R.F. ENERGY

HOLDING SOCIETE ANONYME

Distinctive title : R.F. ENERGY S.A.

128 Vouliagmenis Avenue - 166 74

Glyfada, Attiki

G.E.M.I Reg. No. 121616301000

ANNUAL FINANCIAL REPORT

January 1st, 2016 - December 31st , 2016

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R.F. ENERGY S.A.

STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS

We

1. Georgios Fidakis, Vice - President and Managing Director
2. Evangelos Korovesis, Board Member
3. Ioannis Pantousis, Board Member

STATE THAT

To the best of our knowledge:

a. Financial Statements for the period 1/1/2016-31/12/2016, which have been prepared in accordance with international accounting standards in force, present all figures pertaining to assets, liabilities, shareholders equity and financial results of the Company R.F. ENERGY S.A., as well as of the companies included in the consolidation and jointly referred to as Group, in a truthful manner, and
b. The Board of Directors Annual Report on the annual Financial Statements presents in a truthful manner all such issues as development, financial performance and financial position of R.F. ENERGY S.A., and of the businesses included in Group consolidation, as well as any major risks and uncertainties that the Company and the Group may face.

Glyfada, March 27th, 2017

Vice-President and Managing Director	Board Member	Board Member
Georgios Fidakis	Ioannis Pantousis	Evangelos Korovesis

ANNUAL REPORT BY THE BOARD OF DIRECTORS OF R.F. ENERGY S.A.
FOR THE FISCAL YEAR 2016

(01/01/2016 – 31/12/2016)

Dear Shareholders,

The Board of Directors of R.F. Energy S.A. furnishes its Annual Report for the 2016 fiscal year (01.01.2016 - 31.12.2016), which was prepared in accordance with the provisions of C.L. 2190/1920 (art. 136).

In this Report, information referring to the progress of different activities, the financial situation, the outcomes and the total progress of both the Company and the Group during this specific fiscal year, are concisely mentioned, as well as coming changes. Moreover, significant facts during 2016 fiscal year and their impact on the Annual Company and Consolidated Financial Statements, contingent risks for both the Company and the Group and important transactions between the Company and its related parties according to IFRS 24, are also reported.

Subsidiary companies to R.F. ENERGY S.A.., as at 31/12/2016, are presented in the table below:

Name of Subsidiary	Business Activity	Participation to share capital as at 31/12/2016
Direct Participation		
• KALLISTI ENERGIAKI S.A.	Energy Production	100,00%
• AIOLIKI KYLINDRIAS S.A.	Energy Production	100,00%
• CITY ELECTRIC S.A.	Energy Production	100,00%
• HYDROELECTRIKI ACHAIAS S.A.	Energy Production	100,00%
• R.F. ENERGY OMALIES S.A.	Energy Production	100,00%
• AIOLIKI ADERES S.A.	Energy Production	100,00%

R.F. ENERGY S.A. is a holding company which business scope lies in development, management and exploitation of energy investing plans, focusing on Renewable Energy Sources. F.G. Europe S.A. participates in R.F. Energy's share capital, as at 31/12/2016, with a 50,00% share, and a company directly owned by Restis family participates with the other 50% share.

I. DEVELOPMENTS AND FINANCIAL PERFORMANCE OF THE COMPANY FOR THE PERIOD

Financial figures of the Company during fiscal year period 2016, compared to relevant figures in the previous fiscal period, are presented in the table below:

	31/12/2016	31/12/2015	Change Amount	Change %
Revenue	155	157	(2)	(1)
Less : Cost of Sales	(148)	(149)	(1)	(1)
Gross Profit	**7**	**8**	**(1)**	**(13)**
Other income	5	5	-	-
Administrative expenses	(299)	(289)	10	3
Other expenses	(1)	(2)	(1)	(50)
Operating profit before taxation & finance cost	**(288)**	**(278)**	**10**	**4**
Finance income	550	403	147	36
Finance cost	(42)	(2)	40	2000
Earnings before tax	**220**	**123**	**97**	**79**
Income Tax	-	-	-	-
Net earnings after tax	**220**	**123**	**97**	**79**
Other total comprehensive income				
Actuarial gains and losses from defined benefit plans	**-**	**(1)**	1	100
Income tax related to elements of total income	**-**	**-**	-	-
Total net income/ (losses) for the period	**-**	**(1)**	**1**	**100**
TOTAL ACCUMULATED EARNINGS FOR THE PERIOD	**220**	**122**	**98**	**80**

Amounts in € thousands

1. Revenue

The Company is active in all stages of planning, development and operation of renewable energy production projects, starting from the initial design and planning, construction works, operation and maintenance. The Company also offers management, technology, marketing, consulting and financial management services to other companies.

Revenue from rendering of management, administration, development, organization and assignment of costs of energy projects in fiscal 2016 amounted to € 155, as opposed to € 157 in 2015, posting a decrease of (1)%.

2. Gross Profit/ (Loss)

Gross Profit for the period amounted to € 7 against € 8 in the previous fiscal period, decreased by (13)%.

3. Other Revenues

Other Revenues amounted to €5 on 31/12/2016 and refer to both company's revenue from attributing costs to an associated company amounting to €1 and provision for personnel compensation amounting to € 4, as well. In the previous fiscal year, the Company's Other Revenues also amounted to €5.

4. Other Expenses

Other Expenses during fiscal 2016 amounted to € (1) against (2) in the previous fiscal year and refer to enterprising fee for the fiscal year 2015.

5. Operating expenses (Operating and administration expenses)

Operating and administration expenses during fiscal 2016 present an increase of €10 or 3% compared to the corresponding period in 2015.

6. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Company amounted to € (286) in fiscal 2016, as opposed to € (275) in the previous period, whereas EBITDA margin amounted to (184)%, as opposed to (175)% in the previous period.

7. Finance Cost / Income

	The Company	
	1/1-31/12/2016	**1/1-31/12/2015**
Finance Cost:		
- Interest payable	-	-
- Other bank expenses	(1)	(2)
-Commissions of letters of guarantee	(41)	-
Total finance cost	**(2)**	**(2)**
Finance Income:		
Other financial revenues	41	-
Interest receivable and similar income	9	3
Dividends	500	400
Total finance income	**550**	**403**
Net Finance Income	**508**	**401**

Amounts in € thousands

8. Earnings before Taxes

Earnings before taxes posted a increase of 79%, amounting to €220, against €123 in the previous corresponding period.

9. Taxes

According to the provisions of the new tax L.4334/2015 passed on 16/07/2015 and L.4336/2015 passed on 14/08/2015, tax rate increased from 26% to 29% for the fiscal years starting from 01/01/2015. The income tax advance payment increased from 80% to 100% for the fiscal years starting from 01/01/2014. All the companies that included in the consolidation are based and file a tax return in Greece. The Greek tax legislation and respective provisions are subject to interpretation by the tax authorities. Income tax statements are submitted to the tax authorities on an annual basis but profit or loss stated for tax purposes, remain temporary until the tax authorities conclude audits of the tax statements and records of the company, at which time the respective tax liabilities of the company become final. Tax losses, if any, and in the amount recognized by tax authorities, can be carried forward to offset against profits for a period of five consecutive years after their occurrence. The «Annual Tax Certificate» provided by par. 5, article 82, L.2238/1994 and the provisions of article 65A, par 1, L.4174/2013, is impleneted during fiscal years 2011,2012,2013,2014 and 2015.

For the year 2016, tax audit by the Chartered Accountants is in progress and the relevant tax compliance reports are predicted to be granted after the publication of the Financial Statements for the year 2016. If additional tax liabilities incur till the completion of the tax audit, we believe that these will not affect significantly the Financial Statements of both the Company and the Group.

According to Decision 1006/2016, companies for which a tax certificate without notes for violation of tax legislation is issued, are not exempt from tax audit.

The Company has settled off according to Law 3888/2010 till fiscal year 2009. The Company has not been audited by tax authorities for fiscal yeas from 2010 till 2016. For the unaudited fiscal years, the Company has made a provision for unaudited fiscal years amounting to €5.

10. Earnings After Taxes

Net earnings after taxes in fiscal 2016 amounted to € 220 against € 123 in the previous corresponding period, representing an increase of 79%.

BASIC FINANCIAL RATIOS

Certain financial ratios which can express the Company's financial standing as at the end of fiscal 2016, are presented in the table below:

	FY 2016	FY 2015
LIQUIDITY		
Current ratio	37,79	39,45
Quick ratio	37,79	39,45
SALES EFFICIENCY		
Gross results / Sales of inventories – Services	5%	5%
Net results / Sales of inventories – Services	141%	78%

II. DEVELOPMENTS AND FINANCIAL PERFORMANCE OF THE GROUP FOR THE PERIOD

Financial figures of the Group during fiscal year period 2016, compared to relevant figures in the previous fiscal year, are presented in the table below:

	The Group	Change

	1/1-31/12/2016	1/1-31/12/2015	Amount	%
Revenue	9,756	10,720	(964)	(9)
Less : Cost of Sales	(6,098)	(6,126)	(28)	-
Gross Profit	**3,658**	**4,594**	**(936)**	**(20)**
Other income	34	20	14	70
Administrative expenses	(650)	(636)	14	2
Other expenses	(12)	(217)	(205)	(94)
Operating profit before taxation and finance cost	**3,030**	**3,761**	**(731)**	**(19)**
Finance income	42	24	18	75
Finance cost	(935)	(931)	4	-
Earnings / (Losses) before taxes	**2,137**	**2,854**	**(717)**	**(25)**
Income tax	(748)	(1,346)	(598)	(44)
NET EARNINGS/ (LOSSES) AFTER TAXES	**1,389**	**1,508**	**(119)**	**(8)**
Actuarial gains and losses from defined benefit plans	**-**	**(2)**	**2**	**100**
Income tax related to elements of total income	**-**	**-**	**-**	**-**
Other total net income for the period	**-**	**(2)**	**2**	**100**
TOTAL ACCUMULATED EARNINGS FOR THE PERIOD	**1,389**	**1,506**	**(117)**	**(8)**

Amounts in € thousands

As regards to figures above, reference should be made to the following:

1. Revenue

Revenue of the Group in fiscal 2016 posting a decrease of (9)%, compared to the previous fiscal year, mainly due to both reduced wind and hydeological capacity.

2. Gross Profit

Gross Profit of the Group for the period amounted to € 3,658 against € 4,594 in the previous fiscal period, decreased by (20)%. Said increase noted in Gross Profit can mainly be attributed to the abovementioned decrease in sales.

3. Operating expenses (Operating and administration expenses)

Operating and administration expenses of the Group during 2016 are posting an increase of €14 or 2%, compared to those in 2015.

4. Other expenses

Other expenses for the fiscal period amounted to € (12), decreased by €205 compared to those in 2015 and refer to enterprising fees of Group's companies classified in that account. That account in the previous corresponding period included mainly an amount from deletion of assets of the subsidiary RF ENERGY OMALIES S.A., following the decision of its BoD for revocation/power reduction of some production licenses held and revocation of applications for production licenses, as well.

5. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Group amounted to € 6,676 in 2016, as opposed to € 7,597 in the previous fiscal period, whereas EBITDA margin amounted to 68%, as opposed to 71% in the previous period.

6. Finance Cost / Income

With regard to finance results for fiscal 2016, net finance expenses for the Group decreased by € (14), compared to the previous period. Said decrease is mainly due to both the decrease in financial expenses in the current year coming from continuing loan repayments and low floating interest rates,

This change is analyzed in the table below:

	The Group	
	1/1-31/12/2016	**1/1-31/12/2015**
Finance Cost:		
- Interest payable	(627)	(781)
- Bank and other expenses	(124)	(12)
- Depreciation of raising loan costs	(32)	(34)
- Finance cost of provision for equipment removal	(111)	(104)
-Commissions of letters of guarantee	(41)	-
Total finance cost	**(931)**	**(931)**
Finance Income:		
- Income from sales of investments and securities	-	-
- Interest receivable and similar income	42	24
Total finance income	**42**	**24**
Net Finance Cost	**(893)**	**(907)**

7. Earnings before taxes

The Group posted earnings before taxes of € 2,137 in 2016 against losses of € 2,854 in 2014, decreased by (25)%. This decrease is due to the aforementioned decrease in sales in current year.

