# KALLISTI ENERGIAKI S.A.

**Distinctive title: KALLISTI ENERGIAKI S.A.**

**128 Vouliagmenis Avenue – 166 74**

**Glyfada, Attiki**

**G.E.MI. Reg. No. 121602101000**

**ANNUAL FINANCIAL REPORT**

**January 1st, 2017 – December 31st , 2017**

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**KALLISTI ENERGIAKI S.A.**

## STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

We

1. Georgios Feidakis, Chairman of the BoD
2. Evangelos Korovesis, Vice-President of the BoD
3. Ioannis Pantousis, Managing Director

STATE THAT

To the best of our knowledge:

a. The annual financial statements of **KALLISTI ENERGIAKI S.A.** for the period of January 1$^{st}$ 2017 till December 31$^{st}$ 2017, which comply with the applicable accounting standards, reflect the assets and liabilities, equity and the results of the Company,
b. The Annual Report prepared by the Board of Directors reflects the development, performance and financial position of **KALLISTI ENERGIAKI S.A.,** including the description of the principal risks and uncertainties.

**Glyfada, March 5$^{th}$ 2018**

| Chairman of the BoD | Vice-President of the BoD | Managing Director |
|---|---|---|
| Georgios Feidakis | Evangelos Korovesis | Ioannis Pantousis |

**ANNUAL REPORT BY THE BOARD OF DIRECTORS OF KALLISTI ENERGIAKI S.A. FOR THE 2017 FISCAL YEAR ( 01.01.2017 – 31.12.2017)**

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

The company manages the operation of a wind farm located in Tsouka, in the Municipality of Tripoli, in the Prefecture of Arcadia, with a total installed capacity of 15MW. The electricity produced is sold to the sole customer of the company, LAGIE SA, who is the electricity market operator in Greece. At the same time, it is in constant search for investment opportunities throughout the Greek territory, aiming at finding areas with rich wind potential.

It is stressed that the implementation of the investment plan was carried out in all phases with a view to the best possible quality, which is ensured by the certifications made by a specialized company, always respecting the environment and the local society, with which a relationship of cooperation and confidence has been developed.

In addition, the Company ensures that its production equipment and facilities are maintained in the best possible condition in order to achieve optimum returns.

Finally, it has to be mentioned that since 2009 the company maintains an ISO 9001 internal management system, which certifies the smooth and optimal operation of the company.

Financial figures of the Company during fiscal year period 2017, compared to relevant figures in the previous fiscal period, are presented in the table below:

| | | | **Change** | |
|---|---|---|---|---|
| | **31.12.17** | **31.12.16** | **Amount** | **%** |
| Revenue | 2.317 | 2,341 | (24) | (1)% |
| Less : Cost of Sales | (1.365) | (1,396) | (31) | (2)% |
| **Gross Profit** | **952** | **945** | **7** | **1%** |
| Other income | 38 | 4 | 34 | 850% |
| Administrative expenses | (66) | (78) | (12) | (15)% |
| Other expenses | (2) | (2) | - | - |
| **Operating profit before taxation and finance cost** | **922** | **869** | **53** | **6%** |
| Finance cost (net) | (141) | (327) | 186 | (57)% |
| Finance income | 2 | 5 | (3) | (60)% |
| **Earnings/ (Losses) before taxes** | **783** | **547** | **236** | **43%** |

| | | | | |
|---|---|---|---|---|
| Income tax | (230) | (194) | 36 | 19% |
| **Earnings/ (Losses) after taxes** | **553** | **353** | **200** | **57%** |
| **Other accumulated income** | | | | |
| Actuarial gains and losses on defined benefit plans | - | - | - | - |
| **Other net accumulated income/ (losses) for the period after tax** | **(1)** | **-** | **(1)** | **(100%)** |
| **TOTAL ACCUMULATED EARNINGS/ (LOSSES) FOR THE PERIOD** | **552** | **353** | **199** | **56%** |

*Amounts in € thousands*

Regarding the above figures reference should be made to the following:

**1. Revenues**

Revenues in fiscal 2017 amounted to €2,317 compared to €2,341 in the respective previous period of 2016, showing a decrease of € 24 or 1%. The change is due to environmental factors.

**2. Cost of Sales – Gross Profit**

Cost of sales for the period of 2017 amounted to €(1,365) against €(1,396) in the previous fiscal period, increased by €31 or 2%. Gross Profit for the period of 2017 totaled €952, against €945 in the previous fiscal period.

**3. Other operating income**

During the fiscal year, other operating income increased, amounting to €3 against €4 in the previous fiscal year.

**4. Operating Expenses (Administration Expenses)**

Operating expenses of the Company amounted to €66, against €78 in the previous period, showing a decrease of €12 or 15%.

**5. Other expenses**

The account “Other expenses”, amounting to € (2) against € (2) in the previous corresponding period.

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

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of the Company amounted to €1,741, as opposed to €1,690 in 2016, whereas EBITDA margin increased to 75%, from 72% in the previous period.

**7. Finance Cost/ Income**

With regard to finance results for fiscal 2017, net finance cost for the Company decreased by €181 or 56% compared to the previous period. This change is analyzed in the table below:

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| - Interest Payable | (92) | (161) |
| - Bank and similar expenses | (7) | (122) |
| Depreciation of raising loan costs | (13) | (16) |
| - Finance cost of provision for equipment removal | (29) | (28) |
| **Total Finance Cost** | **(141)** | **(327)** |
| - Interest receivable and similar income | 2 | 5 |
| **Total Finance Income** | **2** | **5** |
| **Net Finance Income** | **(139)** | **(322)** |

*Amounts in € thousands*

The decrease is due to a)debit interest on a bond loan, b)the decrease of the bond loan balance from the repayments of the scheduled installments and c)the prepayment of the amount of € 1,002 that the company made in September 2016. In addition, during the previous period due to early repayment of the Bond Loan, the Bank Bondholder has charged the company an amount of €115.

