on or after 1 January 2018)

The Interpretation provides guidance on how to determine the transaction date when applying the standard on foreign currency transactions, IAS 21. This Interpretation applies when an entity either pays or receives upfront payment for contracts denominated in a foreign currency. The Interpretation has not yet been adopted by the European Union.

IFRIC 23 “Uncertainty about the treatment of income tax matters” (effective for annual periods beginning on or after 1 January 2019)

The Interpretation guides the recognition and measurement of current and deferred income tax when there is uncertainty about the tax treatment of certain items. IFRIC 23 applies to all aspects of accounting for income tax when such uncertainty exists, including taxable profit/loss, the tax base of assets and liabilities, taxable profits and tax losses, and tax rates. The interpretation has not yet been adopted by the European Union.

Annual Improvements to IFRS 2014 (Cycle 2014 - 2016)

The amendments listed below describe the main changes to two IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 12 “Disclosure of Interests in Other Entities”

The amendment provides clarification that the requirement to provide the disclosures in IFRS 12 applies to interests in entities classified as held for sale, other than the requirement to provide condensed financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

IAS 28 “Investments in affiliates and joint ventures”

The amendments clarify that when fund management entities, mutual funds, and entities with similar activities apply the option to measure interests in affiliates or joint ventures at fair value through profit or loss, this option should be made separately for each affiliate or joint venture on initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

Annual Improvements to IFRSs (Cycle 2015 - 2017) (effective for annual accounting periods beginning on or after 1 January 2019)

The amendments listed below include changes to four IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 3 “Business Combinations”

The amendments clarify how an entity remeasures the interest it previously held in a jointly controlled operation when it acquires control of that operation.

IFRS 11 “Joint Arrangements”

The amendments clarify that an entity does not remeasure the interest it previously held in a jointly controlled operation when it obtains joint control of that operation.

IAS 12 “Income Taxes”

The amendments clarify that an entity shall account for all income tax consequences of dividend payments in the same way.

IAS 23 “Cost of borrowing”

The amendments clarify that an entity treats as part of general borrowing any loan incurred specifically for the development of an asset when that asset is ready for its intended use or sale.

2. Information about the Company

The company “EKTER ANONYMOUS TECHNICAL - BUILDING - REAL ESTATE - HOTEL - COMMERCIAL - INDUSTRIAL COMPANY” with the distinctive title “EKTER S.A.”, was founded in 1973 (Government Gazette 1715/04.10.73) and has its registered office in the Municipality of Athens, Prefecture of Attica. The Company is registered in the Register of Public Limited Companies of the Ministry of Development under number 2147/06/B/86/06. Its headquarters are located at 15 Nikis Street, Athens, P.C. 105 57.

The company's activity falls within the construction sector and its object falls within the category “civil engineering works”, code 42, according to the analysis of the Hellenic Statistical Authority (STAKOD - 08). The Company's purpose, which was amended and expanded following the Extraordinary General Meeting of 07.11.2012, is in accordance with Article 4 of its Articles of Association, which is posted on the Company's website in its corporate profile.

The Company, after completing the last regular review of its diploma, continues to hold a Register

Contractor's diploma of the 6th class which is valid until 15.09.2018.

The Board of Directors since its reconstitution on 08/04/2014 (Government Gazette 4022/23.04.2014) and until 30/6/2017 was as follows:

| <u>Full name</u> | <u>Status</u> | <u>Term of office (from)</u> |
|------------------------|---|------------------------------|
| Athanasios Sipsas | President of the Board, Executive Member | 12.10.2012 – 30.06.2017 |
| Konstantinos Stoumpos | Vice-President of the Board & Managing Director, Executive Member | 12.10.2012 – 30.06.2017 |
| Ioannis Alexandris | Independent Non-Executive Member | 12.10.2012 – 30.06.2017 |
| Androniki Ioannidou | Non-Executive Member | 12.10.2012 – 30.06.2017 |
| Aristides Papadopoulos | Independent Non-Executive Member | 31.01.2014 – 30.06.2017 |

The Ordinary General Meeting of the shareholders of 30.06.2017, elected a new Board of Directors, due to the imminent expiration of the previous one's term of office on 12.10.2017, for the next five years. The new Board of Directors was constituted and its representation was appointed on the same day, i.e. 30.06.2017. The said resolution for the election of the new Board of Directors dated 30.06.2017 was registered under registration code 1120301 in the General Electronic Commercial Registry (G.E.MI.)/General Market Department/Directorate of Companies & G.E.MI./Division of Listed Companies & Sports Companies and was ratified by notice No. 845096/19.07.2017.

Following the above, the composition of the Board of Directors is as follows:

| <u>Full name</u> | <u>Status</u> | <u>Term of office (from-to)</u> |
|------------------------|---|---------------------------------|
| Athanasios Sipsas | President of the Board, Executive Member | 30.06.2017 – 30.06.2022 |
| Konstantinos Stoumpos | Vice-President of the Board & Managing Director, Executive Member | 30.06.2017 – 30.06.2022 |
| Georgios Pliatsikas | Independent Non-Executive Member | 30.06.2017 – 30.06.2022 |
| Androniki Ioannidou | Non-Executive Member | 30.06.2017 – 30.06.2022 |
| Aristides Papadopoulos | Independent Non-Executive Member | 30.06.2017 – 30.06.2022 |

Based on the resolution, the term of office of the above Board of Directors may be extended until the expiry of the period within which the next Ordinary General Meeting must be convened, but may not exceed six (6) years.

3. Structure of the Group

The table below shows the company and the joint ventures included in the Company's annual financial statements for the period 1/1 - 31/12/2017, with their respective countries of domicile, the percentages of ownership, and the methods of consolidation by the parent company. The unaudited tax years of the consolidated companies and joint ventures as of 31/12/2017 are also shown. The parent company EKTER S.A. has been tax audited up to and including the financial year 2008, and on 16/11/2011 it accepted a tax clearance note under Law 3888/2010 for the unaudited financial year 2009. The Parent Company has also been audited for tax purposes for the years 2011-2013 in accordance with par. 5 of Article 82 of Law 2238/1994.

For the financial years 2014, 2015, and 2016, the tax audit of the parent company and the subsidiary of IFIKLIS S.A. was carried out following the provisions of Article 65 (a) of Law 4174/2013, and respective Tax Certificates were issued with an unqualified conclusion.

The tax audit of the parent company and the subsidiary of IFIKLIS S.A. for the tax year 2017 is carried out according to the same provisions. This audit is in progress and the relevant tax certificate is expected to be granted, following the approval of the financial statements for the financial year 2017 by the Ordinary General Meetings of the two companies. If additional tax liabilities arise until the completion of the tax audit, we estimate that they will not have a material impact on the financial statements.

| Company Name | Headquarters | Percentage of participation | Consolidation method | UNAUDITED TAX YEARS |
|---|--------------|-----------------------------|----------------------|---------------------|
| IFIKLIS S.A. | Greece | 100% | Full | 2010-2013 |
| EKTER VENTURES SRL | Romania | 100% | Full | 2017 |
| PRIPU RESIDENCE SRL | Romania | 50% | Net Position | 2017 |
| J/V EKTER S.A – ERTEKA S.A. – THEMELI S.A.- INTRAKAT | Greece | 24% | Net Position | 2011-2017 |
| J/V DOMIKI KRITIS S.A. - EKTER S.A. - ERETVO S.A (GOURNES, HERAKLEIO CRETE) | Greece | 33.33% | Net Position | 2013-2017 |
| J/V AEGEK CONSTRUCTION S.A. - VIOTER S.A. - AKTOR S.A. - EKTER S.A | Greece | 20% | Net Position | 2010-2017 |
| J/V IFIKLIS S.A. - TALOS ATE | Greece | 37.49% | Net Position | 2014-2017 |
| J/V ERETVO S.A. - EKTER S.A. - DOMIKI KRITIS S.A. (AGIA VARVARA, CRETE) | Greece | 33.33% | Net Position | 2016-2017 |

The company also participates in other joint ventures whose work has been completed and whose dissolution is expected. The company's payables and receivables from and to all joint ventures are shown in the next part of the notes.

4. Transactions with parties related to the Company

During the current period, the sales/purchases to/from related parties and the amounts of the Company's payables and receivables to and from related parties as of 31/12/2017 are shown in the table below.

| Company Name | Expenses | Sales | Liabilities | Receivables |
|---|---------------|-------------------|-------------------|-------------------|
| Consolidated Companies | | | | |
| IFIKLIS S.A. | 866.67 | 2,400.00 | 22,931.27 | 0.00 |
| J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." | 0.00 | 471,621.73 | 355,497.59 | 0.00 |
| J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A." | 0.00 | 0.00 | 0.00 | 355,663.23 |
| J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA) | 0.00 | 0.00 | 14,451.59 | 0.00 |
| EKTER VENTURES SRL | 0.00 | 0.00 | 0.00 | 400,000.00 |
| Subtotal | 866.67 | 474,021.73 | 392,880.45 | 755,663.23 |
| Participation Joint Ventures that are not Consolidated | 0.00 | 0.00 | 290,279.86 | 12,657.58 |
| Total | 866.67 | 474,021.73 | 683,160.31 | 768,320.81 |

It is noted that the Company's undertaking of subcontracting work on behalf of joint ventures where it participates is treated as a project and managed as per the provisions of IAS 11, and any receivable/liability is shown through the revenue accounts. Also in calculating the above receivables and payables from joint ventures, the results of 31/12/2017 sent to the company have been calculated.

