

Construction Company

CHR. D. CONSTANTINIDIS S.A.

Financial Statements and Notes for the period 1st January 2017 to 31st December
2017

(Pursuant to the Greek Accounting Standards of Law 4308/2014)

CONSTRUCTION COMPANY
CHRISTOPHER D. CONSTANTINIDIS S.A.
G.E.C.R. nr.: 3637301000
10 GERMANIKIS SCHOLIS ATHINON str.
MAROUSI 15123



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1. Statements of Representatives of the Board of Directors

The herein below statement, pursuant to article 29 par. 3g of Law 4308/2014, of the representatives of the Board of Directors of the Company

- Constantinidis Dimitrios, Chairman of the BoD and General Director
- Constantinidi Eleni, Member of the BoD,

acting under our above capacity, appointed for that purpose by the Board of Directors of the societe anonyme "CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A." (hereinafter referred to as "the Company") do hereby declare that to the best of our knowledge the attached Financial Statements for the year 01/01/2017 - 31/12/2017 are those approved by the BoD of the Company and have been prepared according to the Law 4308 - Government Gazette A 251/24.11.2014.

Marousi, 30 June 2018
Chairman of the BoD & CEO

Constantinidis Dimitrios
I.D. Nr. AB049939

Member of the BoD

Constantinidi Eleni
I.D. Nr. AE119795



2. Report of the Board of Directors for the year 1/1/2017-31/12/2017

This report is referred to the fiscal year 2017 pursuant to the relevant provisions of the C.L. 2190/1920.

Ladies and gentlemen, Shareholders,

This annual Report of the Board of Directors for the year 2017 has been prepared according to the corporate legislation so as to depict the actual development and performance of the Company during 2017 as well as the most significant risks and uncertainties that the Company faces.

The annual Report of the Board of Directors together with the financial statements as included in the annual financial report 2017 presents an integrated analysis of the Company's activities. For that purpose, financial and non-financial basic data for the Company's performance during 2017, information regarding facts affecting the Company and the recognized risks, estimations for the foreseen course and development of the Company's business sector and data regarding transactions with related parties set out below.

A. Significant facts for the closing year 2017

Undertake of new projects

Within the Company's backlog of work-in-hand some major projects in Greece have been added as well as plenty more of low value, supplementary contracts and service agreements. Taking into account the execution of works during 2017, the uncompleted portion of projects signed by the Company at end-2017 amounted to € 109 million having increased compared to the portion of the previous year.

The major projects that have been added during 2017 are the following: Submarine Pipeline of Aegina (100%) of budget € 16.795.593,00 and Supply of smart single-phase electricity meters XT and means of communication (100%) of budget € 6.561.072,00.

B. Significant risks and uncertainties for 2017

1. Financial & political developments

The business environment in our country is bound by the increased credit and budgetary crunch resulted from the Memorandums with the capital control imposition, the banking system dysfunction and the imposition of additional tax measures. During 2017 some positive indications emerged regarding the



improvement of the financial environment derived from the encouragement of privatizations and other structural changes.

Yet, concerns regarding the ability of achieving substantial and sustainable recovery of the financial and business environment during 2018 have returned since the performance of the financial indicators is not the expected whereas additional tax measures have been pre-announced

2. Risks and uncertainties

The Company's activities are subject to various risks and uncertainties pertaining to the nature of its business activities, prevailing geopolitical, credit and currency conditions, relations with clients, suppliers and subcontractors. It is always desirable to limit the overall level of risk to tolerable and manageable levels for the Company's operations. Nevertheless, no system and risk management policy can offer absolute security and eliminate any risk.

The main risks' and uncertainties' factors, their management policies and their impact on the Company's activities, are as follows:

a. Credit risk

The Company has adopted a credit policy according to which the credit score of any new clients is assessed. Regarding public works, until the economic environment improves, the Company follows a policy of participating only in tenders where project financing is secured with European Union funds and the project managers have a well-established ability to finance.

In the local market, the Greek State is the largest client, as the private sector is a small player in building facilities and infrastructure projects where the Company specializes in. In the foreign market, the Company undertakes projects mainly for the private sector.

To calculate the provision for impairment of receivables from clients and other debtors, the Company assesses the risk level of each client according to the aging breakdown of receivables in arrears.

b. Input Price Risk

The Company is exposed to volatility in input prices for raw materials and other supplies, which in most cases are internationally-priced commodities, such as cement, metal rebars and fuel. The Company is centrally purchasing supplies for the needs of the undertaken projects.



c. Liquidity Risk

Liquidity risk refers to the likelihood of current assets being insufficient to cover short-term liabilities when they become due. The Company had positive net current assets at the end of 2017.

The Company follows a policy of securing adequate cash to meet upcoming liabilities at any point in time. To this extent, the Company seeks to maintain cash in physical form or in agreed credit lines sufficing for expected payments over the period of a month. The Finance Department prepares a detailed monthly cash plan.

The basic criterion in evaluating the course of cash liquidity is the aging analysis or maturity of the Company's financial liabilities.

d. Forex Risk

The Company receives a large part of its revenues from works in international markets, with a portion of those revenues coming from countries outside the eurozone. In cases of projects outside the eurozone, the Company makes an effort to match its receivables in foreign currency with payables in the same currency, effectively hedging part of its foreign exchange risk.

e. Insurance Risk

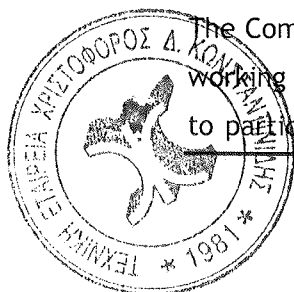
The Company is covered by reputable insurance companies against basic risk arising from their business activity, relating to breakdowns and damages in their technical equipment, personnel accidents, and force majeure events. Insurance contracts for projects also cover civil responsibility of the Company versus third parties.

f. Geopolitical Risk

Geopolitical risk is present throughout the Eastern Mediterranean region, the Middle East and Northern Africa due to conflicts and unrest linked the conflict for control of natural resources. The Company's international activities and expansion outside Europe has been focused on countries with limited geo-political risk.

g. Financial Risk

The Company finances its fixed assets with long-term loans and its operations with working capital, while also using performance bonds issued by banking institutions to participate in project tenders and guarantee their proper execution to clients.



The economic crisis in recent years has squeezed liquidity conditions in the banking sector, and in turn tight liquidity conditions in the construction sector's companies.

The total borrowing of the Company amounted to € 1,53 million on 31.12.2017 compared to € 1,35 million for the previous year, with its long-term segment accounting for 14,30% of the total in 2017 compared to 10,60% in 2016.

3. Dividend Policy

Due to the loss realized in fiscal year 2017, the Company's management is required to propose to the shareholders at the Annual General Meeting for 2017, which is to be held during 2018 within the deadline the law sets out, that no dividend is distributed for the year.

C. Important Transactions Among the Company and Related Parties

The most important transactions of the Company over the 01.01.2017-31.12.2017 period with related parties as per IAS 24, include transactions with subsidiaries and joint ventures.

The transactions with related parties for the current and the previous years are as follows:

| <u>Amounts -</u> | <u>31/12/2017</u> | <u>31/12/2016</u> |
|--------------------------------------------------------|----------------------|---------------------|
| <u>Sales of Good and Services</u> | | |
| Associates (joint ventures) | 913.715,69 | 417.876,60 |
| | <u>913715,69</u> | <u>417.876,60</u> |
| <u>Sales of Good and Services</u> | | |
| Branches abroad | 17.936.920,13 | 2.086.027,00 |
| | <u>17.936.920,13</u> | <u>2.086.027,00</u> |
| <u>Purchases of Good and Services</u> | | |
| Associates (joint ventures) | 0,00 | 3.695,81 |
| | <u>0,00</u> | <u>3.695,81</u> |
| <u>Total year end Receivables - Liabilities</u> | | |
| <u>Receivables</u> | | |
| From associates (joint ventures) | 5.626.333,75 | 5.486.766,82 |
| | <u>5.626.333,75</u> | <u>5.486.766,82</u> |
| <u>Liabilities</u> | | |
| From associates (joint ventures) | 58.215,26 | 58.961,18 |
| | <u>58.215,26</u> | <u>58.961,18</u> |



At 31.12.2017 there is receivable from the members of the BoD of an amount of € 14.421,43 regarding.