**8. Earnings/ (Losses) before Taxes**

Earnings before Taxes for the period 2017 amounted to €783 against earnings of €547 of the previous fiscal year, increased by €236 or 43%.

**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. 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 Company has not been audited by the tax authorities for the fiscal years 2010 - 2017. The Company received tax certificate, according to article 82 par. 5, of Law 2238/1994, for fiscal years 2011, 2012, 2013, 2014, 2015 and 2016. For the fiscal year 2017, the tax audit provided by Certified Auditors according to the provisions of Article 65A, par. 1, L4174/2013 is in progress and the relative tax compliance report is to be granted after publication of the Financial Statements for 2017. If until the completion of the tax audit additional tax liabilities arise, these will not affect the Financial Statements of the Company.

According to decision 1006/2016 the Companies that have received unqualified tax certificate are not excluded by the tax authorities' audits.

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Income Tax (current period) | | |

| | | |
|---|---|---|
| Deferred Tax | (230) | (194) |
| **Income Tax** | **(230)** | **(194)** |

*Amounts in € thousands*

**10. Earnings/ (Losses) after Taxes**

Net earnings after tax in fiscal 2017 amounted to €553 against earnings of €353 in the previous corresponding period, presenting an increase of 57%.

**11.Borrowings**

The borrowings are described, as follows:

| | **31/12/2017** | **31/12/2016** |
|---|---|---|
| Long-term borrowings | 1.413 | 1,768 |
| Non – depreciated cost of raising loans costs | (21) | (35) |
| **Total** | **1.392** | **1,733** |
| Long-term liabilities payable within next fiscal year | (376) | ( 355) |
| Short-term cost of non- depreciated part of raising loans costs | 10 | 13 |
| | **(366)** | **(342)** |
| **Long-term part of borrowings** | **1.026** | **1,391** |

*Amounts in € thousands*

**12. Tangible and intangible assets**

The tangible assets of the Company relate to, mainly, WTGs of the wind farm of the Company. Secondly, they relate to the necessary for the completion of their construction technical projects, such as the construction of squares of WTGs, the foundation of WTGs, the configuration of the surrounding area, as well as the E/M equipment. Amortized cost on 31/12/2017 amounted to € 6,794 against € 8,085 on 31/12/2016, showing a decrease of € 1,291, which is attributable to depreciation of the fiscal year.

Intangible assets relate to long-term land use rights that have been paid to the Greek State for the land of the Company's wind farm. Intangible assets are initially recognized at cost and are measured at cost less depreciation and any impairment loss. Net book value amounts on 31/12/2017 at € 27 compared to € 33 on 31/12/2016, showing a decrease of € 6, which is due to depreciation of the fiscal year.

**13. SIGNIFICANT EVENTS OCCURRED WITHIN THE FISCAL YEAR PERIOD 2017**

There were no significant events during the closing year.

**14. SIGNIFICANT EVENTS OCCURRED POST BALANCE SHEET DATE**

No other material events that significantly affect the Company's financial structure or business history have occurred until the date of preparation.

## II. RISKS AND UNCERTAINTIES

In addition to the risks referred to in paragraph VI 3 of the Annual Report of the Board of Directors, there are no other risks that are expected to have a material effect on the Company's activities.

## III. ENVIRONMENTAL ISSUES

Environmental issues are monitored with great sensitivity by all members of the company. According to its business plan, it is strictly planned to observe long distances from the settlements and points of interest in order to fully cover the minimum environmental requirements of the Law for the construction of this wind farm, as well as various projects for the protection of the environment. (works to protect against soil erosion, tree planting, etc.).

The Company has an understanding of the impact of its activity on society, especially in areas adjacent to its facilities. Consequently, our communication and co-operation with the wider society and especially neighboring local communities is multidimensional, including actions in infrastructure projects, supporting local economic activity and emphasis on vulnerable social groups and the younger generation.
At the same time, the Company is actively involved in the recycling of paper and other recyclable materials for everyday use. Also the used printing materials, batteries and devices to be withdrawn are forwarded to Recycling Companies.
In addition, our Company tries, where possible, to use electronic files to restrict the use of paper.

## IV. WORKING ISSUES

The industry in which the Company operates, requires specialized skills, training and experience. As a result, the ability to attract and retain the right human resources is an important factor in the smooth operation of the Group. Any inability to find and employ competent staff, especially middle and senior management and highly specialized, could adversely affect the Company's operation and financial position. The provision of a safe working environment, which in addition motivates employees and treats them with respect, giving equal opportunities to all, is a priority of the Company. Relations with workers are based on the principle of equal treatment. Both the integration and the progress of each employee within the Company are judged on the basis of his qualifications, performance and ambitions, without any distinction.
In occupational risk management, emphasis is placed on prevention in order to anticipate and control all possible health and safety risks in accordance with the criteria of Greek law (N.3850 / 2010), European and international codes and good practices .
Employee training is another area of emphasis, so that each employee understands the Company's strategic goals, defines its role more effectively and develops its skills. The company monitors relevant labor law, respect for human rights and working conditions and is in full compliance with collective and relevant international conventions.

## V. BASIC FINANCIAL RATIOS

Certain financial ratios which indicate the Company's financial status at the end of fiscal 2017, are presented in the table below:

| | FY 2017 | FY 2016 | Explaination |
|---|---|---|---|
| Current ratio | 10,08 | 6,54 | Current assets / Short-term obligations |
| Liabilities / Equity | 0,26 | 0,36 | (Long-term loan obligations + Short-term obligations)/Equity |
| EBITDA margin | 75% | 72% | EBITDA / Revenue |

## VI. ADDITIONAL INFORMATION

### 1. LIKELIHOOD AND DEVELOPMENT

The Company takes care to maintain its productive equipment and facilities in the best possible condition in order to achieve optimum returns.

### 2. EXTENSION OF ACTIVITIES – INVESTMENTS – RESEARCH - DEVELOPMENT

Wind potential assessments were carried out by a private company specializing in this subject, which once again confirmed the wind potential and the viability of the implemented investment plan. It is stressed that the implementation of the investment plan was carried out in all phases, based on the best possible quality, which is ensured by the certifications made by a specialized company.

