PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY

Annual Financial Statements
for the financial year from 1st January up to 31st December 2013

It is hereby certified that the attached Financial Statements are the ones approved by the Board of Directors of "PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" on 28.3.2014 and that they were published by being posted on the internet, under www.protergia.gr. It is emphasized that the financial data, which was published in the press, aim to provide the reader with certain general financial data without, however, giving a complete picture of the financial position and the results of the Company, according to the International Accounting Standards.

Dinos Benroubi

Chairman of the Board of Directors and Managing Director

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A. Board of Directors' Management Report

1. PROGRESS OF THE ACTIONS OF THE COMPANY FOR THE CLOSING FINANCIAL YEAR 01/01/2013 - 31/12/2013

By its relevant decision, on 21/11/2013, the Extraordinary General Meeting of Shareholders of the company "PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" (the "**Company**"), accepted the absorption of the electricity generation sector of its parent company "PROTERGIA SOCIÉTÉ ANONYME OF GENERATION AND MARKETING OF ELECTRICITY" (the "**Sector**"), in accordance with the balance sheet of the Sector on 31/08/2013 and pursuant to the provisions of Law 2190/1920 and articles 1-5 of Law 2166/1993.

The above sector spin-off and contribution was registered in the General Commercial Registry (G.E.MI.) under No. 140977 and it was approved by the related thereto Decision No. 24018/13-06/12/2013 ref. 22999/13 by the Deputy Head of the North Regional Unit of Athens.

The sector which was contributed and absorbed, as aforementioned, by the Company, includes the combined cycle power plant with combustible natural gas in Agios Nikolaos, Boeotia, with a nominal power of 448.48 MW (the "**Plant**").

2. FINANCIAL RESULTS

The operation of the Plant resulted to significant results for the Company for the first time as follows: earnings before interest, taxes, depreciation and amortization (EBITDA) of € 11.6 million, earnings before taxes amounting to € 3.2 million and earnings after taxes amounting to € 2.7 million.

In particular, the Turnover after the four-month operation of the Plant amounted to € 39.8 million and the gross margin to 20% on the turnover.

The Company measures its efficiency by making use of the following financial performance indicators used internationally:

ROCE (Return on Capital Employed)

(earnings before tax to the total Equity and Bank Loans)

ROE (Return on Equity)

(earnings after tax to the total Equity)

For 2013, the profitability of the Total Capital Employed of the Company amounted to 1.5% and the Return on Equity to 2.9%.

3. FINANCIAL RISKS MANAGEMENT

Financial risk management purposes and policies

The Company is exposed to financial risks: credit risk, liquidity risk, foreign exchange risk and interest rate risk. The main risk management policies are defined by the Company's Management, which aims to limit any possible negative effect on the financial results, which may occur due to the inability to predict financial markets, as well as the fluctuations in cost and sales variables.

Credit risk

The Credit Risk emerges from cash and cash equivalent, derivative financial instruments and deposits in banks and financial institutions. As regards commercial and other receivables, the Company is not exposed to major credit risks.

In order to minimize the credit risk emerging from cash and cash equivalent, as well as other short-term financial products, the Company sets out limits to the extent it shall be exposed to each individual financial institution and shall transact only with recognized financial institutions.

The maturity of financial assets on 31 December 2013 and 31 December 2012 respectively is analyzed in note 4 of the financial statements.

Liquidity risk

The liquidity risk is linked to the need for sufficient financing of the activity and development of the Company. The relevant liquidity needs become the subject matter of management via the meticulous monitoring of payments which are carried out on a daily basis.

On 28/11/2013, the Company concluded a debenture loan amounting to € 104 million with a three-year term and the right to extend it for an additional two years. After payment of the first installment during the financial year, the capital due on 31/12/2013 amounted to € 101 million.

On 31/12/2013 the Company presents a temporary negative difference between its current assets and short-term liabilities amounting to € 102.5 mio. It must be noted that out of € 136.2 million of total debts to suppliers, an amount of € 89.7 million is related to obligations towards the associated company METKA S.A. for the construction of the Plant and the purchase of spare parts.

Furthermore, as demonstrated by the four-month operation of the Plant during the current financial year, the Company has the ability to indicate strong profitability, which is expected to continue into the following year, thus ensuring the creation of sufficient cash flows for the coverage of its needs. Thereby the necessary liquidity is created and current assets become gradually sufficient to cover short-term liabilities of the Company.

The maturity of financial assets on 31 December 2013 and 31 December 2012 respectively is analyzed in note 4 of the financial statements.

Foreign exchange risk

The foreign exchange risk emerges when future trade transactions, recognized assets and liabilities are valued in a different currency from the Company's operating currency.

The Company is exposed to foreign exchange risk through its transactions with customers and suppliers in foreign currency mainly due to the natural gas market where prices are denominated in U.S. dollars. In order to deal with and limit the above risk, the Company enters into derivative financial instruments' contracts.

Specifically, the Company created on 31/12/2013 a liability of an amount of € 79,000 from such foreign exchange contracts so as to hedge its cash flows and it shall apply the same practice to any significant transaction in the future.

4. PROSPECTS FOR THE FORTHCOMING YEAR

In 2014 the Plant is expected to operate throughout the year within a changing regulatory environment.

5. INFORMATION ABOUT THE COMPANY

The share capital of the Company on 31/12/2013 emerged from the accounting statement for the Sector spin-off on 31/8/2013 and it amounts to € 20.08 mio as against € 0.06 mio on 31/12/2012.

6. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 25/02/2014 the Ministry of Environment, Energy & Climate Change (YPEKA) announced the agreement between DEPA and Gazprom to retroactively reduce the price of gas supplied to the former by the latter, which discount will be passed on to consumers.
The discount, according to the announcement, shall amount to 13.5% on the price which is valid until today with a retroactive effect and in accordance with the intergovernmental agreement dated 01/07/2013.
The Company has evaluated the positive impact which emerges for the financial year 2013 by the aforementioned discount in the amount of approximately € 3.8 mio for the total consumption of natural gas during the period 01/07/2013 – 31/12/2013. More specifically, the impact on the results and equity of the Company is as follows:

Amounts in million €

Increase in the Company's operating results (EBITDA):	€ 3.8 mio
Increase in earnings after tax of the Company:	€ 2.8 mio
Equity attributable to shareholders of the parent company:	€ 2.8 mio

More information and analytical details on the financial position and results of the Company are mentioned in the notes in accordance with the IFRSs.

Dinos Benroubi

Chairman of the Board of Directors and Managing Director of:
PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS
SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY

B. Independent Auditor's Report

To the Shareholders of the company PROTERGIA AGIOS NIKOLAOS POWER S.A. OF GENERATION AND SUPPLY OF ELECTRICITY

Report on the Financial Statements

We have audited the accompanying financial statements of the Company PROTERGIA AGIOS NIKOLAOS POWER S.A. OF GENERATION AND SUPPLY OF ELECTRICITY, which comprise the Statement of Financial Position as at December 31, 2013, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial 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 company'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 the 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 financial statements present fairly, in all material respects, the financial position of the Company PROTERGIA AGIOS NIKOLAOS POWER S.A. OF GENERATION AND SUPPLY OF ELECTRICITY as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned separate financial statements, in the context of the requirements of Articles 43a and 37 of the Law 2190/1920.

Moreover, we have audited unbundled per operation Balance Sheet of the Company as at December 31, 2013, as well as unbundled per operations Income Statement before tax for the period from 1 January 2013 until 31 December 2013. The aforementioned Balance Sheet and Income Statement before tax ("unbundled financial statements") were prepared under the responsibility of the Management of the Company PROTERGIA AGIOS NIKOLAOS POWER S.A. OF GENERATION AND SUPPLY OF ELECTRICITY in accordance with the provisions of Law 4001/2011 and the No. 204/2013 decision of the Regulatory Authority for Energy regarding the approval of rules for the allocation of Assets and Liabilities, Expenditure and Income, whose unbundling methodology is analytically described in Attachment I of the notes to the financial statements.

The audit of the unbundled financial statements mainly includes the determination of whether the Company has properly applied the unbundling allocation rules and whether it has complied with its obligation for the avoidance of discriminations and cross-subsidizations among operations.

Based on our audit, we have determined that unbundled per operation Balance Sheet and unbundled per operation Income Statement before tax presented in Attachment I of the notes to the financial statements of the Company have been prepared in accordance with the provisions of Law 4001/2011 and the No. 204/2013 decision of the Regulatory Authority for Energy and the proposed by the Company unbundling methodology based on Law 4001/2011 and the No. 204/2013 decision of the Regulatory Authority for Energy.

Athens, 28 March 2014

Chartered Accountant

Manolis Michalios
SOEL Reg. No: 25131

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Income Statement

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 1/1-31/12/2013	1/1-31/12/2012
Sales	**39.799.127**	**0**
Cost of sales	(31.709.566)	0
Gross profit	**8.089.561**	**0**
Other operating income	0	0
Administrative expenses	(1.720.200)	(10.760)
Other operating expenses	(68.484)	(98)
Earnings before interest and income tax	**6.300.877**	**(10.858)**
Financial income	140.389	0
Financial expenses	(3.248.521)	(84)
Profit before income tax	**3.192.745**	**(10.942)**
Income tax expense	(519.454)	(139)
Profit for the period	**2.673.291**	**(11.081)**
Oper.Earnings before income tax,financial results,depreciation and amortization (EBITDA)	**11.584.301**	**(10.858)**

D. Statement of Total Comprehensive Income

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Other Comprehensive Income:		
Net Profit/(Loss) For The Period	2.673.291	(11.081)
Actuarial Gain /(Loss)	(59.589)	0
Exchange Differences On Translation Of Foreign Operations	0	0
Available For Sale Financial Assets	0	0
Cash Flow Hedging Reserve	(78.930)	0
Stock Option Plan	0	0
Share Of Other Comprehensive Income Of Associates	0	0
Income Tax Relating To Components Of Other Comprehensive Income	0	0
Total Comprehensive Income For The Period	**2.534.772**	**(11.081)**

The results of 31/12/2013 have emerged from the spin-off and respective contribution of the electricity generation sector of the Plant, from the parent company Protergia S.A. Generation and Supply of Electricity to the Company, pursuant to the relevant accounting statement of 31/8/2013 and they are therefore not comparable with those of the previous financial year.

