PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME

OF GENERATION AND SUPPLY OF ELECTRICITY

Annual Financial Statements
for the financial year from 1st January up to 31st December 2016

It is hereby certified that the attached Financial Statements are the ones approved by the Board of Directors of "PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" on 27.03.2017 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 1/1/2016-31/12/2016

In the domestic energy market the demand for electricity continues to be negatively affected by the weak course of the Greek economy. Specifically, in 2016 the electricity consumption decreased marginally by 0.3%.

With regard to the production mix, lignite electricity production was for the first time reduced to less than 15 TWhrs, with the participation rate standing at 29.1% from 37.8% in 2015. This decrease was further overshot by the sharp increase (+ 71%) of the electricity production from Natural Gas Units. It is indicative that the participation of natural gas was 24.4% from 14.1% in 2015. The increase was due to the production of RES (+ 8.5%), while the decrease of the hydro production was 10.2% and for the net imports 8.46% respectively. As a result of the above developments, the further decrease of the average System Marginal Price declined to € 42.9 (-17.5% compared to the corresponding period of the previous year). In the retail market, the participation of private suppliers increased to 9.7% at 31/12/2016 from 5.4% at the end of 2015.

In this context, the Company in 2016 significantly increased its presence in both the production and the supply of electricity. Specifically, it more than doubled its share and ranked 1st among private suppliers with 2.6%, while the combined cycle gas-fired power station in Agios Nikolaos, Voiotia, with a capacity of 444.48 MW ("Station"), operated satisfactorily throughout the year with a production of 1,475,216 MWh.

The Company has the policy to evaluate its results and performance on a monthly basis by identifying timely and effective deviations from the targets and taking corrective measures accordingly. To measure its profitability, it uses the following financial indicators:

-**EBITDA** (Operating Earnings Before Interest, Taxes, Depreciation & Amortization) - "Operating results before taxes, financing, investing results and total depreciation": The Company determines the EBITDA margin as the profits / (losses) before taxes adjusted for financial - investment results and total depreciation (tangible and intangible fixed assets).

- **ROCE** (Return on Capital Employed) - "Total Employee Capital Efficiency": The index divides earnings before taxes and financial results with total capital employed, which is the sum of Equity and total loans.

- **ROE** (Return on Equity) - "Return on Equity": The index divides earnings after taxes by equity.

The above indicators for 2016 compared to 2015 were as follows:

	2016	2015
EBITDA*	30.604	5.906
ROCE	1,75%	-7,93%
ROE	2,95%	-17,80%

* EBITDA in thousand €

2. SIGNIFICANT EVENTS DURING THE CLOSING FINANCIAL YEAR

Transitional capacity-assurance mechanism

On 31/12/2014 the validity period of the transitional capacity assurance mechanism expired. Regarding the new transitional capacity assurance mechanism (TCAM) which would be valid from 1/1/2015, despite the fact that all public consolation procedures were completed in time, the latest data were delivered by Greece to The Directorate-General for Competition (COMP) of the EU with a great delay (September 2015), thereby the period which was necessary for the activation of the mechanism in order to be used in 2015 expired. Consequently, the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group for 2015 were negatively impacted because of this fact by approximately € 20 million.

The Transitional Flexibility Compensation Mechanism was finally enacted from 1.5.2016 following the European Commission's approval decision No. C (2016) 1791 (31.3.2016), with article 150 of Law 4389 / 2016 pursuant to the 3rd Memorandum of Understanding between the Hellenic Republic and the Institutions, as incorporated in Law 4336/2015. According to the same provision, the duration of the mechanism is set at twelve (12) months, meaning until 30.4.2017 (unless the permanent mechanism for ensuring the adequacy or flexibility of the Electricity System is implemented earlier).

The Unit Power Payment Price, meaning the fee paid by the Transmission System Operator to the Producers Selected, has been legally set at € 45,000 / MW of available power over the above period and with a maximum payment of fifteen (15) million euro per eligible power plant.

On 18.7.2016, the consultation by the Energy Regulatory Authority on the arrangements for implementing the Regulation was concluded. It is explicitly stipulated by the law that the revenue of the selected units is ensured by the start of application of the Transitional Flexibility Compensation Mechanism, meaning from 1.5.2016, but it is collected from the time of their registration in the above "Registry of Flexible Units". It is noted that if this mechanism had been in place since 1/1/2016, the EBITDA of the Company would have been increased by € 4.9million.