### 3. RISK ANALYSIS

**Financial Risk Analysis**

Management continuously assesses the likely impact of any changes in the macroeconomic and financial environment in Greece in order to ensure that all necessary actions and measures are taken to minimize any impact on the Company's activities in Greece. Management is unable to predict with accuracy the likely developments in the Greek economy, but on the basis of its assessment, has concluded that it required additional provisions for impairment of financial and non-financial assets at December 31, 2017.

**Financial Risks**

The following risks are significantly affected by capital controls as well as the macroeconomic and financial environment in Greece, as discussed above.

- **Credit Risk:** Credit risk is the risk of financial loss to the Company in the event that a customer or a trader in a financial instrument fails to meet its contractual obligations and is primarily a result of receivables from customers and investment securities.

The delay in the recovery of claims by LAGIE, which is the sole client of the company, may potentially adversely affect the Company's smooth liquidity.

- **Price change risk:** Risk of price change is the risk of changing the default energy sales price. A reduction in the pre-determined energy sales price may adversely affect the company's revenue.

- **Interest rate risk:** The Company is exposed to cash flow risk that may arise from possible future changes in variable interest rates, which will affect positively or negatively the cash inflows / and / or outflows related assets or liabilities. Below is an analytical table showing the impact on earnings as of 31 December 2017 in the case of an increase / decrease of interest rates by 100 basis points (1%).
On December 31, 2017, the after-tax earnings and net worth of the Company would have been € 2 lower / higher if the deposit rates in euro were 100 basis points lower / higher, with the other variables remaining constant.
The Company maintains a Fixed Rate Bond Loan and therefore does not face interest rate risk in relation to borrowing costs.

The overall net effect of deposit rates on the Company's earnings after 31 December 2017 would have been € 2 lower / higher if interest rates in euro were 100 basis points lower / higher, with the other variables remaining constant.

| | **Interest rate risk** | |
|---|---|---|
| | ***+100 bps*** | ***-100 bps*** |
| **Financial assets** | **Earnings before tax** | **Earnings before tax** |
| Cash and cash equivalents | 3 | (3) |
| Influence before tax | 3 | (3) |
| Income Tax 29% | (1) | 1 |
| **Net influence** | **2** | **(2)** |
| **Total influence** | **2** | **(2)** |

- **Liquidity Risk**: Liquidity risk management involves ensuring that sufficient cash and cash equivalents are available, as well as securing credit via approved funding limits.

| **31st December, 2017** | **< 1 year** | **1-2 years** | **2-5 years** | **> 5 years** |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Borrowings | 376 | 398 | 640 | - |
| Liabilities | 18 | - | - | - |
| **Total** | **394** | **398** | **640** | **0** |

*Amounts in € thousands*

The above table analyzes the Company's liabilities based on the remaining contractual maturity date at the balance sheet date. The amounts in the table refer to the nominal value of the liability and may therefore not be consistent with the amounts reported in the balance sheet.

**4. ACCOUNTING PRINCIPALS IMPLEMENTED**

For the preparation of the Balance Sheet and Income Statement regarding the fiscal year 2017, the Company has applied the basic accounting principles of the International Financial Reporting Standards, as described in the Appendix of the 31/12/2017 Balance Sheet.

**5. TRANSACTIONS WITH RELATED PARTIES**

The company receives services for accounting and management from its parent company R.F. Energy S.A. The total services received during the fiscal year ended on 31/12/2017 and 31/12/2016 amounted to €27 and €30 respectively. The balance of the above company’s transactions at 31/12/2017 and 31/12/2016 was €9 and €19 respectively.

The company rents its head offices from CYBERONICA S.A., with common shareholder structure, while the cost amounted to €4 and the requirement for the guarantee of the rent amounts to €1.

During the year 2017, the company provided a cash facility of a total amount of € 1,700 to the parent company F.G EUROPE A.E.

**The Vice President of the BoD**

**EVANGELOS KOROVESIS**

**KALLISTI ENERGIAKI S.A.**

**(PRODUCTION OF ELECTRICAL POWER)**

**SOCIETE ANONYME**

# Discreet title : KALLISTI ENERGIAKI S.A.

## 128 Vouliagmenis Avenue, Glyfada, Athens

## Greece 166 74

## G.E.MI. Reg. No. 121602101000

**ANNUAL FINANCIAL REPORT**

**January 1st, 2017 – December 31st , 2017**

The Board of Directors of KALLISTI ENERGIAKI S.A. approved the Company's Fiscal Year 2017 Financial Statements on 05/03/2018. Company's FY 2017 Financial Statements are available to the public at the Company's website, **http:\\www.kallistienergeiaki.gr**

| Vice President of the Board of Directors | Managing Director | Chief Accountant |
|---|---|---|
| EVANGELOS KOROVESIS<br>ID 431/HELL. NAVY | IOANNIS PANTOUSIS<br>ID Ξ168490 | KONSTANTINOS ZOUMPOULIS<br>R.G. 0098374 |

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**Independent Auditor's Report**

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

**Report on the Audit of Financial Statements**

## Opinion

We have audited the accompanying Financial Statements of KALLISTI ENERGEIAKI S.A.(the Company), which comprise the statement of financial position as at December 31, 2017, the statements of comprehensive income, changes in equity and cash flows statement for the year then ended, and a summary of significant accounting principles and methods and other explanatory notes.