D. Rules of appointment and replacement of BoD members and amendment of Charter

The rules provided for by the Company's Charter regarding the appointment and replacement of its Board members as well as the amendment of its Articles do not differ from the provisions of codified law 2190/1920 and its amendments.

E. Labour and Environmental Issues

The Company employs staff with a wide range of skills, academic background, technical and scientific qualifications. Continuous training is offered to staff of all hierarchical levels, either internally by Company's personnel or external trainers, to improve performance and job satisfaction.

The Company's main activity, construction, is closely linked to the natural environment. The Company applies an environmental management system according to the ISO 14001 international standard and is actively supporting the improvement of environmental performance at all levels.

F. Financial and Non-Financial Basic Performance Indicators

1. Basic Company's Financial Figures

The basic consolidated financial figures of the Company for the fiscal year 2017 and the previous year are as follows:

| Amounts in € | 2016 | 2017 |
|-------------------------------|---------------|---------------|
| Turnover | 16.777.272,94 | 26.446.582,50 |
| Gross Results | 930.516,68 | 1.043.901,88 |
| Profit / (Loss) before tax | (50.249,44) | (706.272,88) |
| Net Profit / (Loss) after tax | (50.249,44) | (706.272,88) |

The performance of the Company for 2017 and the comparative year is defined according to the following ratios:

| | 2016 | 2017 |
|--|------|------|
| | | |



| Financial Structure Indicators | | |
|------------------------------------------------------------|---------|---------|
| Current Assets / Total Assets | 57,26% | 50,18% |
| Fixed Assets / Total Assets | 40,3% | 49,81% |
| Total Equity / Total Short- and Longterm Liabilities | 1,52 | 2,12 |
| Total Short- and Long-term Liabilities / Total Liabilities | 39,71% | 32,00% |
| Total Equity / Total Liabilities | 60,29% | 67,99% |
| Total Equity / Fixed Assets | 1,41 | 1,36 |
| Current Assets / Short-term Liabilities | 1,44 | 1,64 |
| Financial Performance Indicators | | |
| Profit / (Loss) before tax / Turnover | (0,3%) | (2,67%) |
| Profit / (Loss) before tax / Total Equity | (0,25%) | (3,6%) |
| Gross Results / Turnover | 5,55% | 3,95% |

2. Financial Results 2017

The turnover amounted to € 26,44 million for 2017 compared to € 16,77 million for 2016, approximately equally divided between the two semesters of the year.

The gross profit amounted to € 1,04 million for 2017 compared to € 0,93 million for 2016, with the gross profit margin narrowing to 3,95% from 5.55% The decrease in gross profitability is due to the gradual completion of the most profitable projects of the Company and the undertake of new ones which are in an early stage of financial performance.

The Profit / (Loss) before tax of the Company for 2017 was loss that amounted to € 706 thousand compared to loss € 50 thousand for 2016.

Earnings before interest, tax, depreciation and amortization (EBITDA) for all the activities of the Company presented profit of an amount of € 288 thousand for 2017 compared to € 651 thousand for 2016.

For 2018 there is cautious optimism regarding the Government's intention to launch new tender for public works, concessions as well as privatizations which include a great amount of construction works.



Abroad, the construction works continued smoothly. During 2017, the construction works from the international markets contributed at more than three quarters to the total revenue of the Company.

G. Important Developments & Events past the Balance Sheet Date (31.12.2017) and up to the date of approval of this Report

There are no important developments and events past the balance sheet date 2017 and up to the date of approval of this Report.

Non-Financial Overview

a. Business Model

The Company is mostly active in the areas of construction, maintenance of biological treatment plants, sewage and septic waste treatment plants, water resources treatment, generating energy, construction and maintenance of oil plants as well as construction of ports and other public and private projects. The following list provides indicative works in progress and completed:

1. Design and supply of two fixed roof jet fuel storage tanks at JPRC's station in Queen Alia International Airport and two floating roof gasoline storage tanks at JPRC's facilities - South Aqaba (50%), of a budget of € 10.732.207,00.
2. Operation and maintenance of the Thermal Drying Plant of Sludge produced in the Wastewater Treatment Plant of Thessaloniki (100%), of a budget of € 1.230.000,00.
3. Landfill Gas Recovery and Power Generation System at the Existing Ghabawi Landfill Amman, Jordan (51%), of a budget of € 19.719.077,00.
4. Operation of the Water Supply Plant of the city of Thessaloniki - Declaration Nr. 14 (50%), of a budget of € 7.142.355,00.
5. Water supply to the Thermal-electricity Generation Plant of Amintaio and Ptolemaida from the Drepano Tanks 110.000m³ και 30.000m³, Supply, Installation and Testing of the Water Pipelines and Other Works, (100%), of a budget of € 13.405.515,00.
6. Design - construction for the technical restructuring of the της Sewage Treatment Plant in the Industrial Area of the city of Thessaloniki, (100%), of a budget of € 3.565.000,00.
7. Operation and maintenance of the της Sewage Treatment Plant in the Industrial Area of the city of Thessaloniki during the period of the works of the technical



- restructuring and the testing operation of the project, (100%), of a budget of € 960.000,00.
8. Construction of Marina in Agia Napa of Cyprus, (100%) of a budget of € 84.000.000,00.
 9. Construction of the Submarine Pipeline connecting the island of Aegina with EYDAP, (100%) of a budget of € 16.795.593,00.
 10. Contract 5035161 -Smart Single-phase electricity meters XT (100%) of a budget of € 6.561.072,00.

b. Additional Information

Branches

Due to the nature of the business and the geographic dispersion of the Company's activities, it is appropriate to set up branches in foreign countries and install construction-sites in Greece in areas where construction works are carried out for the monitoring of the projects. As of the end of 2017, the Company had one branch in Cyprus and various construction-sites throughout Greece for the construction of the works.

Research & Development

The Company has no activities in the field of research and development of new technologies.

Foreign exchange available

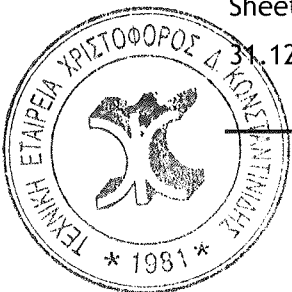
The Company did not have any foreign exchange available at 31.12.2017.

Information about Financial Means

The Company's cash and cash equivalents are analyzed to cash in hand of an amount of € 6.508,70 and cash at Banks of an amount of € 434.139,94. Respectively, in the previous year 2016 cash in hand amounted to € 7.195,82 and cash at Banks to € 2.422.483,43.

Company's Fixed Assets

The net-book value of property and investment property as presented in the Balance Sheet of 31.12.2017 amounted to € 9.550.703,63 and € 9.898.931,13 respectively for 31.12.2016.



Own shares

The Company at 31.12.2017 did not possess any own shares.

Significant Events that have occurred up to the date of preparing this current Report

Up to the date of this report no other event has occurred that would affect significantly the financial performance and the course of the Company.