NOME Auctions

The Company, in application of the Code of Transactions for the Sale of Future Power Products, under which, inter alia, the rights and obligations of Eligible Suppliers and Dealers, the Market Operator and the Seller of Forward Products, participated in the Auction in October 2016 Sale of Future Power Products. Out of the total quantity of 460 Mwh placed in Auction, the company purchased 105 Mwh at a market price of 37,37 € / MWh.

Retail market

In June, the strategic partnership between the Company and the OTE Group in the retail market was announced. In this context, COSMOTE and GERMANOS stores enriched the portfolio of services they offer to their customers with the supply of electricity by the Company. At the same time, PROTERGIA strengthens the network of points of sale and promotion of its products as they will be available in every corner of Greece through more than 450 COSMOTE and GERMANOS stores.

Corporate Transformation

On 14.12.2016 the Board of Directors of MYTILINEOS SA-GROUP OF COMPANIES (hereinafter "MYTILINEOS") announced the decision of the Board of Directors, "METKA INDUSTRIAL AND MANUFACTURING SOCIETE ANONYME" (hereinafter "METKA"), "ALUMINUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" (hereinafter "ATE"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" (hereinafter "Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" (hereinafter "Protergia Thermo") of the merger by absorption of METKA, ATE, Protergia and Protergia Thermo by MYTILINEOS.
The new flexible structure will benefit from a significant reduction in financial costs, economies of scale, optimization of procurement procedures, homogenization and improvement of human resource utilization, as well as exchange of know-how, experience and best practices between the different parts of the new entity resulting in significant operational synergies. The new, flexible and simplified scheme will provide enhanced financial flexibility, making it possible to diversify the cash flows of the new consolidated company and to strengthen its balance sheet. The merger, as decided in principle by the Boards of

Directors of the transformed companies, has as a transformation balance date on 31.12.2016 and will be effected in accordance with the provisions, provisions and exemptions of Law 4172/2013, article 61 of Law 4438 / 2016, articles 69 -78 of the Codified Law 2190/1920 and in general the Greek commercial legislation. The intended corporate transformation is expected to be completed by 30/08/2017 at the latest.

Natural Gas Supply License

RAE, through a decision taken at the end of the first quarter of 2016, granted the Company a natural gas supply license with the right to sell natural gas to Eligible Customers, which marks the beginning of this new activity, insofar as it releases the relevant Market.

3. FINANCIAL RESULTS

The company has grown in 2016, boosting its market share in the production and retail energy market. In particular, it recorded a turnover of € 242.9 million in 2016, compared to € 123.9 million in the previous year, recording an increase of 96%. EBITDA increased to € 30.60 million in 2016 compared to € 5.90 million in 2015 and Net Results after tax at profits of € 2.58 million in 2016 against losses of € -15.15 million in 2015. Similarly, EBIT recorded profits of € 12.65 million in 2016 against losses of € -7.87 million in 2015 and Earnings Before Tax, profits of € 3.36 million in 2016 against losses of € -15.16 million in 2015.

4. FINANCIAL RISK MANAGEMENT

Financial risk management goals and policies

The Company is exposed to financial risks: Credit risk, liquidity, exchange rate, interest rate and product price fluctuation risk. The key risk management policies are set by the Company's Management to mitigate any adverse effect on financial results where it may result from the inability to predict financial markets and fluctuation in cost and sales variables.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. For trade and other receivables, the Company is not exposed to significant credit risk.

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

The maturity of financial assets at 31 December 2016 and 31 December 2015 is disclosed in note 4 of the financial statements.

Liquidity risk

Liquidity risk is linked to the need for adequate financing of the Company's activity and growth. The relevant liquidity needs, are managed through careful monitoring of daily transactions. On 31/12/2016 there is a temporary negative difference between the current assets and the short-term liabilities of the Company of € 156 million, which will not exist after the completion of the absorption of the Company by MYTILINEOS SA, according to from 14/12/2016 Board of Directors' report. According to the relevant Merger Agreement Draft, MYTILINEOS SA will also absorb the parent company of PROTERGIA and the related companies METKA SA and ATE SA, resulting in the creation of positive working capital at the date of completion of the merger.