In our opinion, the abovementioned Financial Statements present fairly, in all material respects, the financial position of KALLISTI ENERGEIAKI S.A. as at December 31, 2017, and its financial performance and the Cash Flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union and comply with the regulatory requirements of CL 2190/1920.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in Greek Law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)as incorporated in Greek Law, together with the ethical requirements that are relevant to our audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

Management is responsible for the other information. The other information comprises of the Board of Directors Report, for which reference is also made in section Report on Other Legal and Regulatory Requirements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless, management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

**Report on Other Legal and Regulatory Matters**

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, the management is responsible for the preparation of the Board of Directors' Report, the following is to be noted:

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a, CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2017.

b) Based on the knowledge we obtained from our audit for the CompanyKALLISTI ENERGEIAKI S.A. and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, March 5, 2018

The Chartered Accountant

Christina Tsironi

SOEL Reg. No.: 36671

# KALLISTI ENERGIAKI S.A.

## Income Statement

## For the Period ended December 31, 2017

(All amounts in Euro thousands, unless otherwise specified)

| | note | 31.12.2017 | 31.12.2016 |
|---|---|---|---|
| Revenue | 6 | 2.317 | 2,341 |
| Less: Cost of Sales | 7 | (1.365) | (1,396) |
| **Gross Profit** | | **952** | **945** |
| Other operating income | | 38 | 4 |
| Administrative expenses | 8 | (66) | (78) |
| Other expenses | 9 | (2) | (2) |
| **Operating profit before taxes and finance cost** | | **922** | **869** |
| Finance cost | 10 | (141) | (327) |
| Finance income | 10 | 2 | 5 |
| **Earnings before taxes** | | **783** | **547** |
| Income tax | 11 | (230) | (194) |
| **Net Earnings/ (Losses) after taxes** | | **553** | **353** |
| **OTHER TOTAL NET EARNINGS** | 23 | **(1)** | **-** |
| **TOTAL ACCUMULATED EARNINGS/(LOSSES) FOR THE PERIOD** | | **552** | **353** |

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

# KALLISTI ENERGIAKI S.A.

## Balance Sheet

## For the Period ended December 31, 2017

(All amounts in Euro thousands, unless otherwise specified)

| ASSETS | Note | 31.12.2017 | 31.12.2016 |
|---|---|---|---|
| **Non-current assets** | | | |
| Tangibles | **13** | 6,794 | 8,085 |
| Intangible assets | **14** | 27 | 33 |
| Long-term receivables | | 1 | 1 |
| **Total non-current assets** | | **6,822** | **8,119** |
| **Current assets** | | | |
| Receivables | **12** | 3,308 | 1,909 |
| Blocked deposits | **20** | 1,239 | 1,292 |
| Cash and cash equivalents | **15** | 251 | 407 |
| **Total current assets** | | **4,798** | **3,608** |
| **Total assets** | | **11,620** | **11,727** |
| | | | |
| **SHAREHOLDERS EQUITY** | | | |
| Share Capital | **16** | 562 | 562 |
| Share premium | **16** | 4,518 | 4,518 |
| Other reserves | | (4) | (10) |
| Retained earnings / (Aggregated loss) | | 740 | 194 |
| **Total shareholders' equity** | | **5,816** | **5,264** |
| **LIABILITIES** | | | |
| **Long-term payables** | | | |
| Long-term borrowings | **17** | 1,026 | 1,391 |
| Payables to employees | **23** | 4 | 3 |
| State subsidies | **19** | 2,513 | 2,991 |
| Long-term provisions | | 514 | 484 |
| Deferred Tax liabilities | | 1,271 | 1,042 |
| **Total Long-term payables** | | **5,328** | **5,911** |
| **Short-term payables** | | | |
| Short-term part of long-term borrowings | **17** | 366 | 342 |
| Trade and other payables | **16** | 110 | 210 |
| | | **476** | **552** |
| **Total Liabilities** | | **5,804** | **6,463** |
| **Total Equity and Liabilities** | | **11,620** | **11,727** |

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

# KALLISTI ENERGIAKI S.A.

## Statement of Changes in Shareholders' Equity

## for the period ended December 31st, 2017

(amounts in Euro thousands, unless otherwise specified)

| | Share capital | Share premium | Other reserves | Retained earnings / (aggregated losses) | Total |
|---|---|---|---|---|---|
| **Balance on 01/01/2016** | **562** | **4.518** | **(10)** | **(159)** | **4.911** |
| **Change in fiscal year** | | | | | |
| Net profit for the period | - | - | - | 353 | **353** |
| **Accumulated total income for the period** | **-** | **-** | **-** | **353** | **353** |
| **Balance on 31/12/2016** | **562** | **4.518** | **(10)** | **194** | **5.264** |
| **Change in fiscal year** | | | | | |
| Net profit for the period | - | - | - | 553 | **553** |
| Revaluation of employee benefits | - | - | (1) | - | **(1)** |
| **Accumulated total income for the period** | **-** | **-** | **(1)** | **553** | **553** |
| **Legal Reserves** | | | **7** | **(7)** | **-** |
| **Balance on 31/12/2017** | **562** | **4.518** | **(4)** | **740** | **5.816** |

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

# KALLISTI ENERGIAKI S.A.

## Cash Flow Statement for the period ended December 31st, 2017

(amounts in Euro thousands unless otherwise specified)

| | 1/1-31/12/2017 | 1/1-31/12/2016 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before tax | 783 | 547 |
| **Add / (less) adjustments for:** | | |
| Depreciation and amortization | 1,297 | 1,298 |
| Provisions | (1) | - |
| Result of investment activity (income, cost, profit and loss) | (2) | (5) |
| Interest paid and similar expenses | 141 | 327 |
| Income from subsidy recognized | (478) | (477) |
| Employee benefits | - | (3) |
| **Operating result before changes in working capital** | **1,740** | **1,687** |
| **Add / less adjustments for changes in working capital items:** | | |
| Decrease / (increase) of receivables | (1,347) | (262) |
| (Decrease) / increase of payables (except towards banks) | (93) | 103 |
| ***Total inflow / (outflow) from operating activities*** | **300** | **1,528** |
| Less: | | |
| Interest and similar expenses paid | (104) | (306) |
| ***Total net inflow / (outflow) from operating activities (a)*** | **196** | **1,222** |
| **Investing activities** | | |
| Purchase of tangible and intangible assets | - | - |
| Interest received | 2 | 5 |
| ***Total net inflow / (outflow) from investing activities (b)*** | **2** | **5** |
| **Financing activities** | | |
| Proceeds from borrowings | (354) | (1,529) |
| ***Total net inflow / (outflow) from financing activities (c)*** | **(354)** | **(1,529)** |
| **Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)** | **(156)** | **(302)** |
| **Cash and cash equivalents at the starting of the period** | **407** | **709** |
| **Cash and cash equivalents at the end of the period** | **251** | **407** |