8. Taxes

According to the provisions of the new tax L.4334/2015 passed on 16/07/2015 and L.4336/2015 passed on 14/08/2015, tax rate increased from 26% to 29% for the fiscal years starting from 01/01/2015. The income tax advance payment increased from 80% to 100% for the fiscal years starting from 01/01/2014. The Greek tax legislation and respective provisions are subject to interpretation by the tax authorities. Income tax statements are submitted to the tax authorities on an annual basis but profit or loss stated for tax purposes, remain temporary until the tax authorities conclude audits of the tax statements and records of the company, at which time the respective tax liabilities of the company become final. Tax losses, if any, and in the amount recognized by tax authorities, can be carried forward to offset against profits for a period of five consecutive years after their occurrence. Companies participating in the consolidation make provision for any additional taxes and charges which may arise from future tax audits, to the extent the reliable estimation of these amounts is possible.

	The Group	
	1/1-31/12/2016	**1/1-31/12/2015**
Income tax (current period)	(65)	(134)
Deferred tax	**(683)**	**(1,212)**
Income Tax	**(748)**	**(1,346)**
Tax on other accumulated income	**-**	**-**

9. Earnings after Taxes

Net Earnings after taxes in fiscal 2016 amounted to € 1,389 against earnings of € 1,508 in the previous corresponding period, decreased by (8)%.

BASIC FINANCIAL RATIOS

Financial figures of the Group during fiscal year period 2016, compared to relevant figures in the previous fiscal period, are presented in the table below:

	FY 2016	**FY 2015**
DEBT LIABILITIES		
Liabilities / Equity	0.30	0.46
Liabilities to Banks / Equity	0.26	0.42
LIQUIDITY		
Current ratio	3.81	3.34
Quick ratio	3.81	3.34
SALES EFFICIENCY		
Gross results / Sales of inventories – Services	37.49%	42.85%
Net results / Sales of inventories – Services	14.23%	14.07%

III. SIGNIFICANT EVENTS DURING FISCAL YEAR (all the amounts are in €)

Share Capital Increas/(Decrease) of Subsidiaries (all the amounts in €)

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary RF ENERGY OMALIES S.A. on 22/09/2016, the company’s share capital increased by €15,900. The increase was made by cash payment on behalf of sole shareholder RF ENERGY S.A. and covered by issuance of 530 new shares with nominal value of €30 and disposal price of €300 each.

The difference between the nominal value of €30 and the disposal price of €300, amounting to €143,100 was registered to the account "Difference from share premium" .
After the increase, the share capital of the company amounted to €1,406,220, divided into 46.874 ordinary shares with a nominal value of €30 each.

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary CITY ELECTRIC S.A. on 22/09/2016, the company's share capital increased by €5,100. The increase was made by cash payment on behalf of sole shareholder RF ENERGY S.A. and covered by issuance of 170 new shares with nominal value of €30 and disposal price of €300 each. The difference between the nominal value of €30 and the disposal price of €300, amounting to €45,900 was registered to the account "Difference from share premium" .
After the increase, the share capital of the company amounted to €311,970 divided into 10.399 ordinary shares with a nominal value of €30 each.

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary AIOLIKI ADERES S.A. on 08/12/2015, the company's share capital decreased by €991,107. On 25/02/2016, G.E.M.I announced the completion and approval of the process of reducing its share capital by €991,107, which is fully refunded to its sole shareholder, R.F. ENERGY S.A..

Ammendment of Receival of Approval Decision of Environmental Terms of Subsidiary companies
On 15/09/2016, the decision for amendment of receival of approval decision of environmental terms was issued by the Decentralized Administration of Macedonia - Thrace for the 10 MW wind farm of the subsidiary AIOLIKI KYLINDRIAS S.A.in Kilkis, as part of the company's decision for relocation of a specific WTG, with a view to better overall efficiency of this wind farm.

Within the second half of 2016, and particularly according to the Decision no. 4953 – 14/10/2016 of the Ministry of Environment and Energy, the Environmental Terms were ammended for the development of eleven (11) wind farms by the subsidiary R.F. ENERGY OMALIES S.A. in the Municipality of Karystos, South Evia, with total capacity of 225MW, and the accompanying road works and their (overland and underwater) interconnection, as well.

Power reduction / Recall/ Recall of Applications for Production Licenses
According to the decision taken in April 2016 by the Board of Directors of the 100% subsidiary KALLISTI ENERGIAKI S.A., the company proceeded to application for recall of received production license for a 4MW wind farm in Xerovouni, Arcadia, due to negative opinion by the Civil Aviation Authority, in the context of further licensing of the project. Following the aforementioned negative opinion, the project could not be realized and for that reason the company decided to recall the production license.

Signature of notarial lease transaction of subsidiary company
On 22/11/2016, in order for the development of the cluster of 11 wind farms to be smoothly continued by the subsidiary R.F. ENERGY OMALIES S.A. in South Evia, it was necessary to ensure private land to be used exclusively for the installation and operation of a substation for electricity production from RES (e.t.c. wind farm) and the necessary facilities to accommodate this use. Therefore, the company signed notarial lease transaction of a field in " Ntardiza or Ntarza" of the former community of Komito and now Municipal

Department of Komito, Municipality of Karystos, Evia, which has an area of 13,656.57 square meters. The duration of lease is set at 25 years, starting from 25/11/2016 till 24/11/2041.

Concession of the right of use of sea shore by subsidiary company

On 29/12/2016, the General Directorate of Public Property and Utility Properties of the Ministry of Finance issued a decision granting the subsidiary company R.F. ENERGY OMALIES S.A. the right of use of sea shore and adjoining marine space and bottom for the installation of high voltage submarine cable from the beaching point at Evaggelismos – Komito, Municipality of Karystos to the beaching point at the region of Lavrio, Attiki.

Submission of application for the signature of Connection Agreements, Power Purchase Agreements and issuance of Installation Licenses

Within the last two months of 2016, the subsidiary company R.F. ENERGY OMALIES S.A. filed requests for signing Connection Agreemens with A.D.M.I.E. S.A , Power Purchase Agreements with LAGIE S.A. and issuance of Installation Licenses by the Ministry of Environment and Energy for the cluster of 11 wind farms in South Evia. The signature of these agreements and the issuance of the Installation Licences are expected within 1st semester of 2017.

Prepayment of installments of Bond Loan

In December 2016, the subsidiary company AIOLIKI ADERES S.A. proceeded to prepayment of an amount equat to € 2,179,000 corresponding to the last three installments of the bond loan issued.

In September 2016, the subsidiary company KALLISTI ENERGIAKI S.A. proceeded to voluntary prepayment of Bonds Series A, amounting to € 1,002,000 using own funds. The amount of prepayment was proportionally removed from the remaining installments, in order not to change the duration of the loan. The Bondholder Bank attributed to the subsidiary an amount of € 115,000.

IV. SIGNIFICANT EVENTS OCCURRED POST BALANCE SHEET DATE

There are no other significant events having occurred after December 31, 2016 concerning the Company that should have been disclosed and bear the capacity to significantly affect any element of the Company's financial standing or ability to conduct business, as of the date of issuance of the document at hand.

V. FUTURE OUTLOOK

The Company has developed through subsidiary company a major project in S. Evia and its licensing procedure is in progress.

The subsidiary company AIOLIKI KYLINDRIAS S.A, after the ammendement of receival of approval decision of environmental terms for its wind farm in Kilkis with total power of 10MW, will proceed to migrate a particular WTG, with a view to better overall efficiency of the wind farm.

VI. EXPANSION OF ACTIVITIES - INVESTMENTS - RESEARCH & DEVELOPMENT

Management attended international conferences and other venues where the latest developments in the field of renewable energy were presented.

VII. ACCOUNTING PRINCIPALS IMPLEMENTED

In preparation of the Balance Sheet and Income Statement for the fiscal year 2015, the Company has applied the basic accounting principles of the International Financial Reporting Standards, as described in the Appendix of the 31/12/2016 Balance Sheet.

VIII. ENVIRONMENTAL ISSUES - EMPLOYEE RELATIONS

The Company pays great significance to environmental issues, and undertakes any action necessary to protect environmental stability and promote environmental sensitivity. The Company works with experienced in environmental matters consultants.

IX. RISKS AND UNCERTAINTIES

1. Financing risk

The Company works with related companies, of which the Company is the main shareholder, and to which the Company renders, based on contract agreements, services in the fields of management, financial management, marketing, and business development. Therefore, Management estimates that receivables from related parties bear no significant risk not to be collected. Moreover, the Company grows along with development of its projects, and as a result, no apparent risk of decrease in revenue exists.

2. Interest rate risk

The Company has substantial interest bearing assets in the amount of €1,079 (€5,041 for the Group) that are invested in compound time accounts at a predetermined exchange rate. Said exchange rate is calculated based on the interbank market floating interest rate in Euro. Therefore revenue and operating cash flow is affected by a change in interest rates.

As at December 31st, 2016 Earnings After Tax for the Company would have been €8 (€39 for the Group) lower / higher, if interest rates had lower / higher by 100 base points, all other variables remaining unchanged.

Interest rate risk results from long-term and short-term borrowings in euro at a floating interest rate. The Company assesses its exposure to interest rate risk on a steady basis, also taking into consideration any chance of refinancing under different terms, as well as renewal of existing financing.

As at December 31st, 2016 Earnings After Tax for the Group would have been € 91 lower/higher, if interest rates had decreased/ increased by 100 base points, all other variables remaining unchanged. This would have been caused mainly due to higher / lower finance expenses resulting from bank borrowings at a floating interest rate in Euro. The Company does not face this kind of risk.

As a consequence, as at December 31st, 2016 Earnings After Tax for the Company would have been €8 (€52 for the Group) lower / higher (total net influence) , if euro interest rates had decreased/increased by 100 base points, all other variables remaining unchanged.

Interest rate risk

+100 bps		*-100 bps*	
Earnings before tax		**Earnings before tax**	
The Group	**Company**	**The Group**	**Company**

Financial assets				
Cash equivalents	55	11	(55)	(11)
Influence before tax	55	11	(55)	(11)
Income Tax 29%	(16)	(3)	16	3
Total influence	**39**	**8**	**(39)**	**(8)**
Financial liabilities				
Loans	(128)	-	128	-
Influence before tax	(128)	-	128	-
Income Tax 26%	37	-	(37)	-
Total influence	**(91)**	**-**	**91**	**-**
Total Net Influence	**(52)**	**8**	**52**	**(8)**

- Liquidity risk

The management of liquidity risk includes both existence of enough cash and cash equivalents and the reassurance of credit standing through approved financing terms. The table below analyses the company's obligations, based on the remaining contractual duration at the date of the balance sheet in discounted bills with an average interest rate, as it was formed during Year 2016.

The Group December 31st, 2016	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
Borrowings	2,231	2,252	5,940	848
Liabilities	285	-	-	-
Total	**2,516**	**2,252**	**5,940**	**848**

The Company December 31st, 2016	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
Liabilities	18	-	-	-
Total	**18**	**-**	**-**	**-**

X. TRANSACTIONS WITH RELATED PARTIES

The Company purchases commodities from related parties, and exchanges services with said parties. According to IAS 24 related parties are subsidiary companies, companies with common shareholders and/or management and any affiliates to such companies. Members of the Board of Directors and Top Management are also considered related parties. The table below presents payables and receivables from transactions with related parties.