The notes attached hereto are listed on pages 37-54 and they form an integral part of these financial statements.

E. Statement of Financial Position

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Assets		
Non current assets		
Tangible Assets	220.917.839	0
Intangible Assets	89.045.549	0
Deferred Tax Receivables	297.396	251
Other Long-term Receivables	350.000	0
	310.610.784	251
Current assets		
Total Stock	5.496.583	0
Trade and other receivables	56.000.493	0
Other receivables	11.274.344	2.821
Cash and cash equivalents	1.519.836	37.673
	74.291.256	**40.494**
Assets	**384.902.041**	**40.744**
Liabilities & Equity		
EQUITY		
Share capital	20.080.000	60.000
Other reserves	68.811.362	0
Retained earnings	2.646.415	(26.876)
EQUITY	**91.537.777**	**33.124**
Non-Current Liabilities		
Long-term debt	90.528.441	0
Deferred tax liability	25.929.662	0
Liabilities for pension plans	59.589	0
Non-Current Liabilities	**116.517.692**	**0**
Current Liabilities		
Trade and other payables	136.188.377	0
Tax payable	936.995	0
Short-term debt	33.550.835	0
Other payables	6.170.366	7.621
Current Liabilities	**176.846.573**	**7.621**
LIABILITIES	**293.364.264**	**7.621**
Liabilities & Equity	**384.902.041**	**40.744**

The items of 31/12/2013 have emerged from the spin-off and respective contribution of the electricity generation sector of the Plant, from the parent company Protergia S.A. Generation and Supply of Electricity to the Company, pursuant to the relevant accounting statement of 31/8/2013 and they are therefore not comparable with those of the previous financial year.

The notes attached hereto are listed on pages 37-54 and they form an integral part of these financial statements.

F. Statement of changes in equity

(Amounts in thousands €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. Share capital	Share premium	Other reserves	Retained earnings	Total
Opening Balance 1st January 2012 ,according to IFRS -as published-	**60.000**	**0**	**0**	**(15.795)**	**44.205**
Change In Equity					
Transactions With Owners	**0**	**0**	**0**	**0**	**0**
Net Profit/(Loss) For The Period	0	0	0	(11.082)	(11.082)
Total Comprehensive Income For The Period	**0**	**0**	**0**	**(11.082)**	**(11.082)**
Closing Balance 31/12/2012	**60.000**	**0**	**0**	**(26.876)**	**33.124**
Opening Balance 1st January 2013,according to IFRS -as published-	**60.000**	**0**	**0**	**(26.876)**	**33.124**
Change In Equity					
Transfer To Reserves	0	0	(200.800)	0	(200.800)
Share Capital Increase/(Decrease)	604.552	0	0	0	604.552
Share Capital Increase from Sector spin-off	19.415.448	0	69.150.680	0	88.566.128
Transactions With Owners	**20.020.000**	**0**	**68.949.880**	**0**	**88.969.880**
Net Profit/(Loss) For The Period	0	0	0	2.673.291	2.673.291
Other Comprehensive Income:					
Actuarial Gain/(Loss)	0	0	(59.589)	0	(59.589)
Cash Flow Hedging Reserve	0	0	(78.930)	0	(78.930)
Total Comprehensive Income For The Period	**0**	**0**	**(138.519)**	**2.673.291**	**2.534.772**
Closing Balance 31/12/2013	**20.080.000**	**0**	**68.811.362**	**2.646.415**	**91.537.776**

The notes attached hereto are listed on pages 37-54 and they form an integral part of these financial statements.

G. Cash Flow Statement

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 1/1-31/12/2013	1/1-31/12/2012
Cash flows from operating activities		
Profit for the period	2.673.291	(11.082)
Adjustments for:		
Tax	519.454	139
Depreciation of property,plant and equipment	4.175.935	0
Depreciation of intangible assets	1.107.489	0
Interest income	(140.389)	0
Interest expenses	3.248.521	84
	8.911.010	**223**
Changes in Working Capital		
(Increase)/Decrease in stocks	(517.272)	0
(Increase)/Decrease in trade receivables	13.057.891	(1.113)
Increase / (Decrease) in liabilities	(14.168.987)	7.101
Cash flows from operating activities		
Cash flows from operating activities	9.955.933	(4.871)
Interest paid	(3.248.521)	(84)
Taxes paid	(500)	0
Net Cash flows continuing operating activities	**6.706.912**	**(4.955)**
Net Cash flow from continuing and discontinuing investing activities		
Purchases of tangible assets	(208.345)	0
Purchases of intangible assets	(497.103)	0
Interest received	4.112	0
Net Cash flow from continuing investing activities	**(701.336)**	**0**
Net Cash flow continuing and discontinuing financing activities		
Proceeds from issue of share capital	604.552	0
Tax payments	(200.800)	0
Bond Loan	102.702.000	0
Repayments of borrowings	(3.000.000)	0
Net Cash flow continuing financing activities	**100.105.752**	**0**
Net (decrease) / increase in cash and cash equivalents	**106.111.328**	**(4.955)**
Cash and cash equivalents at beginning of period	37.673	42.628
Other Cash Flows from Sector spin off	(128.930.000)	0
Net cash at the end of the period	**(22.780.999)**	**37.673**
Net cash at the end of the period	1.519.836	37.673
Overdrafts	(24.300.835)	0
Cash and cash equivalent	(22.780.999)	37.673

The notes attached hereto on pages 37-54 form an integral part of these financial statements.

1. Information about the Company

1.1 General Information

On 02/04/2013 the parent company "PROTERGIA SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" acquired 100% of the shares of "VYRILLOS GENERAL INDUSTRIAL TRADING SOCIÉTÉ ANONYME" by the parent company "MYTILINEOS SOCIÉTÉ ANONYME – GROUP OF COMPANIES". By means of this transfer, the company "PROTERGIA SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" became the sole shareholder of the company "VYRILLOS GENERAL INDUSTRIAL TRADING SOCIÉTÉ ANONYME".

By decision dated 09/04/2013 the Extraordinary General Meeting of Shareholders of the Company "VYRILLOS GENERAL INDUSTRIAL TRADING SOCIÉTÉ ANONYME" decided to change the Company's name to "PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY". On 30/09/2013 by decision of the General Meeting of Shareholders it was decided to change the distinctive title of Company to "PROTERGIA S.A." which was registered in the General Commercial Registry under G.E.MI. No. 120052 on 09/12/2013.

The Company "PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" (hereinafter referred to as "**PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS S.A.**" or the "**Company**") was founded in 2009. The Company has its registered head office in the Municipality of Marousi (8 Artemidos Str. P.C. 151 25) and it is registered in the Commercial and Industrial Chamber of Athens, under the Directorate of Registers and Information Systems Development, Registry Department/Service G.E.MI., under registration number 908430100.

By decision dated 21/11/2013 of the Extraordinary General Meeting of shareholders of the Company, the absorption of the electricity generation sector of the parent company "PROTERGIA SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" (the "**Sector**") was accepted, in accordance with the accounting statement of the Sector on 31/08/2013 and pursuant to the provisions of Law 2190/1920 and articles 1-5 of Law 2166/1993. The above Sector spin-off and contribution was approved by the Decision No. 24018/13-06/12/2013 ref. 22999/13 by the Deputy Head of the North Regional Unit of Athens.

The above Sector spin-off and contribution was registered in the General Commercial Registry (G.E.MI.) under No. 140977 and it was approved by the Decision No. 24018/13-06/12/2013 ref. 22999/13 by the Deputy Head of the North Regional Unit of Athens.

The Sector which was contributed and absorbed, as aforementioned, by the Company, includes the combined cycle power plant with combustible natural gas in Agios Nikolaos, Boeotia, with a nominal power of 448.48 MW (the "**Plant**").

The financial statements for the financial year which ended on December 31st, 2013 were approved by the Board of Directors on 28/03/2014.

All amounts are denominated in Euros, unless otherwise stated.

1.2 Nature of Activities

The purposes of the Company, in accordance with Article 3 of the Articles of Association, are:

a) the design, construction, operation, maintenance, management and operation of a power plant in Agios Nikolaos, Boeotia, including the sale and exploitation of electricity, power, thermal energy etc. from that plant;

b) the overall acquisition and transfer (including the purchase and sale/supply) of electricity and heat, as well as the acquisition and transfer (including the purchase and sale) of rights of greenhouse gases emissions, in Greece and abroad, and in general the performance of any transaction in any market, whose subject matter are the abovementioned activities;

c) the acquisition (including the purchase), storage, gasification, transportation, distribution and transfer (including sales) of natural gas (liquefied or not) to third parties, which gas is derived from domestic fields or imported from abroad, and in general the performance of any transaction whose subject matter is natural gas (liquefied or not) for the purposes of the plant referred to under (a) above and in the company's capacity as a producer of electricity from this plant;

d) the provision of operation and maintenance services for the electricity – heat cogeneration plant in Agios Nikolaos, Boeotia which is owned by Aluminium S.A.;

e) the construction, acquisition, lease, renting, sublease and in general management of immovable property and the acquisition, lease, renting, sublease and in general the management of movable property (including machinery, electrical and mechanical equipment, components, spare parts and vehicles of all kinds) in Greece and abroad, provided that they are intended to promote the other purposes of the Company;

f) the conduct of any business activity and the undertaking of any activity or action, which is either directly or indirectly associated with the above purposes of the Company or which is deemed by the competent bodies of the Company to be useful for the implementation of the corporate purpose, as described herein, with the exception of the acquisition of significant assets abroad.