Attached notes should be considered as part of the annual Financial Statement

(amounts in Euro thousands unless otherwise specified),

### 1. *Incorporation and business activities of the Company*

The Company was incorporated under Greek law in 2004. Prefecture of Athens approved its incorporation under Decision Number 2653/10-5-2004 and approved Company's Articles of Association as a Societe Anonyme under the name KALLISTI ENERGIAKI – (PRODUCTION OF ELECTRICITY) SOCIETE ANONYME, or KALLISTI ENERGIAKI S.A. The Company was registered under G.E.MI. Reg. No. 121602199000 (former P.C. Reg. No. 56695/01NT/B/04/59(05).

The Company shall remain incorporated for a period of 50 years. The Company's headquarters have been set to be in the Municipality of Glyfada, at 128 Vouliagmenis Avenue, 16674, Athens, Greece. The employed personnel on 31/12/2017 was 2 persons. According to the Company's Articles of Association, its business scope lies in:

- Establishment, construction and development, owning and controlling of electric power production plants from renewable energy sources, mainly wind energy, construction of building and infrastructure relative to the abovementioned purposes.
- Commercial trading and dealership of material and equipment used in the abovementioned activities.

Acting as business agent to foreign or domestic companies of similar business scope. Participate in joint ventures, consortiums or other business schemes with any foreign or domestic person or entity. Establishing subsidiaries, branches or business agencies in Greece or abroad.

The company has developed a 15MW wind park at "Tsouka" site, Municipalities of Skyritida and Valtetsi, Arkadia Prefecture, which has been operational since April 2008.

Company's current Board of Directors, as elected in the Shareholders General Assembly at December 8, 2015, is presented in the table below. Its tenure shall be completed on June 30, 2019:

| NAME | POSITION |
|---|---|
| Georgios Feidakis | President |
| Evangelos Korovesis | Vice President |
| Ioannis Pantousis | Managing Director |
| Georgios Kalogeropoulos | Member |

The Company's financial results are fully consolidated in the financial statements of the parent Company R.F. ENERGY S.A, and in the financial statements of F.G. EUROPE S.A.

The financial statements approved by the company's Board of Directors on 05/03/2018.

## 2. Basic accounting principles

### 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. Changes in Accounting Policies

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

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2017.

- **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 amendments do not affect the separate Financial Statements.

- **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 the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments do not affect the separate Financial Statements.

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

The following new Standards, Interpretations 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 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 Company 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 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 Company 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.

- **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 Company 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 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 Company 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 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 Company 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 01/01/2019.

- **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 Company 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 Company 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 Company 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 Company 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 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Company 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 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The Company 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 – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Company 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 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Company 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 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds.

(amounts in Euro thousands unless otherwise specified),

The Company 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 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.

### 2.4 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.

### 2.5 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.

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

| | **Years of useful life** | **Depreciation rate** |
|---|---|---|
| Leasehold improvements | 15 | 6,67% |
| Plant and equipment | 15 | 6,67 |
| Furniture and fixture | 4 – 5 | 20% - 24% |

### 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 Impairment of assets (apart from 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.

**2.8 Financial 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.

**2.9 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.

**2.10 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.

**2.11 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, the 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.

**2.12 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 as an expense or cost in the statement of income.

**2.13 Income Tax and Deferred Tax**

The income tax charge includes current taxes, deferred tax and the differences of preceding financial years' tax audits.
Current tax is calculated based on tax statements of Financial Position according to the tax laws applicable in Greece. The income tax expense includes income tax based on company's profits as presented on tax declarations and is calculated based on the tax rates set by the competent tax authorities. Deferred taxes are the taxes or the tax relieves from the financial encumbrances or benefits of the financial year in question, which have been allocated or shall be allocated to different financial years by tax authorities. Deferred income tax is determined under the liability method deriving from the temporary differences between the book value and the assets and liabilities tax base. Deferred tax assets and liabilities are measured in accordance with the tax rates in effect in the financial year during which an asset or a liability shall be settled, taking into account tax rates which have been and effectively are in force until the Statement of Position reporting date. Deferred tax assets are recognized when there is taxable income and a temporary difference which creates a

deferred tax asset. Deferred tax assets are re-examined on each balance sheet date to assess the extent to which there will be sufficient taxable income to make use of the benefit of the whole or part of the deferred tax asset. The company offsets deferred tax assets and liabilities if and only if:
(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
(i) the same taxable entity; or
(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.14 Employee Benefits

#### a) Short term benefits

Short term employee benefits are recorded on an accrual basis.

#### b) Retirement Benefits- Defined Benefit Plan

Defined benefit plans pertain to the legal obligation of the Company for payment of lump sum compensation to the staff at the service termination date of each employee upon retirement. The liability recognized in the Statement of Financial Position for defined benefit plans is the present value of the liability for the defined benefit. The calculation of liability is based on financial and actuarial assumptions. The components of defined benefit cost, regarding the current service cost, the past service cost and the net interest on the net defined liability, are charged in profit or loss. Remeasurements of the net defined benefit liability are recognized in other comprehensive income. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds is used. The currency and term of the corporate bonds or government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Provisions are recognized when the Company has present legal or imputed liabilities as a result of past events; their settlement is possible through resources' outflow and the exact liability amount may be estimated reliably. When the effect of the time value of money is significant, the provision is calculated as the present value of the expenses expected to be incurred in order to settle this liability, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. If it is not probable that an outflow will be required in order to settle a liability for which a provision has been formed, then it is reversed. A provision is used only for expenditures for which the provision was originally recognised. Contingentliabilities are not recognized in the financial statements but are disclosed except if there is a probability that there will be an outflow, which encompasses economic benefits.