THE CHAIRMAN
D. CONSTANTINIDIS

THE MEMBERS
E. CONSTANTINIDI
G. PAPOUTSIS
S. KARASOUTAS
G. MAVRIDIS
F. VASINIOTIS
CH. CONSTANTINIDIS
I.-A. CONSTANTINIDI-ROUSEA

Copy of the Minutes
Of the Board of Directors
Marousi, 30 June 2018

DIMITRIOS C. CONSTANTINIDIS,
CHAIRMAN of the BoD & CEO



3. Independent Auditor's Report

To the Shareholders of the Company "CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A."

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Company "CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A." (the Company), which comprise the statement of financial position as at December 31, 2017, the statements of income for the year then ended, changes in equity and cash flow as well as the related Notes to the Accounts.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial status of the Company on the 31st of December 2017 and of its financial performance and cash flow for the year then ended in accordance with the applicable provisions of Law 4308/2014.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the financial statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable provisions of Law 4308/2014, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless,



Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of article 43a of Codified Law 2190/1920 and its content is consistent with the accompanying financial statements for the year ended 31/12/2017.
- b) Based on the knowledge we obtained during our audit about the company "CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.



BDO Certified Public Accountant S.A.

449 Mesogion Av,

Athens- Ag. Paraskevi, Greece

Reg. SOEL: 173

Ag. Paraskevi, July 25, 2018
The Certified Public Accountant

ANTONIOS ANASTASOPOULOS
Reg. SOEL: 33821A.M. Σ.Ο.Ε.Λ. 33821



31st December 2017

4. Financial Statements

The attached financial statements for the period 01/01/2017 - 31/12/2017 are those approved by the BoD of the "CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A." at 30/06/2018 and are to be published at its website www.constantinidisae.gr.

These financial statements will be submitted to the Ordinary General Meeting of Shareholders for approval within the deadline as set out by the applicable legislation.

Statement of Financial Position

| <u>Amounts -</u> | <u>Note</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|----------------------------------------------------------|-------------|----------------------|----------------------|
| <u>Non-current Assets</u> | | | |
| <u>Tangible Assets</u> | | | |
| Property and plants | 3.1 | 1.424.457,15 | 1.773.331,52 |
| Technical equipment | 3.1 | 3.855.834,51 | 3.518.580,18 |
| Other equipment | 3.1 | 25.137,03 | 29.469,66 |
| Investment property | 3.1 | 8.126.246,48 | 8.125.599,61 |
| Total | | 13.431.675,17 | 13.446.980,97 |
| <u>Intangible Assets</u> | | | |
| Other intangible assets | 3.2 | 4.514,57 | 5.123,07 |
| Total | | 4.514,57 | 5.123,07 |
| Investments in associates, subsidiaries & joint ventures | 3.4 | 781.544,34 | 781.544,34 |
| Other | 3.3 | 22.555,50 | 25.559,63 |
| Total | | 804.099,84 | 807.103,97 |
| Total of non-current assets | | 14.240.289,58 | 14.259.208,01 |
| <u>Current Assets</u> | | | |
| <u>Inventories</u> | | | |
| Merchandise | 3.5 | 439.028,00 | 452.048,00 |
| Advances for inventories | 3.5 | 18.981,96 | 54.103,95 |
| Total | | 458.009,96 | 506.151,95 |
| <u>Financial Assets & Advances</u> | | | |
| Trade receivables | 3.6 | 6.710.667,55 | 9.353.570,89 |
| Other receivables | 3.6 | 6.105.276,17 | 6.573.993,55 |
| Other financial assets | 3.8 | 57.993,12 | 56.573,79 |
| Prepaid expenses | 3.6 | 574.671,64 | 184.870,13 |
| Cash and cash equivalents | 3.7 | 440.648,64 | 2.429.279,25 |
| Total | | 13.889.257,12 | 18.598.287,61 |
| Total of current assets | | 14.347.267,08 | 19.104.439,56 |
| Total of assets | | 28.587.556,66 | 33.363.647,57 |



CONSTRUCTION COMPANY
CHRISTOPHER D. CONSTANTINIDIS S.A.

Financial Statements

31st December 2017

| Amounts - | Note | 31.12.2017 | 31.12.2016 |
|------------------------------------------------------|------|----------------------|----------------------|
| Equity | | | |
| Paid-up capital | | | |
| Share capital | 3.9 | 22.913.640,15 | 22.913.640,15 |
| Total | | 22.913.640,15 | 22.913.640,15 |
| Fair value differences | | | |
| Fair value differences of assets | 3.9 | 1,86 | 1,86 |
| Total | | 1,86 | 1,86 |
| Reserves & retained earnings | | | |
| Law or charter reserves | 3.9 | 247.617,00 | 247.617,00 |
| Retained earnings | 3.9 | -3.724.291,22 | -3.045.761,34 |
| Total | | -3.476.674,22 | -2.798.144,34 |
| Total equity | | 19.436.967,79 | 20.115.497,67 |
| Provisions | | | |
| Provisions for personnel benefits | 3.10 | 122.686,00 | 131.385,00 |
| Total | | 122.686,00 | 131.385,00 |
| Liabilities | | | |
| Long-term liabilities | | | |
| Loans | 3.12 | 219.009,46 | 143.529,07 |
| Other long-term liabilities | 3.11 | 80.841,97 | 94.282,01 |
| Total | | 299.851,43 | 237.811,08 |
| Short-term liabilities | | | |
| Bank loans | 3.12 | 1.250.183,86 | 1.006.523,35 |
| Short-term portion of long-term loans | 3.12 | 64.174,12 | 199.999,92 |
| Trade liabilities | 3.14 | 7.050.113,55 | 11.321.039,80 |
| Other tax and duties | 3.15 | 94.615,37 | 192.690,99 |
| Social security liabilities | 3.16 | 81.621,02 | 100.698,94 |
| Other liabilities | 3.13 | 141.803,94 | 47.433,99 |
| Accrued expenses | 3.13 | 45.539,58 | 10.566,83 |
| Total | | 8.728.051,44 | 12.878.953,82 |
| Total of liabilities | | 9.150.588,87 | 13.248.149,90 |
| Total of equity, provisions & liabilities | | 28.587.556,66 | 33.363.647,57 |

The following notes are integral part of the Financial Statements.



31st December 2017

Statement of Income

| Amounts - | Note | 01.01 - 31.12.2017 | 01.01 - 31.12.2016 |
|--------------------------------------------------------------------|------|---------------------|--------------------|
| Turnover (net) | 3.17 | 26.446.582,50 | 16.777.272,94 |
| Cost of sales | 3.18 | -25.402.680,62 | -15.846.756,25 |
| Gross profit | | 1.043.901,88 | 930.516,68 |
| Administrative expenses | 3.19 | -1.402.397,79 | -901.306,38 |
| Other loss & expenses | 3.21 | -113.617,67 | -921,60 |
| Property impairment (net amount) | 3.22 | -142.602,44 | 0,00 |
| Income from participations & investments | 3.20 | 0,00 | 21.191,51 |
| Other profit & income | 3.21 | 1.419,33 | 0,00 |
| Profit/ (Loss) before tax, financial and investment results | | -613.296,69 | 49.480,22 |
| Interest & related income | 3.23 | 278,72 | 1.874,92 |
| Interest charges & related expenses | 3.23 | -93.254,91 | -101.604,58 |
| Profit/ (Loss) before tax | | -706.272,88 | -50.249,44 |
| Profit/ (Loss) after tax | | -706.272,88 | -50.249,44 |

The following notes are integral part of the Financial Statements.