In pursuit of its above objectives, the Company may: a) cooperate in any convenient manner with natural or legal persons who are pursuing similar or related purposes; b) implement by appropriate investments all aforementioned purposes and activities; c) participate in the wholesale and retail electricity market, to the capacity availability market and mechanisms and in general it may be active in any sector relevant to the all aforementioned; d) establish shops, branches, agencies and offices; e) participate in any tender whose object falls within its purposes; f) contract with any physical or legal, private or public person, in Greece or abroad.

2. Financial Statements preparation framework

2.1 Note of compliance

The financial statements of "PROTERGIA THERMOELEKTRIKI AGIOS NIKOLAOS S. A." dated 31 December 2013 have been drawn up based on the principle of historic cost as amended through the adjustment of specific assets and liabilities in current values, the principle of going concern and they comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), as well as of their interpretations, as issued by the IFRS Interpretations Committee of the IASB.

The drawing up of the financial statements according to the IFRSs requires the use of accounting valuations and the judgment of the management during the implementation of the accounting principles of the Company. Any significant recognitions by the management for the implementation of the accounting methods of the Company have been emphasized where it is deemed appropriate.

Based on the provisions of IFRS 1 "First-Time Adoption of IFRSs", when drafting the first financial statements based on the IFRSs, a company must use the IFRSs in force on the date of the first financial statements for all financial years presented, as well as in the transition balance sheet. Moreover, in accordance with IFRS 1 "First-Time Adoption of IFRSs" and the aforementioned Hellenic law, the above companies are required to draft comparative financial statements in accordance with the IFRSs of at least one financial year.

Consequently, all newly revised or issued Standards applicable to the Company and in force for financial years which ended on December 31, 2013 and have been adopted by the European Union were used to draft the financial statements for the current financial year.

2.2 Major accounting judgments, estimations and assumptions

The preparation of the financial statements according to the IFRSs requires the formation of judgments, estimations and assumptions on behalf of the management, which influence the published records of assets and liabilities, as well as the notification of the contingent receivables and liabilities on the date the financial statements are being drafted and the published amounts of income and expenses during the reporting period. The actual results may differ from the ones which have been estimated.

Any estimations and judgments are continuously reassessed and they are based both on past experience and on other factors, including the prospects for future events which are considered reasonable on the grounds of the specific conditions.

2.3 Judgments

During the procedure of implementation of the accounting principles and judgments of the management, save the ones which include estimations, which are formed by the management, which have the most significant impact on the amounts which are recognized in the financial statements and which mainly refer to:

- **recovery of receivables**

The commercial receivables are originally designated at fair value and thereafter they are valuated at the unamortized cost minus the provisions for depreciation, by using the method of actual interest rate. When the Company has objective indications that not all amounts due shall be collected, according to the terms of each agreement, it forms a provision for the depreciation of commercial receivables. The amount of such provision is formed from the difference which results between the book value of receivables and the present value of the estimated future cash flows, which are paid in advance using the actual interest rate. The amount of the provision is entered as expenditure among the other operating expenses in the profit and loss statement.

- **should a lease agreement which is concluded with an external lesser be entered as operating or leasing agreement?**

Leases, for which all risk and benefits of the leased property substantially remain with the lesser, are identified as operating leases. The amounts paid for the repayment of the above lease installments are entered in the profit and loss statement. Any leases relating to tangible assets for which the Company substantially holds all risks and benefits from the leased assets are identified as leasing agreements.

2.4 Estimations and assumptions

Any specific amounts which are included in or affect the financial statements and the relevant disclosures should be estimated, by requiring the formation of assumptions regarding values or conditions which may not be known in certainty when the financial statements are drafted. Significant accounting estimation is the estimation which is important for the image of the financial position of the Company and its results and which requires the most difficult, subjective or complicated management judgments, often as a result of the need to form estimations regarding the influence of uncertain assumptions. The Company assesses such estimations on a constant basis, based on past results and experience, meetings with experts, trends and other methods which are considered as reasonable given the particular conditions, as well as our provisions as to the manner in which they may change in the future.

When preparing the financial statements, the significant accounting estimations and judgments adopted by the Management for the application the Company's accounting policies are consistent with those applied in the annual financial statements of December 31st, 2012. Thereafter and in particular for the financial statements of 31/12/2013 the following is noted:

Reassessment of the useful life of assets

During the financial year 2013, the Company, within the framework of all provided for by paragraph 51 of IAS 16, reassessed the useful life of its basic generation plants. More specifically, the useful life of a power plant was reassessed, whose useful life was estimated at 30 years.

This reassessment was performed after taking into account both the regulatory framework for the operation of these plants and their technical condition, specifications and related maintenance programs which are already being applied.

Had the Company not altered its accounting estimation, the depreciations of the financial year 2013 would have been increased by approximately € 2 mio and, consequently, the earnings before tax for the financial year would have been decreased by the same amount.

- **Income taxes**

The Company is subject to income tax under multiple tax jurisdictions. Significant estimations are required for the establishment of provisions as regards differences which may occur during the audit of the income tax by the competent authorities. There are many transactions and calculations, the exact tax computation for which is uncertain in the normal course of the activities of the undertaking. The Company recognizes its liabilities concerning the anticipated issues of tax audit, based on estimations of whether any additional taxes are due. If the final amount of taxes imposed due to these affairs differs from the amounts as originally calculated, said differences shall affect the income tax and the provisions of deferred taxation for the period during which such amounts have been determined.

- **Provisions**

Bad Debts: Debts are always represented by the amounts which may be recovered. As soon as it is known that a specific account is subject to a risk greater than the ordinary credit risk (i.e. poor creditworthiness of customer, dispute as to the existence of debt or the amount thereof, etc.) then said account is analyzed and a provision is entered in case the conditions indicate that such debt may remain, wholly or partly, outstanding.

Environmental Liabilities: No such liabilities exist for the Company.

2.5 Information per sector

IFRS 8 replaces IAS 14 "Segment Reporting" and adopts the management approach as regards financial information which is provided per segment. The information disclosed is the one used by the management internally for the evaluation of the yield of operating segments and the allocation of resources to those segments.

The segments in which the Company operates are:

- Generation of electricity
- Supply of electricity
- Other activities

Analysis of the results of each activity for the financial year which ended on 31/12/2013 is given in the table of Annex I.

2.6 Compulsory measurement of pollutant emissions

Pollutant emissions are recognized based on the net liability method whereby the Company recognizes a liability emerging from pollutant emissions when the actual emissions exceed the emission levels as established by the EU. The liability is measured at fair value to the extent that the Company has the obligation to cover the deficit through purchases. Any rights acquired in excess of those required to cover the deficits are recognized as intangible assets.

3. Basic accounting principles

The accounting policies, based on which the financial statements were drafted, are consistent with those used for the drafting of the financial statements for the financial year 2012, with the exception of the application of new standards and interpretations whose application is mandatory for financial years beginning on January 1st, 2013.

Where necessary, the comparative figures of prior financial years were reformed so as to be similar to the data of the current financial year.

3.1 New accounting standards and amendments of existing standards

Annual Improvements 2013

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 IFRSs have been issued by IASB and their application is mandatory from or after 01/01/2012. The most significant Standards and Interpretations are as follows:

- **Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income**

In June 2011, the IASB issued the amendment to IAS 1 "Presentation of Financial Statements". The amendments pertain to the way of other comprehensive income items presentation. The amendments do not affect the company's Financial Statements.

- **IFRS 13 "Fair Value Measurement**"

In May 2011, IASB issued IFRS 13 "Fair Value Measurement". IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. Said effect is presented in note 4.1.

- **Amendments to IAS 19 "Employee Benefits"**

In June 2011, the IASB issued the amendment to IAS 19 "Employee Benefits". The amendments aim to improve the issues of recognition and disclosure of claims related to defined benefit plans. The revised version eliminates the "corridor method" and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income. Under the revised standard, the Group/Company restated its reported results throughout the comparative periods in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Said effect is presented in note 3.17.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The Interpretation is not applicable to the Company's operations.

- **Amendments to IFRS 7 "Financial Instruments: Disclosures" - Offsetting Financial Asserts and Financial Liabilities**

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The amendments do not affect the company's Financial Statements.

- **Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Government loans**

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan by loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. The amendment does not affect the company's Financial Statements.

- **Annual Improvements 2009–2011 Cycle**

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), as its latest set of annual improvements. Specifically, includes improvements for IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. The amendments are not significant and have not a material impact on the Company's Financial Statements.