After restating the reported tax results, the above table is as follows:

| Company Name | Expenses | Sales | Liabilities | Receivables |
|---|-------------|-------------------|-------------------|---------------------|
| Consolidated Companies | | | | |
| J/V "IFIKLIS S.A. - TALOS S.A." | 0.00 | 0.00 | 801.21 | 0.00 |
| J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." | 0.00 | 471,621.73 | 355,497.59 | 292,866.29 |
| J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A." | 0.00 | 0.00 | 0.00 | 338,335.29 |
| J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA) | 0 | 0 | 0.00 | 235,584.99 |
| PRIPU RESIDENCE SRL | 0.00 | 0.00 | 0.00 | 370,000.00 |
| Subtotal | 0.00 | 471,621.73 | 356,298.80 | 1,236,786.57 |
| Participation Joint Ventures that are not Consolidated | 0.00 | 0.00 | 290,279.86 | 12,657.58 |
| Total | 0.00 | 471,621.73 | 646,578.66 | 1,249,444.15 |

In detail, the management of the Company and the Group has received in the current financial year:

| Category of Board of Directors' remuneration | Total Exit Amount until 31/12/2017 | Balance to be paid as at 31/12/17 |
|--|------------------------------------|-----------------------------------|
| Remuneration of the BoD Based on the decision of the General Meeting of Shareholders & service contracts | 488,128.32 | 0.00 |
| Remuneration of the Board of Directors from Profit for the previous year | 0.00 | 0.00 |
| Total | 488,128.32 | 0.00 |

It is noted that the members of the Board of Directors who receive remuneration based on resolutions of the General Meeting do not receive remuneration for their services to the Board of Directors. The approval of the aforementioned remuneration is made annually at the Annual General Meeting of Shareholders.

In 2017, the external auditors' fees for their audit services amounted to € 27,000.00 (2016: € 28,500.00) for the Group and € 24,000.00 (2016: € 25,500.00) for the Company.

5. Evolution of staff employed

The table below shows the number of full-time employees at EKTER S.A:

| STAFF EMPLOYED | 31/12/2017 | 30/6/2017 | 31/12/2016 |
|-------------------------------|------------|-----------|------------|
| Salaried employees | 14 | 13 | 10 |
| Independent Service Contracts | 23 | 22 | 28 |
| Total | 37 | 35 | 38 |

The evolution of the Group's personnel is as follows:

| STAFF EMPLOYED | 31/12/2017 | 30/6/2017 | 31/12/2016 |
|-------------------------------|------------|-----------|------------|
| Salaried employees | 20 | 17 | 11 |
| Independent Service Contracts | 35 | 34 | 37 |
| Total | 55 | 51 | 48 |

The above personnel includes persons employed by subsidiaries and affiliates, who are either on loan or provide their services exclusively to them, by signing respective independent service contracts, but are in essence included in the company's staff.

6. Important notes / events

6.1. Events during the period included in the financial statements

Here is a summary of the most significant events during the period 1/1/2017 - 31/12/2017, as detailed in paragraph 2 of the Annual Report of the Board of Directors:

1. On February 24, 2017, the signing of a contract with the company ENERGEIAKOS KOMVOS S.A. was announced regarding the execution of the construction and electromechanical works, as well as the landscaping of the hotel's surroundings in Paros, for a total price of € 7.910.000,00 plus VAT.
2. On 03.08.2017, the Plenary Decision No. 642/2017 of the Competition Commission was served, concerning the case of the ex officio investigation of the General Directorate of Competition in tenders for public infrastructure projects. By the decision No. 628/2016 of the Competition Commission, a fine of € 99.858,00€ was imposed on EKTER S.A.

3. On 12 October 2017, the signing of a contract with the company “KATASTIMATA AFOROLOGITON EIDON S.A.” was announced regarding the execution of the works of the project "EXTENSION OF THE AIRPORT BUILDING - RELOCATION AND EXTENSION OF THE DUTY-FREE SHOPS AT HERAKLION STATE AIRPORT 'KAIK'". The total price of the contract scope was set at € 7.874.000,00, including VAT.
4. A subsidiary company (100%) was established under the name EKTER VENTURES S.R.L. with its registered office in Bucharest, Romania. Its field of activity is the development and execution of projects.
5. On November 2, 2017, the completion of the special tax audit conducted by the statutory auditor for the financial year 2016 was announced, both for the Company and its subsidiary IFIKLISS S.A., and respective Tax Certificates were issued with an unreserved conclusion.
6. The sales of three (3) apartments of the Company in the multistory building in Neo Faliro, as well as the remaining apartment of the subsidiary company IFIKLIS S.A. in the area of Vrilissia, Attica, were completed.

6.2. Subsequent events

During the period from 1/1/2018 until the approval of these annual financial statements of the Group, the following significant events occurred:

1. On February 7, 2018, the signing of a project execution contract with the company “HOTELS PYRAMIS S.A.”, owner of the EDEN BEACH RESORT hotel, was announced. The subject of the Contract is the execution of the works of the project "Completion of Existing Building C, Refurbishment - Renovation of Existing Buildings A & B, Landscaping and Other Works at the EDEN Hotel Complex in Anavissos, Attica". The total budget of the project amounts to € 19.700.000,00 including VAT, while the deadline for completion of all works and delivery of the project was set for the 15th of April 2019.
2. In execution of court decisions concerning the project "Sewerage of the Municipality of Parga (Phase A)" which became irrevocable pursuant to decisions No. 1530/2016 and 1531/2016 of the Council of State (CoE), the amount of € 1.498.839,83 was deposited on 5/1/2018, on behalf of the company, in the Deposit and Loan Fund.

Since the said project had been subcontracted by a third subcontractor, the amount of € 1,304,730.34 was paid by the company in repayment of its obligations to the contractor. After the above settlement, they do not retain any claims against others.

6.3. Impact of events on financial figures

Concerning the effects of new projects undertaken on the Company's financial figures, these will be progressively incorporated based on the progress of their execution.

The aforementioned transfers of apartments recorded losses of € 289,521.06 at the company level, while at the group level they were limited to losses of € 180,297.58. As it has been mentioned in the previous apartment transfers of the last two years, the strong downward trend in real estate prices, as this sector continues to be affected by the unstable economic environment, reversed the Group's initial plans, eventually eliminating any profit margins budgeted during the initial planning of the activity.

With regard to the fine imposed by the Competition Commission, it has already been included in the consolidated financial statements for the financial year 2016, burdening the results of the financial year, with an equivalent provision shown as a current liability. The fine has now been established as public revenue and has been paid in full to the competent tax authority.

7. Contingent liabilities and receivables

In the Management's opinion, there are no significant contingent liabilities, which has been confirmed by the company's legal advisors.

Contingent claims arising from legal claims of the company are recognized at the time of finality of each case and are not included in these financial statements.

8. Accounting principles followed

8.1. Consolidation of undertakings

Subsidiaries: These are all companies that are managed and controlled, directly or indirectly, by another company (parent), either through holding the majority of the shares of the company in which the investment is made or through its dependence on the know-how provided by the company.

EKTER SA fully consolidates subsidiaries (full consolidation) using the acquisition method from the date on which control is obtained over them and ceases to consolidate them from the date on which such control ceases to exist. The acquisition of a subsidiary by the Group is accounted for using the purchase method. The cost of an acquisition of a subsidiary is the fair value of the assets given, shares issued, and liabilities incurred at the date of exchange, plus any costs directly attributable to the transaction. Acquisition costs over the fair value of the individual assets acquired are recorded as goodwill. If the total purchase cost is less than the fair value of the individual items acquired, the difference is recognized immediately in the profit and loss account.

Intercompany transactions, balances, and unrealized profits from transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries have been modified to be consistent with those adopted by the Group.

Joint ventures: These are contractual arrangements whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractual allocation of control over an enterprise, i.e. the power to direct the financial and operating policies of an enterprise to obtain joint benefits from its activities.

The contractual arrangement provides for the terms of control of the parties to the joint venture, as a result of which none of the venturers can control the activity of the joint venture on their own. This is the essence of the joint venture. The contractual arrangement determines whether, in order to make certain decisions for achieving the objectives of the joint venture the consent of all the parties or of a specified majority is required. The contractual arrangement may specify who will be the manager of the joint venture, and who does not control the joint venture but acts within the framework of the economic and business policy agreed by the venturers.

The company's interests in joint ventures are consolidated using the net position method. Based on the Net Position method, the investment in the joint venture is initially recognized at cost and adjusted for changes in equity. The profit or loss of the venturer includes its share of the profit or loss of the joint venture in the profit and loss account of the joint venture. In any case, the company recognizes immediately in its profit and loss account any obligation or commitment of the joint ventures for which the joint ventures are unable to meet.

The company recognizes the proportionate share of the profit and loss account of the joint ventures as reported to it by period. In the consolidated financial statements, it adjusts the above profit and loss account for joint ventures that have not completed their work, based on the provisions for construction contracts. Any subcontracted work undertaken by EKTER S.A. on behalf of its participating joint venture is accounted for as projects and is not eliminated on consolidation.

Affiliates: These are entities in which the company can exercise significant influence but do not qualify as subsidiaries or joint venture interests. The assumptions used by EKTER SA are that the holding of between 20% and 50% of the voting rights of a company indicates significant influence over that company. Investments in affiliates are initially recognized at cost and subsequently reviewed using the equity method.