Receivables from:	**31/12/2016**	**31/12/2015**

KALLISTI ENERGIAKI S.A.	9	10
AIOLIKI KYLINDRIAS S.A.	7	6
CITY ELECTRIC S.A.	4	20
HYDROELECTRIKI ACHAIAS S.A.	476	117
R.F. ENERGY OMALIES S.A.	53	95
AIOLIKI ADERES S.A.	24	1,015
CYBERONICA S.A.	17	17
Total	**590**	**1,280**

	31/12/2016	31/12/2015
Payables to:		
F.G. EUROPE S.A.	12	12
Total	**12**	**12**

Income:	**1/1-31/12/2016**	**1/1-31/12/2015**
KALLISTI ENERGIAKI S.A.	30	29
AIOLIKI KYLINDRIAS S.A.	19	19
CITY ELECTRIC S.A.	12	12
HYDROELECTRIKI ACHAIAS S.A.	512	412
R.F. ENERGY OMALIES S.A.	54	14
AIOLIKI ADERES S.A.	70	73
FG EUROPE S.A.	-	1
Total	**697**	**560**
Costs:		
CYBERONICA S.A.	(99)	(100)
AIOLIKI ADERES S.A.	(1)	
F.G. EUROPE S.A.	(10)	(10)
Total	**(110)**	**(111)**

Group

Receivables from:	**31/12/2016**	**31/12/2015**
CYBERONICA S.A.	21	21
Total	**21**	**21**

	31/12/2016	**31/12/2015**
Payables to:		
F.G. EUROPE S.A.	12	12
Total	**12**	**12**

	1/1 - 31/12/2016	**1/1/ -**

		31/12/2015
Income:		
F.G. EUROPE S.A.	-	1
Total	**-**	**1**

	1/1 - 31/12/2016	1/1 - 31/12/2015
Costs:		
F.G. EUROPE S.A.	10	11
CYBERONICA S.A.	111	111
Total	**121**	**122**

Members of the Board of Directors and Management:	The Group		The Company	
	1/1-31/1/2016	1/1-31/1/2015	1/1-31/1/2016	1/1-31/1/2015
Compensations - Other Benefits:				
Board of Directors Remuneration	(213)	(211)	(213)	(211)
Total	**(213)**	**(211)**	**(213)**	**(211)**

XI. ISO 9001-2000 QUALITY CERTIFICATION

R.F. ENERGY S.A. is organizing its operations in order to meet the Standards specified in ISO 9001:2000 Quality Management System.

Implementation of the Quality Management System is expected to considerably improve efficiency, contribute to optimal use of the Company's resources and human resources, and improve internal procedures and services offered to partners and clients.

XII. COMPANY PUBLIC RELATIONS AND PROMOTION

Company's website has been published and is kept updated, thus more efficiently communicating the Company's recent news, corporate goals and corporate image.

The Vice President of the BoD and

Managing Director

GEORGIOS FIDAKIS

R.F. ENERGY HOLDING

SOCIETE ANONYME

Distinctive title : R.F. ENERGY S.A.

128 Vouliagmenis Avenue - 166 74

Glyfada, Attiki

G.E.M.I Reg. No. 121616301000

Annual Financial Statements for the period ended December 31st 2016

According to IFRS

The Board of Directors of R.F. ENERGY S.A. approved the Consolidated Financial Statements on 27/03/2017. The Consolidated Financial Statements have been made available to the public at the Company's website, www.rfenergy.gr.

Vice - President and Managing Director	Member of the BoD	Accounting Supervisor
GEORGIOS FIDAKIS	**IOANNIS PANTOUSIS**	**KON/NOS ZOUMPOULIS**
ID No. AK 723945	**ID No. Ξ 168490**	**Reg. No. 0098374**

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Independent Auditor's Report

To the Shareholders of "RF ENERGY S.A."

Report on the Audit of the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of "RF ENERGY S.A."which comprise of financial position as of 31 December 2016 and income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on theseseparate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whetherseparate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures inseparate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of theseparate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidatedfinancial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of theseparate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidatedfinancial statements present fairly, in all material respects, the financial position of "RF ENERGY S.A." and its subsidiaries as of December 31, 2016, and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

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 provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In our opinion, the Board of Directors’ report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920 and the content of the Board of Directors’ report is consistent with the accompanyingseparate and consolidated financial statements for the year ended 31/12/2016.
b) Based on the knowledge we obtained from our audit for the Company “RF ENERGY S.A.” and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, March 27, 2017

The Chartered Accountant

Christina Tsironi

I.C.P.A. Reg. No.: 36671

R.F. ENERGY S.A.

Income Statement

For the Period ended December 31, 2016

(All amounts in Euro thousands, unless otherwise specified)

		The Group		Company	
	note	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Sales	**6**	9,756	10,720	155	157
Cost of sales	**7**	(6,098)	(6,126)	(148)	(149)
Gross profit		**3,658**	**4,594**	**7**	**8**
Other operating income		34	20	5	5
Administrative expenses	**8**	(650)	(636)	(299)	(289)
Other operating expenses	**9**	(12)	(217)	**(1)**	**(2)**
Earnings before interest and taxes		**3,030**	**3,761**	**(288)**	**(278)**
Finance income	**10**	42	24	550	403
Finance costs	**10**	(935)	(931)	(42)	(2)
Earnings before taxes		**2,137**	**2,854**	**220**	**123**
Income Tax	**11**	(748)	(1,346)	-	-
Net profit for the period		**1,389**	**1,508**	**220**	**123**
Other total comprehensive income					
Actuarial gains and losses from defined benefit plans	**25**	**-**	**(2)**	**-**	**(1)**
Income tax related to elements of total income	**11**	**-**	**-**	**-**	**-**
Other net total comprehensive income for the period		**-**	**(2)**	**-**	**(1)**
TOTAL ACCUMULATED INCOME FOR THE PERIOD		**1,389**	**1,506**	**220**	**122**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Balance Sheet

For the Period ended December 31, 2016

(All amounts in Euro thousands, unless otherwise specified)

		Group		Company	
		1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Assets	**note**				
Non-current assets					
Property, plant and equipment	14	51,316	56,264	-	2
Software	15	820	902	1	1
Intangible assets	15	9,657	9,968	-	-
Investments in subsidiaries	16	-	-	40,478	40,268
Long term receivables		22	22	17	17
Deferred tax assets	11	500	472	-	-
Total non-current assets		**62,315**	**67,628**	**40,496**	**40,288**
Current assets					
Trade receivables	12	8,588	7,629	1,060	1,748
Blocked deposits		1,807	1,631	515	515
Cash and cash equivalents	13	3,027	4,246	806	104
Total current assets		**13,422**	**13,506**	**2,381**	**2,367**
Total assets		**75,737**	**81,134**	**42,877**	**42,655**
SHAREHOLDERS' EQUITY & LIABILITIES					
Share capital	17	11,195	11,195	11,195	11,195
Share premium	17	31,098	31,098	31,098	31,098
Reserves		23	(58)	(241)	(245)
Retained earnings		(1,134)	(2,442)	730	514
Total shareholders' equity		**41,182**	**39,793**	**42,782**	**42,562**
LIABILITIES					
Non-current liabilities					
Long term Borrowings	18	8,987	14,368	-	-
Retirement benefit obligations	25	56	56	32	33
Deferred government grants	20	16,144	17,848	-	-
Provisions for long term liabilities	21	1,918	1,807	-	-
Deferred tax liabilities	11	3,923	3,211	-	-
Total non-current liabilities		**31,028**	**37,290**	**32**	**33**
Current liabilities					
Short term portion of long term borrowings	18	1,800	2,455	-	-
Current tax liabilities		-	127	-	-
Trade and other payables	19	1,727	1,469	63	60
Total current liabilities		**3,527**	**4,051**	**63**	**60**
Total liabilities		**34,555**	**41,341**	**95**	**93**
Total equity and liabilities		**75,737**	**81,134**	**42,877**	**42,655**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Consolidated Statement of Changes in Equity

For the Period ended December 31, 2016

(All amounts in Euro thousands, unless otherwise specified)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
Balance on 1/1/2015	**11,195**	**31,098**	**(69)**	**(3,937)**	**38,287**
Net earnings for the fiscal year	-	-	-	1,508	**1,508**
Revaluation of benefit obligations to employees	-	-	(2)	-	**(2)**
Deferred tax on Revaluation of benefit obligations to employees	-	-	-	-	**-**
Accumulated total income	**-**	**-**	**(2)**	**1,508**	**1,506**
Other	-	-	13	(13)	**-**
Balance on 1/1/2016	**11,195**	**31,098**	**(58)**	**(2,442)**	**39,793**
Net earnings for the fiscal year	-	-	-	1,389	**1,389**
Revaluation of benefit obligations to employees	-	-	-	-	**-**
Deferred tax on Revaluation of benefit obligations to employees	-	-	-	-	**-**
Accumulated total income	**-**	**-**	**-**	**1,389**	**1,389**
Legal Reserves	-		81	(81)	**-**
Balance on 31/12/2016	**11,195**	**31,098**	**23**	**(1,134)**	**41,182**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements

R.F. ENERGY S.A.

Corporate Statement of Changes in Equity For the Period ended December 31, 2016

(All amounts in Euro thousands, unless otherwise specified)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
Balance on 1/1/2015	**11,195**	**31,098**	(258)	**405**	**42,440**
Net earnings for the fiscal year	-	-	-	123	**123**
Revaluation of benefit obligations to employees	-	-	(1)	-	**(1)**
Deferred tax on Revaluation of benefit obligations to employees	-	-	-	-	-
Accumulated total income	**-**	**-**	**(1)**	**123**	**122**
Legal reserves	-	-	13	(13)	-
Balance on 1/1/2016	**11,195**	**31,098**	**(245)**	**514**	**42,562**
Net earnings for the fiscal year	-	-	-	220	**220**
Revaluation of benefit obligations to employees	-	-	-	-	-
Accumulated total income	**-**	**-**	**-**	**220**	**220**
Legal reserves			4	(4)	-
Balance on 31/12/2016	**11,195**	**31,098**	**(241)**	**730**	**42,782**

Any differences in totals are due to rounding.

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Consolidated Statement of Cash Flows For the Period ended December 31,2016

(All amounts in € thousands, unless otherwise specified)

	1/1-31/12/2016	1/1-31/12/2015
Operating activities		
Earnings before tax	2,137	2,854
Add / less adjustments for:		
Depreciation and amortization	5,350	5,349
Provisions	(13)	(15)
Income from investment activity (income, cost, profit and loss)	(40)	(24)
Interest paid and similar expenses	935	931
Recognized revenues from subsidies	(1,704)	(1,513)
Employee benefits	-	6
Assets' write off	-	182
Operating result before changes in working capital	**6,665**	**7,770**
Add / less adjustments for changes in working capital items:		
Decrease / (increase) of receivables	(1,487)	(1,662)
(Decrease) / increase of payables (except towards banks)	291	(167)
Total inflow / (outflow) from operating activities	**5,469**	**5,941**
Less:		
Interest and similar expenses paid	(829)	(815)
Taxes paid	(106)	(2)
Total net inflow / (outflow) from operating activities (a)	**4,534**	**5,124**
Investing activities		
Income from sale of subsidiaries, joint ventures and other investments	-	-
(Purchase) of PPE and intangible assets,	(13)	(158)
Income from sales of PPE and intangible assets	2	-
Interest income	41	26
Total net inflow / (outflow) from investing activities (b)	**30**	**(132)**
Financing activities		
Repayments of borrowings	(5,783)	(2,771)
Costs for capital withdrawal	-	-
Total net inflow / (outflow) from financing activities (c)	**(5,783)**	**(2,771)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(1,219)**	**2,221**
Cash and cash equivalents at the starting of the fiscal year	**4,246**	**2,025**
Cash and cash equivalents at the end of the fiscal year	**3,027**	**4,246**

Attached notes should be considered as part of the annual corporate and consolidated Financial Statements.

R.F. ENERGY S.A.