New Standards, Interpretations, revisions and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European

Union. In particular:

- **IFRS 9 "Financial Instruments" (removal of mandatory effective date)**

On 12/11/2009, IASB issued the new Standard, the revised IFRS 9 "Financial Instruments" which is the first step in IASB project to replace IAS 39 "Financial Instruments: Recognition and Measurement". It must be noted that in October 2010, IASB expanded IFRS 9 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Subsequent measurement of financial assets is made either at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 generally prohibits reclassification between categories, however, when an entity changes its business model in a way that is significant to its operations, a re-assessment is required of whether the initial determination remains appropriate. The standard requires all investments in equity instruments to be measured at fair value. However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. In November 2013, IASB issued amendments to IFRS 9. A new chapter has been added which represents a major overhaul of hedge accounting and puts in place a new model that introduces significant improvements principally by aligning the accounting more closely with risk management. The amendment makes the improvements to the reporting of changes in the fair value of an entity's own debt contained in IFRS 9 more readily available. The third change is the removal of the mandatory effective date of IFRS 9 (annual periods beginning on or after 01/01/2015), because the impairment phase of the IFRS 9 project is not yet completed that would allow sufficient time for entities to prepare to apply the Standard. Entities may however still choose to apply IFRS 9. The Entity's Management is not going to adopt the requirements of IFRS 9 earlier. The current Standard has not been adopted by the European Union yet.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 01/01/2014)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The Standards are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Company will assess the impact of new standards in its separate financial statements. The Standards have been adopted by the European Union in December 2012.

- **Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods beginning on or after 01/01/2013)**

In June 2012, IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Transition Guidance is effective for annual periods beginning on or after 01 January 2013, but in practice is effective for annual periods beginning on or after 01 January 2014 when the relevant Standards will be effective. The Company will assess the impact of transition guidance in its separate financial statements. This transition guidance has been adopted by the European Union in April 2013.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods beginning on or after 01/01/2014)**

In October 2012, IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualifies as investment entities. The IASB uses the term "Investment Entity" to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Company will assess the impact of amendments in its separate financial statements. The amendments have been adopted by the European Union in November 2013.

- **Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 01/01/2014)**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Company will assess the impact of amendments in its separate financial statements. These amendments have been adopted by the European Union in December 2012.

- **Amendments to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, IASB issued amendments to IAS 36 "Impairment of Assets". These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Earlier application is permitted for periods when the entity has already applied IFRS 13. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted.

The Company will assess the impact of amendments in its separate Financial Statements. These amendments have been adopted by the European Union in December 2013.

- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 01/01/2014)**

In June 2013, IASB issued amendments to IAS 39 "Financial Instruments: Recognition and Measurement". The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 Financial Instruments. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Company will assess the impact of amendments in its separate Financial Statements. These amendments have been adopted by the European Union in December 2013.
Union in December 2013.

- **Interpretation 21: Levies (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, IASB issued Interpretation 21 that is an interpretation of IAS 37 Provisions "Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Company will assess the impact of interpretation in its separate financial statements. The Interpretation has not been adopted by the European Union yet.

- **Amendments to IAS 19 "Employee Benefits" – Defined Benefit Plans: Employee Contributions (effective from 01/07/2014)**

In November 2013, IASB issued amendments to IAS 19 "Employee Benefits". 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 are effective from 01 July 2014 with earlier adoption permitted. The Company will assess the impact of amendments in its separate Financial Statements. These amendments have not been adopted by the European Union yet.

- **Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle (effective from 01/07/2014)**

In December 2013, IASB issued Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle. The Cycle 2010-2012 includes improvements for IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and in the Cycle 2011-2013 improvements are relating to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The improvements are effective from 01 July 2014 with earlier adoption permitted. The Company will assess the impact of the improvements in its separate Financial Statements. These improvements have not been adopted by the European Union yet.

- **IFRS 14 "Regulatory Deferral Accounts" (effective from 01/01/2016)**

In January 2014, IASB issued an interim Standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. An entity that already presents IFRS financial statements in not eligible to apply the Standard. The Standard is effective from 01 January 2016 with early application permitted. The Company will assess the impact of the Standard in its separate Financial Statements. This Standard has not been adopted by the European Union yet.

3.2 Tangible assets

Fixed assets are represented in the financial statements at their cost value or at their inferred cost value, as determined based on fair values on the dates of transition, minus, firstly, the accumulated amortizations, and secondly, any depreciations of fixed assets. The acquisition cost includes all directly ascribed costs for the acquisition of the assets.

Any subsequent costs are entered in augmentation of the book value of tangible fixed assets or as a separate fixed asset solely to the extent that such costs increase the future economic profits which are expected to inflow from the utilization of the fixed asset and whose cost may be measured in a reliable manner. The cost of repair and maintenance is entered to the profits or losses when they emerge.

Amortizations of other fixed tangible assets (save plots of land which are not amortized) are calculated by the fixed method within their useful life, as follows:

Buildings	25-35 years
Mechanical equipment	4-30 years
Vehicles	4-10 years
Other equipment	4-7 years

Residual values and useful lives of tangible fixed assets are subject to review any time the balance sheet is drafted. When the book values of tangible assets exceed their recoverable value, the difference (depreciation) is entered directly as an expense to the profit and loss account.

Upon the sale of tangible assets, the differences between the consideration collected and their book value are entered as profits or losses to the account. Repairs and maintenance are entered as expenses of the time period to which they refer.

Self-produced tangible assets shall constitute an addition to the cost value of tangible assets at values which include the direct payroll costs of the personnel, who participate in the construction (corresponding employer’s contributions), the consumed material costs and other general costs.

3.3 Intangible assets

Intangible assets include trademarks and licenses, software licenses, the network use license by the Independent Power Transmission Operator (ADMIE), as well as research and development costs.

Trademarks and Licenses

Trademarks and licenses are valuated at cost value minus amortizations. Amortizations are performed by the fixed method during the useful life of said assets.

Software

Software licenses are valuated at cost value minus amortizations. Amortizations are performed by the fixed method during the useful life of said assets, which varies from 3 to 5 years. Any expenses required for the development and maintenance of software are recognized as expenses when realized. Any expenses borne for the development of specific software, which are controlled by the Company, shall be recognized as intangible assets.

3.4 Financial instruments

Financial instrument is any contract which creates a financial asset to a company and a financial liability or an equity instrument to another company.

The financial instruments of the Company are classified into the following classes based on the subject matter of the contract and the purpose they were acquired for.

i) Loans and Receivables

These include non-derivative financial assets with fixed or computed payments, which are not negotiated in active markets. This class (Loans and Receivables) does not include:

a) receivables from advances for the purchase of goods or services;
b) receivables which relate to tax transactions, which have been lawfully imposed by the state;
c) any other item which is not covered by a contract so as to entitle the company to receive cash or other financial fixed assets.

Loans and receivables are included in the current assets, save those whose date of maturity is more than 12 months after the date of the balance sheet. The latter are included in non-current assets.

ii) Investments held to maturity

These include non-derivative financial assets with fixed or computed payments and specific date of maturity, which the Company has the positive intention and ability to hold to maturity. The Company held no investments belonging to said class.

3.5 Reserves

On the date of the balance sheet, reserves are valuated at their lowest cost or their net liquefiable value. The net liquefiable value is the estimated sales price in the normal course of operations of the company minus any relevant sales costs. The cost of reserves does not include any financial expenses.

3.6 Commercial receivables

Receivables from customers are initially entered at fair value and thereafter they are valued at the unamortized cost by using the method of effective interest rate, minus the provision for the decrease of their value. In case the unamortized value or cost of a financial asset exceeds its present value, then said asset is valuated at its recoverable amount, namely at the present value of future flows of the asset, which is calculated based on the actual initial interest rate. The relevant loss is carried directly to the profit and loss account. Depreciation losses, namely in case there is no objective indication that the Company is unable to collect all amounts due based on contractual terms, are entered into the profit and loss account.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash with the bank and the treasury, as well as any short-term high liquidity investments, such as money market products and bank deposits. Money market products are financial assets which are valuated at fair value through the profit and loss account.

3.8 Share capital

Any expenses which occurred for the issue of shares shall be entered after the deduction of the relevant income tax, decreasing the proceeds of the issue. Expenses which are related to the issue of shares for the acquisition of undertakings are entered at the acquisition cost of the acquired undertaking.

3.9 Non-current assets classified as held for sale

Assets which are held for sale include the remaining assets (including good will) and tangible assets which the Company intends to sale within a year from the date of their classification as “held for sale”.

Assets which are classified as “held for sale” are valuated at the lowest value between their book value immediately before their classification as held for sale, and their fair value minus sales cost. Assets classified as "held for sale" are not subject to amortization. Any profit or loss resulting from the sale and reassessment of assets "held for sale" is entered as "other income" and "other expenses", respectively, in the profit and loss account.

The Company has not classified any non-current assets as held for sale.

3.10 Income Tax & deferred tax

The charge of the period with income taxes is formed by current taxes and deferred taxes, namely taxes or tax relieves which are related to the economic profits which emerge during said period but which have already been assessed or are to be assessed by tax authorities in different periods. The income tax is entered in the profit and loss account, save the tax which refers to transactions entered directly as equity, in which case it is directly entered, mutatis mutandis, as equity.

Current income taxes include short-term liabilities and receivables of fiscal authorities, related to payable taxes on the taxed income of this period and any additional income taxes which refer to previous financial years.

Current taxes are calculated according to tax rates and tax laws which apply to accounting periods they are related to, based on the taxable profit for the year. All changes made to short-term tax assets or liabilities are recognized as part of tax expenses in the profit and loss statement.

The deferred income tax is defined by means of the method of liability which results from provisional differences between book value and tax base of assets and liabilities. No deferred tax is computed if it results from the original recognition of an asset or liability in a transaction, save in case of consolidation of enterprises, which, when the transaction was performed, did not affect neither the accounting nor the tax profit or loss.