The company's share of the post-acquisition profits or losses of affiliates is recognized in the profit and loss account, while its share of post-acquisition movements in reserves is recognized in reserves. The cumulative changes affect the carrying amount of investments in affiliates. When the company's share of losses in an affiliate equals or exceeds its interest in the affiliate, including any other bad debts, the company recognizes no further losses unless it has funded liabilities or made payments on behalf of the associate and generally those arising from shareholding.

Unrealized profits on transactions between the company and its affiliates are eliminated to the extent of the Group's interest in the affiliates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of affiliates have been modified to be consistent with those adopted by the Group. Intra-group balances and intra-group transactions and the Group's profits arising from them that have not yet been realized are eliminated in the preparation of the consolidated financial statements.

8.2. Tangible fixed assets

Tangible fixed assets are carried in the financial statements at their acquisition values. As of 1 January 2004, the Company's freehold land and buildings were valued at fair value determined based on a study by recognized independent property valuers. In addition, at that date, owned machinery and equipment were valued at their depreciable replacement cost. These values are stated net of (a) accumulated depreciation; and (b) any depreciation of fixed assets.

The initial cost of an item of property, plant, or equipment comprises the purchase price, including import duties and non-refundable purchase taxes, and any costs necessary to make the asset operational and ready for its intended use. Subsequent expenditure incurred in respect of property, plant, and equipment is capitalized only when it increases the future economic benefits expected to flow from the use of the affected assets. All other expenditure on repairs, maintenance, etc., of fixed assets, is charged to expenses in the financial year in which it is incurred.

When an asset is retired or sold, the related costs and accumulated depreciation are written off from the respective accounts in the period of retirement or sale and the related profits or losses are recognized in the profit and loss account.

Depreciation is charged to the Income Statement, using the straight-line method, over the estimated useful lives of the fixed operating assets. The land is not depreciated. The estimated lifespan, by category of fixed assets, is as follows:

| | |
|-------------------------------|------------|
| Buildings | 40 years |
| Machinery and equipment | 5-15 years |
| Means of transport | 8-10 years |
| Furniture and other equipment | 4-7 years |

The residual values and lifespan of tangible assets are subject to review on each annual balance sheet. When the carrying values of tangible assets exceed their recoverable amount, the differences (depreciation) are recorded as expenses in the profit and loss account.

Investments in real estate are initially measured at book value, which includes the initial acquisition cost plus transfer taxes, etc. After initial recognition, they are measured at fair value at the end of each financial year and any difference between fair value and the carrying amount is recognized in the income statement.

8.3. Intangible assets

Goodwill

Goodwill represents the additional consideration paid by the Group for the acquisition of new subsidiaries, joint ventures as well as affiliates. It results from a comparison of the price paid to acquire a new company with the fair value of the Group's share of its equity at the date of acquisition. Goodwill arising from the acquisition of new subsidiaries and joint ventures is shown under intangible assets. Goodwill is tested annually for impairment, which reduces the original amount as shown in the balance sheet. In calculating profits or losses arising from the sale of investments, any goodwill on the company to be sold is taken into account.

In order to facilitate the impairment tests, the amount of goodwill is allocated to cash-generating units. A cash-generating unit is the smallest identifiable group of assets that generates independent cash flows and represents the level at which the Group collects and presents financial information for internal reporting purposes. The impairment for goodwill is determined by calculating the recoverable amount from the cash flow units to which the goodwill is linked. Impairment losses associated with goodwill cannot be reversed in future periods. The Group performs its annual impairment test for goodwill on 31 December of the respective financial year.

If the fair value of equity at the date of acquisition of a company is greater than the consideration given for its acquisition, then negative goodwill (income) arises, which is recognized directly as income in the income statement.

Software programs

Software programs relate to the cost of purchase. Costs that enhance or extend the performance of software programs beyond their original specification are recognized as capital expenditure and added to the original cost of the software. Amortization of software programs is charged to the income statement using the straight-line method over their lifespan. The estimated lifespan is between 1 and 5 years.

8.4. Impairment of assets

Assets with an indefinite lifespan are not depreciated and are subject to impairment testing annually and also when events indicate that the carrying value may not be recoverable. Assets that

are depreciated are subject to an impairment test when there are indications that their carrying amount may not be recovered.

Net realizable value is the amount obtainable from the sale of an asset in a two-way transaction to which the parties have the knowledge and voluntarily consent, after deducting any incremental direct costs of disposal of the asset, while the value in use is the present value of the estimated future cash flows expected to flow to the enterprise from the use of an asset and its disposal at the end of its estimated useful life.

An impairment loss for an asset recognized in prior years is reversed only when there is sufficient evidence that the impairment no longer exists or has decreased. In such cases, the reversal is recognized as income.

8.5. Available-for-sale investments

'Available-for-sale investments' refer to investments that are expected to last for an indefinite period of time, but which can be sold immediately in the event of a liquidity need or a change in interest rates. These investments are included in non-current other assets.

Purchases and sales of investments are recorded at cost on the trade date, which is the date on which the company commits to purchase or sell the asset. The purchase cost includes transaction costs. Available-for-sale investments are carried at fair value. Unrealized gains (losses) arising from changes in the fair value of securities classified as available for sale are recognized in equity. The fair value of investments is based on the bid price or amounts generated by cash flow models. Fair values for equity securities of unlisted companies are calculated using price-to-earnings or price-to-cash-flow ratios adjusted to the specific circumstances of the issuer. Equity securities whose fair value cannot be measured reliably are recognized at cost less any impairment. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses on investment securities.

Securities for which there is a regulated market are valued at fair value through the income statement.

8.6. Inventories

Inventories are stated at the lower cost or production cost and realizable value. Realizable value is the estimated selling price less the cost of disposing of the inventories. The cost of inventories is determined using the weighted average cost method and includes the costs of acquiring the inventories, the costs of producing them (in the case of self-produced products/property), and the costs of transporting them to their location.

Until the current period, the company includes in the cost of each project all materials received directly at its construction sites for the needs of these projects, while there are no material storage facilities until the ongoing period.

8.7. Trade receivables

Trade receivables from customers are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate, and net of impairment losses. Impairment losses (losses on bad debts) are recognized when there is objective evidence that the Group is unable to collect all amounts due according to the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the impairment loss is recognized as an expense in the profit and loss account.

8.8. Cash and cash equivalents

Cash and cash equivalents include cash at the bank and in hand as well as short-term highly liquid investments such as money market products and bank deposits. Money market instruments are financial assets that are measured at fair value through the income statement.

8.9. Transactions in foreign currencies

The financial statements of the Group companies are measured using the currency of the economic environment in which each company operates. The consolidated financial statements are presented in Euro. Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange profits and losses arising from the settlement of such transactions during the period and the translation of foreign currency-denominated monetary items at the exchange rates prevailing at the balance sheet date are

recognized in the profit and loss account. Exchange differences on non-monetary items measured at fair value are considered to be part of fair value and are therefore recorded where the fair value differences are recorded.

Assets and liabilities of foreign operations are translated into Euro at the exchange rates prevailing at the balance sheet date. Similarly, income and expenses have been translated at the average exchange rates prevailing during the reporting period. The individual financial statements of consolidated companies initially presented in a currency other than the Group's presentation currency have been translated into Euro. Any differences arising from this process have been debited / (credited) to the reserve for translation of balance sheets of subsidiaries in foreign currency, and equity.

8.10. Loans

All loans of the company are initially recorded at the value of the proceeds received, which is the fair value of the consideration received less the cost of acquisition of such consideration. Subsequent valuation of loans is carried out using the discount rate method. Any difference between the benefit (other than acquisition costs) and the redemption value is recognized in the income statement throughout the loans.

8.11. Leases

Lease costs of fixed assets are recognized in the profit and loss account based on contractual obligations.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased asset, are recorded as assets at an amount equal at the inception of the lease to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Rentals are allocated to finance charges and a reduction of the outstanding liability to produce a constant periodic rate of interest on the remaining balance of the liability. Finance expenses are charged directly to the profit and loss account. Leased assets are depreciated over their lifespan.

8.12. Financial instruments

A financial instrument is any contract that creates a financial asset in one enterprise and a financial liability or equity instrument in another enterprise. Financial instruments are classified according to the substance of the contract and the purpose for which they were acquired.

The Group's principal financial instruments are cash, bank deposits, and short-term receivables and payables. Given the short-term nature of these instruments, the Group's management believes that their fair value is substantially the same as the value at which they are carried on the Group's books. In addition, the Group's management believes that the interest rates paid about the loans taken out are equivalent to current fair market interest rates and, therefore, the conditions for any adjustment to the value at which these liabilities are carried are not met. The Group does not use financial derivatives.

8.13. Dividends

The distribution of dividends to shareholders and the remuneration of the Board of Directors of the parent company from the profit for the year are recognized as a liability in the financial statements on the date on which the distribution is approved by the General Meeting of Shareholders.

8.14. Taxes (current and deferred)

The income tax charge for the period consists of current taxes and deferred taxes, i.e. taxes or tax credits related to economic benefits arising in the period but which have already been or will be charged by the tax authorities in different periods. Income tax is recognized in the income statement for the period, except for that tax relating to transactions recognized directly in equity, in which case it is recognized directly, in a similar manner, in equity or the statement of other comprehensive income, as appropriate.

Current income taxes include current liabilities and/or receivables from the taxation authorities relating to taxes payable on taxable income for the period and any additional income taxes relating to previous years. Current taxes are measured in accordance with the tax rates and tax laws applicable to the financial periods to which they relate, based on the taxable profit for the year. All changes in current tax assets or liabilities are recognized as part of tax expense in the income statement.