Company Statement of Cash flows

For the Period ended December 31, 2016

(All amounts in Euro thousands unless otherwise specified)

	1/1-31/12/2016	1/1-31/12/2015
Operating activities		
Earnings before tax	220	123
Add / less adjustments for:		
Depreciation and amortization	2	3
Provision	(2)	(10)
Result of investment activity (income, cost, profit and loss)	(509)	(403)
Interest paid and similar expenses	42	2
Employee benefits	(1)	3
Assets' write off	-	-
Operating result before changes in working capital	**(248)**	**(282)**
Add / less adjustments for changes in working capital items:		
Decrease / (increase) of receivables	56	(283)
(Decrease) / increase of payables (except towards banks)	6	(24)
Total inflow / (outflow) from operating activities	**(186)**	**(589)**
Less:		
Interest and similar expenses paid	(42)	(2)
Taxes paid	-	-
Total net inflow / (outflow) from operating activities (a)	**(228)**	**(591)**
Investing activities		
Acquisition of subsidiary, related party and other investment	(210)	(150)
Income from share capital refund of subsidiary, related party and other investment	991	-
(Purchase) of PPE and intangible assets	(1)	-
Interest income	9	3
Dividends	141	307
Total net inflow / (outflow) from investing activities (b)	**930**	**160**
Financing activities		
Repayments of borrowings	-	-
Total net inflow / (outflow) from financing activities (c)	**-**	**-**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**702**	**(431)**
Cash and cash equivalents at the starting of the fiscal year	**104**	**535**
Cash and cash equivalents at the end of the fiscal year	**806**	**104**

Attached notes should be considered as a part of the annual corporate and consolidated Financial Statements.

(All amounts in Euro thousands unless otherwise specified)

1. Incorporation and business activities of the Company

The Company was incorporated under Greek law in 2006, as a societe anonyme holding and management company. Its scope lies in participation in Greek or foreign companies with business activities in the energy production sector. The Company's duration has been set to 50 years. The Company's headquarters have been set to be in the Municipality of Glyfada, at 128 Vouliagmenis Avenue, GR 16674.

Company's current Board of Directors was elected on the General Assembly of Shareholders on 08/10/2015. Its tenure expires on 30/6/2021 and it is comprised of the following members:

NAME	POSITION
Georgios Kalogeropoulos	President
Georgios Fidakis	Vice - President and Managing Director
Ioannis Pantousis	Member
Nikolaos Pimblis	Member
Evangelos Korovesis	Member

The companies that are included in the consolidated financial statements are, as follows:

Direct Participation	Headquarters	Consolidation Method	Participation to share capital as at 31/12/2015
• KALLISTI ENERGIAKI S.A.	128 Vouliagmenis Av., Glyfada	full	100,00%
• AIOLIKI KYLINDRIAS S.A.	128 Vouliagmenis Av., Glyfada	full	100,00%
• CITY ELECTRIC S.A.	128 Vouliagmenis Av., Glyfada	full	100,00%
• HYDROELECTRIKI ACHAIAS S.A.	128 Vouliagmenis Av., Glyfada	full	100,00%
• R.F. ENERGY OMALIES S.A.	128 Vouliagmenis Av., Glyfada	full	100,00%
• AIOLIKI ADERES S.A.	128 Vouliagmenis Av., Glyfada	full	100,00%

The Company's parent company, F.G. EUROPE S.A. participates in R.F. ENERGY's share capital by 50,00%. Due to the fact that the Company shareholders have agreed to appoint the majority of the Board of Directors members from F.G. EUROPE S.A., it is understood that F.G. EUROPE S.A. controls management of R.F. ENERGY S.A. and consequently financial results of the Company are fully consolidated to the financial results of F.G. EUROPE S.A. Group of companies.

The Corporate and Consolidated Financial Statements for fiscal 2016 have been ratified by the Board of Directors on 27/3/2017.

2. Basic accounting policies

2.1 Framework of basic principles implemented in preparation of the Financial Statements

Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as they have been adopted by the European Union, Financial Statements have been prepared under the historical cost convention, The principal accounting policies adopted in the preparation of the Financial Statements are described below, The preparation of the Financial Statements according to IFRS requires use of accounting estimates and use of judgment for the application of the accounting principles followed, Such cases are described in note 4, There are no Standards which have been implemented prior to having officially been put in force, Figures are presented in Euro thousands and all amounts have been rounded to the most approximate thousand.

2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments and interpretations of the IFRS have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions" (effective for annual periods starting on or after 01/02/2015)

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the consolidated Financial Statements.

- Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 2:** Definition of 'vesting condition', **IFRS 3:** Accounting for contingent consideration in a business combination, **IFRS 8:** Aggregation of operating segments, **IFRS 8:** Reconciliation of the total of the reportable segments' assets to the entity's assets, **IFRS 13:** Short-term receivables and payables, **IAS 16/IAS 38:** Revaluation method—proportionate restatement of accumulated depreciation and **IAS 24:** Key management personnel services. The amendments do not affect the consolidated Financial Statements**.**

- Amendments to IFRS 11:“Accounting for Acquisitions of Interests in Joint Operations” (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the consolidated Financial Statements**.**

- Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortisation” (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the consolidated Financial Statements**.**

- Amendments to IAS 16 and IAS 41: “Agriculture: Bearer Plants” (effective for annual periods starting on or after 01/01/2016)

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments do not affect the consolidated Financial Statements**.**

- Amendments to IAS 27: “Equity Method in Separate Financial Statements” (effective for annual periods starting on or after 01/01/2016)

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the consolidated Financial Statements**.**

- Annual Improvements to IFRSs –2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 5**: Changes in methods of disposal, **IFRS 7**: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, **IAS 19**: Discount rate: regional market issue, and **IAS 34**: Disclosure of information “elsewhere in the interim financial report”. The amendments do not affect the consolidated Financial Statements**.**

- Amendments to IAS 1: “Disclosure Initiative” (effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB issued amendments to IAS 1.The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the consolidated Financial Statements**.**

- Amendments to IFRS 10, IFRS 12 and IAS 28: “Investment Entities: Applying the Consolidation Exception” (effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The amendments do not affect the consolidated Financial Statements**.**

2.2.2 New Standards, Interpretations and Amendments to existing Standardsthat have not been applied yet or have not been adopted by the European Union

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- IFRS 14 “Regulatory Deferral Accounts”(effective for annual periods starting on or after 01/01/2016)

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities.The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union, until the issuance of the final Standard.

- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP.The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.**The above have been adopted by the European Union with effective date of 01/01/2018.

- IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have been adopted by the European Union with effective date of 01/01/2018.

- Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (the IASB postponed the effective date of this amendment indefinitely)

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28.The objective of the aforementioned amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB postponed the effective date of these amendmentsindefinitely pending the outcome of its research project on the equity method of accounting.The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union.

- IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union.

- Amendments to IAS 12: " Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of theamendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Amendments to IAS 7:"Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union.

- Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Amendment to IFRS 2:"Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union.

- Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: **IFRS 12:**Clarification of the scope of the Standard, **IFRS 1:**Deletion of short-term exemptions for first-time adopters, **IAS 28:**Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12,and 1 January 2018 for IFRS 1 and IAS 28.The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union.

- Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any.The above have not been adopted by the European Union.

2.3 Basis of consolidation

2.3.1 Subsidiary Companies

The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2011. Control is presumed to exist when the parent company has the power to control the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

The acquisition of subsidiaries is accounted for using the purchase method of accounting that measures the acquirer's assets and liabilities at their fair value at the date of acquisition, The individual assets, liabilities and contingent liabilities acquired during a business combination are valued at the time of acquisition at fair values,

The cost exceeding the fair value of the acquisition is recorded as goodwill, if the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

Minority interest is accounted for according to its percentage of the fair value, In subsequent periods any losses are allocated to minority interest according to its percentage plus the minority interest, Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group, The financial statements of the subsidiaries are adjusted appropriately to ensure consistency with the accounting policies of the Group.

All intercompany balances and transactions and any intercompany profit or loss on assets remaining within the Group are eliminated during the consolidation. The subsidiaries in separate financial statements are measured at cost less any accumulated provision for impairment.

2.3.2 Investments in Associates

Includes companies in which the Group exercises significant influence however they are not subsidiaries or joint ventures. The Group's participating interests are recorded using the equity method. According to this method the participating interest in the associate company is carried at acquisition cost plus any change in the percentage of its equity held by the Group, less any provisions for impairment. The consolidated income statement shows the Group's share in the associate's results, while the amounts recorded by the associates directly in their equity, are recognized directly in Group's equity. Unrealized earnings or losses on transactions between the Group and its associates are eliminated to the extent that the Group participates in them. Investments in Associates in the consolidated financial statements are measured at acquisition cost less any accumulated impairment losses.

2.4 Translations in foreign currency

The Company's functional currency is the Euro, Transactions involving other currencies are changed into Euro using exchange rates which stand in effect at the time of each transaction, At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies, are adjusted using the official exchange rates, Gains or losses resulting from currency exchange rate differences are included in the Income Statement.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value, Cost includes all directly related costs for the acquisition of the asset, Expenses in subsequent periods are capitalized in the cost amount of the related assets if they increase the useful life of the asset and / or its production potential or reduce its operating cost, Repairs and maintenance are charged to the income statement as incurred, The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the consolidated statements of income, The carrying values of property, plant and equipment are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, When the carrying amount of the asset exceeds the estimated recoverable amount an impairment loss is recognized and the asset is written down to its recoverable amount, The recoverable amount is the greater between fair value less costs to sell and value in use, In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, According to IAS 16 the Company recognizes costs related to obligations arising from the removal of assets in the period of occurrence and in the extent in which an estimate of its fair value is feasible, The related costs of removal are capitalized in the assets carrying amount and are depreciated relatively.

2.6 Cost of Borrowing

Borrowing costs that are directly related to the purchase, construction or production of assets and requiring considerable time to come to the desired position for use or sale, are capitalized as part of these assets. All other borrowing costs are recognized as an expense when incurred, including interest and other expenses for raising loans.

2.7 Depreciation

Depreciation of property, plant and equipment is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. Leasehold improvements are amortized over the term of the lease.

The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
Hydroelectrical plant	50	2%
Leasehold improvements	15 – 25	4% - 7%
Plant and equipment	15 – 33	3% - 7%

2.8 Intangible assets, business combinations and goodwill

Intangible assets mainly refer to energy production licenses, which are long-term with option to renew and depreciated. Business combinations are accounted for using the acquisition method (acquisition accounting method). Under this method, assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities) of the acquired business are recognized at fair values at the date of the transaction. Goodwill from business combinations results as the difference, at the date of the transaction, between the price and the fair value of the assets acquired and liabilities assumed,
On the transaction date, any goodwill acquired is allocated to cash generating units or groups of cash generating units expected to benefit from this combination.

If the difference between the purchase price and the fair value of net assets recognized exceeds the cost of business combination, then the Company:

- Reassesses the identification and measurement of both the identifiable net assets and the cost of combination and recognizes immediately in the income statement any negative difference between the purchase price and the fair value of net assets (negative goodwill).

Goodwill is measured at cost less the accumulated impairment losses. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. If the book value of a cash generating unit, including goodwill, exceeds its recoverable amount, an impairment loss is recognised. Impairment is determined by assessing the recoverable amount of the cash generating units, which the goodwill relates. If a part of a cash generating unit to which goodwill has been allocated, is sold, then the goodwill associated with the part sold, is included in its book value, in order to determine the gain or loss. The value of goodwill associated with the part sold is determined according to the relevant values of the part sold and the part of the cash generating unit that remains. Goodwill resulting from acquisitions or business combinations has been allocated and monitored at Group level to key cash generating units that have been defined according the provisions of IAS 36 “Impairment of Assets”. When the Group increases its participation share to existing subsidiaries (acquisition of minority interests), the total difference between the purchase price and the proportion of the minority interests acquired (positive or negative) is transferred directly to equity, as it is considered as a transaction between shareholders (entity concept method). Correspondingly, when minority interests are sold (without the final participation leads to loss of control of subsidiary), the relevant gain or losses are recognized directly to equity.