Changes in equity

| Amounts - | Share capital | Fair value differences | Law or charter reserves | Retained earnings | Total |
|-----------------------------------------------|----------------------|------------------------|-------------------------|----------------------|----------------------|
| <i>Balance at 31.12.2015</i> | 22.913.640,15 | 1,86 | 247.617,00 | -2.940.185,67 | 20.221.073,34 |
| Net amounts directly recognized in the Equity | | | | -55.326,23 | -55.326,23 |
| Profits/(losses) for the period | | | | -50.249,44 | -50.249,44 |
| Balance at 31.12.2016 | 22.913.640,15 | 1,86 | 247.617,00 | -3.045.761,34 | 20.115.497,67 |
| Net amounts directly recognized in the Equity | | | | 27.743,00 | 27.743,00 |
| Profits/(losses) for the period | | | | -706.272,88 | -706.272,88 |
| Balance at 31.12.2017 | 22.913.640,15 | 1,86 | 247.617,00 | -3.724.291,22 | 19.436.967,79 |



The following notes are integral part of the Financial Statements.

Cash flow Statement

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|--------------------------------------------------------------------------|---------------------------|---------------------------|
| <u>Cash Flow from Operating Activities</u> | | |
| Profit/ (Loss) before tax | -706.272,88 | -50.249,44 |
| <u>Adjustments for:</u> | | |
| Depreciation & impairment of tangible & intangible assets | 646.557,83 | 624.902,12 |
| Provisions | 264.917,31 | 29.347,00 |
| Interest income & interest expenses (net amount) | 92.976,19 | 99.729,66 |
| <u>Adjustments for change in working capital:</u> | | |
| Increase)/decrease in inventories | 13.020,00 | 18.735,00 |
| (Increase)/decrease in receivables | 2.615.923,56 | -5.171.841,55 |
| (Decrease) / Increase in liabilities | -4.375.448,00 | 4.442.537,17 |
| <u>Less:</u> | | |
| Interest paid | -93.254,91 | -101.604,58 |
| Total | -1.541.580,90 | -108.444,62 |
| <u>Cash Flow from Investing Activities</u> | | |
| Payments (proceeds) from purchase (disposal) of assets | -630.643,53 | -651.904,75 |
| Interest received | 278,72 | 1.874,92 |
| Total | -630.364,81 | -650.029,83 |
| <u>Cash Flow from Financing Activities</u> | | |
| Proceeds / (payments) from increase / (decrease) of the share capital | 0,00 | 0,00 |
| Proceeds / (payments) from bank borrowings | 183.315,10 | -79.173,27 |
| Total | 183.315,10 | -79.173,27 |
| <u>Net increase / (decrease) in the cash and cash equivalents</u> | | |
| Net increase / (decrease) in the cash and cash equivalents of the year | -1.988.630,61 | -837.647,72 |
| Cash and cash equivalents at the beginning of the year | 2.429.279,25 | 3.266.926,97 |
| Cash and cash equivalents at the end of the year | 440.648,64 | 2.429.279,25 |



1. Notes on the financial statements

General Information

The annual financial statements of the period 1/1/2017 - 31/12/2017 include the corporate financial statements of the company Construction Company Christopher D. Constantinidis S.A (hereinafter referred to as "Company").

The Company, as literally translated to Company Christopher D. Constantinidis S.A for foreign transactions and business with abroad, has established by the Decision of The Athens Prefecture Governor nr. 3807/15-2-1980, which approved the establishment of the Company and its Articles of Association (Government Gazette, Section A.E. & E.P.E. 328/28-2-1980). The Company is registered in the Registry of Societe Anonymes of the Athens Prefecture with General Registry of Commerce Number 003637301000 [and A.R.M.A.E 3676/01AT/B/86/291/(1995)].

The Company's head office is located at Municipality of Marousi, 10, Germanikis Scholis str., tel. 210-6100500. The duration of the Company has been set to 50 years starting from the date of the publication of the Company's initial Articles of Association and ends at the respective date of the year 2030

The business aim of the Company is the construction and operation of public and private construction works as well as property real estate.

The Company is the parent of its same-name Group. The Company owns a subsidiary in Cyprus under the name CHRISTOPHER D. CONSTANTINIDIS LTD, 11, Bouboulinas str., 1060 Nicosia (participation 100%) as well as a subsidiary under the name KONI NEPA which is located in Chalandri, 18, Rizariou str., 15233 (participation 99%).

The Group's is strongly active in the fields of construction and operation of public and private construction works as well as property real estate.

Pursuant to the criteria as set out in article 2 of Law 4308/2014 the Company is ranked among the medium entities.



2. Significant accounting policies applied by the Company

2.1 Framework of the preparation of the financial statements

The Company's financial statements of 31/12/2017, covering the period from 1/1/2017 to 31/12/2017, are pursuant to the Greek Accounting Standards (G.A.S.) as set out by the Law N. 4308/2014 and have been prepared according the fundamental principles of accrual basis and going concern.

The accounting principles are consistent with the previous period ending 31/12/2016. The recognition and measurement of the accounts of the financial position and the statement of income is being done with caution and separately for every account whereas the transfers between assets and liabilities or between expenses and income are not allowed unless it is permitted by the Law 4308/2014.

2.2 First-time adoption of the Greek Accounting Standards

The Company's transfer date to G.A.S. was January 1st, 2014. The last financial statements, pursuant to the accounting standards as prescribed by the Greek Uniform Chart of Accounts and the provisions of the articles 42a to 43c of the Codified law 2190/1920 (as applied before the adoption of Law 4308/2014), have been prepared and published for the period January 1st 2014 to December 31st 2014.

From 1st January 2014 the Company prepares the financial statements according the Greek Accounting Standards (G.A.S.) as set out by the Law N. 4308/2014.

The Company adopted the article 34 of Law N. 4308/2014 "First Adoption" in the course of the preparation of the financial statements which are the first ones according the G.A.S.

All the adjustments of the first adoption have been made to the accounts of the financial position of 31/12/2013, (which was the transition balance sheet to the G.A.S.), as prepared according to the previously applied Accounting Standards.



2.3 Approval of the financial statements

The attached financial statements have been approved by the BoD of the Company at June 30, 2018 and are to be submitted to the Annual General Meeting for approval.

2.4 Basic accounting Policies

The accounting policies, on the basis of which the current financial statements have been prepared and have being consistently applied by the Company, are the following:

2.4.1 Tangible Assets

Tangible assets are presented in the financial statements at historical cost less accumulated depreciation and any accumulated impairment losses. The acquisition cost includes all those expenses directly linked with the acquisition of the asset.

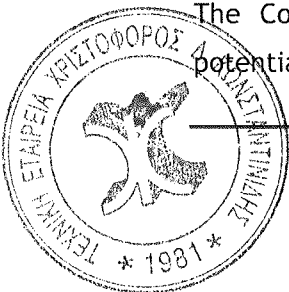
Subsequent expenditure is added on the tangible assets' book value or as a separate asset only to the extent it increases the future economic benefits from the asset's use and given that those costs can be measured reliably. The cost of repair and maintenance for assets is charged to P/L accounts when they are incurred.

Charging depreciation of tangible assets starts from the date they are ready for the year they are intended and is calculated on a straightline basis according to their useful lives as follows:

| Description | Useful life |
|-----------------------------|--------------|
| Buildings | 25 years |
| Machinery & machine plants | 10 years |
| Vehicles | 8 - 12 years |
| Furniture & other equipment | 5 - 10 years |

Land and plots as well as assets that are under construction are not depreciated. Improvements to leased assets are depreciated according the duration of the leasing.

The Company's management periodically examines the tangible assets for any potential impermanent of their value. If there is an indication that the book value of



a tangible asset exceeds its recoverable value and it is assumed that the impairment is permanent, a provision for loss from impairment is made so as the book value of the asset represents its recoverable value.

Tangible assets are deleted from the balance sheet on disposal or when no further economic benefits are expected from their use or disposal.

Profit or loss derived from removal or disposal of tangible assets is determined on the basis of the difference between the estimated net financial result of the disposal and their net book value and it is charged as income or expenses in the statement of income.