Deferred income tax is determined using the liability method arising from temporary differences between the carrying amount and tax base of assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset or liability is expected to be settled, taking into account tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. If the timing of the reversal of temporary differences cannot be clearly determined, the tax rate in effect at the tax year ending after the balance sheet date is applied and is regarded as final.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the utilization of the temporary difference that gives rise to the deferred tax asset.

Changes in deferred tax assets or liabilities are recognized in the income statement in the periods in which they occur. Only changes in assets that affect temporary differences and are recognized directly in equity, such as the revaluation of property, result in a change in deferred tax assets and are recorded against the relevant equity account

8.15. Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, they will probably be settled through the outflow of resources and an estimate of the exact amount of the obligation can be made reliably. Provisions are reviewed at the date of each balance sheet and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed if the inflow of economic benefits is probable.

8.16. Employee benefits

The Company has not formally or informally activated any special benefit plan for its employees, which is committed to benefits in case of an employee leaving the Company. The only plan that is in force and has been activated in the past is the contractual obligation under the applicable legislation Laws No. 2112/1920 and 3198/1955 to provide a lump sum in the event of staff retirement.

8.17. Recognition of revenue and expenses

Revenue: Revenue includes the fair value of works performed, sales of goods and services provided, net of Value Added Tax, discounts, and refunds. Intercompany revenues within the Group are eliminated. Revenue is recognized as follows:

Construction project contracts

Revenue from construction contracts is recognized in the period in which the project is constructed, based on the percentage of completion.

Sales of goods

Sales of goods are recognized when the Group delivers the goods to customers, the goods are accepted by them, and collection of the receivable is reasonably assured.

Provision of services

Revenue from services is recognized in the period in which the services are provided, based on the stage of completion of the service provided relative to the total services provided.

Assignment of exploitation rights

Revenue arising from exploitation (or franchise) rights is recognized on an accrual basis and in accordance with the content of the relevant agreements.

Interest

Interest income is recognized on a time proportion basis, taking into account the balance of the principal amount and the applicable interest rate for the period to maturity when it is determined that such income will be payable to the entity.

Dividends

Dividends are recognized as revenue when the right to receive them is established.

Expenses: Operating expenses are recognized in profit or loss on an accrual basis. Payments for operating leases are transferred to profit or loss as expenses in the year in which the lease is used. Interest expenses are recognized on an accrual basis.

8.18. Construction contracts

Construction contracts involve the construction of assets or a group of related assets specifically for customers following the terms set out in the related contracts and whose performance is normally for more than one year.

Costs relating to the contract are recognized when incurred. The Company makes estimates of the total cost to completion in each financial statement period and includes in contract revenue any adjustments to the original contract that occurred during the period.

Where the outcome of a construction contract cannot be measured reliably, then revenue is recognized only to the extent that the contract costs incurred are recoverable and the contract costs should be recognized as an expense in the period in which they are incurred. Therefore, for these contracts, such revenue is recognized so that the profit on the project is zero.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognized over the contract term as revenue and expense, respectively. The enterprise uses the percentage of completion method to determine the appropriate amount of income and expense to recognize in a particular period. The percentage of completion is determined based on the costs incurred to the date of the financial statement about the total estimated construction costs of each project. When it is probable that the total cost of the contract will exceed the total revenue, the expected loss is recognized immediately in profit or loss as an expense. In calculating the cost incurred to the end of the period, any costs associated with future work in respect of the contract are excluded and shown as work in progress.

The recognized progressive revenue by project is compared with the progressive billings to the end of the period and the difference is shown as a receivable or liability from contract customers for projects. More specifically, when the progressive revenue recognized exceeds progressive billings a receivable is presented, and when it falls short of billings it is presented as a liability. On a project-

by-project basis, the recognized receivables and payables from construction projects are thoroughly reviewed by the responsible bodies of the company.

9. Explanatory notes

9.1. Seasonality of operations

The Company and the Group companies are primarily engaged in the construction business and their revenues are dependent on the demand for public and private projects. These activities are affected by and fall within the general economic and business cycle. Further, no other specific or consistent pattern of seasonality, or another form of periodicity, has been identified by the Company that governs the activities of the Group's businesses.

9.2. Turnover analysis

All turnover in the current period (1/1-31/12/2017), as well as in the comparable period (1/1-31/12/2016), has been generated within Greece. It is noted that as of 31/12/2017 there is no uncompleted construction contract in force outside the Greek Territory, both at the company and group level.

| CATEGORY | GROUP | | COMPANY | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Public Works | 4,928,024.01 | 8,726,568.31 | 4,928,024.01 | 8,726,568.31 |
| Private Projects | 2,910,929.58 | 7,606,498.82 | 2,910,929.58 | 7,606,498.82 |
| Residential sales | 588,000.00 | 1,204,000.00 | 338,000.00 | 160,000.00 |
| Total | <u>8,426,953.59</u> | <u>17,537,067.13</u> | <u>8,176,953.59</u> | <u>16,493,067.13</u> |

Based on the construction contracts in progress and executed solely by EKTER, the work in progress as of 31/12/2017 amounts to € 14,054,216.08 compared to € 5,552,590.23 as of 31/12/2016. The above amounts include projects constructed on behalf of public and private entities.

Turnover does not include income from joint ventures which are consolidated using the equity method, but the share of invoiced work of the company's participating joint ventures amounted to € 3,510,501.91 in 2017 compared to € 1,718,267.16 in 2016. The share of work in progress of joint ventures amounts to € 12,976,773.73 as of 31/12/2017 compared to € 16,710,673.47 as of 31/12/2016.

9.3. Cost of sales

The cost of sales is broken down as follows:

| CATEGORY | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Cost of sales | | | | |
| Employee remuneration and expenses | 384,732.39 | 266,388.22 | 384,732.39 | 266,388.22 |
| Remuneration and expenses of third parties | 4,466,325.97 | 6,159,750.71 | 4,418,075.97 | 6,043,335.47 |
| Other third party benefits | 108,422.17 | 77,498.90 | 107,907.14 | 76,027.57 |
| Taxes & fees | 24,509.95 | 118,518.34 | 24,472.56 | 118,122.89 |
| Other miscellaneous expenses | 85,827.45 | 80,373.82 | 84,591.90 | 79,308.60 |
| Depreciation of assets | 22,586.59 | 27,740.61 | 22,586.59 | 27,547.27 |
| Cost of inventories recognized as an expense | 2,093,830.17 | 7,202,069.21 | 2,093,830.17 | 7,202,058.21 |
| Cost of housing | 718,326.10 | 1,214,654.08 | 627,521.06 | 260,608.01 |
| Total | <u>7,904,560.79</u> | <u>15,146,993.89</u> | <u>7,763,717.78</u> | <u>14,073,396.24</u> |

9.4. Administrative costs

The Company's and the Group's Administrative Operating Expenses are analyzed as follows:

| CATEGORY | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Administrative operating expenses | | | | |
| Employee remuneration and expenses | 831,633.94 | 233,595.33 | 829,324.90 | 233,595.33 |
| Remuneration and expenses of third parties | 313,523.33 | 867,021.02 | 293,200.65 | 844,960.02 |
| Other third party benefits | 95,417.78 | 102,478.52 | 94,139.93 | 99,688.40 |
| Taxes & fees | 32,680.56 | 43,991.80 | 32,427.36 | 37,718.60 |
| Other miscellaneous expenses | 153,123.15 | 107,612.11 | 148,674.32 | 105,523.45 |
| Depreciation of assets | 2,943.02 | 11,757.73 | 2,574.69 | 11,338.84 |
| Provisions | 5,275.21 | 6,249.47 | 5,275.21 | 6,249.47 |
| Total | <u>1,434,596.99</u> | <u>1,372,705.98</u> | <u>1,405,617.06</u> | <u>1,339,074.11</u> |

9.5. Other operating revenue and expenses

| CATEGORY | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Other operating revenue | | | | |
| Invoicing of expenses on behalf of third parties | 19,583.90 | 21,847.18 | 19,583.90 | 20,967.18 |
| Lease of buildings | 600.00 | 600.00 | 3,000.00 | 3,000.00 |
| Lease of machinery | 42,200.00 | 0.00 | 36,800.00 | 0.00 |
| Income from sale of assets | 0.00 | 1,761.35 | 0.00 | 1,761.35 |
| Final judgments | 0.00 | 11,866.68 | 0.00 | 11,866.68 |
| Other | 480.64 | 0.00 | 480.64 | 0.00 |
| Exchange differences | 5,962.52 | 0.00 | 0.00 | 0.00 |
| Reversal of impairment of property | 2,000.00 | 0.00 | 0.00 | 0.00 |
| Income from previous years | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | <u>70,827.06</u> | <u>36,075.21</u> | <u>59,864.54</u> | <u>37,595.21</u> |

| CATEGORY | GROUP | | COMPANY | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Other Operating Expenses | | | | |
| Cost of other income | 18,503.30 | 20,967.18 | 18,503.30 | 20,967.18 |
| Cost of machinery leasing | 22,176.00 | 807.30 | 20,016.00 | 0.00 |
| Fines for other bodies | 3,584.00 | 99,858.00 | 3,584.00 | 99,858.00 |
| Impairment of real estate | 509,418.94 | 0.00 | 509,418.94 | 0.00 |
| Losses on sale of assets | 3,800.00 | 44,391.22 | 3,800.00 | 42,105.22 |
| Exchange differences | 5,962.22 | 0.00 | 0.00 | 0.00 |
| Other Operating Expenses | 5,320.68 | 248,200.56 | 4,955.66 | 248,200.56 |
| Total | <u>568,765.14</u> | <u>414,224.26</u> | <u>560,277.90</u> | <u>411,130.96</u> |

The other operators' fine relates to the fine determined in the context of an ex officio investigation conducted by the Hellenic Competition Commission, as analyzed elsewhere in the financial statements. It has been paid in full in January 2018.