### 2.15 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:

- **Revenues from sales of power:** Revenues from sales of power are accounted for in the fiscal year they occur. During the preparation of the financial statements, revenues from sales of power to

LAGIE S.A. or other customer that have not till been invoiced are recognized as income receivable unbilled.

- **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.

### 2.16 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.

### 2.17 Dividend distribution

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

### 2.18 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.

### 2.19 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.

## 3. Financial Risk Management

### 3.1 Financial risk factors

Financial risk factors:

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

(amounts in Euro thousands unless otherwise specified),

**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,

**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. Revenue**

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Sales of power | 2,317 | 2,341 |

**7. Cost of sales**

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Personnel salaries and expenses | (32) | (37) |
| Third party expenses | (37) | (35) |
| Supplies to third parties | (377) | (387) |
| Tax and stamp duty | (103) | (112) |
| Other expenses | (2) | (4) |
| Depreciation | (1,297) | (1,298) |
| Depreciation of subsidies | 478 | 477 |
| **Total** | **(1,365)** | **(1,396)** |

**8. Administrative expenses**

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Personnel salaries and expenses | (21) | (24) |
| Third party expenses | (34) | (37) |
| Supplies to third parties | (9) | (9) |
| Taxes – Fees | (1) | (2) |
| Other expenses | (1) | (6) |
| **Total** | **(66)** | **(78)** |

**9. Other expenses**

The account "Other expenses", amounting to € (2) against € (2) in the previous fiscal year and mainly concern the amount of enterprising fee.

(amounts in Euro thousands unless otherwise specified),

### 10. Finance (expenses)/ income

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Interest payable | (92) | (161) |
| Bank and similar expenses | (7) | (122) |
| Depreciation of raising loan costs | (13) | (16) |
| Finance cost of provision for equipment removal | (29) | (28) |
| **Total finance expenses** | **(141)** | **(327)** |
| Interest receivable | 2 | 5 |
| **Total finance income** | **2** | **5** |
| **Net finance expenses** | **(139)** | **(322)** |

### 11. Income Tax

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. The Company has not been audited by the tax authorities for the fiscal years 2010-2017. The Company received tax certificate, according to article 82 par. 5, of Law 2238/1994, for fiscal years 2011, 2012, 2013, 2014,2015 and 2016. For the fiscal year 2017, the tax audit provided by Certified Auditors according to the provisions of Article 65A, par. 1, L4174/2013 is in progress and the relative tax compliance report is to be granted after publication of the Financial Statements for 2017. If until the completion of the tax audit additional tax liabilities arise, these will not affect the Financial Statements of the Company.

According to decision 1006/2016 the companies that have received unqualified tax certificate are not excluded by the tax authorities' audits.

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Income tax (current period) | - | - |
| Deferred tax | (230) | (194) |
| Income Tax | **(230)** | **(194)** |

Deferred taxes in the balance sheet are analyzed as follows:

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| **Deferred tax on assets** | | |
| - Transferred tax losses | 466 | 454 |
| - Special Levy (L.4093/2012) | - | 16 |
| - Finance cost of provision for equipment removal | 117 | 103 |

(amounts in Euro thousands unless otherwise specified),

| | | |
|---|---|---|
| - Provision for employee compensation | 1 | 1 |
| - Other | 1 | - |
| **Deferred tax on liabilities** | | |
| - State subsidies | (1,320) | (1,182) |
| - Depreciation of assets | (530) | (424) |
| - Depreciation of raising loan costs | (6) | (10) |
| **Net deferred tax** | **(1,271)** | **(1,042)** |

The agreement between the nominal and real rate follows.

| | **31/12/2017** | **31/12/2016** |
|---|---|---|
| Earnings/loss before tax | 783 | 547 |
| Tax corresponding to nominal tax rate | 227 | 159 |
| Non deductable expenses | 3 | 35 |
| **P&L Taxes** | **230** | **194** |
| **Other accumulated income tax** | **-** | **-** |

### 12. Trade and other Receivables

| | **31/12/2017** | **31/12/2016** |
|---|---|---|
| Customers | 1,222 | 1,514 |
| Greek state – Debited VAT | 323 | 324 |
| Prepaid expenses | 54 | 53 |
| Other Receivables from related parties | 1,700 | - |
| Other Receivables | 9 | 18 |
| **Total** | **3,308** | **1,909** |

During the year 2017, the company provided a cash facility of a total amount of € 1,700 to the parent company F.G EUROPE A.E.

Trade and other receivables book value does not materially differ from fair value, while they are expected to be paid within the next 12 months.

### 13. Plants, property and equipment

| | **Buildings** | **Plant & machinery** | **Furniture and miscellaneous equipment** | **Total** |
|---|---|---|---|---|
| Cost of Purchase on 01/01/2016 | 1.772 | 17.557 | 12 | **19.341** |
| Accumulated Depreciation | (916) | (9.037) | (11) | **(9.964)** |
| **Net Book Value on 01/01/2016** | **856** | **8.520** | **1** | **9.377** |
| Additions | - | - | - | **-** |
| Depreciation | (118) | (1.173) | (1) | **(1.292)** |
| Cost of Purchase | 1.772 | 17.557 | 12 | **19.341** |
| Accumulated Depreciation | (1.034) | (10.210) | (12) | **(11.256)** |
| **Net Book Value on 31/12/2016** | **738** | **7.347** | **-** | **8.085** |
| **01/01/2017** | | | | |
| Depreciation | (118) | (1.173) | - | **(1.291)** |

(amounts in Euro thousands unless otherwise specified),

| | | | | |
|---|---|---|---|---|
| Cost of Purchase | 1.772 | 17.557 | 12 | **19.341** |
| Accumulated Depreciation | (1.152) | (11.383) | (12) | **(12.547)** |
| **Net Book Value on 31/12/2017** | **620** | **6.174** | **-** | **6.794** |

The company's fixed assets are subject to pledge arising from the pledge on the wind turbines of the Company, with net value on 31/12/2017 amounting to € 5,021.