Deferred tax receivables and liabilities are evaluated based on tax rates which are expected to be implemented in the period in which such receivable or liability is to be settled, by taking into consideration the tax rates (and tax rules) which have entered into force or which substantially apply until the date of the Balance Sheet. In case of failure to clearly determine the time of reversion of provisional differences, the tax rate which is in force in the financial year after the date of the balance sheet shall apply.

Deferred tax receivables are recognized to the extent there shall be a future tax profit for the utilization of the provisional difference which creates the deferred tax receivable.

The deferred income tax is recognized for provisional differences which result from investments in subsidiary and associated companies, except where the reversion of provisional differences is controlled by the Company and it is possible that such provisional differences shall not be reversed in the foreseeable future.

Most changes in deferred receivables or liabilities are recognized as part of the tax expenses in the profit and loss account. Only such changes of assets or liabilities which affect provisional differences are directly recognized as the Company's equity, such as the reassessment of the real estate value, and their consequence is that the relevant change of the deferred tax receivables or liabilities is debited against the relevant net worth account.

3.11 Benefits to personnel

Short-term benefits: Short-term benefits to employees (save severance payments due to the termination of employment) in money or in kind are entered as an expense when they become accrued. Any outstanding amount is entered as a liability, whereas in case the amount already paid exceeds the amount of the severance payment, the company recognizes the amount in excess as an asset (prepaid expense) only to the extent that the prepayment shall lead to a reduction of future payments or to a refund.

Post-employment benefits: Post-employment benefits include pensions or other benefits (life insurance and medical insurance), granted by the company after the termination of the employment, as a consideration to the employees' service. Therefore they may include both defined contributions' plans and defined benefits' plans. The Company does not have any defined benefits' plans whilst the accrued cost of defined contributions' plans relates to the compensation as stipulated by law and is entered as an expense in the period to which it refers.

3.12 Provisions

Provisions are recognized when the Company has current legal or presumed liabilities resulting from past events, their clearing is possible through outflows of resources and the estimation of the exact amount of the liability may be made accurately. The provisions are reviewed on the date of drawing up of each balance sheet and they are adjusted in order to reflect the present value of the expense which is expected to be required for the settlement of the liability. Contingent liabilities are not recognized in the financial statements but they are disclosed, save where the possibility of outflows of resources which incorporate economic profits is scarce. Contingent receivables are not recognized in the financial statements but they are disclosed provided that the economic profits' inflow is deemed possible.

3.13 Recognition of income and expenses

Income: Income includes fair value of performed works, sales of goods and supply of services, net of Value Added Tax, deductions and refunds. The recognition of income is carried out as follows:

- **Sales of goods**: Sales of goods are recognized when the Company delivers the goods to customers, such goods are accepted by them and the collection of the debt is reasonably secured.
- **Supply of services:** Income from the supply of services is computed for the period in which such services are supplied, on the grounds of the stage of completion of the supplied service in relation to the total supplied services.
- **Income from assigned rights for the utilization of tangible assets (offsets)**: The fair value of assigned rights is recognized as income of subsequent financial years and it is amortized in the profit and loss account of the financial year according to the rate of performance of contracts for which they have been assigned as consideration.
- **Income from taxes**: Income from taxes is recognized on the grounds of time analogy and by applying the actual interest rate. In case of depreciation of receivables, their book value is reduced to their recoverable amount which is the current value of the remaining future cash flows discounted by the original actual interest rate. Further on, the interest is computed with the same interest rate on the depreciated (new book) value.
- **Dividends**: Dividends are entered as income, when the right to collect them is established.

Expenses: Expenses are entered into the profit and loss account on an accrual basis. Payments carried out for operating leases are transferred to the profit and loss account as expenses, during the time of utilization of the leased premises. Expenses from interests are recognized on an accrual basis.

3.14 Leases

The Company as Lessee: Fixed assets' leases in which all risks and benefits related to the ownership of an asset are transferred to Company, regardless of the final transfer of the ownership title of said asset or not, shall constitute financial leases. Said leases are capitalized upon the beginning of the lease at the lowest value between the fair value of the asset or the present value of minimum rents. Each rent is allocated between the liability and the financial expenses in order to attain a fixed interest rate for the remaining financial liability. Any respective liabilities from rents, net of financial expenses, are entered as liabilities. The part of financial expenses which relates to financial leases is entered into the profit and loss account during the term of the lease. Any fixed assets acquired by financial leasing are amortized in the shortest period between the useful life of fixed assets and the term of their lease.

Any lease agreements where the lesser transfers the right of utilization of an asset for an agreed time period, without, however, also transferring the risks and return of the ownership of the fixed asset, shall be classified as operating leases. Any payments carried out for operating leases (net of any motives offered by the lesser) are recognized in the profit and loss account mutatis mutandis during the term of the lease.

The Company as Lesser: When fixed assets are leased by a financial leasing agreement, the present value of rents is entered as a receivable. The difference between the gross amount of the receivable and the present value of the claim is entered as deferred financial income. The revenues from the lease are entered into the profit and loss account during the term of lease by using the net investment method, which represents a fixed periodical performance.

Any fixed assets which are leased by operating leases are included in the tangible assets of the balance sheet. They are amortized during the term of their anticipated useful life on a basis consistent to similar privately owned tangible assets. The rent as an income (net of any motives granted to lessees) is recognized by the fixed method during the term of the lease.

3.15 Distribution of dividends

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the financial statements on the date when the distribution is approved by the General Meeting of shareholders.

3.16 Change in accounting policy – Revised version of IAS 19

The revised IAS 19 has brought a series of changes in the representation of employee benefits, and in particular:

- It removes the "corridor method" and requires that the effect resulting from the recalculations in the current period shall be recognized in other comprehensive income.
- It changes the measurement and presentation of specific cost elements of defined benefits. The net amount in the profit and loss account is affected by the removal of the expected income on the plan assets and the interest costs and by their replacement with a net interest rate cost based on the net asset or net liability of the defined benefit plan.
- It enhances disclosures, by including more information regarding the characteristics of the defined benefit plans and the risks involved.

The IAS 19 has been applied retrospectively in accordance with its transition rules. As a result, the Company has redrafted the comparative period statements.

Regarding the effect on the financial position statement, it is noted that since the "corridor method" is not followed, no changes emerge in the recognized liability, but in the equity funds.

The aforementioned revision does not entail any change in the display of funds for the financial year which ended on 31/12/2012, since the Company did not employ any personnel on this date.

4. Management of financial risks

Financial risks' management purposes and policies

The Company is exposed to financial risks such as liquidity risk. The Company's overall risk management program focuses on minimizing a potential negative impact on the financial results that may occur due to the unpredictability of the financial markets and the fluctuation of the cost and sales variables. The basic policies of risk management are defined by the Company's Management. The procedure followed is presented below:

- Evaluation of the risks that are related to activities and operations of the Company;
- Methodology planning and selection of the appropriate financial products to reduce risks; and
- Implementation/application according to the risk management procedure as approved by the management.

Credit risk

The credit risk is linked with cash and cash equivalent, derivative financial instruments, as well as deposits in banks and other financial institutions. For commercial and other receivables, the Company is not exposed to significant credit risks.

In order to minimize credit risk in cash and cash equivalents, as well as other short-term financial products, the Company sets outs limits to the extent it shall be exposed to each individual financial institution and shall transact only with recognized financial institutions.

The maturity profile of the financial receivables as of December 31st 2013 and December 31st 2012 is analyzed as follows:

	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A.					
	Past due but not impaired				Non past due but not impaired	Total
Liquidity Risk Analysis - Trade Receivables	0-3 months	3-6 months	6-12 months	> 1 year		
2013	2.169.600	22.492.664	0	0	12.338.229	56.000.493
2012	0	0	0	0	0	0

The Company's receivables mainly emerge from the sale of electricity to the Operator of Electricity Market (LAGIE) and the Independent Power Transmission Operator (ADMIE).

Liquidity risk

The liquidity risk is linked to the need for sufficient financing of the activity and development of the Company. The relevant liquidity needs become the subject matter of management via the meticulous monitoring of payments which are carried out on a daily basis.

On 28/11/2013, the Company concluded a debenture loan amounting to € 104 million with a three-year term and the right to extend it for an additional two years. After payment of the first installment during the financial year, the capital due on 31/12/2013 amounted to € 101 million.

On 31/12/2013 the Company presents a temporary negative difference between its current assets and short-term liabilities amounting to € 102.5 mio. It must be noted that out of € 136.2 million of total debts to suppliers, an amount of € 89.7 million is related to obligations towards the associated company METKA S.A. for the construction of the Plant and the purchase of spare parts.

Furthermore, as demonstrated by the four-month operation of the Plant during the current financial year, the Company has the ability to indicate strong profitability, which is expected to continue into the following year, thus ensuring the creation of sufficient cash flows for the coverage of its needs. Thereby the necessary liquidity is created and current assets become gradually sufficient to cover short-term liabilities of the Company.

The following table shows the maturity of financial liabilities on December 31st 2013 and 2012 respectively:

	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A.				
Liquidity Risk Analysis - Liabilities 2013	**up to 6 months**	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	0	0	90.528.441	0	90.528.441
Short Term Loans	4.026.442	5.250.000	0	24.274.393	33.550.835
Leasing liabilities	0	0	0	0	0
Trade and other payables	136.188.377	0	0	0	136.188.377
Other payables	6.170.366	0	0	0	6.170.366
Total	146.385.185	5.250.000	90.528.441	24.274.393	266.438.019

	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A.				
Liquidity Risk Analysis - Liabilities 2012	**up to 6 months**	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	0	0	0	0	0
Short Term Loans	0	0	0	0	0
Leasing liabilities	0	0	0	0	0
Trade and other payables	0	0	0	0	0
Other payables	7.621	0	0	0	7.621
Total	7.621	0	0	0	7.621

The delay which is noted in the repayment of the commercial liabilities to Suppliers (DEPA) is due to corresponding delays in collections under the responsibility of the Customers LAGIE/ ADMIE. As a result, the Company was burdened with significant interests during this financial year, amounting to € 1.3 million.