2.9 Impairment of assets excluding goodwill

Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable, The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate, If the recoverable amount is less that the carrying amount the carrying amount is written down to the level of the recoverable amount, An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the

loss reduces the special value adjustment reserve, When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods, The reversal of an impairment loss is recorded as income in the income statement except for the case that the asset was value adjusted, case in which the reversal of the impairment loss increases the related special value adjustment reserve, For the assessment of impairments, assets are ranked in the minimum cash flow class

2.10 Finance instruments

Financial instruments of the Company are classified in one of the following categories:

a) Financial assets or liabilities estimated at fair value with changes reflected in the income statement, A financial asset or financial liability that meets either of the following conditions:

- It is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments),
- Upon initial recognition it is designated by the entity as at fair value through the statement of income,
- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments, Changes in fair value of these derivatives are reflected in the income statement,

b) Borrowings and receivables. Non derivative financial assets with fixed or predetermined rates, which are not being traded in active markets, Borrowings and receivables do not include:

- Receivables from advance payments for the purchase of goods or services,

- Receivables from tax dealing, legally imposed by the State,

- Any non contractual element giving right to the company to raise claims in cash or in other financial elements,

Borrowings and receivables are included in the current assets, except those expiring within 12 months or more from the date of the balance sheet, In such case borrowings and receivables are recognized as other non-current assets (long-term receivables),

c) Retainable Investments, Non derivative financial assets of fixed or predetermined payment and set expiration date, which the Company has the ability and intention to retain until expiration,

d) Available-for-sale financial assets. Non derivative financial assets which are identified under this category or cannot be classified in any of the above categories, Available-for-sale financial assets are consequently valued at fair value and the resulting profit or loss is recognized in equity reserve, until those assets are sold or acknowledged as impairments, When sold, or when acknowledged as impairments, any such profit or loss is transferred to income statement, Impairment losses recognized in income statements cannot be reversed through income statements.

Purchases and sales of investments are recognized at the date of the transaction, which is the dated that the Company commits to purchase or sell the asset. Investments are initially recognized at their fair value plus directly attributable transaction costs, except for the directly attributable transaction costs for items that are measured at fair value with changes in results. Investments are derecognized when the right to receive cash flows from investment has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Realized and unrealized gains or losses arising from changes in fair values of financial assets recognized at fair value with changes in results, are recognized in the period in which they arise. The fair values of financial assets that are traded in active markets are based on current bid prices. For non-traded assets, fair values are determined using valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. Not traded in an active market securities classified as available for sale financial assets whose fair value can not be reliably determined, are determined at acquisition cost. At each balance sheet date, the Company assesses whether there is objective evidence to suggest that financial assets have been impaired. For securities classified as available for sale financial assets, objective evidence would include a significant or prolonged decline in their fair value. If such evidence exists, the accumulated loss in equity which is the difference between the acquisition cost and fair value, is recognized in the income statement.

2.11 Receivables from customers

Accounts receivable are recognized and carried at originally invoiced amounts and subsequently are valued at amortized cost with the use of the effective interest rate less any impairment losses, Impairment losses (losses from doubtful accounts) are recognized when objective indication exists that the Group will be unable to collect all amounts due, The amount of impairment loss is the difference between the carrying amount of the receivables and the net present value of the discounted with the effective interest rate future cash flows, The amount of impairment loss is charged to the income statement, At each reporting period/date, all accounts receivable are assessed based on historical trends and statistical information and a provision is recorded for the probable and reasonably estimated loss for these accounts, All accounts receivable collection of which is not considered probable are written-off.

2.12 Cash and cash equivalents

Cash, time deposits and other highly liquid, low risk investments with original maturities of three months or less are considered to be cash equivalents.

2.13 Share Capital

Common shares are recognized in Equity, cost of issuance of new shares, net of deferred tax, are reflected as a deduction of Paid-in-Surplus, Share issuance costs related to business combinations are included in the cost carrying amount, he purchase cost of treasury shares less any income tax (if applicable) is presented as a deduction of equity unless the treasury shares are sold or cancelled, Gains or losses from the sale of treasury shares net of any direct transaction costs or income tax, if applicable, are presented as reserve in equity.

2.14 Borrowings

All loans and borrowings are initially recognized at fair value, net of issue costs associated with the borrowing, After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method, Gains or losses through the amortization process are recognized in the statement of income.

2.15 Income Tax – Deferred Tax

Income Tax expense for the period consists of current and deferred taxes, i,e, the tax (or the tax discount) associated with income (or loss) that are reported, for accounting purposes, in the current period but will generate a tax liability or asset in future accounting periods, Income taxes are recognized in the income statement, except for tax with regard to transactions charged directly to equity, In the latter case, the tax is also charged directly to equity.

Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries, The current income tax is based on taxable profits of the Company adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force, Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse, Deferred taxes are calculated using the liability method for all temporary tax differences as of the balance sheet date between taxable base and accounting base of the assets and liabilities.

Expected impacts from temporary tax differences are recognized and recorded either as future (deferred) tax liabilities or as deferred tax assets, Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the above and can be utilized, The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The Company writes off deferred tax assets against deferred tax liabilities only in cases when the Company has a legal right to write off current tax assets against current tax liabilities and deferred tax assets and the deferred tax liabilities relate to income tax and are imposed by the same tax authority

2.16 Employee Benefits

a) Short term benefits
Short term employee benefits are recorded on an accrual basis.

b) Provisions for Benefit Plans:
The programs for employee benefits concerning their service termination are included in defined benefit plans according to IAS 19 - "Employee benefits", The obligations resulting from the defined benefit plans are calculated as the discounted fair value of the future benefits to employees accrued as of the balance sheet date, These obligations are calculated based on financial and actuarial assumptions, The net cost for the period / year is charged to the income statement and is comprised from the present value of accrued benefits during the period / year, the discounting of the future obligation, the cost of experience of service. The actuarial gains or losses are recognized directly to own equity according to IAS 19 - "Employee benefits",

2.17 Provisions
Provisions are recognized when the Company has a present obligation (legal or accrued) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be calculated, If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost, Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed, Provisions are used only for expenditures for which they were originally recognized, Contingent assets and contingent liabilities are not recognized.

2.18 Revenue recognition
Revenue consist of the fair value of the sale of goods and services, net of value-added tax, rebates and discounts, Revenue is recognized as follows:

- **Services rendered:** Revenue from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost,
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.

2.19 Leases

Leases which transfer to the Company substantially all benefits and risks incidental to ownership of the item property are considered financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability, Financial charges are recognized directly to income, Finance leases, that transfer to the Company substantially all risk and benefits following the ownership of the leased asset are recorded as assets with amount equal to the initial lease amount, the fair value of the leased asset or if lower the present value of the minimum future lease payments, Lease payments are included in finance costs and deducted from the remaining liability, in such way that a constant interest rate applies to the remaining liability amount, Leased assets are depreciated in the shorter time between useful life of the asset and the lease period, Criterion for the classification of a lease as finance or operating is the type or transaction itself and not the type of agreement, If from a lease agreement arises that the lessor substantially holds all benefits and risks incidental to ownership of the asset, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense as incurred.

2.20 Dividend distribution

Dividends payable to the shareholders are recognized and presented as liability in the period in which the General Shareholders Assembly approves them.

2.21 Government grants

Government grants are initially recognized as deferred income on the balance sheet, when the reimbursement of the grant is fairly secure and the Group has met its required obligations. Grants related to the Groups expenses are recognized as other operating income on a systematic base in the period the related expenses are recognized. Grants related to the purchase cost of the Group's assets are recognized as other operating income on a systematic base according to the useful estimated life of the asset.

2.22 Long-term Receivables / Payables

Long-term receivables and payables, which are interest free or bear interest significantly lower than the prevailing market rates, are recognized in their net present value, Differences between the present value and the face amounts are created as discount or premium and amortized as interest expense or income over the life of each receivable/payable.

2.23 Related Parties

Related party transactions and balances are disclosed separately in the consolidated financial statements, Such related parties mainly refer to major shareholders, Management, companies with common ownership and/or management with the company and its consolidated subsidiaries, or other affiliates of these companies.

2.24 Capital Management

The Group's policy is the maintenance of a solid capital structure to have confidence of investors and creditors and to support its future growth, Management monitors Equity in its total excluding minority interests so that the ratio to liabilities subtracting the Company's deposits is approximately 3 to 1, Based on the data of the balance sheets the ratio of liabilities to equity for the years 2013 and 2012 was 1,25 and 1,90 respectively for the Group and 0,02 and 0,10 for the parent Company, The provisions of L, 2190/1920 impose the following restrictions concerning equity:

- The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law, In case the share capital is below the 1/2 of the paid in share capital the Board of Directors has to invite the General Assembly of shareholders within 6 months from the end of the fiscal year to decide about the dissolvement of the company or any other measure.
- Yearly at least the 1/20 of net earnings is distributed to legal reserves that is used to compensate before any dividend distribution the debit balance of retained earnings, The distribution to reserves is not mandatory if its level is 1/3 of the paid in share capital,
- If the total equity is below 1/10 of the paid in share capital and the general assembly does not apply appropriate measures the company can be dissolved by court decision after the request of any party that has legal interest.
- The distribution of the yearly cash dividend is mandatory for 35% of the net earnings after the deduction of the legal reserve and the distribution to special valuation reserves from the fair value valuation of assets and liabilities at fair value, This is not applied if the general assembly of shareholders decides at least with 65% majority. In this case the not distributed dividend is presented in a special reserves account for capitalization and new shares are distributed without any charge to the beneficiaries shareholders within four years, Finally, with 70% majority the general assembly can decide the non distribution of dividends.

The company is fully compliant with the related provisions imposed by law concerning equity.

3. Financial Risk Management

3.1 Financial risk factors

a. ***Foreign exchange risk:*** The Company is not exposed to foreign exchange risk,

b. ***Credit risk:*** The Company is not exposed to credit risk,

c. ***Cash flow risk:*** The Company is exposed to cash flow risk that may arise through the fluctuation of variable interest rates and may cause positive or negative fluctuations in cash inflows and/ or outflows of assets and/ or liabilities connected with these variable interest rates.

d. ***Market risk:*** The Company is not exposed significantly to market risk,

(All amounts in Euro thousands unless otherwise specified)

4. Important accounting assumptions and estimates

Preparation of financial statements in compliance with IFRS requires Management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, required disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period, Reasonable use of available information and subjective judgement are important elements of an assumption, Actual results may differ from estimates and deviations may significantly affect Financial Statements, The Company makes estimates and assumptions with regard to the outcome of future events, The majority of estimates concerns assets depreciation and calculation of deferred taxes, Management's estimates and assumptions are under continuous review based on historical data and expectations of future events, that are deemed highly probable based on current facts,

5. Share capital structure

The Company sees to it that its share capital structure is persistent to respective conditions of the subsidy programs in which the Company has entered.

6. Revenues

	The Group		Company	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Revenue from energy sector	9,756	10,720	-	-
Revenue from services rendered	-	-	155	157
Total	**9,756**	**10,720**	**155**	**157**

7. Cost of sales

The cost of sales for the Group for the previous periods was revised due to the revision of the useful life of production licenses.

	The Group		Company	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Personnel salaries and expenses	(157)	(161)	(132)	(132)
Third party expenses	(188)	(165)	-	-
Supplies to third parties	(1,633)	(1,627)	(15)	(16)
Tax and stamp duty	(463)	(322)	-	-
Other expenses	(14)	(17)	(1)	(1)
Depreciation	(5,347)	(5,347)	-	-
Depreciation of subsidies	1,704	1,513	-	-
Total	**(6,098)**	**(6,126)**	**(148)**	**(149)**

(All amounts in Euro thousands unless otherwise specified)

8. Administrative expenses

	The Group		Company	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Personnel salaries and expenses	(361)	(361)	(137)	(138)
Third party fees and expenses	(60)	(50)	(19)	(15)
Supplies to third parties	(145)	(143)	(106)	(107)
Tax and stamp duty	(20)	(29)	(5)	(8)
Other expenses	(45)	(46)	(27)	(15)
Depreciations	(2)	(2)	(2)	(3)
Provisions	(17)	(5)	(3)	(3)
Total	**(650)**	**(636)**	**(299)**	**(289)**

9. Other expenses

	The Group		Company	
	1/1 - 31/12/2016	1/1 - 31/12/2015	1/1 - 31/12/2016	1/1 - 31/12/2015
VAT prescription	-	(183)	-	-
Other	(12)	(34)	(1)	(2)
Total	**(12)**	**(217)**	**(1)**	**(2)**

Other expenses for the Group for the fiscal period amounted to € (12) and refer to enterprising fees of the Group's companies that classified in that account.