The property impairment resulted from the revaluation of the Group's property value as of 31 December 2017, as defined by IFRS, which was carried out by an independent external valuer. At the corporate level, the amount of € 269,418.94 relates to the impairment of property configuration costs, as detailed in note 9.13, while fixed assets were impaired by € 240,000.00 (note 9.10).

9.6. Financial income and expenses

| CATEGORY | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Financial income | | | | |
| Interest on loans & similar income | 5,200.99 | 9,219.36 | 5,069.26 | 9,217.46 |
| Total | <u>5,200.99</u> | <u>9,219.36</u> | <u>5,069.26</u> | <u>9,217.46</u> |
| Financial expenses | | | | |
| Interest & similar charges | 3,258.14 | 17,073.93 | 3,091.01 | 14,178.23 |
| Interest on customer advances | 7,324.50 | 77,992.30 | 7,324.50 | 77,992.30 |
| Letter of guarantee commissions | 242,841.86 | 259,879.37 | 242,841.86 | 259,213.19 |
| Valuation of cash and cash equivalents | 19,411.35 | 13,071.30 | 19,411.35 | 13,071.30 |
| Total | <u>272,835.85</u> | <u>368,016.90</u> | <u>272,668.72</u> | <u>364,455.02</u> |

Financial costs cannot be comparable due to the changes that have taken place between 1/1/2016 and 31/12/2017, such as the significant restriction of interest-bearing customer advances, which should be taken into account before drawing any conclusions.

9.7. Other financial results

| CATEGORY | GROUP | | COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Profits | | | | |
| Profits from joint ventures | 121,007.61 | 131,087.56 | 13.49 | 37,362.37 |
| Total Profit | <u>121,007.61</u> | <u>131,087.56</u> | <u>13.49</u> | <u>37,362.37</u> |
| Losses | | | | |
| Losses from joint ventures | 91,098.59 | 22,931.16 | 364,492.54 | 71,523.21 |
| Gains/losses on valuation of investments & securities | 21,269.35 | 0.00 | -233,560.53 | 0.00 |
| Total losses | <u>112,367.94</u> | <u>22,931.16</u> | <u>130,932.01</u> | <u>71,523.21</u> |
| Total profit and loss account | <u>8,639.67</u> | <u>108,156.40</u> | <u>-130,918.52</u> | <u>-34,160.84</u> |

The consolidated results of the joint ventures include the adjustment of the net position of the consolidated joint ventures based on the percentage of completion of the project they are performing. During the period, based on the relevant impairment test of the Company's participation, a decrease in the impairment of the participation in IFIKLIS S.A. of € 250,000.00 and an increase for the participation in ERGONIS S.A. of € 16,439.47 was made.

9.8. Taxes - reconciliation of the accounting result

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|----------------------------|----------------------------|-----------------------|-----------------------|
| | <u>1/1- 31/12/2017</u> | <u>1/1- 31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Income Tax (Current Period) | 334,905.85 | -105,951.24 | 358,787.15 | -128,654.78 |
| Unified Property Ownership Tax (ENFIA) | -23,063.67 | -27,011.40 | -21,935.97 | -20,153.35 |
| Other taxes | 0.00 | 0.00 | 0.00 | 0.00 |
| Deferred taxes (expenses)/income | 66,722.90 | -90,800.62 | 67,313.05 | -90,792.73 |
| Business tax | -8,754.04 | -5,000.00 | -7,304.04 | -3,400.00 |
| Joint venture tax | -44,665.13 | -55,250.90 | 0.00 | -14,679.31 |
| Total | <u>325,145.91</u> | <u>-284,014.16</u> | <u>396,860.19</u> | <u>-257,680.17</u> |

It is noted that deferred taxes are calculated for both the Subsidiary and the adjustment of the results of the consolidated joint ventures, based on the percentage of completion of the project they perform.

Taxes were calculated at a rate of 29%, which applies to the profit from business activity earned by legal entities and legal entities that keep double-entry books for periods after 1/1/2015.

9.9. Earnings per share

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> | <u>1/1-31/12/2017</u> | <u>1/1-31/12/2016</u> |
| Profit attributable to shareholders of the company | -1,343,991.55 | 104,562.91 | -1,494,452.40 | 59,982.46 |
| Weighted average number of shares (pieces) | 11,250,000 | 11,250,000 | 11,250,000 | 11,250,000 |
| Earnings after tax per basic share | -0.1195 € | 0.0093 € | -0.1328 € | 0.0053 € |

9.10. Fixed assets

The movement of fixed assets during the period is as follows:

| | GROUP | | | | | | |
|---|--------------------------------|-----------------------------|---|-----------------------|----------------------------------|----------------------|---------------------|
| | For Investment Land - Plots | For Investment Buildings | Machinery - Technical installations | Means of transport | Furniture and Other Equipment | Software Programs | Total |
| Cost of acquisition 1/1/2016 | 7,513,537.81 | 615,462.19 | 535,206.68 | 117,925.23 | 173,438.50 | 50,716.80 | 9,006,287.21 |
| Additions | | | 188,860.00 | 65,000.00 | 8,091.08 | | 261,951.08 |
| Sales-Deductions | | | -229,230.00 | -44,050.72 | | | -273,280.72 |
| Impairments | | | | | | | 0.00 |
| Total 31/12/16 | 7,513,537.81 | 615,462.19 | 494,836.68 | 138,874.51 | 181,529.58 | 50,716.80 | 8,994,957.57 |
| Additions | | | 5,562.00 | | 10,998.83 | | 16,560.83 |
| Sales-Deductions | | | -8,805.00 | | -1,330.00 | | -10,135.00 |
| Impairments | -108,000.00 | -130,000.00 | | | | | -238,000.00 |
| Total 31/12/2017 | 7,405,537.81 | 485,462.19 | 491,593.68 | 138,874.51 | 191,198.41 | 50,716.80 | 8,763,383.40 |
| Cumulated Amortizations 1/1/2016 | 0.00 | 0.00 | 364,618.29 | 23,348.52 | 154,216.09 | 49,812.53 | 591,995.43 |
| Amortization for the year | | | 19,452.59 | 13,787.01 | 6,584.08 | 481.96 | 40,305.64 |
| Sales-Deductions | | | -147,879.94 | -15,698.80 | | | -163,578.74 |
| Total 31/12/16 | 0.00 | 0.00 | 236,190.94 | 21,436.73 | 160,800.17 | 50,294.49 | 468,722.33 |
| Amortization for the year | | | 22,720.82 | 16,859.31 | 7,661.54 | 413.51 | 47,655.18 |
| Sales-Deductions | 0.00 | 0.00 | -3,805.00 | 0.00 | -443.33 | 0.00 | -4,248.33 |
| Total 31/12/2017 | 0.00 | 0.00 | 255,106.76 | 38,296.04 | 168,018.38 | 50,708.00 | 512,129.18 |
| Non Amortized Value 31/12/2016 | 7,513,537.81 | 615,462.19 | 258,645.74 | 117,437.78 | 20,729.41 | 422.31 | 8,526,235.24 |
| Non Amortized Value 31/12/17 | 7,405,537.81 | 485,462.19 | 236,486.92 | 100,578.47 | 23,180.03 | 8.80 | 8,251,254.22 |

COMPANY

| | For Investment Land - Plots | For Investment Buildings | Machinery - Technical installations | Means of transport | Furniture and Other Equipment | Software Programs | Total |
|---|--------------------------------|-----------------------------|---|-----------------------|----------------------------------|----------------------|---------------------|
| Cost of acquisition 1/1/2016 | 7,453,537.81 | 615,462.19 | 522,366.36 | 111,925.23 | 170,358.32 | 50,716.80 | 8,924,366.71 |
| Additions | | | 188,860.00 | 65,000.00 | 8,091.08 | | 261,951.08 |
| Sales-Deductions | | | -217,630.00 | -56,050.72 | | | -273,680.72 |
| Impairments | | | | | | | 0.00 |
| Total 31/12/16 | 7,453,537.81 | 615,462.19 | 493,596.36 | 120,874.51 | 178,449.40 | 50,716.80 | 8,912,637.07 |
| Additions | | | 5,562.00 | | 10,998.83 | | 16,560.83 |
| Sales-Deductions | | | -8,805.00 | | | | -8,805.00 |
| Impairments | -110,000.00 | -130,000.00 | | | | | -240,000.00 |
| Total 31/12/2017 | 7,343,537.81 | 485,462.19 | 490,353.36 | 120,874.51 | 189,448.23 | 50,716.80 | 8,680,392.90 |
| Σωρευμένες Αποσβ. 1/1/2016 | 0.00 | 0.00 | 361,256.85 | 23,348.52 | 153,112.16 | 49,812.53 | 587,530.06 |
| Amortization for the year | | | 19,259.76 | 12,979.71 | 6,164.68 | 481.96 | 38,886.11 |
| Sales-Deductions | | | -145,565.94 | -15,698.80 | | | -161,264.74 |
| Total 31/12/16 | 0.00 | 0.00 | 234,950.67 | 20,629.43 | 159,276.84 | 50,294.49 | 465,151.43 |
| Amortization for the year | | | 22,720.82 | 14,734.31 | 7,308.64 | 413.51 | 45,177.28 |
| Sales-Deductions | 0.00 | 0.00 | -3,805.00 | 0.00 | 0.00 | 0.00 | -3,805.00 |
| Total 31/12/2017 | 0.00 | 0.00 | 253,866.49 | 35,363.74 | 166,585.48 | 50,708.00 | 506,523.71 |
| Non Amortized Value 31/12/2016 | 7,453,537.81 | 615,462.19 | 258,645.69 | 100,245.08 | 19,172.56 | 422.31 | 8,447,485.64 |
| Non Amortized Value 31/12/17 | 7,343,537.81 | 485,462.19 | 236,486.87 | 85,510.77 | 22,862.75 | 8.80 | 8,173,869.19 |