4.1 Fair Value Measurements

The Company adopted the IFRS 13 "Fair Value Measurement". The financial assets and liabilities indicated in the financial position statement, which are measured at fair value, are grouped under a fair value hierarchy of

three levels. These three levels are depending on the manner the important parameters of measurement are defined. As a result, these three levels are formed as follows:
-Level 1: Renegotiation prices within an active market;
-Level 2: Prices from valuation models based on observable market data, other than the active market prices which are included in Level 1;
-Level 3: Prices from valuation models that are not based on observable market data.
The following table illustrates the three Levels of classification of the Company's financial liabilities which are measured at fair value on 31/12/2013 and 31/12/2012:

Liabilities' financial assets

Amounts in €	31/12/2013	Level 1	Level 2	Level 3
Currency / interest rate swaps				
Foreign exchange forward	78.930		78.930	
Commoditiy Futures/Forwards				
Currency Options				
Total	**78.930**	**0**	**78.930**	**0**

Amounts in €	31/12/2012	Level 1	Level 2	Level 3
Currency / interest rate swaps				
Foreign exchange forward				
Commoditiy Futures/Forwards				
Currency Options				
Total	**0**	**0**	**0**	**0**

4.2 Hedge Accounting

Derivative financial instruments such as Commodity Futures and Currency Forwards are used to manage the risk associated with the business activities of the Company, as well as the risk associated with the financing of these activities.

With the commencement of the hedge accounting and the subsequent use of derivative financial instruments, the Company documents the hedging relationship between the hedged item and the hedging instrument with respect to risk management and the strategy of undertaking the transaction. Furthermore, the Company documents its assessment of the effectiveness of the hedging regarding the offsetting of changes at fair value or the cash flows of hedged items both at the commencement of the hedging relationship and on an ongoing basis.

All derivative financial assets are initially recognized at fair value on the settlement date and they are subsequently measured at fair value. Derivatives are entered as assets when their fair value is positive and as liabilities when their fair value is negative.

When derivative financial assets cannot be recognized as hedge instruments, the changes at their fair value

are entered into the Profit and Loss Statement.
There are three kinds of hedged relations:

A. Fair Value Hedge

Fair value hedge is the hedge of exposure to the variability in the fair value of a recognized asset or liability or an unrecognized firm commitment or part thereof which is attributable to a particular risk and could affect the profit and loss account. If the fair value hedge meets the criteria for hedge accounting, then it will be accounted for as follows: the profit or loss from the re-measurement of the hedging instrument at fair value shall be recognized at the profit or loss account. For non-derivative hedging instruments which are used to hedge the risk from foreign currency, only the foreign currency component of its carrying value shall be recognized as profit or loss – the entire instrument needs to be measured again. The profit or loss on the hedged item which is attributable to the hedged risk must be recognized directly in the profit or loss account in order to offset the change in the carrying value of the hedging instrument. This applies to items that are recognized at acquisition cost and for available-for-sale financial assets. Any hedge ineffectiveness is recognized immediately as profit or loss.

B. Cash Flow Hedge

By hedging the cash flows, the Company is trying to cover the risks that cause a change in future cash flows and originate from an asset or a liability or a future transaction and this change will affect the profits or losses. Examples of the Company's cash flows hedge include future transactions in foreign currency which are subject to changes in exchange rates. The changes in the carrying value of the effective portion of the hedging instrument are recognized in Equity as a "Reserves" while the ineffective portion is recognized in the Profit and Loss Statement. The amounts accumulated in equity are transferred in the profit and loss account for the periods when the hedged items are recognized as profit or loss such as in case of a forecasted sale. When an a cash flow hedge item expires or is sold, terminated or exercised without being replaced or when a hedged item no longer meets the criteria for hedge accounting, any cumulative profit or loss existing in equity at that time remains in equity and it is recognized when the forecasted transaction occurs. If the related transaction is not expected to occur, the amount is transferred to the profit or loss account.

C. Hedges of a Net Investment

The hedges of a net investment in foreign operations are accounted for similarly to cash flow hedges. Any profit or loss of the hedging instrument which is documented as an effective hedge is recognized directly in equity. The ineffective portion of the profit or loss is recognized in the profits or losses. Profits and losses which are accumulated in equity are recognized in the profit and loss account during the allocation of the operation abroad.

4.3 Fair value determination

The fair value of financial instruments traded in active markets (exchanges) is determined by the current quoted market prices on the balance sheet date. The fair value of financial instruments not traded in active markets is determined by using valuation techniques and assumptions based on market data on the balance sheet date.

5. Notes on Financial Statements

5.1 Tangible assets

PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A.

(Amounts in €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	0	0	0	0	0
Accumulated depreciation and/or impairment	0	0	0	0	0
Net Book value as at 01/01/2012	**0**	**0**	**0**	**0**	**0**
Gross Book Value	0	0	0	0	0
Accumulated depreciation and/or impairment	0	0	0	0	0
Net Book value as at 31/12/2012	**0**	**0**	**0**	**0**	**0**
Gross Book Value	73.448.145	189.327.002	267.347	0	263.042.495
Accumulated depreciation and/or impairment	(8.127.028)	(33.834.552)	(163.075)	0	(42.124.655)
Net Book value as at 31/12/2013	**65.321.117**	**155.492.450**	**104.272**	**0**	**220.917.839**

(Amounts in €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2012	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0
Net Book value as at 31/12/2012	**0**	**0**	**0**	**0**	**0**
Additions	4.586	126.194	77.565	0	208.345
Depreciation	(790.810)	(3.356.860)	(44.613)	0	(4.192.283)
Reclassifications	66.107.341	158.723.116	71.320	0	224.901.777
Net Book value as at 31/12/2013	**65.321.117**	**155.492.450**	**104.272**	**0**	**220.917.839**

The construction period interest amounting to € 1.35 million, as well as the outcome of the trial period amounting to € 14.2 million, are cumulatively capitalized as tangible assets until 31/12/2013.

5.2 Intangible assets

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. Software	Licenses	Other intangible assets	Total
Gross Book Value	0	0	0	0
Accumulated depreciation and/or impairment	0	0	0	0
Net Book value as at 01/01/2012	**0**	**0**	**0**	**0**
Gross Book Value	0	0	0	0
Accumulated depreciation and/or impairment	0	0	0	0
Net Book value as at 31/12/2012	**0**	**0**	**0**	**0**
Gross Book Value	335.961	92.666.521	7.252.456	100.254.938
Accumulated depreciation and/or impairment	(56.013)	(10.318.642)	(834.735)	(11.209.390)
Net Book value as at 31/12/2013	**279.949**	**82.347.879**	**6.417.721**	**89.045.549**

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. Software	Licenses	Other intangible assets	Total
Net Book value as at 01/01/2012	**0**	**0**	**0**	**0**
Additions	0	0	0	0
Depreciation	0	0	0	0
Net Book value as at 31/12/2012	**0**	**0**	**0**	**0**
Additions	255.911	14.680	226.512	497.103
Depreciation	(17.519)	(994.778)	(78.844)	(1.091.141)
Reclassifications	41.557	83.327.977	6.270.053	89.639.587
Net Book value as at 31/12/2013	**279.949**	**82.347.879**	**6.417.721**	**59.045.549**

5.3 Deferred Tax Assets / Liabilities

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013 Asset	Liability	31/12/2012 Asset	Liability
Non Current Assets				
Intangible Assets	0	21.890.977	251	0
Tangible Assets	3.255	3.720.560	0	0
Current Assets				
Inventories	280.445	0	0	0
Long-term Liabilities				
Long-term Loans	0	318.125	0	0
Short-term Liabilities				
Provisions	13.696	0	0	0
				0
Total	**297.396**	**25.929.662**	**251**	**0**
Offsetting	**0**	**0**	**0**	**0**
Deferred Tax Liability/Receivables	**297.396**	**25.929.662**	**251**	**0**

5.4 Other Long-term Receivables

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Given Guarantees	350.000	0
Other Long-term Receivables	**350.000**	**0**

5.5 Inventory

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Others	5.496.583	0
Total	**5.496.583**	**0**

5.6 Customers and Other Commercial Receivables

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Customers	56.000.493	0
Net trade Receivables	**56.000.493**	**0**

The balance of customers on 31/12/2013 regards receivables from LAGIE amounting to € 26.9 million and receivables from ADMIE amounting to € 29.1 million.