10. Financial Income / (Cost)

	The Group		Company	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Finance expense:				
- Interest payable	(627)	(781)	-	-
- Bank and similar expenses	(124)	(12)	(1)	(2)
- Depreciation of raising loan costs	(32)	(34)	-	-
-Finance cost of provision for equipment removal	(111)	(104)	-	-
-Commissions	(41)		(41)	
Total finance expenses	**(935)**	**(931)**	**(42)**	**-**
Finance income				
-Dividends	-	-	500	400
- Interest receivable and similar income	42	24	9	3
-Other financial income	-	-	41	-

(All amounts in Euro thousands unless otherwise specified)

Total finance income	**42**	**24**	**550**	**403**
Net finance expenses	**(893)**	**(907)**	**508**	**401**

11. Income Tax

	The Group		**Company**	
	1/1-31/12/2016	**1/1-31/12/2015**	**1/1-31/12/2015**	**1/1-31/12/2014**
Income tax (current period)	(65)	(134)	-	-
Deferred tax	**(683)**	**(1,212)**	**-**	**-**
Income tax	**(748)**	**(1,346)**	**-**	**-**
Tax on other accumulated income	**-**	**-**	**-**	**-**

According to the provisions of the new tax L.4334/2015 passed on 16/07/2015 and L.4336/2015 passed on 14/08/2015, tax rate increased from 26% to 29% for the fiscal years starting from 01/01/2015. The income tax advance payment increased from 80% to 100% for the fiscal years starting from 01/01/2014. All the companies that included in the consolidation are based and file a tax return in Greece. The Greek tax legislation and respective provisions are subject to interpretation by the tax authorities. Income tax statements are submitted to the tax authorities on an annual basis but profit or loss stated for tax purposes, remain temporary until the tax authorities conclude audits of the tax statements and records of the company, at which time the respective tax liabilities of the company become final. Tax losses, if any, and in the amount recognized by tax authorities, can be carried forward to offset against profits for a period of five consecutive years after their occurrence.

Based on reasonable estimates, to the extent possible, consolidated companies make provisions for any contingent tax burden which may occur in future tax audits.

Consolidated companies have not been audited for the periods presented in the table below:

The Group	**Unaudited fiscal year by the competent authorities**	
	Without Tax Compliance Report	**With Tax Compliance Report**
R.F. ENERGY S.A.	2010	2011, 2012, 2013, 2014 & 2015
KALLISTI ENERGIAKI S.A.	2010	2011, 2012, 2013, 2014 & 2015
AIOLIKI KYLINDRIAS S.A.	-	2012, 2013, 2014 & 2015
CITY ELECTRIC S.A.	2010, 2014, 2015 & 2016	2011, 2012 & 2013
HYDROELECTRIKI ACHAIAS S.A.	2010	2011, 2012, 2013, 2014 & 2015
R.F. ENERGY MISOCHORIA S.A.(merged in 2013)	2010	2011, 2012 & 2013
R.F. ENERGY TSOUKKA SA (merged in 2013)	2010	2011, 2012 & 2013
R.F. ENERGY DEXAMENES S.A.(merged in 2012)	2010	2011, 2012
R.F. ENERGY KORAKOVRAHOS S.A.(merged in 2012)	2010	2011, 2012

R.F. ENERGY LAKOMA S.A(merged in 2012)	2010	2011, 2012
R.F. ENERGY PRARO S.A(merged in 2012)	2010	2011, 2012
R.F. ENERGY SCHIZALI S.A.merged in 2012)	2010	2011, 2012
R.F. ENERGY KALAMAKI S.A.merged in 2012)	2010	2011, 2012
R.F. ENERGY XESPORTES S.A.merged in 2012)	2010	2011, 2012
R.F. ENERGY OMALIES S.A.	2010, 2014, 2015 & 2016	2011, 2012 & 2013
AIOLIKI ADERES S.A.	2010	2011, 2012, 2013, 2014 & 2015

For the years 2011, 2012 and 2013, the Company and the consolidated subsidiaries, due to their inclusion to the tax audit of Chartered Accountants provided by the provisions of the article 82, par 5 of the L2238/1994, received Tax Compliance Report with an unqualified opinion.

For the year 2014 and 2015, the Company and its subsidiaries AIOLIKI ADERES S.A., AIOLIKI KYLINDRIAS S.A., KALLISTI ENERGIAKI S.A. and HYDROELECTRIKI ACHAIAS S.A. received Tax Compliance Report without unqualified opinion, according to the provisions of article 65A, par 1, L.4174/2013.

For the year 2016, tax audit by the Chartered Accountants for the Company and its subsidiaries AIOLIKI ADERES S.A., AIOLIKI KYLINDRIAS S.A., KALLISTI ENERGIAKI S.A. and HYDROELECTRIKI ACHAIAS S.A. is in progress and the relevant tax compliance reports are predicted to be granted after the publication of the Financial Statements for the year 2016. If additional tax liabilities incur till the completion of the tax audit, we believe that these will not affect significantly the Financial Statements of both the Company and the Group.

According to Decision 1124/2015, the subsidiaries CITY ELECTRIC S.A. and R.F. ENERGY OMALIES S.A. are excluded from the annual Certificate of statutory auditors provided by the provisions of article 65A, L4174/2013 for the years 2014, 2015 and 2016, since the gross income of each company do not exceed the amount of € 150,000 annually. According to Decision 1006/2016, companies for which a tax certificate without notes for violation of tax legislation is issued, are not exempt from tax audit.

Deferred taxes in the balance sheet are analyzed as follows:

	The Group		Company	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Deferred tax on assets				
- Transferred tax losses	1,317	1,149	-	-

(All amounts in Euro thousands unless otherwise specified)

- Share capital increase	2	3	-	-
- Special Levy (10%)	68	162	-	-
- Other	4	5	-	-
- Deletion of installation costs	289	290	-	-
- Provision for equipment removal	327	272	-	-
Provision for staff	7	8	-	-
Offsetting	(1,514)	(1,416)	-	-
Deferred tax on liabilities				
- Depreciation of assets	(2,252)	(1,706)	-	-
- Government grants	(2,155)	(1,866)	-	-
- Operating licenses	(904)	(930)	-	-
- Depreciation expense borrowing	(26)	(35)	-	-
- Capitalization of interest	(100)	(90)	-	-
Offsetting	1,514	1,416	-	-
Net deferred tax	**(3,423)**	**(2,739)**	**-**	**-**

Deferred Taxes				
Deferred tax on assets	500	472	-	-
Deferred tax on liabilities	(3,923)	(3,211)	-	-
Net deferred tax	**(3,423)**	**(2,739)**	**-**	**-**

Below reconciliation of the tax attributable to the accounting results and what the results were accounted for:

	The Group		**Company**	
	1/1-31/12/2016	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Earnings/loss before tax	2,138	2,854	220	122
Tax corresponding to nominal tax rate	620	828	64	35
Income not subject to tax	-	-	(145)	(116)
Tax losses with no deferred tax recognized	(30)	(5)	82	80
Non – deductible expenses	48	90	(1)	1
Increase in tax rates	-	176	-	-
Depreciation of Production Licenses	65	65	-	-
Derecognition of deferred receivables	45	196	-	-
Other	-	(3)	-	-
Income tax	**748**	**1,346**	**-**	**-**
Tax on other accumulated income	**-**	**-**	**-**	**-**

12. Trade and other Receivables

	The Group	**Company**

	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Trade and other Receivables	7,051	6,032	71	63
Greek state - Debited VAT	1,151	1,217	1	1
Transit Debit Balances	365	354	253	252
Related companies	-	-	508	1,206
Down payments to suppliers	2	4	-	-
Other	19	22	227	226
Total	**8,588**	**7,629**	**1,060**	**1,748**

13. Cash and cash equivalent

	The Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Cash at hand	330	331	11	71
Sight and time deposits	2,697	3,914	795	33
Total	**3,027**	**4,246**	**806**	**104**

Cash and cash equivalents pertain to cash at hand and cash deposits available on sight.

14. Plants, property and equipment

The Group	Land	Buildings	Plant and Machinery	Vehicles	Furniture and miscellaneous equipment	Capital commitments underway	Total
Cost of Purchase on 01/01/2015	1,081	10,008	70,383	14	119	2,807	**84,412**
Accumulated depreciation on 01/01/2015	-	(2,697)	(20,508)	(10)	(100)	-	**(23,315)**
Net book value on 01/01/2015	**1,081**	**7,311**	**49,875**	**4**	**19**	**2,807**	**61,097**
Additions	-	-	15	-	1	105	**121**
Write-offs	-	-	-	(2)	-	-	**(2)**
Depreciations	-	(566)	(4,382)	(2)	(4)	-	**(4,954)**
Depreciation of Damages	-	-	-	2	-	-	**2**
Cost of Purchase	1,081	10,008	70,398	12	120	2,912	**84,531**
Depreciations	-	(3,263)	(24,890)	(10)	(104)	-	**(28,267)**
Net book value on 31/12/15	**1,081**	**6,745**	**45,508**	**2**	**16**	**2,912**	**56,264**

(All amounts in Euro thousands unless otherwise specified)

1/1- 31/12/2016							
Additions	-	-	-	-	1	10	**11**
Write-offs/ Sales	-	-	-	(10)	-	-	**(10)**
Depreciations	-	(566)	(4,386)	-	(5)	-	**(4,957)**
Depreciations of assets sold	-	-	-	8	-	-	**8**
Cost of Purchase	1,081	10,008	70,398	2	121	2.922	**84,532**
Accumulated Depriciation	-	(3,829)	(29,276)	(2)	(109)	-	**(33,216)**
Net Book Value on 31/12/16	**1,081**	**6,179**	**41,122**	**-**	**12**	**2,922**	**51,316**

The net book value of plant and machinery includes an amount of €779 (2015: €861) related to the unamortized part of the provision fro equipment removal.

	Buildings	Vehicles	Furniture and miscellaneous equipment	Total
The Company				
Cost of Purchase	5	2	69	**76**
Accumulated depreciation	(4)	(2)	(66)	**(72)**
Net book value on 01/01/15	**1**	**-**	**3**	**4**
1/1- 31/12/2015				
Additions			1	**1**
Write-offs	-	(2)	-	**(2)**
Depreciation	(1)	-	(2)	**(3)**
Depreciation of damages	-	2	-	**2**
31/12/2015				
Cost of Purchase	5	-	70	**75**
Accumulated depreciation	(5)	-	(68)	**(73)**
Net book value on 31/12/15	**-**	**-**	**2**	**2**
1/1- 31/12/2016				
Additions	-	-	-	**-**
Write-offs	-	-	-	**-**
Depreciation	-	-	(2)	**(2)**
Depreciation of assets sold	-	-	-	**-**
31/12/2016				

(All amounts in Euro thousands unless otherwise specified)

Cost of Purchase	5	-	70	**75**
Accumulated depreciation	(5)	-	(70)	**(75)**
Net book value on 31/12/16	-	-	-	-

15. Intangible fixed assets and surplus value

The Group	Production Licenses for wind farms	Other user rights	Total intangible fixed assets
Cost of Purchase	11,847	1,379	**13,226**
Accumulated depreciation	(1,567)	(396)	**(1,963)**
Net book value on 01/01/15	**10,280**	**983**	**11,263**
1/1- 31/12/2015			
Depreciation	(312)	(81)	**(393)**
Cost of Purchase	11,847	1,379	**13,226**
Accumulated depreciation	(1,879)	(477)	**(2,356)**
Net book value on 31/12/15	**9,968**	**902**	**10,870**
1/1- 31/12/2016			
Depreciation	(311)	(82)	**(393)**
Cost of Purchase	11,847	1,379	**13,226**
Accumulated depreciation	(2,190)	(559)	**(2,749)**
Net book value on 31/12/16	**9,657**	**820**	**10,477**

16. Investment in subsidiaries and related companies (All amounts in this note refer to Euro)

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary CITY ELECTRIC S.A. on 22/09/2016, the company's share capital increased by €5,100. The increase was made by cash payment on behalf of sole shareholder RF ENERGY S.A. and covered by issuance of 170 new shares with nominal value of €30 and disposal price of €300 each. The difference between the nominal value of €30 and the disposal price of €300, amounting to €45,900 was registered to the account "Difference from share premium" . After the increase, the share capital of the company amounted to €311,970 divided into 10.399 ordinary shares with a nominal value of €30 each.