9.11. Capital expenditure

Total fixed-asset investments for the period 1/1 - 31/12/17 amounted for the Group and the Company to €16,560.83. The relevant analysis is presented below.

| | GROUP | | COMPANY | |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>1/1 - 31/12/2017</u> | <u>1/1 - 31/12/2016</u> | <u>1/1 - 31/12/2017</u> | <u>1/1 - 31/12/2016</u> |
| A. Operating Assets | 16,560.83 | 261,951.08 | 16,560.83 | 261,951.08 |
| B. Investment property | 0.00 | 0.00 | 0.00 | 0.00 |
| C. Intangible assets | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL INVESTMENT IN ASSETS | 16,560.83 | 261,951.08 | 16,560.83 | 261,951.08 |

9.12. Existing encumbrances

As of 31/12/2017, there is an existing encumbrance in favor of "PIRAEUS BANK S.A." amounting to € 500,000.00 on real estate owned by the company, as security for an Open Joint Account Credit Agreement.

9.13. Inventories - Receivables from the execution of projects

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Receivables from the execution of works | 628,679.62 | 1,603,423.10 | 628,679.62 | 1,603,423.10 |
| Costs of property restructuring | 1,185,000.00 | 2,097,533.93 | 1,185,000.00 | 2,025,728.34 |
| Total | <u>1,813,679.62</u> | <u>3,700,957.03</u> | <u>1,813,679.62</u> | <u>3,629,151.44</u> |

Property development costs relate to the costs incurred by the Group for the completion of properties that are not used for any other productive purpose but are held for sale.

At the corporate level, the change relates to sales of apartments during the year, with the remaining cost of € 215,000.00 being impaired by € 42,229.94, following a revaluation as of 31 December 2017 of the value of the only remaining apartment, in a residential complex in the Neo Faliro area. During the second half of the financial year, the process of removing the original mortgage, amounting to €1,400,000.00, on the above building complex was completed.

Also included in the property development costs is the purchase of land in Amaroussio, Attica, on which a charge was created during the period. The land is expected to be used for residential purposes in the near future, in anticipation of an improvement in the economic climate, taking advantage of the shortage of new unused luxury homes, which is already observed. A revaluation was carried out during the financial year under which its value was limited to € 970,000.00, based on which an impairment loss of € 227,189.00 was recorded, which has been charged to the result for the current financial year.

At the Group level, the transfer of the last apartment in the Vrilissia area was completed in the second half of the current financial year.

9.14. Trade receivables

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Customers | 2,008,062.69 | 685,178.01 | 2,004,714.69 | 684,483.61 |
| Cheques in Delay | 146,735.14 | 146,735.14 | 146,735.14 | 146,735.14 |
| Forecasts for Cheques in Delay | -146,735.14 | -146,735.14 | -146,735.14 | -146,735.14 |
| Total | <u>2,008,062.69</u> | <u>685,178.01</u> | <u>2,004,714.69</u> | <u>684,483.61</u> |

All of the above receivables from customers are due, but the timing of their collection from related parties cannot be accurately determined.

9.15. Other assets

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Non-current other assets | | | | |
| Investments in subsidiaries | 0.00 | 0.00 | 1,792,243.71 | 2,807,138.84 |
| Provisions for investments in subsidiaries | 0.00 | 0.00 | -1,306,143.52 | -1,556,143.52 |
| Investments in joint ventures | 234,506.52 | 234,506.52 | 230,757.52 | 230,757.52 |
| Provisions for investments in joint ventures | 0.00 | 0.00 | 0.00 | 0.00 |
| Participation in associates | 60,000.00 | 60,000.00 | 60,000.00 | 60,000.00 |
| Provisions for investments in associates | -42,780.55 | -26,341.08 | -42,780.55 | -26,341.08 |
| Deferred tax assets | 2,853,145.51 | 2,487,062.53 | 2,780,270.58 | 2,390,650.21 |
| Other long-term receivables | 13,040.15 | 9,545.15 | 13,040.15 | 9,145.15 |
| Long-term receivables from associates | 370,000.00 | 0.00 | 400,000.00 | 0.00 |
| Provisions for other long-term receivables | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | <u>3,487,911.63</u> | <u>2,764,773.12</u> | <u>3,927,387.89</u> | <u>3,915,207.12</u> |
| Other current assets | | | | |
| Advances to suppliers | 130,004.48 | 54,827.72 | 129,990.56 | 49,813.80 |
| Receivables from subsidiaries | 0.00 | 0.00 | 3,664.80 | 1,221.60 |
| Receivables from joint ventures | 879,444.15 | 489,534.97 | 368,320.81 | 390,196.76 |
| Provisions for receivables from joint ventures | 0.00 | 0.00 | 0.00 | 0.00 |
| Other short-term receivables | 1,192,395.52 | 2,112,798.47 | 1,092,123.26 | 2,013,377.69 |
| Accounts payable advances & credits | 3,320.50 | 790.71 | 3,320.50 | 790.71 |
| Accrued income on term deposits & other income receivable | 1,651,241.64 | 252,724.99 | 1,651,241.64 | 252,724.99 |
| Prepaid expenses | 25,165.44 | 41,708.20 | 24,729.04 | 39,965.14 |
| Total | <u>3,881,571.73</u> | <u>2,952,385.06</u> | <u>3,273,390.61</u> | <u>2,748,090.69</u> |
| Grand total | <u>7,369,483.36</u> | <u>5,717,158.18</u> | <u>7,200,778.50</u> | <u>6,663,297.81</u> |

By decision of the Extraordinary General Meeting of the subsidiary company IFIKLIS S.A. dated 06/12/2017, the share capital of its subsidiary company was reduced by the amount of €1,025,000.00, as it was considered that it is not necessary to maintain a high share capital in the context of its activities. The reduction was carried out by offsetting the parent company's liabilities, for € 125,000.00 with commercial liability and the amount of € 900,000.00 with an interest-free short-term liability shown under "Other creditors". A review of the impairment of the aforementioned participation was carried out during the financial year (Note 9.7).

Long-term receivables from related companies, at the corporate level, relate to interest-free financing to the newly established subsidiary EKTER VENTURES SRL, and at the Group level to the newly established affiliated company PRIPU RESIDENCE SRL (50% stake of the former in the latter company). The business plan includes the establishment of EKTER VENTURES SRL, based in Bucharest, 100% owned by EKTER S.A., which will undertake projects or participate in investment schemes for the development of construction projects, which has started to be carried out through PRIPU RESIDENCE SRL, which has started the development of an apartment complex in Bucharest, Romania.

Other current receivables of the Group, as of 31.12.2017, include a) an amount of € 100.262,72 of claim from the Greek State arising from VAT credit, b) an amount of € 814.769,78 of insurance contributions that are compulsorily prepaid for the Public Works under execution, based on provisional, determined by the competent services, building works coefficients applicable to the certifications, which are offset during the progress of the works with insurance liabilities created, while they are settled after the completion of the works of the respective works with the finalization of the above coefficient.

Finally, the operating income receivable includes certifications of works performed during the financial year 2017, which were approved by the respective principals of the projects and invoiced at the beginning of the 2018 financial year. The increase shown does not affect revenue from construction contracts, the amount of which is determined based on the stage of completion. It should be noted that subcontracting work related to the above certifications and invoiced at the time of issuing the revenue invoices were accounted for accordingly, and the related liabilities are shown under "operating expenses earned".

Deferred tax assets are broken down into:

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Impairment of Assets | 2,072,768.59 | 1,983,225.90 | 2,002,298.59 | 1,912,175.90 |
| Write-off of installation costs and other multiannual depreciation costs | 0.14 | 0.14 | 0.09 | 0.09 |
| Tax claim for tax losses | 360,071.13 | 22,957.39 | 360,071.13 | 0.00 |
| Provision for staff compensation | 16,192.59 | 14,662.78 | 16,192.59 | 14,662.78 |
| Other provisions | 404,113.06 | 466,216.32 | 401,708.18 | 463,811.44 |
| Total | <u>2,853,145.51</u> | <u>2,487,062.53</u> | <u>2,780,270.58</u> | <u>2,390,650.21</u> |

The material changes in the above items in the current period related to the "tax receivable for tax losses" relating to the parent company.