Net Book Value of Plant & Machinery includes an amount of €117 (2016: €127) concerning unamortized part of provision for equipment removal.

### 14. Intangible assets and goodwill

**Rights to Use Tangible Assets:** Operating rights in respect of tangible assets granted under contracts are initially recognized at cost and are measured at cost less accumulated depreciation and any impairment loss.

| **The Company** | **User Rights** | **Total intangible assets** |
|---|---|---|
| **01/01/2016** | | |
| Cost of Purchase | 93 | **93** |
| Accumulated Depreciation | (54) | **(54)** |
| **Net Book Value on 01/01/2016** | **39** | **39** |
| **1/1- 31/12/2016** | | |
| Additions | - | **-** |
| Depreciation | (6) | **(6)** |
| 31/12/2016 | | |
| Cost of Purchase | 93 | **93** |
| Accumulated Depreciation | (60) | **(60)** |
| **Net Book Value on 31/12/2016** | **33** | **33** |
| **1/1- 31/12/2017** | | |
| Additions | - | **-** |
| Depreciation | (6) | **(6)** |
| 31/12/2017 | | |
| Cost of Purchase | 93 | **93** |
| Accumulated Depreciation | (66) | **(60)** |
| **Net Book Value on 31/12/2017** | **27** | **33** |

### 15. Cash and cash equivalent

| | **31/12/2017** | **31/12/2016** |
|---|---|---|
| Cash in hand | 191 | 191 |
| Deposits | 60 | 216 |
| **Total** | **251** | **407** |

### 16. Share Capital (all amounts mentioned above pertain to euro)

As at December 31, 2017, Company's Share Capital amounts to €562,000 divided to 562,000 shares with nominal value if 1 Euro each.

### 17. Borrowings

Borrowings are analyzed, as follows:

(amounts in Euro thousands unless otherwise specified),

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Long-term borrowings | 1,413 | 1,768 |
| Non-depreciated cost of raising loans costs | (21) | (35) |
| **Total Long-term borrowings** | **1,392** | **1,733** |
| | | |
| Long-term liabilities payable within next fiscal year | (376) | (355) |
| Short-term cost of non-depreciated part of raising loans costs | 10 | 13 |
| **Total Short-term borrowings** | **(366)** | **(342)** |
| **Long-term part of Borrowings** | **1,026** | **1,391** |

The Company maintains a twelve-year Bond Loan with 24 semi-annual installments (at a fixed interest rate of 5.80%), of which the 17 premiums have already been paid up to 31/12/2017.

For the conclusion of the above loan, securities were given, including company's shares held by RF ENERGY, bank deposits (note 20), 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 using own funds. The amount of prepayment was proportionally removed from the remaining installments, in order not to change the duration of the loan.

**18. Trade and other payables**

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Suppliers | 9 | 9 |
| Cheques payable | - | 96 |
| Accrued expenses | 27 | 34 |
| Obligations to related companies | 9 | 9 |
| Other short term liabilities | 32 | 29 |
| Provision for unaudited fiscal years | 33 | 33 |
| **Total** | **110** | **210** |

**19. State subsidies**

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Subsidies receivable | 2,991 | 3,468 |
| Depreciation of subsidies | (478) | (477) |
| **Total** | **2,513** | **2,991** |

The Company depreciates subsidies for the Wind Farm in "Tsouka" location of Municipalities Skyritida and Valtetsiou in Arcadia Perfecture, which amounted to € 478 in 2017 and € 477 in 2016.

**20. Blocked Deposits**

| | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Pledged deposits for the purposes of the Company's Bond Loan | 1,239 | 1,292 |
| **Total** | **1,239** | **1,292** |

The Company has issued a long term Bond Loan and has pledged bank accounts pursuant to the relevant Account Pledge Agreement with the Bondholders. Those deposits concern amounts for the payment of capital, interests and expenses, along with Reserve Accounts regarding the Debt Service and the Operation and Maintenance.

**21. Risks**

***- 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. In the following, there is a detailed table, describing the impact on the Earnings on 31/12/2017 in case that an increase/decrease in interest rates in the amount of 100bps. (1%).

As at December 31st, 2017 Earnings After Tax for the Company would have been €2 lower / higher, if euro deposit interest rates had increased/decreased by 100 base points, all other variables remaining unchanged. The Company reserves Bond Loan with fixed interest rate and therefore does not face interest rate risk in relation to the cost of borrowing.

As at December 31st, 2017 Earnings After Tax for the Company would have been €2 lower / higher, if euro borrowing interest rates had increased/decreased by 100 base points, all other variables remaining unchanged.

| | Interest rate risk | |
|---|---|---|
| | ***+100 bps*** | ***-100 bps*** |
| | **Earnings before tax** | **Earnings before tax** |
| **Financial assets** | | |
| Cash and cash equivalents | 3 | (3) |
| Influence before tax | 3 | (3) |
| Income Tax 29% | (1) | 1 |
| **Net influence** | **2** | **(2)** |
| **Total influence** | **2** | **(2)** |

*Amounts in € thousands*

***e.*** **Liquidity risk:** The management of liquidity risk includes both the 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 2017.

| **31st December, 2017** | **< 1 year** | **1-2 years** | **2-5 years** | **> 5 years** |
|---|---|---|---|---|
| Borrowings | 376 | 398 | 640 | |
| Liabilities | 18 | - | - | - |
| **Total** | **394** | **398** | **640** | **0** |

*Amounts in € thousands*

(amounts in Euro thousands unless otherwise specified),

### 22. Transactions with related parties

The company receives services of accounting and work support from its parent company R.F. Energy S.A. The total services received during the fiscal year ended on 31/12/2017 and 2016 amounted to € 27 and €30 respectively.
The rest of the above company's transactions on at 31/12/2017 and 2016 was €9 and €9 respectively.
The company rents its head offices from CYBERONICA S.A., with common shareholder structure, while the cost amounted to €4 and the requirement for the guarantee of the rent amounts to €1.
The company on 31/12/2017 has a claim of € 1,700 against cash facilities from FG EUROPE SA.