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary RF ENERGY OMALIES S.A. on 22/09/2016, the company's share capital increased by €15,900. The increase was made by cash payment on behalf of sole shareholder RF ENERGY S.A. and covered by issuance of 530 new shares with nominal value of €30 and disposal price of €300 each.

The difference between the nominal value of €30 and the disposal price of €300, amounting to €143,100 was registered to the account "Difference from share premium" .

(All amounts in Euro thousands unless otherwise specified)

After the increase, the share capital of the company amounted to €1,406,220, divided into 46.874 ordinary shares with a nominal value of €30 each.

According to the decision of the Extraordinary General Assembly of the Shareholders of 100% subsidiary AIOLIKI ADERES S.A. on 08/12/2015, the company's share capital decreased by €991,107. On 25/02/2016, G.E.M.I announced the completion and approval of the process of reducing its share capital by €991,107, which is fully refunded to its sole shareholder, R.F. ENERGY S.A..

The remaining balance of the investment of the company(all companies are operating in the energy sector) is analyzed as follows:

Subsidiaries	31/12/2016	31/12/2015
KALLISTI ENERGIAKI S.A.	6,370	6,370
AIOLIKI ADERES S.A.	15,687	15,687
AIOLIKI KYLINDRIAS S.A.	6,699	6,699
HYDROELECTRIKI ACHAIAS S.A.	3,537	3,537
CITY ELECTRIC S.A.	511	460
R.F. ENERGY OMALIES S.A.	7,674	7,515
	40,478	**40,268**

The participation share of the Company in the aforementioned subsidiaries are on 31/12/2016, as follows:

	Participation share	
Subsidiary	**31/12/2016**	**31/12/2015**
KALLISTI ENERGIAKI S.A.	100,00%	100,00%
AIOLIKI KYLINDRIAS S.A.	100,00%	100,00%
CITY ELECTRIC S.A.	100,00%	100,00%
HYDROELECTRIKI ACHAIAS S.A.	100,00%	100,00%
R.F. ENERGY OMALIES S.A.	100,00%	100,00%
AIOLIKI ADERES S.A.	100,00%	100,00%

17. Share Capital (All amounts in this notes refer to Euro)

On 31/12/2016, the Company's share capital amounts to €11,195,400.96 consisting of 31,098,336 common nominal shares, with nominal value of €0.36 each.

18. Borrowings

	The Group		Company	
Long-term borrowings	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Long-term borrowings	10,871	16,938	-	-
Less amortized cost of borrowing cost	(84)	(115)	-	-
	10,787	**16,823**	-	-

(All amounts in Euro thousands unless otherwise specified)

Less long-term obligations payable within next fiscal year	(1,832)	(2,486)	-	-
Less short-term part of amortized cost of borrowing cost	32	31	-	-
	(1,800)	**(2,455)**	-	-
Long-term part of borrowings	**8,987**	**14,368**	-	-
Short-term borrowings	-	-	-	-

The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12,800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009.

The disbursal of the Bond Loan amounted to €12,800 and was used for both the long-term financing of the investing plan of the company of €6.065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5,80% - the first 13 installments have already been paid till 31/12/2015) and the short-term financing against income from approved subsidy of €6,735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing.

Within September 2010, KALLISTI S.A. refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €2,935, with a duration of 11 years, to be paid in 22 semi-annual installments. In November 2013, the subsidiary proceeded to voluntary repayment of Tranche B Bonds for the amount of €1,000, using own funds. In May, 2014, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1,192, using own funds.
For the conclusion of the above loan, securities were given by the subsidiary company, including pledges on its shares held by R.F. ENERGY, bank deposits, its productive equipment and its future receivables coming from the Power Purchase Agreement with HTSO. Furthermore, the loan agreement also includes a financial covenant, which should be followed by the company on a 6 month-basis, and if not fulfilled, it will lead to an event of default.
In September 2016, the subsidiary company KALLISTI ENERGIAKI S.A. proceeded to voluntary prepayment of Bonds Series A, amounting to € 1,002,000 using own funds. The amount of prepayment was proportionally removed from the remaining installments, in order not to change the duration of the loan. The Bondholder Bank attributed to the subsidiary an amount of € 115,000.
AIOLIKI KYLINDRIAS S.A., 100% subsidiary company of RF ENERGY S.A. maintains a Common Bond Loan with a duration of 14 years and floating rate Euribor plus fixed margin 2,30% initially amounting to €5,934.

For the purpose of this loan, collateral have been used including company's future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and the pledge on the shares of the issuer, as well. The loan will be paid in 28 semi-annual installments, of which up to 31/12/2016 fourteen have been paid.

(All amounts in Euro thousands unless otherwise specified)

Aioliki Aderes S.A. , according to the decisions of BoD on a)09/05/2011, b) 01/02/12 and c) 29/05/12 signed bond agreement up to an amount of € 35,246, for 11.5 years with a grace period of 12 and 24 months by case and floating rate Euribor plus a fixed margin of 3.80% and 4.00% by case, depending on the case and its subject of financing is: a) long-term financing of investment cost for the construction of three wind farms, b) short-term financing against approved subsidies c) the medium-term financing to cover the VAT of investment cost of the three wind farms.

The Bond series relating to the long-term financing of the investment cost for the construction of the 3 wind farms of the Company will be paid in 21 equal installments, of which up to 31/12/2016 twelve have been paid.

In December 2016, the subsidiary company proceeded to prepayment of an amount equat to € 2,179,000 corresponding to the last three installments of the bond loan issued, using own funds. According to the terms of the loan, the amount paid in advance repays reverse maturity bonds, Therefore, the loan will be paid off in about a year and a half earlier.

For the purpose of this Bond loan, collateral have been used and the sole shareholder of Aioliki Aderes, RF Energy, has provided full and unconditional guarantee, pledging its totall shares of Aioliki Aderes that it holds. Additionally, according to the term of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and on insurance policies and contracts that has to maintain and on approved subsidies relating to investing plans, as well.

HYDROELECTRIKI ACHAIAS S.A., 100% subsidiary company, received during 2013 two medium-term loans of €400 each from NBG, with a duration of 2.5 and 3 years respectively from their date of disbursement, for financing its working capital, due to ongoing delays on behalf of LAGIE S.A. in paying electricity sales invoices. The first of these two loans repayed conventionally during the first days of Janyary 2015. In January 2016 and in early July 2016, the penultimate and the last installment of the medium-term loan taken on 05/12/2013 were paid respectively.

For the purpose of this loan, collateral have been used and its sole shareholder, RF Energy, has provided full and unconditional guarantee. Additionally, according to the term of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with LAGIE S.A.

Interest payable of all the above loans amounted for the period ended at December 31st, 2016 and 2015 to € 627 and € 781, respectively.

During 2016, total quittances of sum €5,783 against the above existing long-term loans raised by the Group, were realized.

19. Trade and other payables

	The Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Payables to related parties	12	12	12	12

(All amounts in Euro thousands unless otherwise specified)

Trade payables to suppliers	103	59	5	5
Accrued expenses	42	43	6	18
Suppliers' cheques payable	166	-	-	-
Creditors	4	4	2	1
Tax provision for unaudited fiscal years	54	54	5	5
Accrued interests on loans	46	77	-	-
Taxes-Fees	235	156	22	19
Other	23	22	12	10
Total	**1,727**	**1,469**	**63**	**60**

20. State subsidies

	The Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Subsidies	17,848	20,403	-	-
Change in subsidies of AIOLIKI ADERES SA	-	(1,042)	-	-
Depreciation of subsidies	(1,704)	(1,703)	-	-
Adjustment of depreciated subsidy of AIOLIKI ADERES	-	190		
	17,144	**17,848**	**-**	**-**

The depreciation of received state subsidies on behalf of the subsidiary company KALLISTI ENERGIAKI S.A., for the development of the wind park in location "Tsouka" in Municipalities of Skiritida and Valtetsiou in Argolida Prefecture, has been amounted to € 478 during the current period.
The depreciation of received state subsidies on behalf of the subsidiary company AIOLIKI KYLINDRIAS S.A., for the development of the wind park in location "Lofoi Kylindrias" in Municipality of Doirani in Kilkis Prefecture, have been amounted to € 201during the current period.

The depreciation of received state subsidies on behalf of the subsidiary HYDROELECTRIKI ACHAIAS S.A. for the development of a small hydroelectrical station in location "Boufouskia" in Municipality of Aigio, have been amounted to € 36 during the current period. The depreciation of received state subsidies for the development of the small hydroelectrical station in location "Agios Andreas", have been amounted to € 21 during the current period.
The depreciation of received state subsidies on behalf of the subsidiary AIOLIKI ADERES S.A. have been amounted to €969 during the current period.
A decision of ammendement of falling under the provisions of Investment Law was notified to the subsidiary company AIOLIKI ADERES S.A., regarding its investment at location " Soros", Argolida, with percentage of subsidy at 30% against the initially regognised percentage of 40%. The amount that may be required is € 1,042, which was reclassified to the short-term liabilities in the Statement of Cash Flows.

(All amounts in Euro thousands unless otherwise specified)

21. Long-term provisions

Environmental restoration

The Company, under the existing legislation, has the obligation at the end of the production license and if that is not renewed, to decommission the technical equipment of the wind farms and restore the surrounding environment of the establishment area.

	Environmental restoration	Total
On 31/12/2015	**1,807**	**1,807**
Financial cost for the year 2016	111	111
On 31/12/2016	**1,918**	**1,918**

22. Interest rate risk and liquidity risk

Interest rate risk

The Company has substantial interest bearing assets in the amount of €1,079 (€5,041 for the Group) that are invested in compound time accounts at a predetermined exchange rate. Said exchange rate is calculated based on the interbank market floating interest rate in Euro. Therefore revenue and operating cash flow is affected by a change in interest rates.

As at December 31st, 2016 Earnings After Tax for the Company would have been €8 (€39 for the Group) lower / higher, if interest rates had lower / higher by 100 base points, all other variables remaining unchanged.

Interest rate risk results from long-term and short-term borrowings in euro at a floating interest rate. The Company assesses its exposure to interest rate risk on a steady basis, also taking into consideration any chance of refinancing under different terms, as well as renewal of existing financing.

As at December 31st, 2016 Earnings After Tax for the Group would have been € 91 lower/higher, if interest rates had decreased/ increased by 100 base points, all other variables remaining unchanged. This would have been caused mainly due to higher / lower finance expenses resulting from bank borrowings at a floating interest rate in Euro. The Company does not face this kind of risk.

As a consequence, as at December 31st, 2016 Earnings After Tax for the Company would have been €8 (€52 for the Group) lower / higher (total net influence) , if euro interest rates had decreased/increased by 100 base points, all other variables remaining unchanged.

Interest rate risk			
+100 bps		***-100 bps***	
Earnings before tax		**Earnings before tax**	
The Group	**Company**	**The Group**	**Company**

Financial assets				
Cash equivalents	55	11	(55)	(11)
Influence before tax	55	11	(55)	(11)
Income Tax 29%	(16)	(3)	16	3
Total influence	**39**	**8**	**(39)**	**(8)**
Financial liabilities				
Loans	(128)	-	128	-
Influence before tax	(128)	-	128	-
Income Tax 26%	37	-	(37)	-
Total influence	**(91)**	**-**	**91**	**-**
Total Net Influence	**(52)**	**8**	**52**	**(8)**

- Liquidity risk

The management of liquidity risk includes both existence of enough cash and cash equivalents and the reassurance of credit standing through approved financing terms. The table below analyses the company's obligations, based on the remaining contractual duration at the date of the balance sheet in discounted bills with an average interest rate, as it was formed during Year 2016.