2.4.2 Intangible assets

Intangible assets are added only when it is assumed that the future economic benefits linked with them are to flow into the company and their cost can be measured reliably. Initially, the intangible assets are presented at their acquisition cost including the purchase value, import taxes, nonrefundable acquisition taxes and every other direct cost required for the use of the intangible asset. After the initial addition the intangible assets are measured at their cost less the accumulated depreciation and the impairment of their value.

Intangible assets are depreciated on a straight line basis according to their useful lives. If an intangible asset has indefinite useful life it is not depreciated but it gets examined for impairment comparing annually its recoverable value with its book value and when there is an indication that the asset is impaired. When the useful life cannot be measured reliably then it is depreciated according the useful life period of (5) - (10) years.

2.4.3 Investments in subsidiaries, associates and joint ventures

All the investments are recorded initially at the cost including acquisition expenses related with the investment.

2.4.4 Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in



active markets. This category (loans and receivables) does not include:

- receivables from advances for the purchase of goods or services,
- receivables relating to tax transactions, which have been legislatively imposed by the state,
- any receivable not covered by a contract giving the company the right to receive cash or other financial fixed assets.

Loans and receivables are initially recognized at their cost. Subsequently the initial recognition loans and receivables are measured at cost excluding the interest-bearing which are measured at their depreciable part with the using the effective interest method or the straightline method, if the method of the depreciable cost has significant effect on the financial statements. Any difference between the proceeds (net after any related expenses) and payment value is recognized in the statement of income within the loan duration based on the effective interest method.

Loans and receivables are ranked among current assets except those with maturity longer than 12 months from the balance sheet date. The latter are included within the long-term assets.

2.4.5 Inventories

Inventories are recognized initially at acquisition cost. Acquisition cost of inventories includes all the necessary expenses in order they reach their current position and status.

When a great deal of time is required for inventories to become ready for their intended use or sale, their cost is burdened with interest-bearing liabilities at the part of those interests relate to the accounted inventories for that specific period. After the initial recognition, inventories are valued at the lowest between cost and net realizable value. The acquisition cost of the year-end inventory is determined according to the weighted average method.

2.4.6 Trade receivables (customers)

The trade receivables accounts are entered and presented at cost, after having been impaired for any non-recoverable amounts. Impairment of trade receivables is being



conducted when the payment of whole or part of a receivable amount is not likely to be settled.

2.4.7 Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term deposits with original maturity less than three (3) months and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4.8 Leasing

- *The Company as lessor*

Lease agreements in which the lessee transfers the right of usage of an asset for a fixed time period but not the risks and rewards of the asset's ownership, are classified as operating leases. Payments for operating leases (net of any discounts offered by the lessor) are recognized in the Income Statement proportionately over the term of the lease.

- *The Company as lessee*

Fixed assets leased as lessor through operating leases are included as tangible assets in the balance sheet and depreciated over their expected useful lives using the same procedure as other fully-owned tangibles. Proceeds from leases (net of any discounts offered to the lessee) are recognized on a straight-line basis over the lease term.

2.4.9 Borrowing cost

Borrowings are initially recognized at the owed amount. Subsequent of the initial recognition, they are measured at the owed amounts. Interest charges that arise from financial liabilities are recognized as expenses in the statement of income.

Borrowings are included in short-term liabilities when the Company has the obligation to repay them within twelve (12) months. Otherwise, the borrowings are included as long-term liabilities.



2.4.10 Income Tax

The current tax income includes the payable tax on the Company's taxable income as the latter has been adjusted according the requirements of the tax laws and has been calculated according to the current applicable tax rate.

2.4.11 Personell Benefits

(a) Short-term Benefits

Short-term personnel benefits in cash and in kind are charged as expense when they become accrued.

(b) Retirement and termination benefits

Retirement benefits obligation is determined according the applied law at the present value of the future benefits as accumulated at the end of the year for the duration of the expected working life based on the relevant DBO plan.

2.4.12 Provisions and contingent receivables and liabilities

The Company forms provisions when:

- i. there is legal or constructive obligation resulting from events of the past,
- ii. it is likely to happen outflow of resources embodying economic benefits for the settlement of the liability,
- iii. the amount of the relevant liability can be reliably estimated.

The Company's management reassesses at every balance sheet date the need of forming provisions and adjusting of the existing so as they represent the best possible.

Contingent liabilities are not entered in the financial statements but are disclosed unless the likelihood of outflow of resources embodying economic benefits is null. Contingent receivables are not entered in the financial statements but are disclosed as long as the inflow of resources embodying economic benefits is likely to happen.

2.4.13 Income - expenses recognition

Sale of goods: Revenue from sales of goods are recognized when all of the criteria below are met:



- a) the actual risks and the benefits linked with the goods' ownership are transferred to the buyer,
- b) the goods get accepted by the buyer and
- c) the economic benefits from the transaction can be reliably measured and it is strongly to happen their inflow in the entity.

Provision of services: Revenues from provision of services are entered in the reporting period in which the services were rendered, according to the stage of completion of the services in relation to the total of the services rendered.

Interest income: Interest income is entered in the statement of income when it is incurred, pro rata temporis, at the net book value of the financial item.

Income from dividends: Dividends are accounted as income when their distribution is approved by the competent body.

Expenses: Expenses are recognized in the P/L accounts on an accrual basis.

2.4 14 Transaction in foreign currency

A transaction in foreign currency is converted, at initial recognition, in the operating currency of the entity's financial statements according to the going foreign exchange rates on the date on which transactions take place.

At the end of each reporting period:

- a) The monetary items are converted according the exchange rate of the balance sheet ending date,
- b) The non-monetary items measured at historical cost, are converted according the exchange rate of the initial recognition.
- c) The non-monetary items measured at fair value are converted according the exchange rate of the fair value determination's date.

2.4.15 Distribution of dividends

The distribution of dividends to the shareholders of the parent company is recognized as liability in the financial statements when their distribution has been approved by the Annual General Meeting of the Shareholders.



3. Notes on the financial statements

3.1. Tangible assets analysis

The change in the Company's fixed assets is presented in the table below:

| Amounts - | Property and plants | Investment property | Technical equipment | Other equipment | Total |
|--------------------------------------------------------|---------------------|---------------------|---------------------|-----------------|----------------|
| Net book value at 31/12/2015 | 2.123.210,19 | 8.123.948,44 | 3.139.758,54 | 32.452,67 | 13.419.369,84 |
| Acquisitions | 0,00 | 0,00 | 643.834,25 | 8.070,50 | 651.904,75 |
| Transfers | -638.562,37 | 638.562,37 | 0,00 | 0,00 | 0,00 |
| Depreciation charge | -77.910,39 | -270.317,11 | -265.012,61 | -11.053,51 | -624.293,62 |
| Previous years' depreciation of the transferred assets | 366.594,09 | -366.594,09 | 0,00 | 0,00 | 0,00 |
| Cost | 2.475.773,18 | 11.453.452,42 | 10.812.538,25 | 600.542,29 | 25.342.306,14 |
| Accumulated depreciation | -702.441,66 | -3.327.852,81 | -7.293.958,07 | -571.072,63 | -11.895.325,17 |
| Net book value at 31/12/2016 | 1.773.331,52 | 8.125.599,61 | 3.518.580,18 | 29.469,66 | 13.446.980,97 |
| Acquisitions | 0,00 | 0,00 | 621.622,38 | 9.021,15 | 630.643,53 |
| Disposal of assets | 0,00 | 0,00 | -17.369,92 | 0,00 | -17.369,92 |
| Transfers | -646,87 | 646,87 | 0,00 | 0,00 | 0,00 |
| Depreciation charge | -348.227,50 | 0,00 | -284.368,05 | -13.353,78 | -645.949,33 |
| Depreciation of disposed assets | 0,00 | 0,00 | 17.369,92 | 0,00 | 17.369,92 |
| Cost | 2.475.126,31 | 11.454.099,29 | 11.416.790,71 | 609.563,44 | 25.955.579,75 |
| Accumulated depreciation | -1.050.669,16 | -3.327.852,81 | -7.560.956,20 | -584.426,41 | -12.523.904,58 |
| Net book value at 31/12/2017 | 1.424.457,15 | 8.126.246,48 | 3.855.834,51 | 25.137,03 | 13.431.675,17 |

No encumbrances exist on the Company's fixed assets.