5.7 Other receivables

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Other Debtors	5.307.535	0
Receivables from the State	16.707	2.821
Receivables from affiliates	5.500.000	0
Accrued income - Prepaid expenses	450.102	0
Total	**11.274.344**	**2.821**

5.8 Cash and cash equivalents

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Cash	709	0
Bank deposits	269.127	37.673
Time deposits & Repos	1.250.000	0
Total	**1.519.836**	**37.673**

5.9 Equity

i) Share capital

The share capital of the Company amounts to € 20.08 million on 31.12.2013, divided into 20.08 million shares with a nominal value of 1 € per share.

ii) Reserves

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU NIKOLAOU A.E. Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Stock Option Plan Reserve	Total
Opening Balance 1st January 2012,according to IFRS -as published-	**0**	**0**	**0**	**0**
Share Of Other Comprehensive Income Of Associates	0	0	0	0
Closing Balance 31/12/2012	**0**	**0**	**0**	**0**
Opening Balance 1st January 2013,according to IFRS -as published-	**0**	**0**	**0**	**0**
Transfer To Reserves	(200.800)	0	0	(200.800)
Reserves from Parent company due to Sector spin off	0	69.150.681	0	69.150.681
Actiarial Gain / (Loss)	0	0	(59.589)	(59.589)
Cash Flow Hedging Reserve	0	(78.930)	0	(78.930)
Closing Balance 31/12/2013	**(200.800)**	**69.071.751**	**(59.589)**	**68.811.362**

5.10 Loan Obligations

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Long-term debt		
Bonds	90.528.441	0
Total	**90.528.441**	**0**
Short-term debt		
Bank loans	24.300.835	0
Bonds	9.250.000	0
Total	**33.550.835**	**0**
Total	**124.079.276**	**0**

On 13/11/2013, the Company concluded a debenture loan amounting to € 104 million with a three-year term and the right to extend it for an additional two years. After payment of the first installment during the financial year, the capital due on 31/12/2013 amounted to € 101 million. The remaining bank debt is related to working capitals with the possibility to renew them.

5.11 Obligations of personnel severance

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. Defined Contributions Plan 31/12/2013	31/12/2012
Actuarial (Profit)/Loss through other Comprehensive Income	(59.589)	0
Total (Profit)/Loss through other Comprehensive Income	**(59.589)**	**0**

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013 Defined Contributions Plan	31/12/2012
Opening Balance	0	0
Actiarial (Profit)/Loss	(59.589)	0
Closing Balance	**(59.589)**	**0**

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Present Value of Defined Contributions Plan	59.589	0
Present Value of Defined Contributions Plan at the end of the period	**59.589**	**0**

	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Discount Rate	3,60%	-
Future Salaries' Increase Rate	2,20%	-
Inflation	2,00%	-

5.12 Suppliers and Other Liabilities

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Suppliers	136.188.377	0
Total	**136.188.377**	**0**

The balance of suppliers on 31/12/2003 mainly relates to obligations towards the associated company METKA S.A. amounting to € 89.7 million for the construction of the Plant and the purchase of spare parts, as well as obligations towards DEPA amounting to € 43.7 million for the purchase of natural gas.

5.13 Current Tax Liabilities

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Tax liabilities	936.995	0
Total	**936.995**	**0**

5.14 Other Short-term Liabilities

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Accrued expense	3.768.468	0
Social security insurance	128.999	0
Others Liabilities	2.272.899	7.621
Total	**6.170.366**	**7.621**

The accrued expenses on 31/12/2013 mainly regard DEPA charges for gas supply.

5.15 Sales

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 1/1-31/12/2013	1/1-31/12/2012
Sales	**39.799.127**	**0**

Sales mainly relate to the sale of electricity to LAGIE and billings to ADMIE, mainly involving the Capacity Assurance Mechanism, Deviations, Ancillary Services and Cost Recovery.

5.16 Cost of Sales

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Other employee benefits	743.956	0
Cost of materials & inventories	611.458	0
Third party expenses	1.066.056	0
Third party benefits	23.363.429	0
Assets repair and maintenance cost	496.160	0
Operating leases rent	18.358	0
Taxes & Duties	43.735	0
Other expenses	117.162	0
Depreciation - Tanginle Assets	4.151.250	0
Depreciation - Inanginle Assets	1.098.001	0
Total	**31.709.566**	**0**

Third party benefits on 31/12/2013 include the value of gas supply for electricity production, amounting to € 23.1 million.

5.17 Management Expenses

Administrative expenses (Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Other emploee benefits	321.386	0
Third party expenses	1.207.271	3.960
Third party benefits	66.232	0
Operating leases rent	25.530	2.724
Taxes & Duties	18.859	0
Other expenses	46.748	4.076
Depreciation - Tanginle Assets	24.684	0
Depreciation - Inanginle Assets	9.489	0
Total	**1.720.200**	**10.760**

5.18 Other Operating Income / Expenses

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Other operating expenses		
Other taxes	68.484	98
Total	**68.484**	**98**

5.19 Financial Income / Expenses

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Financial income		
Bank deposits	4.112	0
Loans to related parties	136.277	0
Total	**140.389**	**0**
Financial expenses		
Bank Loans	2.976.675	0
Letter of Credit commissions	238.367	0
Other Banking Expenses	33.478	84
Total	**3.248.521**	**84**

5.20 Income taxes

(Amounts in €)	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. 31/12/2013	31/12/2012
Deferred taxation	517.361	139
Extraordinary Income Tax	2.093	0
Total	**519.454**	**139**
Earnings before tax	**3.192.745**	**(10.942)**
Nominal Tax rate	0,26	0,20
Tax calculated at the statutory tax rate of 26%	**830.114**	**(2.188)**
Extraordinary Income Tax	2.093	0
Other	(312.752)	2.327
Effective Tax Charge	**519.454**	**139**

Starting with the financial year 2011 and in accordance with Article 82 par. 5 of Law 2238/1994, the Company whose Financial Statements are mandatorily audited by Certified Auditors or audit firms in accordance with the provisions of Law 2190/1920, shall also be subject to tax audit by a Certified Auditor or audit firm and shall receive an annual Tax Compliance Report. In order to finalize the financial year, the provisions of Article 6 par. 1a of Decision POL 1159/2011 must apply.

For the financial year 2012, the Company received within the year 2013 the Tax Compliance Certificate, without any differences arising.

For the financial year 2013, the tax audit is already being carried out by the auditors and no significant variation is expected to incur for the tax liabilities entered into the Financial Statements.

5.21 Encumbrances

A first class "Notional Pledge" has been created on the fixed assets of the Company for the amount of € 135,202,600 in favor of the Bondholders-Banks.

5.22 Contingent assets – liabilities

There are receivables of the Company against third parties amounting in total to € 16.7 million approximately. No provision has been made in the Company's profit and loss account, since their recovery is deemed uncertain.

5.23 Number of employed personnel

On 31/12/2013 the Company employs 67 persons. On 31/12/2012 no personnel was employed.

5.24 Undertaken operating Lease obligations

	PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A.	
(Amounts in €)	**31/12/2013**	**31/12/2012**
Commitments from operating lease - minimum lease payments:		
Until 1 year	78.258	37.086
1 to 5 years	255.585	111.146
> 5 years	85.254	54.536
Total	**419.097**	**202.767**

The Company leases motor vehicles and tangible fixed assets under non-cancelable lease agreements.

5.25 Transactions with associated parties

For the period ended 31/12/2013

	Income	Expense	Sales of Fixed Assets and direct Raw Materials	Procurement of Fixed Assets and direct Raw Materials	Receivables	Payables
Parent	-	1.025.712	-	307.287	5.233.741	1.602.716
Other Associated Parties	188.135	457.936	1.284	293.222	5.677.361	91.175.480
Total	188.135	1.483.648	1.284	600.508	10.911.102	92.778.196

For the period ended 31/12/2012

	Income	Expense	Sales of Fixed Assets and direct Raw Materials	Procurement of Fixed Assets and direct Raw Materials	Receivables	Payables
Parent	-	3	-	-	-	4
Other Associated Parties	-	-	-	-	-	-
Total	-	3	-	-	-	4

The transactions with the above companies are carried out on a purely commercial basis. The Company did not participate in any transaction of an unusual nature or content which may be material for the Company or for companies and persons who are closely associated with it, and it does not intend to enter into such transactions in the future. Of the total amount of liabilities on 31/12/2013 approximately € 89.7 million are regarding a liability towards the associated company METKA S.A., out of which € 80.4 million are related to the construction of the electricity generation Plant and € 9.3 million to the purchase of spare parts.

5.26 Events after the date of the balance sheet

On 25/02/2014 YPEKA announced the agreement between DEPA and Gazprom to retroactively reduce the price of gas supplied to the former by the latter, which discount will be passed on to consumers.
The discount, according to the announcement, shall amount to 13.5% on the price which is valid until today with a retroactive effect and in accordance with the intergovernmental agreement dated 01/07/2013.
The Company has evaluated the positive impact which emerges for the financial year 2013 by the

aforementioned discount in the amount of approximately € 3.8 mio for the total consumption of natural gas during the period from 01/07/2013 to 31/12/2013. More specifically, the impact on the results and equity of the Company is as follows:

Amounts in million €

Increase in the Company's operating results (EBITDA):	€ 3.8 mio.
Increase in earnings after tax of the Company:	€ 2.8 mio.
Equity attributable to shareholders of the parent company:	€ 2.8 mio.