9.16. Cash and cash equivalents

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Fund | 2,201.80 | 1,217.51 | 1,873.93 | 964.55 |
| Demand deposits and time deposits | 931,280.13 | 3,982,602.40 | 657,513.41 | 3,951,892.81 |
| Mutual funds | 3,959,378.46 | 3,978,789.41 | 3,959,378.46 | 3,978,789.41 |
| Total | <u>4,892,860.39</u> | <u>7,962,609.32</u> | <u>4,618,765.80</u> | <u>7,931,646.77</u> |

On 19/02/2015, the company invested an initial amount of € 6,000,000.00 in Foreign Asset Management Funds to preserve the value of the invested capital, as an investment characterized by very low risk and readily realizable. Since 12/11/2015, partial redemption movements have been carried out on the investment for a total amount of € 2,000,000.00, while the securities are valued at their current liquidation value on the respective reporting date. The valuation in the current year resulted in an impairment of € 19,411.35, which is included in financial expenses for the period.

9.17. Long-term liabilities

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Provision for staff compensation | 76,103.32 | 70,828.11 | 76,103.32 | 70,828.11 |
| Deferred tax liability | 172,132.85 | 209,886.51 | 172,113.22 | 209,877.03 |
| Provision for tax audit differences | 80,293.05 | 80,293.05 | 80,293.05 | 80,293.05 |
| Total | <u>328,529.22</u> | <u>361,007.67</u> | <u>328,509.59</u> | <u>360,998.19</u> |

The tax provision for the unaudited financial years of the company was calculated at 1% of the turnover of the respective financial years, which was restated in the fourth quarter of the respective financial year. The balance as of 31/12/2017 relates to the provision for the 2010 financial year.

For the financial years 2011 - 2013, the audit has been completed as set out in par. 5 of Article 82 of Law 2238/1994, and all the differences were charged to the respective years. For the financial years 2014-2016, as stated in Chapter 3 of the financial statements, the tax audit of the parent company and the subsidiary of IFIKLIS S.A. was carried out and completed in accordance with the provisions of Article 65 (a) of Law 4174/2013, without any additional tax liabilities.

For the financial year 2017, the tax audit of the parent company and the subsidiary of IFIKLIS S.A. was also carried out following the provisions of Article 65 (a) of Law 4174/2013 and it is estimated that no additional tax liabilities will arise. Accordingly, it was considered that it is not necessary to form a provision for the respective financial years.

Deferred tax liabilities are broken down into:

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| From difference in valuation of buildings | 11,796.17 | 49,496.17 | 11,796.17 | 49,496.17 |
| From difference in valuation of machinery | 2,496.39 | 231.15 | 2,496.39 | 231.15 |
| From difference in valuation of transport vehicles | 889.94 | 192.30 | 870.31 | 182.82 |
| From provision for other income | 0.00 | 0.00 | 0.00 | 0.00 |
| Difference in revenue under the percentage-of-completion method | 156,950.35 | 159,966.89 | 156,950.35 | 159,966.89 |
| Total | <u>172,132.85</u> | <u>209,886.51</u> | <u>172,113.22</u> | <u>209,877.03</u> |

There are no material changes in the current financial year, apart from the reduction in the deferred tax liability from the difference arising from the valuation of the properties.

| | GROUP | | COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 31-12-17 | 31-12-16 | 31-12-17 | 31-12-16 |
| Balance sheet liabilities for: | | | | |
| Pension benefits | 76,103.32 | 70,828.11 | 76,103.32 | 70,828.11 |
| Total | 76,103.32 | 70,828.11 | 76,103.32 | 70,828.11 |
| Charges to profit or loss : | | | | |
| Pension benefits | 5,275.21 | 6,249.47 | 5,275.21 | 6,249.47 |
| Total | 5,275.21 | 6,249.47 | 5,275.21 | 6,249.47 |
| The change in liabilities as shown in the balance sheet is as follows: | | | | |
| Opening balance | 70,828.11 | 64,578.64 | 70,828.11 | 64,578.64 |
| Compensation paid | 0.00 | 0.00 | 0.00 | 0.00 |
| Payments in excess of those provided for | 0.00 | 0.00 | 0.00 | 0.00 |
| Total charged to the profit and loss account | 5,275.21 | 6,249.47 | 5,275.21 | 6,249.47 |
| Closing balance | 76,103.32 | 70,828.11 | 76,103.32 | 70,828.11 |
| The amounts recognized in the profit and loss account are as follows: | | | | |
| Current employment costs | 5,328.46 | 5,338.67 | 5,328.46 | 5,338.67 |
| Financial costs | 3,421.17 | 3,252.91 | 3,421.17 | 3,252.91 |
| Net actuarial (gains)/losses recognized in the period | -3,474.42 | -2,342.11 | -3,474.42 | -2,342.11 |
| Differences due to changes in Law 2112/1920 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total included in employee benefits | 5,275.21 | 6,249.47 | 5,275.21 | 6,249.47 |

A discount rate of 3.49% has been used for the calculations.

9.18. Bank liabilities (long-term — short-term)

During the last quarter of 2015, the company made full repayment of an amortizing loan from PIRAEUS BANK S.A., earlier than contractually foreseen, and since then there has been no bank borrowing.

9.19. Other short-term liabilities

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Suppliers - Subcontractors | 932,078.34 | 2,799,994.42 | 954,169.81 | 2,995,992.42 |
| Operating expenses Accrued | 608,504.46 | 0.00 | 608,504.46 | 0.00 |
| Customer advances | 1,059,108.93 | 97,909.05 | 1,059,108.93 | 97,909.05 |
| Liabilities arising from the execution of works | 87,471.51 | 1,051,813.13 | 87,471.51 | 1,051,813.13 |
| Income tax liability | 0.00 | 128,654.78 | 0.00 | 128,654.78 |
| Taxes - charges payable | 200,849.67 | 139,035.46 | 198,701.76 | 138,002.27 |
| Insurance bodies | 62,697.35 | 28,150.07 | 62,354.45 | 28,150.07 |
| Liabilities to joint ventures | 646,578.66 | 230,493.44 | 660,229.04 | 306,206.01 |
| Dividends payable - Reimbursement of dividends paid | 15,678.68 | 6,985.34 | 15,678.68 | 6,985.34 |
| Other short-term liabilities | 361,089.05 | 111,194.48 | 361,089.05 | 1,011,194.48 |
| Deferred income | 497,966.38 | 307,682.99 | 497,966.38 | 307,682.99 |
| Grand Total | <u>4,472,023.03</u> | <u>4,901,913.16</u> | <u>4,505,274.07</u> | <u>6,072,590.54</u> |

All of the company's liabilities are on track.

The above decrease in other current liabilities, during the period, is primarily due to the reduction in liabilities to subcontractor suppliers, as a result of the progress of work on the projects under execution, as well as the contractual settlement of repayment of the main suppliers. Also significant is the reduction in liabilities from works in progress, under the percentage of completion method.

Tax liabilities appear reduced, mainly due to an income tax liability for the financial year 2016, which was offset against withholding tax receivables after the submission of the relevant return, and a zero liability due to losses for the financial year 2017.

Other current liabilities include an amount of € 99,858.00 in the context of an ex officio investigation conducted by the Hellenic Competition Commission, which was created during the second half of the previous financial year. The fine has been established as public revenue and has been paid in full to the competent tax authority at the beginning of 2018.

The change in corporate current liabilities mainly relates to the elimination of the interest-free short-term financing of € 900,000.00, as mentioned in note 9.15 above.

Deferred revenue includes a project advance that was invoiced as of 31/12/2017, which is amortized as work progresses, while as of 31/12/2016 it included revenue from custodial materials.

The amount of advances from customers relates to receipts, in accordance with the terms of construction contracts signed, which are amortized progressively over the phased delivery of the projects. The balance on 31/12/2017 relates to interest-free advances.

Finally, the amount of Earned operating expenses relates to subcontractor invoices at the beginning of the fiscal year 2018, which is related to certifications of work performed in the fiscal year 2017, as detailed in note 9.15 above.

9.20. Maturity analysis of amounts due to third parties

| | GROUP LIABILITIES 31/12/2017 31/12/2017 | | | | Total |
|-------------------------------|---|---------------------|--------------------|-------------------|---------------------|
| | <u>0-1 months</u> | <u>1-6 months</u> | <u>6-12 months</u> | <u>1-5 years</u> | |
| Suppliers - Subcontractors | 524,193.84 | 251,253.99 | 0.00 | 156,630.51 | 932,078.34 |
| Operating expenses Accrued | 607,299.66 | 1,204.80 | 0.00 | 0.00 | 608,504.46 |
| Customer advances | 267,301.98 | 791,806.95 | 0.00 | 0.00 | 1,059,108.93 |
| Project liabilities | 0.00 | 87,471.51 | 0.00 | 0.00 | 87,471.51 |
| Liabilities from taxes - fees | 91,554.63 | 109,295.04 | 0.00 | 0.00 | 200,849.67 |
| Insurance bodies | 62,697.35 | 0.00 | 0.00 | 0.00 | 62,697.35 |
| Liabilities to joint ventures | 646,578.66 | 0.00 | 0.00 | 0.00 | 646,578.66 |
| Dividends payable | 15,678.68 | 0.00 | 0.00 | 0.00 | 15,678.68 |
| Other short-term liabilities | | | | | |
| | 5,003.29 | 356,085.76 | 0.00 | 0.00 | 361,089.05 |
| Revenue from the next year | 0.00 | 234,769.29 | 263,197.09 | 0.00 | 497,966.38 |
| Grand Total | 2,220,308.09 | 1,831,887.34 | 263,197.09 | 156,630.51 | 4,472,023.03 |