3.2 Intangible assets analysis

The change in the Company's intangible assets is presented in the table below:



31st December 2017

| <u>Amounts -</u> | <u>Other intangible assets</u> |
|-------------------------------------|------------------------------------|
| Net book value at 31/12/2015 | 5.731,57 |
| Acquisitions | |
| Disposals | |
| Depreciation charge | (608,50) |
| Depreciation of disposed assets | |
| Cost | 6.085,00 |
| Accumulated depreciation | -961,93 |
| Net book value at 31/12/2016 | 5.123,07 |
| Acquisitions | |
| Disposals | |
| Depreciation charge | (608,50) |
| Depreciation of disposed assets | |
| Cost | 6.085,00 |
| Accumulated depreciation | -1.570,43 |
| Net book value at 31/12/2017 | 4.514,57 |

During the year no indications for impairment existed. The intangible assets are unencumbered.

3.3 Other non-current assets

The Company's other non-current assets are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|---------------------------------|-------------------|-------------------|
| Other non current assets | | |
| Given guarantees | 22.555,50 | 25.559,63 |
| Total | 22.555,50 | 25.559,63 |

3.4 Analysis of investments in subsidiaries, associates and joint ventures

The Company's investments in subsidiaries, associates and joint ventures for the year 2017 amounted to € 781.544,34 having no change since 2016.

The main investments of the Company are presented in the table below:

| <u>Participation</u> | <u>Cost</u> | <u>Impairment</u> | <u>Total</u> |
|---------------------------------------------------------------------------------|---------------------|-------------------|-------------------|
| PARTICIPATION 99% KONI NEPA | 495.000,00 | 0,00 | 495.000,00 |
| PARTICIPATION 100% TO CHRISTOPHER D. CONSTANTINIDIS CONSTRUCTION COMPANY LTD | 501.000,00 | 500.100,00 | 900,00 |
| Other participations to joint ventures | 285.644,34 | 0,00 | 285.644,34 |
| Total | 1.281.644,34 | 500.100,00 | 781.544,34 |



3.5 Inventories and advances for inventories

The Company's inventories and advances for inventories are presented in the table below:

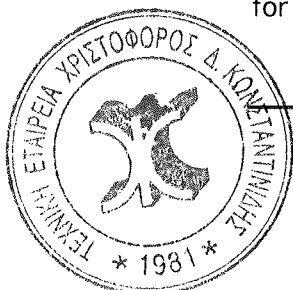
| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|--------------------------|-------------------|-------------------|
| Inventories | | |
| Merchandise | 439.028,00 | 452.048,00 |
| Advances for inventories | 18.981,96 | 54.103,95 |
| Total | 458.009,96 | 506.151,95 |

3.6 Trade and other receivables

The Company's trade and other receivables are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-------------------------------------------------|----------------------|----------------------|
| Trade receivables | | |
| Trade receivables from domestic customers | 465.629,60 | 999.317,94 |
| Trade receivables from customers abroad | 257.432,80 | 2.044.127,81 |
| Trade receivables from the Greek State | 496.039,03 | 2.818.389,74 |
| Trade receivable from construction contracts | 5.883.543,65 | 3.824.675,08 |
| Retained guarantees from customers | 26.700,00 | 76.918,80 |
| <u>less:</u> Provision for doubtful receivables | -418.677,53 | -409.858,48 |
| Trade receivables - net | 6.710.667,55 | 9.353.570,89 |
| Other receivables | | |
| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
| Receivables from taxes with-held | 117.649,06 | 0,00 |
| Receivables from VAT of Cyprus branch | 6.700,04 | 101.439,15 |
| Other down payments to personnel | 14.787,26 | 11.598,78 |
| Other short-term receivables from associates | 7.411.790,20 | 7.515.926,48 |
| Advances & credits suspense account | 956.975,04 | 932.859,85 |
| Other debtors | 163.617,48 | 444.628,81 |
| <u>less:</u> Provision for other receivables | -2.566.242,91 | -2.432.459,52 |
| Other receivables | 6.105.276,17 | 6.573.993,55 |
| Total | 12.815.943,72 | 15.927.564,44 |

The total of the above receivables is short-term. The fair value of those short-term financial assets is not determined independently since their book value is considered to match with their fair value. All of the Company's receivables have been examined for the existence of any indications of impairment



Construction contracts analysis:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-----------------------------------------------------------------|---------------------|---------------------|
| Receivable from construction contracts | 5.883.543,65 | 4.215.360,76 |
| Payables to construction contracts | 0,00 | -390.685,69 |
| Net receivable / (liability) from construction contracts | 5.883.543,65 | 3.824.675,07 |

3.7 Cash & cash equivalents

The Company's cash & cash equivalents are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|----------------------|-------------------|---------------------|
| Cash in hand | 6.508,70 | 7.195,82 |
| <u>Cash at banks</u> | <u>434.139,94</u> | <u>2.422.083,43</u> |
| Total | 440.648,64 | 2.429.279,25 |

3.8 Other financial assets

The Company's other financial assets are presented in the table below:

| <u>Amounts -</u> | <u>31/12/2017</u> | <u>31/12/2016</u> |
|----------------------------|-------------------|-------------------|
| Shares of listed companies | 215.262,48 | 215.262,48 |
| Greek State bonds | 124.518,30 | 124.518,30 |
| Securities | 114.959,34 | 114.959,34 |
| Impairment | -396.747,00 | -398.166,33 |
| Total | 57.993,12 | 56.573,79 |

3.9 Paid-up capital analysis

Share capital

The Company's share capital at 31/12/2017 amounted to € 22.913.640,15 and it divided into 7.820.355 ordinary shares with a nominal value of € 2,93 per each. Each share has one voting right.

In particular, the change in the paid-up capital of the Company is presented in the table below:



CONSTRUCTION COMPANY
CHRISTOPHER D. CONSTANTINIDIS S.A.

31st December 2017

| <u>Amounts -</u> | Number of shares | Value per share | Total |
|------------------------------------------------|------------------|-----------------|---------------|
| Balance at 1/1/2014 | 8.503.355 | 2,93 | 24.914.830,15 |
| Balance at 31/12/2014 | 8.503.355 | 2,93 | 24.914.830,15 |
| Decrease of share capital through cash payment | -683.000 | 2,93 | -2.001.190,00 |
| Balance at 31/12/2015 | 7.820.355 | 2,93 | 22.913.640,15 |
| Balance at 31/12/2016 | 7.820.355 | 2,93 | 22.913.640,15 |
| Balance at 31/12/2017 | 7.820.355 | 2,93 | 22.913.640,15 |

The change in the Company's reserves for the current and the previous year is presented in the table below:

| <u>Amounts -</u> | 31/12/2017 | 31/12/2016 |
|-------------------|------------|------------|
| Law reserves | | |
| Statutory reserve | 247.617,00 | 247.617,00 |
| Total | 247.617,00 | 247.617,00 |

3.10 Provisions for personnel benefits

Retirement and termination benefit obligations: According to the Greek legislation employees are entitled to compensation for retirement or dismissal the amount of which varies according the salary, the years of past service and the kind of the termination of the employee (retirement or dismissal). Employees resigned or justifiably dismissed are not entitled to compensation. The payable pension in case of retirement amounts to 40% of the pension that would be payable in case of unjustified dismissal. In Greece, pursuant to local practice, those pension plans are not funded.