### 23. Employees' retirement benefits obligations

According to the Greek labor legislation, employees are entitled to retirement benefits in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the way of service termination (dismissal or retirement). The employees, who resign or are dismissed on valid grounds, are not entitled to compensation.The compensation payable in case of contract termination due to retirement and following 15 years of employment with the same employer is as follows:
1) Contract termination due to retirement
Employees that are subject to pension schemes of any Insurance Fund, who meet the requirements for full retirement on age basis, can leave the service in case they are craftsmen, and, if they are employees, theycan leave the service or be dismissed by the employer. In such cases, they are entitled to 50% of statutory severance pay if they have no supplementary insurance or to 40% if they have it. This reduced severance pay is also provided to employees occupied under fixed-term contract, made redundant or leaving the service for retirement reasons before the contract termination. It is to be noted that the employer can not dismiss a craftsman who meets the requirements for full retirement on age basis, providing reduced severance pay. This option is effective only in respect of employees.
2) 15 years of service
Employees occupied under fixed-term contracts, who have completed 15 years of service with the same employer or who have reached the age limit established by the relative Insurance Fund Agency, provided there is no 65 years of age limit, can leave the service, given the employer's consent, and, therefore, are entitled to 50 % of statutory severance pay.
Provision for retirement benefits obligations is based on an independent actuarial study, conducted on December 31, under the Projected Unit Credit Method (IAS 19, par. 67).Moreover, the possibility of voluntary withdrawal of the occupied employees was also taken into consideration under the preparation of the aforementioned study.
The changes in the account from 01.01.2017 to 31.12.2017 were as follows:

| **Accounting entries under IAS 19** | **The Company** | |
|---|---|---|
| | **2017** | **2016** |
| **Amounts recognized in the Statement of Financial Position** | | |
| Present value of non-vesting obligations | 4 | 3 |
| **Net obligation recognized in the Statement of Financial Position** | **4** | **3** |
| | | |
| **Amounts recognized in the Income Statement** | | |
| Interest on liability and current service cost | - | - |
| Personnel removal | - | (3) |
| **Regular expenses in the Income Statement** | **-** | **(3)** |
| Settlements cost | - | - |
| **Total expenses in the Income Statement** | **-** | **(3)** |
| | | |
| **Actuarial assumptions** | | |
| Discount rate | 1,20% | 1,90% |

(amounts in Euro thousands unless otherwise specified),

| | | |
|---|---|---|
| Future salary increases 2018-2021 | - | 2,00% |
| Future salary increases 2021+ | 1,90% | 2,00% |
| Inflation | 1,90% | 2,00% |
| Expected remaining working life | 28,66 | 30,00 |

**Changes in net obligation recognized in the Statement of Financial Position**

| | | |
|---|---|---|
| Year opening net obligation | 3 | 6 |
| Total expenditure recognized in the Income Statement | - | (3) |
| Statement of recognized (profit) and loss | 1 | - |
| **Year closing net obligation** | **4** | **3** |

*Potential differences in totals are due to rounding.*

From the above actuarial study, there arose "Actuarial gains of defined benefit plans" amounting to € 1 in 2017 and € 0 in 2016 in respect of the Company, which was recognized directly in other comprehensive income of the Company. The above results depend on the actuarial study assumptions (financial and demographic). Thus, on the valuation date 31/12/2017:

- If an interest rate higher by 0.5% had been used, then the Present Value of the Obligation would have been by 13.3% lower, while if an interest rate lower by 0.5% had been used, the actuarial liability would have been higher by 15.4%.
- If a salary growth assumption higher by 0.5% had been used, then the Present Value of the Obligation would have been by 15.37% higher, while if a salary growth assumption lower by 0.5% had been used, the actuarial liability would have been lower by 12%.

## 24. Contingent liabilities

For the conclusion of its borrowings, securities were given, including company's bank deposits (note 20), its productive equipment and its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex DESMIE S.A.).

The litigation and arbitration are unlikely to have a significant effect on the financial position or operation of the Company.

The tax obligations of the Company have not been finalized, since there are unaudited fiscal years.

During fiscal 2010, a tax audit was conducted in the Company for the years 2005-2008, which was completed in October 2010. During fiscal 2014, a tax audit was conducted in the Company for the year 2009, which was completed in July 2014. The Company has not been audited by the tax authorities for the fiscal years 2010-2017 and has made adequate provisions of €33.

For the fiscal years 2011, 2012, 2013,2014,2015 and 2016 the Company, due to its inclusion in the tax audit of the Chartered Accountants according to the provisions of article 82, par.5 of L.2238/1994, received Tax Compliance Report with an unqualified opinion.

For the fiscal year 2017, the tax audit by the Chartered Accountants is in progress and the respective Tax Compliance Report is expected to be granted after the publishment of the Financial Statements of 2017. If until the completion of the tax audit additional tax liabilities incur, we believe that these will not have a significant impact on the financial statements.

According to decision 1006/2016 the companies that have received unqualified tax certificate are not excluded by the tax authorities' audits.

## 25. Capital commitments

There are not any remaining balances, coming from supplier agreements on 31/12/2017. The future payments from agreements are presented in the following table:

| | till 1 year | 1 year -2 years | from 3 to 5 years | More than 5 years |
|---|---|---|---|---|
| **Future capital commitments:** | | | | |

| | | | | |
|---|---|---|---|---|
| Lease | 4 | 4 | 8 | 0 |
| Car rental | 5 | 5 | 2 | 0 |
| **Total** | **9** | **9** | **10** | **0** |

**26. Post Balance Sheet events**

There are no other substantial events having occurred after December 31st, 2017 concerning the Company which ought to have been disclosed or that bear the capacity to significantly affect any element of the published financial statements.