GROUP LIABILITIES 31/12/2016

| | <u>0-1 months</u> | <u>1-6 months</u> | <u>6-12 months</u> | <u>1-5 years</u> | <u>Total</u> |
|-------------------------------|----------------------------|----------------------------|-------------------------|--------------------------|----------------------------|
| Suppliers - Subcontractors | 883,713.38 | 1,781,838.55 | 15,800.36 | 118,642.13 | 2,799,994.42 |
| Customer advances | 16,551.22 | 29,372.72 | 51,985.11 | 0.00 | 97,909.05 |
| Project liabilities | 0.00 | 1,051,813.13 | 0.00 | 0.00 | 1,051,813.13 |
| Liabilities from taxes - fees | 22,542.94 | 245,147.30 | 0.00 | 0.00 | 267,690.24 |
| Insurance bodies | 28,150.07 | 0.00 | 0.00 | 0.00 | 28,150.07 |
| Liabilities to joint ventures | 230,493.44 | 0.00 | 0.00 | 0.00 | 230,493.44 |
| Dividends payable | 6,985.34 | 0.00 | 0.00 | 0.00 | 6,985.34 |
| Other short-term liabilities | | | | | |
| | 5,063.56 | 106,130.92 | 0.00 | 0.00 | 111,194.48 |
| Revenue from the next year | 0.00 | 307,682.99 | 0.00 | 0.00 | 307,682.99 |
| Grand Total | <u>1,193,499.95</u> | <u>3,521,985.61</u> | <u>67,785.47</u> | <u>118,642.13</u> | <u>4,901,913.16</u> |

9.21. Outstanding Obligations

Capital liabilities

There are no capital expenditures incurred but not executed at the date of the financial statements except for the return of capital to two joint ventures of the Company's shareholding for a total amount of € 8,133.33.

Operating lease obligations

The Group leases properties under operating leases. The leases have specific terms relating to the adjustment of the respective rent, as well as renewal rights, and other clauses, and usually have a term of more than 5 years at the time of initial signing.

The future total rents payable under the operating leases in effect as of December 31, 2017, are as follows:

GROUP LIABILITIES

| | <u>31-12-17</u> | <u>31-12-16</u> |
|--------------------|--------------------------|-------------------------|
| Up to 1 year | 54,662.00 | 66,324.00 |
| From 1 to 5 years | 100,000.00 | 6,162.00 |
| More than 5 years | 0.00 | 0.00 |
| Grand Total | <u>154,662.00</u> | <u>72,486.00</u> |

The Group's liabilities were revalued after the renewal of the lease of the Company's headquarters until 31.01.2021.

9.22. Equity capital

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31-12-17 | 31-12-16 | 31-12-17 | 31-12-16 |
| Share capital | 5,850,000.00 | 5,850,000.00 | 5,850,000.00 | 5,850,000.00 |
| Premium differences | 8,360,843.73 | 8,360,843.73 | 8,360,843.73 | 8,360,843.73 |
| Ordinary reserve | 1,282,119.29 | 1,282,119.29 | 1,282,119.29 | 1,282,119.29 |
| Extraordinary reserves | 4,271,999.04 | 4,701,999.04 | 4,271,999.04 | 4,701,999.04 |
| Tax-exempt special legal provisions | 591,930.56 | 591,930.56 | 591,930.56 | 591,930.56 |
| Exchange differences on consolidation | -437.37 | 0.00 | 0.00 | 0.00 |
| Asset revaluation differences (recorded in equity) | 46,588.41 | 46,588.41 | 46,588.41 | 46,588.41 |
| Total other reserves | 6,192,199.93 | 6,622,637.30 | 6,192,637.30 | 6,622,637.30 |
| Asset revaluation differences (recorded to the profit and loss account) | -3,217,201.56 | -3,217,201.56 | -2,936,890.34 | -2,936,890.34 |
| IFRS transition reserve | 184,318.96 | 184,318.96 | 0.00 | 0.00 |
| Retained Earnings Balance | 2,164,626.97 | 3,528,618.52 | 1,511,433.45 | 3,025,885.85 |
| Total Retained Earnings | -868,255.63 | 495,735.92 | -1,425,456.89 | 88,995.51 |
| Total equity | 19,534,788.03 | 21,329,216.95 | 18,978,024.14 | 20,922,476.54 |

The ordinary reserve is calculated on the basis of the Codified Law 2190/1920 as in force at the end of the financial year, in accordance with the relevant resolutions of the company's governing bodies.

In the financial year 2017, based on the consolidation of the Romanian subsidiary, Foreign Exchange Consolidation Differences started to exist.

The Annual General Meeting of the Company on 30 June 2017 decided to distribute a dividend for the financial year 2016 for a total amount of € 450,000.00, which reduced the Retained Earnings Balance by € 20,000.00 and the Extraordinary Reserves by € 430,000.00.

9.23. Letters of guarantee in force

In the context of its activities, the Group has issued bank letters of guarantee, which are detailed below:

| TYPE OF LETTER OF GUARANTEE | GROUP | | COMPANY | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Letter of guarantee for good performance | 8,608,154.20 | 7,905,654.20 | 8,608,154.20 | 7,905,654.20 |
| Letter of guarantee for an advance payment | 1,059,108.88 | 391,676.91 | 1,059,108.88 | 391,676.91 |
| Letter of guarantee for the securing of obligations | 217,900.00 | 1,434,860.40 | 217,900.00 | 1,434,860.40 |
| Letter of guarantee for participation in tenders | 3,288,993.85 | 1,818,686.68 | 3,288,993.85 | 1,818,686.68 |
| Letter of guarantee for tenths | 1,772,529.82 | 1,567,436.61 | 1,772,529.82 | 1,567,436.61 |
| Letter of guarantee for custody | 148,912.00 | 148,912.00 | 148,912.00 | 148,912.00 |
| Letter of guarantee for payments & customs duties on goods | 0.00 | 0.00 | 0.00 | 0.00 |
| Letter of guarantee for good functioning | 125,000.00 | 0.00 | 125,000.00 | 0.00 |
| TOTAL CAPITAL | <u>15,220,598.75</u> | <u>13,267,226.80</u> | <u>15,220,598.75</u> | <u>13,267,226.80</u> |

In addition, under the relevant contracts, the Group has received guarantees to cover contractual obligations from suppliers which are detailed as follows:

| TYPE OF GUARANTEE | GROUP | | COMPANY | |
|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <u>31-12-17</u> | <u>31-12-16</u> | <u>31-12-17</u> | <u>31-12-16</u> |
| Bank letters of guarantee | 35,830.00 | 230,671.00 | 35,830.00 | 230,671.00 |
| Bank Cheques | 167,753.50 | 212,437.60 | 167,753.50 | 212,437.60 |
| TOTAL CAPITAL | <u>203,583.50</u> | <u>443,108.60</u> | <u>203,583.50</u> | <u>443,108.60</u> |

The annual financial reporting statements of the Group and the Company from page 42 to page 92 were approved at the Board of Directors' meeting on 27 April 2018.

THE PRESIDENT OF THE BOARD OF DIRECTORS

[signature]

ATHANASIOS K. SIPSAS
ID Card No. 060042/07

THE VICE-PRESIDENT OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR

[signature]

KONSTANTINOS I. STOUMPOS
ID Card No. 058005/04

THE HEAD OF THE ACCOUNTING DEPARTMENT

[signature]

KYRIAKOS TH. CHRISTOFAS
LICENCE NO 8577

VI. INFORMATION UNDER ARTICLE 10 OF LAW 3401/2005 PUBLISHED BY THE COMPANY DURING THE FINANCIAL YEAR 2017

According to the applicable legislation, the Company has published and made available to the investing public on its website in the section of Financial Information - Annual Financial Statements (since 2005 under IAS) (www.ekter.gr) and on the website of the Athens Stock Exchange the information shown in the table below:

| S/N | Subject | Date | Listing website |
|------------|--|-------------|--|
| 1 | New project contract | 24/02/2017 | www.helex.gr |
| 2 | Announcement of the 2017 Financial Calendar | 26/04/2017 | www.helex.gr |
| 3 | Announcement of regulated information under Law No. 3556/2007 28/04/2017 | | www.helex.gr |
| 4 | Announcement of the pre-announcement of the General Meeting of EKTER S.A. | 07/06/2017 | www.helex.gr |
| 5 | Notification of dividend entitlement - dividend payment 2016 | 30/6/2017 | www.helex.gr |
| 6 | Announcement of resolutions of the Annual General Meeting of EKTER S.A. | 30/6/2017 | www.helex.gr |
| 7 | Announcement of the election of the Board of Directors and the Audit Committee of EKTER S.A. | 30/6/2017 | www.helex.gr |
| 8 | Announcement of an important event | 07/08/2017 | www.helex.gr |
| 9 | Announcement of regulated information under Law No. 3556/2007 29/09/2017 | | www.helex.gr |
| 10 | Establishment of a Subsidiary Company | 12/10/2017 | www.helex.gr |
| 11 | New project contract | 12/10/2017 | www.helex.gr |
| 12 | Announcement on Tax Audit results | 02/11/2017 | www.helex.gr |

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9, P. NIRVANA Street, FILOTHEI 15237
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EKTER S.A.
ANNUAL FINANCIAL STATEMENTS OF 31 DECEMBER 2017

VII. WEBSITE WHERE THE ANNUAL FINANCIAL REPORT IS PUBLISHED

The annual financial statements of the Company and the Group, the Auditor's Report, and the Report of the Board of Directors for the financial year 2017 are available online at www.ekter.gr.

[stamp: True photocopy of the original presented
Athens, 18/7/2022
The certifying lawyer]

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