The Company charges its P/L accounts for benefits deemed as payable at every period according to the respective increase in the retirement obligation. The payment of benefits to the retired personnel of every period is charged toward that obligation.

Within the benefits obligation for staff resignations the amount of the provision for the retirement of the total of the Company's staff is included as determined according to a Defined Benefit Obligation (DBO) plan prepared by a certified actuarial expert.

The principal assumptions for the DBO plan at 31/12/2017 are as follows:



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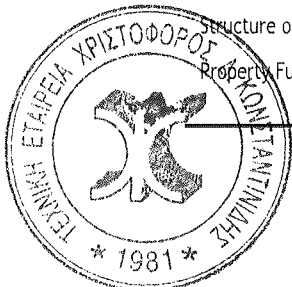
- **Inflation**: All the calculations have been conducted at fixed rates 31/12/2017. It was assumed that the salaries and the wages and the respective benefits will be adjusted automatically according to each current increase of the index.
- **Discount rate**: 4%.
- **Mortality**: As a mortality probability model the Swiss Tables EVK2000 were used.
- **Dismissals**: We assumed that no dismissals will take place as well as all staff will receive pension at the time of retirement.
- **Ages of retirement**: Due to lack of data for early retirement and disability retirement as ages of retirement, for the men and women, the ages of Social Insurance Institute (IKA) were used.

According to the above assumptions the total retirement and termination benefit obligation of the Company amounted to € 122.685,00.

The table below presents the analysis:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-----------------------------------------------------------------------------|--------------------------|--------------------------|
| <u>Current Value of the Defined Benefit Obligations</u> | | |
| Current Value of Defined Benefit Obligations at January 1st | 131.385,00 | 160.732,00 |
| Interest cost | 1.971,00 | 3.215,00 |
| Current cost service | 23.540,00 | 17.514,00 |
| Termination benefits cost | 7.113,00 | 147.155,00 |
| Benefits paid within the current year | 13.580,00 | 197.659,00 |
| Actuarial profit/(loss) | 27.743,00 | -428,00 |
| <u>Current Value of Defined Benefit Obligations at December 31st</u> | <u>122.686,00</u> | <u>131.385,00</u> |
| (a) + (b) + (c) + (d) - (e) - (f) | | |

| <u>Actuarial assumptions</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|--------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| Discount rate | 1,50% | 1,50% |
| Future salary increases rate | 0,50% | 0,50% |
| Inflation rate | 1,80% | 1,80% |
| Mortality rate | MT_EAE2012P | MT_EAE2012P |
| Net mobility rate (resignations less dismissals) | 0,00% | 0,00% |
| Normal retirement age | Men & Women : 67 years & 62 years for unhealthy & hazardous (& NAT) | Men & Women : 67 years & 62 years for unhealthy & hazardous (& NAT) |
| Structure of the insured persons' group | Closed : Assumed zero person entry | Closed : Assumed zero person entry |
| Property Fund | Property Fund = 0 € | Property Fund = 0 € |



3.11 Other long-term liabilities

The Company's other long-term liabilities are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|---------------------------------|-------------------|-------------------|
| Holders of financial guarantees | 80.841,97 | 94.282,01 |
| Total | 80.841,97 | 94.282,01 |

3.12 Borrowing

The Company's borrowing liabilities s are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-----------------------------|---------------------|---------------------|
| Long-term borrowing | | |
| Long-term borrowing | 219.009,46 | 143.529,07 |
| | 219.009,46 | 143.529,07 |
| Short-term borrowing | | |
| ATTICA BANK | 64.174,12 | 199.999,92 |
| ALPHA BANK | 1.250.183,86 | 1.006.523,35 |
| | 1.314.357,98 | 1.206.523,27 |
| Total borrowing | 1.533.367,44 | 1.350.052,34 |

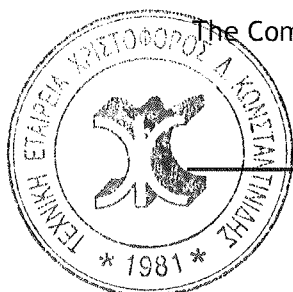
3.13 Other liabilities and accrued expenses

The Company's other liabilities and accrued expenses are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-------------------|-------------------|-------------------|
| Short-term | | |
| other creditors | 141.803,94 | 47.433,99 |
| Accrued expenses | 45.539,58 | 10.566,83 |
| Total | 187.343,52 | 58.000,82 |

3.14 Trade liabilities

The Company's trade liabilities are presented in the table below:



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| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-------------------------|---------------------|----------------------|
| Domestic suppliers | 1.848.069,49 | 5.697.930,07 |
| Foreign suppliers | 3.245.133,51 | 2.122.845,65 |
| Cheques outstanding | 0,00 | 4.349,55 |
| Advances from customers | 1.956.910,55 | 3.495.914,53 |
| Total | 7.050.113,55 | 11.321.039,80 |

3.15 Other tax and duties

The Company's other tax and duties liabilities are presented in the table below:

| <u>Amounts -</u> | <u>31.12.2017</u> | <u>31.12.2016</u> |
|-------------------------------------|-------------------|-------------------|
| VAT | 31.268,96 | 63.236,73 |
| Payroll income tax withholdings | 33.269,71 | 36.834,59 |
| Tax withheld to third parties | 15.677,02 | 13.235,02 |
| Other tax, duties and contributions | 14.399,68 | 79.384,65 |
| Total | 94.615,37 | 192.690,99 |

3.16 Social security liabilities

The Company's liabilities for social security concern liability to the Social Insurance Institute (IKA) of an amount of € 81.621,02 and € 100.698,94, for 31/12/2017 for 31/12/2016 respectively.

3.17 Net sales

The Company's net sales per activity are presented in the table below:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | | | | |
|------------------|--------------------------------|----------------------------------------------|---------------------|---------------------------------------------------|----------------------|
| | <u>Merchandise & Scrap</u> | <u>Contracts of public and private works</u> | <u>Services</u> | <u>Rent income from buildings & machinery</u> | <u>Total</u> |
| - to customers | 44.771,42 | 23.394.395,76 | 2.599.375,32 | 408.040,00 | 26.446.582,50 |
| Net sales | 44.771,42 | 23.394.395,76 | 2.599.375,32 | 408.040,00 | 26.446.582,50 |
| <u>Amounts -</u> | <u>01.01 - 31.12.2016</u> | | | | |
| | <u>Merchandise</u> | <u>Contracts of public and private works</u> | <u>Services</u> | <u>Rent income from buildings & machinery</u> | <u>Total</u> |
| - to customers | 18.378,00 | 13.859.190,31 | 2.551.559,63 | 348.145,00 | 16.777.272,94 |
| Net sales | 18.378,00 | 13.859.190,31 | 2.551.559,63 | 348.145,00 | 16.777.272,94 |



3.18 Cost of sales

The Company's cost of sales per activity is presented in the table below:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|------------------------------|---------------------------|---------------------------|
| Salaries and Staff Cost | 1.965.118,15 | 2.353.677,17 |
| Third Party Fees | 19.519.271,90 | 7.984.686,76 |
| Charges for Outside Services | 1.171.948,67 | 1.066.640,53 |
| Tax and fees | 4.911,35 | 207.420,86 |
| Other Expenses | 932.945,10 | 571.508,47 |
| Depreciation | 614.229,94 | 591.907,71 |
| Materials | 694.224,42 | 2.756.658,75 |
| Other | 500.031,09 | 314.256,01 |
| Total | 25.402.680,62 | 15.846.756,26 |