ANNEX I – SEPARATE FINANCIAL STATEMENTS OF THE INTEGRATED UNDERTAKING OF GENERATION AND SUPPLY OF ELECTRICITY

PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A.
SEPERATED BALANCE SHEET OF THE FULLY INTEGRATED COMPANY
31/12/2013

	ENERGY GENERATION	ENERGY SUPPLY - TRADING & RETAIL	OTHER	COMMON MANAGEMENT	TOTAL OF PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A., FULLY INTEGRATED COMPANY
(Amounts in Thousands €)					
Assets					
Non Current Assets					
Tangible Assets	220.869	49	0	0	**220.918**
Inatngible Assets	88.785	246	0	14	**89.046**
Deferred Tax Asset	297	0	0	0	**297**
Other long Term Receivables	50	300	0	0	**350**
Total Non Current Assets	**310.002**	**595**	**0**	**14**	**310.612**
Current Assets					
Inventory	5.497	0	0	0	**5.497**
Trade and Other Receivables	55.975	26	0	0	**56.000**
Other Receivables	11.212	62	0	0	**11.274**
Cash and cash equivalents	1.520	0	0	0	**1.520**
Total Current Assets	**74.203**	**88**	**0**	**0**	**74.290**
Total Assets	**384.205**	**683**	**0**	**14**	**384.902**
Equity and Liabilities					
Equity					
Share Capital	20.080	0	0	0	**20.080**
Other Reserves	68.818	0	0	(7)	**68.811**
Retained Earnings	3.181	(509)	2	(27)	**2.646**
Total Equity	**92.079**	**(509)**	**2**	**(34)**	**91.538**
Capital contribution per Business Unit	**(799)**	**753**	**(2)**	**48**	**0**
Non Current Liabilities					
Long Term Debt	90.528	0	0	0	**90.528**
Deferred Tax Liability	25.930	0	0	0	**25.930**
Liabilities for Pension Plans	60	0	0	0	**60**
Total Non Current Liabilities	**116.518**	**0**	**0**	**0**	**116.518**
Current Liabilities					
Trade and Other Payables	136.105	84	0	0	**136.188**
Tax Payable	1.015	(78)	0	0	**937**
Short Term Debt	33.551	0	0	0	**33.551**
Other Payables	5.737	433	0	0	**6.170**
Total Current Liabilities	**176.407**	**439**	**0**	**0**	**176.847**
Total Liabilities	**292.924**	**439**	**0**	**0**	**293.365**
Total Equity and Liabilities	**384.204**	**683**	**0**	**14**	**384.903**

PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. SEPERATED STATEMENT OF PROFIT AND LOSS OF THE FULLY INEGRATED COMPANY 31/12/2013				
(Amounts in thousands €) **SALES**	**ENERGY GENERATION**	**ENERGY SUPPLY TRADING AND RETAIL**	**OTHER**	**TOTAL OF PROTERGIA THERMOELEKTRIKI AGIOU NIKOLAOU S.A. FULLY INTEGRATED COMPANY**
SALES				
Sale to the Operator of the Electricity Power (LAGHE)	11.767	0	0	**11.767**
Sales to independent Power Transmission Operator (ADMHE)	27.838	0	0	**27.838**
Sales to Hellenic Electricity Distribution Network Operator (DEDDHE)	0	7	0	**7**
Sales to Retail Clients	0	81	0	**81**
Exports of electricity	0	0	0	**0**
Other revenue	0	0	0	**0**
Domestic Sales				
Trading and Retail Sales	0	61	0	**61**
Services rendered	0	0	46	**46**
Total Sales	**39.605**	**148**	**46**	**39.799**
EXPENSES & PURCHASES				
Imports of electricity	0	0	0	**0**
Purchases of electricity from LAGHE	0	(81)	0	**(81)**
Servieces received from ADMHE	0	0	0	**0**
Servieces received from DEDDHE	0	(7)	0	**(7)**
Payroll	(744)	(321)	0	**(1.065)**
Third party fees	(1.630)	(48)	0	**(1.678)**
CO2 rights	(596)	0	0	**(596)**
Natural Gas & LNG	(23.092)	0	0	**(23.092)**
Operation and maintenance	(924)	(0)	0	**(924)**
Other third party fees	(295)	(87)	0	**(382)**
Taxes	(62)	(1)	(0)	**(64)**
Other Expenses	(77)	(25)	0	**(101)**
Depreciation	(5.249)	(34)	(0)	**(5.283)**
Provisions	0	0	0	**0**
Finance cost	(3.106)	(2)	0	**(3.108)**
Profit/(Loss) from exchange differences	(92)	0	0	**(92)**
Extraodinary income/expense	(39)	(0)	0	**(39)**
Domestic expenses & Purchases				
Tradind and Retail Purchases	0	(26)	0	**(26)**
Services received	0	(26)	(44)	**(70)**
Profit/(Loss) before Tax	**3.700**	**(510)**	**1**	**3.192**

1. General Principles

The Company Protergia Thermoelektriki Agios Nikolaos Société Anonyme of Generation and Supply of Electricity (the Company or Protergia Thermoelektriki Agios Nikolaos S.A.) drafts, submits for audit and publishes according to the IFRSs its annual financial statements in accordance with the relevant provisions of C.L. 2190/1920, as well as Laws 3229/2004 and 3301/2004.

The Company, as an Integrated Undertaking, took into account the provisions of Law 4001/2011 (Official Government Gazette First Issue 179) and Directive 2009/72/EC, no. 31 on the separation of the accounts of integrated electricity undertakings.

Based on the above, it keeps separate accounts, Balance Sheet and Profit and Loss Statement regarding the activities Generation and Supply (Marketing) in the Electricity Market in accordance with the provisions of Article 141 of Law 4001/2011 and decision no. 204/2013 by the Regulatory Authority for Energy:

(a) Generation of electricity

(b) Supply of electricity to Eligible Customers and Provision of Services of General Interest (Marketing).

The Company carries out the above activities by the operation of a natural gas plant in Agios Nikolaos, Boeotia, and by wholesale or retail marketing.

The other activities of the Company, apart from electricity (E), are kept in consolidated non-separated accounts (Other or Other activities).

The revenue originating from the System Operator (ADMIE) and the Distribution Network (HEDNO) are clarified into separate accounts per activity.

The Company does not currently have any revenues from transmission and distribution of electricity, as well as revenue from the generation of electricity from RES, any other source or fuel.

At the end of the financial year, the Company drafts and publishes according to the IFRSs its separate profit and loss statements and balance sheet per activity.

The foregoing statements are contained in the notes of the annual financial statements of the Company, which are approved and signed according to the law and contain a certificate by the auditors, where reference is made to the rules which are approved by RAE, as referred to in Article 141 paragraph 4 of Law 4001/2011.

The Company shall notify RAE, within 15 working days of the approval of the annual financial statements by the General Meeting of the Company, the annual financial statements which shall contain the certificate and report of the auditors on the application of the Allocation Principles and Rules.

RAE shall also have the ability to raise additional elements and to conduct audits in order to verify regulatory information in accordance with its current legal rights and decisions.

2. Allocation Methods and Rules

Methods and Accounting Rules

The methods and accounting rules followed by the Company are dictated by the general accounting principles and the articles of the International Accounting Standards (IFRSs), which must be mandatorily kept.
The Accounting Department of the Company is fully computerized with a valid and properly configured accounting plan and program (SAP), which ensure that separate accounts are kept and that separate profit and loss statements and balance sheet are drafted for each activity.
In particular, the mandatory registration of all accounting records per business area (in SAP) is currently applied, as designated by the Company in accordance with the above General Principles, as follows:

(a) Business Areas / Activities

- Generation of electricity.
- Supply of electricity.
- Other activities apart from electricity, or Other.

(b) Business Areas apart from the activities

- Unified Management

In each registration of a document or transaction, as well as any other entry, the amounts are characterized by "business area" and then the corresponding accounts of expenditure, income, assets and liabilities are automatically updated. The program has a security key based on which no entry is allowed without the above characterization.
In this way, the documents and transactions which are solely related to one of the activities of the Company or which state a separate amount per activity, shall immediately update the separate accounts of each Activity / Business Areas (a).

Allocation Rules of Expenditure and Revenue (Profits or losses)

Any documents and transactions which do not separately state the activity they are related to, shall update, when entered, the business area accounts (b), "Unified Management".
At the end of each financial year, the balances of Unified Management accounts are allocated as an assessment to each one of the activities (business areas a), whereas the allocation key is the participation percentage of each one in the total revenues of the Company during each closing financial year.
Thereafter, the Company prepares the annual profit and loss statements of each financial year per activity.

Allocation Rules of Assets and Liabilities

The entries updating the Assets and Liabilities Accounts, such as fixed assets, reserves, customers, other receivables, suppliers, liabilities and loans are allocated based on the activity to which they relate.
At the end of each financial year, the total Equity is allocated based on the difference of Assets and Liabilities of each activity, which is designated as "capital allocation to business units".
Based on the above "capital allocation", as well as the general accounting principles, the following Assets and Liabilities are also allocated by activity: Cash and any financial products, tax liabilities and receivables,

provisions and deferred taxes.

3. Contents of Activities of Annual Income and Expenditure

The annual separate Profit and Loss Account for each activity include the Company's transactions with third parties.
In particular, each activity includes the following:

a) Generation of electricity

This activity includes Income, Expenditure and Assets and Liabilities, which are derived solely from the operation of power plants. Specifically,
Income from the operation of the plant in Agios Nikolaos, Boeotia, with a nominal power of 444 mw, with combustible natural gas, as they are cleared and priced for ADMIE and LAGIE (Electricity Market Operator S.A.).
Expenses relating to the above income, the main ones being the following: Supply of natural gas, pollutant markets, third party fees and expenses, maintenance and operational costs, consumption of spare parts, other production expenses and depreciations, as well as finance costs.

b) Supply of electricity (Marketing)

This activity includes Income, Expenditure and Assets and Liabilities, which are derived from the wholesale (trading) and retail electricity marketing. Specifically,
Income from Marketing are mainly originating from billings to LAGIE and to domestic and foreign companies.
Purchases concern the supply of Electricity from LAGIE and domestic and foreign companies, the rights of E import and export, and the other services from ADMIE, the network usage (HEDNO).
Expenses mainly relate to personnel remunerations and costs, third party fees, finance and miscellaneous expenses.

c) Other activities apart from E

They include **Income** from any ancillary activities. The **Expenses** include fees, expenses, depreciations, financial and extraordinary profits or losses, which relate to the other activities of the Company, apart from the Generation and Supply of E, as they are mentioned above.

Marousi, 28th of March 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER
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