More specifically, for the Company, at € 247 million of existing comprehensive short-term liabilities:

• Amounts of € 62.6 million relate to liabilities to the related company METKA SA, € 9.4 million to ALUMINIUM OF GREECE SA and € 30.8 million to other (affiliated) companies of the Group.

• Loan liabilities amounting to € 72.5 million, which is shown in short-term liabilities, concerns the temporary balance of a syndicated bond loan of the company, the contract of which provides for an extension of its duration for 2+2 years. In particular, the relevant condition of the existing loan agreement provides that "The Issuer is entitled but not required by a written declaration to the Bondholders to request an extension in respect of the total (and not part of) the Bonds." On this basis, the Company negotiates the terms of the original 2-year extension period and the renewal of such borrowing is considered reasonable. This is supported by the other relevant references to the loan agreement, which set the capital installments and the interest rate for the years 2017-2018, as well as the installments of the next extension of two more years, under the original informal framework agreement of the banks for total loan duration of 7-10 years, on the basis of which the capital installments mentioned in the contract are also calculated.

Furthermore, significant receivables from the previous fiscal year are expected to be incurred during the current fiscal year, mainly in the amount of € 10 million compensation for the Transitional Capacity Assurance Mechanism (TCAM), against which a sum of € 1.2 million was received in March 2017 and the

gradual repayment of old balances of LAGHE amounting to € 13.4 million, against which 2 of the 12 installments of debt settlement have already been received and following the decision of the Court of Justice No. 1761/2016.
This, combined with the significant increase in production, as shown by the operation of the first two months, is expected to strengthen the Company's operating profitability and its liquidity and financial position.
The maturity of the financial liabilities for 31 December 2016 and 31 December 2015 respectively is analyzed in note 4 of the financial statements.

Currency risk

The exposure of the company to foreign exchange risks arises from commercial transactions and recognized assets and liabilities denominated in a currency other than the functional currency of the company.
The Company’s functional currency is the euro. The company is exposed to foreign exchange risk through its transactions in USD, mainly through the supply of spare parts. For the management of foreign exchange risk, the Company takes all measures to offset the risk of change from the exchange rate.

Product price fluctuation risk

The Company is affected by the risk of a change in gas prices and pollutants, as any variation in prices affects production costs. The change in the prices of natural gas and pollutants also affects the System Marginal Price according to the market mix, with an impact on the cost of production and on the Company's revenue.

Interest rate risk

Operating income and cash flows of the company are substantially independent of changes in interest rates. The borrowing of the company at 31 December 2016 amounting to € 104.7 million (the breakdown of loan liabilities is set out in note 5.11). The company's policy is to keep track of interest rate trends and the duration of its financing needs.

Imposition of capital controls in Greece

Greece's economic activity and macroeconomic data have been greatly affected by the impact of capital controls and the additional fiscal adjustment measures following the agreement and implementation of measures for the new support package. The Company has followed and continues to monitor these developments with great care, taking all necessary measures to ensure the smooth pursuit of its business.

5. DIVIDEND POLICY

The proposal of the Board of Directors to the General Meeting of Shareholders will be the non-distribution of dividends.

6. PROSPECTS FOR THE NEW YEAR

The Company aims to further increase its sales in the Electricity Production and Supply, while cooperation with COSMOTE is expected to give additional impetus to the retail market. Despite the progress made in the past years, the energy market is still in transition and will need to push forward major regulatory changes to meet the objectives of strengthening competition and opening up the market.

7. INFORMATION ABOUT THE COMPANY

The share capital of the Company as at 31/12/2016, as at 31/12/2015, amounts to € 20,08 million and the other reserves amounting to € 68,99 million and € 69,01 million respectively.

8. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Boards of Directors of " PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY " (the Company), " METKA INDUSTRIAL AND MANUFACTURING SOCIETE ANONYME ", " ALUMINUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME " and " PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME " decided the merger by absorption by the company " MYTILINEOS SA - GROUP OF COMPANIES " according to the provisions of Codified Law 2190/1920, Law 4172/2013, Law 4438/2016 and Commercial Law in general.
There are no other events subsequent to the financial statements that concern the Company, which are subject to reporting by the International Financial Reporting Standards (IFRS).