The Group December 31st, 2016	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
Borrowings	2,231	2,252	5,940	848
Liabilities	285	-	-	-
Total	**2,516**	**2,252**	**5,940**	**848**

The Company December 31st, 2016	**< 1 year**	**1-2 years**	**2-5 years**	**> 5 years**
Liabilities	18	-	-	-
Total	**18**	**-**	**-**	**-**

23. Legal reserves

According to the provisions of Greek company legislation, the creation of legal reserves, with the annual transfer of an amount equal to 5% of the annual earnings after tax, is compulsory till the level of the reserves becomes equal to 1/3 of share capital. The legal reserves are only distributed in case of dissolution, but they can be offset with accumulated losses.

(All amounts in Euro thousands unless otherwise specified)

24. Transactions with related parties

The Company purchases commodities from related parties, and exchanges services with said parties. According to IAS 24 related parties are subsidiary companies, companies with common shareholders and/or management and any affiliates to such companies. Members of the Board of Directors and Top Management are also considered related parties. The table below presents payables and receivables from transactions with related parties.

Receivables from:	**31/12/2016**	**31/12/2015**
KALLISTI ENERGIAKI S.A.	9	10
AIOLIKI KYLINDRIAS S.A.	7	6
CITY ELECTRIC S.A.	4	20
HYDROELECTRIKI ACHAIAS S.A.	476	117
R.F. ENERGY OMALIES S.A.	53	95
AIOLIKI ADERES S.A.	24	1,015
CYBERONICA S.A.	17	17
Total	**590**	**1,280**

	31/12/2016	**31/12/2015**
Payables to:		
F.G. EUROPE S.A.	12	12
Total	**12**	**12**

Income:	**1/1-31/12/2016**	**1/1-31/12/2015**
KALLISTI ENERGIAKI S.A.	30	29
AIOLIKI KYLINDRIAS S.A.	19	19
CITY ELECTRIC S.A.	12	12
HYDROELECTRIKI ACHAIAS S.A.	512	412
R.F. ENERGY OMALIES S.A.	54	14
AIOLIKI ADERES S.A.	70	73
FG EUROPE S.A.	-	1
Total	**697**	**560**
Costs:		
CYBERONICA S.A.	(99)	(100)
AIOLIKI ADERES S.A.	(1)	
F.G. EUROPE S.A.	(10)	(10)
Total	**(110)**	**(111)**

(All amounts in Euro thousands unless otherwise specified)

Group

Receivables from:	**31/12/2016**	**31/12/2015**
CYBERONICA S.A.	21	21
Total	**21**	**21**

	31/12/2016	**31/12/2015**
Payables to:		
F.G. EUROPE S.A.	12	12
Total	**12**	**12**

	1/1 - 31/12/2016	**1/1/ - 31/12/2015**
Income:		
F.G. EUROPE S.A.	-	1
Total	**-**	**1**

	1/1 - 31/12/2016	**1/1 - 31/12/2015**
Costs:		
F.G. EUROPE S.A.	10	11
CYBERONICA S.A.	111	111
Total	**121**	**122**

Members of the Board of Directors and Management:	**The Group**		**The Company**	
	1/1-31/1/2016	**1/1-31/1/2015**	**1/1-31/1/2016**	**1/1-31/1/2015**
Compensations - Other Benefits:				
Board of Directors Remuneration	(213)	(211)	(213)	(211)
Total	**(213)**	**(211)**	**(213)**	**(211)**

25. Benefit obligations due to retirement of service

Under Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which is related to the remuneration, length of service and manner of termination (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to compensation. In particular, the compensation in case of termination due to retirement and the completion of 15 years of service with the same employer are as follows:

1) Termination of the contract due to retirement

Employees covered by any pension sector of any Insurance Agency, as long as they meet the requirements for full retirement, if they are craftsmen are able to leave, if employees are not able to leave or be dismissed by his employer.

(All amounts in Euro thousands unless otherwise specified)

In these cases, they are entitled to 50% of statutory compensation if they do not have supplementary insurance or 40% if they have. Employees with fixed-term contract, made redundant or leave before the end of it to retire, are entitled to the reduced allowance.

Note that the employer can not dismiss Technicians who have completed the requirements of full retirement age, with reduced compensation payment. Only employees have this option.

2) 15 years of service:
Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down in the familiar Insurance Agency when there is no limit of 65 years of age, they can leave their work with the employer's consent , so are entitled to 50% of legal compensation.

The provision for employee retirement is based on an independent actuarial study which was dated 31 December 2015 with the projected unit credit method Obligation - Projected Unit Credit (IAS 19, § 67). In addition, during the preparation of the study, took into account the likelihood of voluntary retirement of active officials.
This account from 01/01/2016 to 31/12/2016 was as follows:

Accounting depictions in accordance with IAS 19	**The Group**		**Company**	
	2016	**2015**	**2016**	**2015**
Amounts recognized in the Statement of Financial Position				
Present value of unfunded obligations	56	56	32	33
Net liability recognized in the Statement of Financial Position	**56**	**56**	**32**	**33**
Amounts recognized in the income statement				
Current service cost	4	4	2	2
Interest cost	1	1	1	1
Regular expense in the income statement	**6**	**6**	**3**	**3**
Settlement costs	11	-	-	-
Total expense in the income statement	**17**	**6**	**3**	**3**
Actuarial assumptions				
Discount rate	1,90%	2,20%	1,90%	2,20%
Future salary increases	2,00%	2,20%	2,00%	2,20%
Inflation	2,00%	2,00%	2,00%	2,00%
Expected remaining service life	25,63	25,5	18,33	22,25

(All amounts in Euro thousands unless otherwise specified)

Changes in the net liability recognized in the Statement of Financial Position

Net liability at beginning of year	**56**	**48**	**33**	**29**
Benefits paid by the employer	(17)	-	-	-
Total expense recognized in the income statement	17	6	3	3
Net liability at end of year	**54**	**54**	**36**	**32**
Statement of actuarial (gains) and losses	-	2	-	1
Adjusting	-	-	(4)	-
Net liability at end of year	**56**	**56**	**32**	**33**

Any differences in totals are due to rounding

The above actuarial study showed "Actuarial gain / (loss) on defined benefit plans" amounting to € 0 and € 0 (€ 2 and € 1 in 2015), for the Group and the Company respectively and was recognized directly in other comprehensive revenue of the Group and the Company.

These results depend on the assumptions (financial and demographic) of the actuarial study. Thus, on the valuation date 31/12/2016:

• If you had used a higher rate of 0.5% then the present value would be lower by 7%, but if it was lower by 0.5% would lead to the actuarial liability be higher by 8% .

• If you had used a higher salary growth assumption of 0.5% then the present value would be higher by 8%, but if it was lower by 0.5%, would result in the actuarial liability being less by 7%.

26. Commitments, contingent liabilities and uncertainties

The litigation and arbitration are not likely to have a material effect on the financial condition or operation of the Company.

The Company's tax obligations are not final, since there are unaudited fiscal periods. The unaudited fiscal periods of the companies included in the consolidation are as follows:

The Group	**Unaudited fiscal year by the competent authorities**	
	Without Tax Compliance Report	**With Tax Compliance Report**
R.F. ENERGY S.A.	2010	2011, 2012, 2013, 2014 και 2015
KALLISTI ENERGIAKI S.A.	2010	2011, 2012, 2013, 2014 και 2015
AIOLIKI KYLINDRIAS S.A.	-	2012, 2013, 2014 και 2015
CITY ELECTRIC S.A.	2010, 2014,2015 και 2016	2011, 2012 και 2013
HYDROELECTRIKI ACHAIAS S.A.	2010	2011, 2012, 2013,2014 και 2015
R.F. ENERGY MISOCHORIA	2010	2011, 2012 και 2013

S.A.(merged in 2013)		
R.F. ENERGY TSOUKKA SA (merged in 2013)	2010	2011, 2012 και 2013
R.F. ENERGY DEXAMENES S.A.(merged in 2012)	2010	2011, 2012
R.F. ENERGY KORAKOVRAHOS S.A.(merged in 2012)	2010	2011, 2012
R.F. ENERGY LAKOMA S.A(merged in 2012)	2010	2011, 2012
R.F. ENERGY PRARO S.A(merged in 2012)	2010	2011, 2012
R.F. ENERGY SCHIZALI S.A.merged in 2012)	2010	2011, 2012
R.F. ENERGY KALAMAKI S.A.merged in 2012)	2010	2011, 2012
R.F. ENERGY XESPORTES S.A.merged in 2012)	2010	2011, 2012
R.F. ENERGY OMALIES S.A.	2010, 2014,2015 και 2016	2011, 2012 και 2013
AIOLIKI ADERES S.A.	2010	2011, 2012, 2013,2014 και 2015

For the years 2011, 2012 and 2013, the Company and the consolidated subsidiaries, due to their inclusion to the tax audit of Chartered Accountants provided by the provisions of the article 82, par 5 of the L2238/1994, received Tax Compliance Report with an unqualified opinion.

For the year 2014 and 2015, the Company and its subsidiaries AIOLIKI ADERES S.A., AIOLIKI KYLINDRIAS S.A., KALLISTI ENERGIAKI S.A. and HYDROELECTRIKI ACHAIAS S.A. received Tax Compliance Report without unqualified opinion, according to the provisions of article 65A, par 1, L.4174/2013.
For the year 2016, tax audit by the Chartered Accountants for the Company and its subsidiaries AIOLIKI ADERES S.A., AIOLIKI KYLINDRIAS S.A., KALLISTI ENERGIAKI S.A. and HYDROELECTRIKI ACHAIAS S.A. is in progress and the relevant tax compliance reports are predicted to be granted after the publication of the Financial Statements for the year 2016. If additional tax liabilities incur till the completion of the tax audit, we believe that these will not affect significantly the Financial Statements of both the Company and the Group.

According to Decision 1124/2015, the subsidiaries CITY ELECTRIC S.A. and R.F. ENERGY OMALIES S.A. are excluded from the annual Certificate of statutory auditors provided by the provisions of article 65A, L4174/2013 for the years 2014, 2015 and 2016 since the gross income of each company do not exceed the amount of € 150,000 annually. According to Decision 1006/2016, companies for which a tax certificate without notes for violation of tax legislation is issued, are not exempt from tax audit.

(All amounts in Euro thousands unless otherwise specified)

Provisions for unaudited fiscal years have been made amounting to €5 for the Company and € 54 for the Group.

There are some encumbrances on the fixed assets of the 100% subsidiary KALLISTI ENERGIAKI S.A., arising from the lien of the turbines of the subsidiary with net book value € 5,976 on 31/12/2016, to secure its bond loan.

Within 2011, competitors filed applications before Council of State for cancellation of production licenses granted by R.A.E. to its subsidiary company R.F. ENERGY OMALIES S.A. which has exercised intervetion to reject these cancellation requests. The trial date is set, after postponement, for May 2017.

On 31/12/2016, the parent company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of € 9,503, which have been paid off gradually by 2023. At the same date, the letters of guarantee provided in favor of its subsidiary amounted to € 2,062. To guarantee these letters, a company's deposit amounting to € 515 has been pledged in favour of the bank.

Moreover, as collateral for issuing these letters of guarantee, R.F. ENERGY pledged both the shares of its subsidiary R.F. ENERGY OMALIES S.A. and a bank deposit.
The future payments from agreements are presented in the following table:

The Group	**< 1 year**	**1 - 2 years**	**3 – 5 years**	**> 5 years**	**Total 2017 and afterwards**
Future agreements for					
- lease	111	111	222	-	444
- car rental	10	10	14	-	34
- rental of spaces for the establishement of wind farms	-	12	37	3,226	3,275
Total	**121**	**133**	**273**	**3,226**	**3,753**

The Group	**< 1 year**	**1 - 2 years**	**3 – 5 years**	**> 5 years**	**Total 2017 and afterwards**
Future agreements for					
- lease	99	99	198	-	396
- rental of spaces for the establishement of wind farms	-	-	-	2,871	2,871
Total	**99**	**99**	**198**	**2,871**	**3,267**

27. SIGNIFICANT EVENTS OCCURRED POST BALANCE SHEET DATE

There are no other significant events having occurred after December 31, 2016 concerning the Company that should have been disclosed and bear the capacity to significantly affect any element of the Company's financial standing or ability to conduct business, as of the date of issuance of the document at hand.

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