3.19 Administrative expenses

The Company's administrative expenses are presented in the table below:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|------------------------------|---------------------------|-------------------------------|
| Salaries and Staff Cost | 89.507,77 | 106.814,41 |
| Third Party Fees | 1.027.330,10 | 420.246,67 |
| Charges for Outside Services | 61.681,51 | 56.138,98 |
| Tax and fees | 190.621,12 | 20.295,94 |
| Other Expenses | 929,40 | 264.815,97 |
| Depreciation | 32.327,89 | 32.994,41 |
| Total | 1.402.397,79 | 901.306,38 |

3.20 Income from participations & investments

The Company's income / losses from participations & investments are presented in the table below:



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| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|-----------------------------------------------------|---------------------------|---------------------------|
| <u>Losses from participations & investments</u> | | |
| Securities impairment | 0,00 | 133.790,43 |
| Total | 0,00 | 133.790,43 |
| <u>Amounts -</u> | | |
| <u>Income from participations & investments</u> | | |
| Participation (income) | 0,00 | 154.981,94 |
| Total | 0,00 | 154.981,94 |
| Total | 0,00 | -21.191,51 |

3.21 Other income & expenses

The Company's other losses & expenses are presented in the table below:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|------------------------------------|---------------------------|---------------------------|
| <u>Other expenses & losses</u> | | |
| Penalties and fines | 113.615,87 | 921,60 |
| Other | 1,80 | 0,00 |
| Total | 113.617,67 | 921,60 |

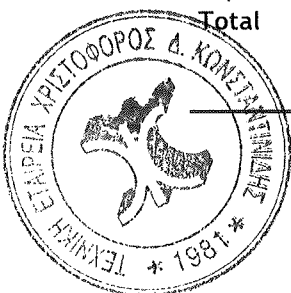
Respectively, the Company's other income & profits are as follows:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|----------------------------------------|---------------------------|---------------------------|
| <u>Other income & profits</u> | | |
| Profit from other provisions' reversal | 1.419,33 | 0,00 |
| Total | 1.419,33 | 0,00 |

3.22 Impairment of financial assets

The impairment of the financial assets concerns impairment of trade and other receivables as follows:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|--------------------------------|---------------------------|---------------------------|
| Impairment of financial assets | 142.602,44 | 0,00 |
| Total | 142.602,44 | 0,00 |



3.23 Interest

The Company's interest and related income is presented in the table below:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|-------------------------------------------|---------------------------|---------------------------|
| <u>Interest and related income</u> | | |
| Interest from deposits | 278,72 | 1.874,92 |
| Total | 278,72 | 1.874,92 |

Respectively, the Company's interest charges & related expenses are as follows:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|-------------------------------------------------------|---------------------------|---------------------------|
| <u>Interest charges & related expenses</u> | | |
| Loan interest & related bank expenses | 93.254,91 | 101.604,58 |
| Total | 93.254,91 | 101.604,58 |

3.24 Tax income

Due to the loss financial results for the current and the previous years no tax income has come up for the Company.

The Company has not been audited by the tax authorities for the fiscal year 2010.

For fiscal years 2011, 2012 and 2013, the Company has been audited from a statutory Auditor in accordance with paragraph 5 of article 82 of Law 2238/1994 and has received a "Tax Compliance Report" with an unqualified opinion.

For the fiscal years 2014, 2015 and 2016 the Company has been subjected to tax auditing from a statutory Auditor in accordance with article 65A of Law 4174/2013 and has received a "Tax Compliance Report" with an unqualified opinion.

For the fiscal year 2017, the Company has been subjected to tax auditing from a statutory Auditor. This audit is in progress and the tax report will be issued after the release of the financial statements of the year ended 31st of December 2017. In case



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that, until the completion of the tax audit, additional tax liabilities arise these are not expected to be material for the financial statements.

3.25 Employed Personnel

The number and the cost of the Company's employed personnel is presented in the tables below:

| <u>Amounts -</u> | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|-----------------------------------|---------------------------|---------------------------|
| Salaries, wages & other benefits | 1.560.354,56 | 1.781.892,09 |
| Social security expenses | 453.366,93 | 502.816,59 |
| Benefits for employee termination | 30.652,78 | 164.669,36 |
| Total | 2.044.374,27 | 2.449.378,04 |

| | <u>01.01 - 31.12.2017</u> | <u>01.01 - 31.12.2016</u> |
|----------------------------|---------------------------|---------------------------|
| Clerical staff | 40 | 50 |
| Workers | 30 | 29 |
| Number of employees | 70 | 79 |

3.26 Transactions with related parties

The Company's transactions with related parties are presented in the table below:



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| <u>Amounts -</u> | <u>31/12/2017</u> | <u>31/12/2016</u> |
|-----------------------------------------------------|----------------------|---------------------|
| <u>Sales of Good and Services</u> | | |
| Associates (joint ventures) | 913.715,69 | 417.876,60 |
| | <u>913715,69</u> | <u>417.876,60</u> |
| <u>Sales of Good and Services</u> | | |
| Branches abroad | 17.936.920,13 | 2.086.027,00 |
| | <u>17.936.920,13</u> | <u>2.086.027,00</u> |
| <u>Purchases of Good and Services</u> | | |
| Associates (joint ventures) | 0,00 | 3.695,81 |
| | <u>0,00</u> | <u>3.695,81</u> |
| <u>Total year end Receivables - Liabilities</u> | | |
| <u>Receivables</u> | | |
| From associates (joint ventures) | 5.626.333,75 | 5.486.766,82 |
| | <u>5.626.333,75</u> | <u>5.486.766,82</u> |
| <u>Liabilities</u> | | |
| To associates (joint ventures) | 58.215,26 | 58.961,18 |
| | <u>58.215,26</u> | <u>58.961,18</u> |

The transactions with related parties are being conducted at regular market prices. The open balances at the end of the year are without guarantees and they are settled in cash. No guarantees have been received or provided for the above receivables.

Receivables and liabilities of the Board of Directors

At 31/12/2017 there are receivables from the BoD members of an amount of € 14.421,43 concerning advances and credits amounts.

Fees of the Board of Directors

No fees have been paid to the members of the Board of Directors of the Company within 2017 as well as there are no salaries and benefits for the members of the Board of Directors for the current year.



**CONSTRUCTION COMPANY
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31st December 2017**3.27 Dividends**

The Board of Directors of the Company proposes not to distribute a dividend due to the loss financial results.

3.28 Contingent Receivables - Liabilities

No litigation or arbitration cases of court or arbitral bodies exist that may have significant impact on the Company's financial position or operation.

3.29 Guarantees

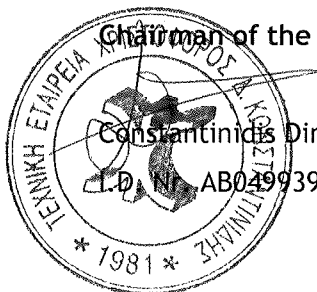
The Company's guarantees are presented in the table below:

| <u>Amounts -</u> | <u>2017</u> | <u>2016</u> |
|---------------------------------------------|----------------------|----------------------|
| Letters of guarantee for construction works | 22.569.383,65 | 24.970.714,39 |
| Total | 22.569.383,65 | 24.970.714,39 |

3.30 Events after the balance sheet date

There are no events that occurred after the balance sheet date that have a material impact on the Company's financial position or operation.

Marousi 30/06/2018

**Chairman of the BoD & CEO**

Constantinidis Dimitrios

I.D. Nr. AB049939

Member of the BoD

Elena D. Constantinidi

I.D. Nr. AE119795

Chief Financial Director

Moutsikas Athanasios

I.D. Nr. AB063679