Dinos Benroubi

Chairman of the Board of Directors and Chief Executive Officer
PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY

B. Independent Auditor's Report

To the Shareholders of **PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY**

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY, which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of 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 the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of 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 PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsibility for the preparation of the Board of Directors' report and Corporate Governance Statement that is included to this report according to provisions of paragraph 5, article 2 of Law 4336/2015 (part B), we note the following:

a) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a of Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.
b) Based on the knowledge we obtained from our audit for the company PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY and its environment, we have not identified any material misstatements in the Board of Directors' report.

Moreover, we have audited unbundled per operation Statement of Financial Position of the Company as at December 31, 2016, as well as unbundled per operations Statement of Comprehensive Income before tax for the period from 1 January 2016 until 31 December 2016. The aforementioned Statement of Financial Position and Statement of Comprehensive Income before tax (hereinafter "unbundled financial statements") were prepared under the responsibility of the Management of the Company PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY in accordance with the provisions of Law 4001/2011 and the No. 43/2014 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 Sheets and unbundled per operation Statements of Comprehensive Income 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. 43/2014 approving decision of the Regulatory Authority for Energy.

Athens, 27 March 2017

The Chartered Accountant

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C. Statement of Total Income

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in €)	**1/1-31/12/2016**	**1/1-31/12/2015**
Sales	242.922.311	123.933.522
Cost of Sales	(217.532.356)	(123.654.939)
Gross Profit	**25.389.955**	**278.583**
Other Operating Income	574.158	268.464
Disposal Expenses	(6.504.056)	(2.773.500)
Administrative Expenses	(6.798.378)	(5.637.136)
Other Operating Expenses	(13.833)	(12.492)
Earnings Before Interest and Income Tax	**12.647.846**	**(7.876.081)**
Financial Income	92.676	305.517
Financial expenses☐	(7.308.102)	(7.275.875)
Other Financial Results	(2.074.488)	(313.335)
Earnings before income tax	**3.357.931**	**(15.159.775)**
Income tax	(774.305)	9.438
Earnings for the period after tax	**2.583.626**	**(15.150.337)**
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	**30.603.979**	**5.906.238**

The notes attached hereto are listed on pages 45-67 and they form an integral part of these financial statements.

D. Statement of Comprehensive Total Income

PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY		
(Amounts in €)	**31/12/2016**	**31/12/2015**
Other comprehensive income after tax:		
Net Profit/ (Loss) for the Period	2.583.626	(15.150.337)
Items that will not be classified in the income statement at a later date:		
Actuarial Profits- (Losses)	(22.595)	(13.453)
Deferred Tax on Actuarial Profits / (Losses)	6.553	6.916
Items that may be classified in the income statement at a later date:		
Cash Flow Hedging	(12.565)	(439.069)
Deferred Tax from Cash Flow Hedging	3.644	114.175
Other comprehensive income after tax:	**(24.964)**	**(331.431)**
Total Comprehensive Income	**2.558.662**	**(15.481.768)**
Total Comprehensive Income attributable to:		
Equity attributable to the shareholders of the Parent Company	2.558.662	(15.481.768)
Non-controlling interest	-	-

The notes attached hereto are listed on pages 45-67 and they form an integral part of these financial statements.

E. Statement of Financial Position

	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in €)	**31/12/2016**	**31/12/2015**
Assets		
Non - Current Assets		
Tangible Assets	196.755.313	205.765.264
Intangible Assets	81.150.469	82.300.896
Deferred Tax Assets	7.830.982	5.111.434
Other Long Term Receivables	265.292	246.092
	286.002.057	**293.423.685**
Current Assets		
Inventories - Total Value	8.703.810	9.019.649
Customers and Other Commercial Receivables	50.918.203	35.518.314
Other Receivables	24.763.239	9.888.486
Cash and cash equivalents	6.229.764	13.315.761
	90.615.017	**67.742.210**
Total Assets	**376.617.073**	**361.165.895**
Equity and Liabilities		
Equity		
Share Capital	20.080.000	20.080.000
Other Reserves	68.988.623	69.013.587
Retained Earnings	(1.384.593)	(3.968.219)
Equity	**87.684.030**	**85.125.369**
Long-term Liablilities		
Deferred Tax Liabilities	36.142.936	32.661.652
Pension Plans	192.441	148.061
Other Long Term Liabilities	5.741.829	1.781.800
Long-term Liabilities	**42.077.207**	**34.591.513**
Short Term Liabilities		
Suppliers and other Liabilities	86.513.948	123.997.292
Current Tax Liabilities	7.439.277	3.707.361
Short Term Debt	32.229.044	29.570.518
Long Term Liabilities payable for the next financial year	72.501.998	76.441.043
Derivative Financial Instruments	13.122	557
Other Short Term Liabilities	48.158.447	7.732.243
Short Term Liabilities	**246.855.836**	**241.449.014**
Total Liabilities	**288.933.043**	**276.040.527**
Equity and Liabilities	**376.617.073**	**361.165.895**

The notes attached hereto are listed on pages 45-67 and they form an integral part of these financial statements.

F. Statement of changes in equity

(Amounts in €)	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total
	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY				
Opening Balance on 1st January 2015, in accordance with IFRS -as published	**20.080.000**	**-**	**69.200.019**	**12.027.118**	**101.307.137**
Change in equity					
Dividend Distribution	-	-	-	(700.000)	(700.000)
Transfer to reserves	-	-	145.000	(145.000)	-
Transactions with parent's owners	**-**	**-**	**145.000**	**(845.000)**	**(700.000)**
Net Profit for the Period	-	-	-	(15.150.337)	(15.150.337)
Cash Flow Hedging	-	-	(439.069)	-	(439.069)
Deferred Tax on Actuarial Profits / (Losses)	-	-	6.916	-	6.916
Actuarial Profits / (Losses)	-	-	(13.453)	-	(13.453)
Deferred Tax from Cash Flow Hedging	-	-	114.175	-	114.175
Total Comprehensive Income for the period	**-**	**-**	**(331.431)**	**(15.150.337)**	**(15.481.768)**
Closing Balance 31/12/2015	**20.080.000**	**-**	**69.013.587**	**(3.968.219)**	**85.125.369**
Balance on 1st January 2016, in accordance with IFRS -as published	**20.080.000**	**-**	**69.013.587**	**(3.968.219)**	**85.125.369**
Change in equity					
Transactions with parent's owners	**-**	**-**	**-**	**-**	**-**
Net Profit for the Period	-	-	-	2.583.626	2.583.626
Cash Flow Hedging	-	-	(12.565)	-	(12.565)
Deferred Tax on Actuarial Profits / (Losses)	-	-	6.553	-	6.553
Actuarial Profits / (Losses)	-	-	(22.595)	-	(22.595)
Deferred Tax from Cash Flow Hedging	-	-	3.644	-	3.644
Total Comprehensive Income for the period	**-**	**-**	**(24.964)**	**2.583.626**	**2.558.662**
Closing Balance 31/12/2016	**20.080.000**	**-**	**68.988.623**	**(1.384.593)**	**87.684.030**

The notes attached hereto are listed on pages 45-67 and they form an integral part of these financial statements.

G. Cash flow statement

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 1/1-31/12/2016	1/1-31/12/2015
Cash flows from operating activities		
Profit for the period	2.583.626	(15.150.337)
Adjustments for:		
Tax	774.305	(9.438)
Depreciation of tangible assets	14.575.873	10.449.840
Depreciation of intangible assets	3.380.260	3.332.480
Provisions	(22.595)	-
Interest income	(92.676)	(305.517)
Interest expenses	7.308.102	7.275.875
	25.923.269	**20.743.240**
Changes in Working Capital		
Inventory (increase)/decrease	315.839	(2.413.324)
(Increase) / decrease in receivables	(32.050.029)	16.308.787
Increase / (decrease) of liabilities	17.224.856	9.357.749
Pension Plans	44.380	33.639
Cash flows from operating activities		
Cash flows from operating activities	14.041.941	28.879.754
Interest paid	(5.962.155)	(6.947.853)
Income tax paid	-	(2.138.951)
Net cash flows from operating activities	**8.079.786**	**19.792.950**
Net cash flows from investing activities		
Purchases of tangible assets	(11.372.306)	(1.088.112)
Purchases of intangible assets	(2.229.833)	(60.838)
Interest received	67.064	572.114
Net cash flows from investing activities	**(13.535.075)**	**(576.836)**
Net cash flows from financial operations		
Dividends paid	-	(700.000)
Borrowings	73.930.553	24.827.332
Repayments of Borrowings	(75.561.261)	(34.616.479)
Net cash flows from financing activities	**(1.630.708)**	**(10.489.147)**
Net (decrease) / increase in cash and cash equivalents	**(7.085.996)**	**8.726.967**
Cash and cash equivalents at the beginning of the period	13.315.761	4.588.794
Cash and cash equivalents at the end of the period	**6.229.764**	**13.315.761**

The notes attached hereto are listed on pages 45-67 and they 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 POWER GENERATION AND SUPPLIES SOCIETE ANONYME" 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 POWER GENERATION AND SUPPLIES SOCIETE ANONYME" 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 AGIOS NIKOLAOS POWER 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 AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" (hereinafter 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 POWER GENERATION AND SUPPLIES SOCIETE ANONYME" (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 2016 were approved by the Board of Directors on 27.03.2017.

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 sale) 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.

1.3 Significant events

Transitional capacity-assurance mechanism

On 31/12/2014 the validity period of the transitional capacity assurance mechanism expired. Regarding the new transitional capacity assurance mechanism (TCAM) which would be valid from 1/1/2015, despite the fact that all public consolation procedures were completed in time, the latest data were delivered by Greece to The Directorate-General for Competition (COMP) of the EU with a great delay (September 2015), thereby the period which was necessary for the activation of the mechanism in order to be used in 2015 expired. Consequently, the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group for 2015 were negatively impacted because of this fact by approximately € 20 million.

The Transitional Flexibility Compensation Mechanism was finally enacted from 1.5.2016 following the European Commission's approval decision No. C (2016) 1791 (31.3.2016), with article 150 of Law 4389 / 2016 pursuant to the 3rd Memorandum of Understanding between the Hellenic Republic and the Institutions, as incorporated in Law 4336/2015.
According to the same provision, the duration of the mechanism is set at twelve (12) months, ie until 30.4.2017 (unless the permanent mechanism for ensuring the adequacy or flexibility of the Electricity System is implemented earlier).
The Unit Power Payment Price, ie the fee paid by the Transmission System Operator to the Producers Selected, has been legally set at € 45,000 / MW of available power over the above period and with a maximum payment fifteen (15) million euro per eligible power plant.
On 18.7.2016, the consultation by the Energy Regulatory Authority on the arrangements for implementing the Regulation was concluded. It is explicitly stipulated in the law that the revenue of the selected units is ensured by the start of application of the Transitional Flexibility Compensation Mechanism, ie from 1.5.2016, but is collected from the time of their registration in the above "Registry of Flexible Units". It is noted that if this mechanism had been in place since 1/1/2016, EBITDA of the Company would have been increased by € 4.9 million.

NOME auctions

The Company, in application of the Code of Transactions for the Sale of Future Power Products, under which, inter alia, the rights and obligations of Eligible Suppliers and Dealers, the Market Operator and the Seller of Forward Products, participated in the Auction in October 2016 Sale of Future Power Products. Out of the total quantity of 460 MWh put up for auction, the company purchased 105 MWh at a market price of 37,37 € / MWh.

Retail market

In June, the strategic partnership between the Company and the OTE Group in the retail market was announced. In this context, the COSMOTE and GERMANOS stores enrich the portfolio of services they offer to their customers with the supply of electricity by the Company. At the same time, PROTERGIA strengthens the network of points of sale and promotion of its products as they will be available in every corner of Greece through more than 450 COSMOTE and GERMANOS stores.

Corporate Transformation

On 14.12.2016 the Board of Directors of MYTILINEOS SA-GROUP OF COMPANIES (hereinafter "MYTILINEOS") announced the decision of the Board of Directors, "METKA INDUSTRIAL AND MANUFACTURING SOCIETE ANONYME" (hereinafter "METKA"), "ALUMINUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" (hereinafter "ATE"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" (hereinafter "Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" (hereinafter "Protergia Thermo") of the merger by absorption of METKA, ATE, Protergia and Protergia Thermo by MYTILINEOS.
The new flexible structure will benefit from a significant reduction in financial costs, economies of scale, optimization of procurement procedures, homogenization and improvement of human resource utilization, as well as exchange of know-how, experience and best practices between the different parts of the new entity resulting in significant operational synergies. The new, flexible and simplified scheme will provide enhanced financial flexibility, making it possible to diversify the cash flows of the new consolidated company and to strengthen its balance sheet. The merger, as decided in principle by the Boards of Directors of the transformed companies, has as a transformation balance date on 31.12.2016 and will be effected in accordance with the provisions, provisions and exemptions of Law 4172/2013, article 61 of Law 4438 / 2016, articles 69 -78 of the Codified Law 2190/1920 and in general the Greek commercial legislation. The intended corporate transformation is expected to be completed by 30/08/2017 at the latest.

Natural Gas License

RAE, through a decision taken at the end of the first quarter of 2016, granted the Company a natural gas supply license with the right to sell natural gas to Eligible Customers, indicating the commencement of this new activity, insofar as it releases the relevant Market.

Financial Statements preparation framework

2.1 Note of compliance

The financial statements of "PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY" dated 31 December 2016 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 (IFRIC) 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.

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 lessor be entered as operating or leasing agreement?**

Leases, for which all risk and benefits of the leased property substantially remain with the lessor, are identified as operating leases. The amounts paid for the repayment of the above lease instalments 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, 2015. Thereafter and in particular for the financial statements of 31/12/2016 the following are noted:

- **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: It was considered that there are no reasons to form a provision.

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 31/12/2016 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 2015, with the exception of the application of new standards and interpretations whose application is mandatory for financial years beginning on January 1st, 2016.
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 Changes in accounting principles

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

The following amendments and interpretations of the IFRSs have been issued by IASB and their application is mandatory from or after 01/01/2016.

- Amendments to IAS 19: "Defined Benefits Scheme: Employee Contributions" (effective for annual periods beginning on or after 01/02/2015)

In November 2013, the IASB issued limited-purpose amendments to IAS 19 entitled "Defined Benefits Scheme: Employee Contributions". These amendments apply to contributions of employees or third parties in respect of defined benefit plans. The purpose of the amendments is to simplify the accounting treatment for contributions that are independent of employee service years, such as contributions calculated as a fixed percentage on payroll. The amendments do not have an impact on the Company's Financial Statements.

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

In December 2013, the IASB issued the "Annual Improvements to IFRSs - Cycle 2010-2012", which consists of a series of amendments on seven issues and is part of the annual improvements program in IFRS. The amendments apply for annual periods beginning on or after 1 July 2014, although entities may apply them earlier. The issues included in this circle are as follows: **IFRS 2:** Definition of vesting conditions, **IFRS 3:** Accounting for a contingent consideration in business combinations, **IFRS 8:** Reunification of operating segments, **IFRS 8**: Reconciliation of Total Assets **IFRS 13:** Short-term receivables and payables, **IAS 16 / IAS 38:** Revaluation method - proportionate reclassification of cumulative depreciation and **IAS 24:** Principal Services Mentation. The amendments do not have an impact on the Company's Financial Statements.

• Amendments to IFRS 11: "Accounting Handling of Acquirements in Joint Operations" (effective for annual periods beginning on or after 01/01/2016)

In May 2014, the IASB issued amendments to IFRS 11. These amendments add new guidance on accounting for the acquisition of a joint venture that constitutes one business and clarify the appropriate accounting treatment for such acquisitions. The amendments do not have an impact on the Company's Financial Statements.

• Amendments to IAS 16 and IAS 38: "Clarifications on Acceptable Depreciation Methods" (effective for annual periods beginning on or after 01/01/2016)

In May 2014, the IASB made amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 establish the principles to clarify how depreciation is treated in the expected outturn of future economic benefits Incorporated into the asset. The IASB has clarified that the use of revenue-based methods for calculating the depreciation of an asset is not appropriate because the income generated by an activity involving the use of an asset generally reflects factors other than the consumption of future financial assets Benefits incorporated in the asset. The amendments do not have an impact on the Company's Financial Statements.

• Amendments to IAS 16 and IAS 41 "Agriculture: Fruit Plantations" (effective for annual periods beginning on or after 01/01/2016)

In June 2014, the IASB issued amendments modifying the financial reference for fruit crops. With this amendment, it was decided that fruit plantations should be accounted for in the same way as tangible fixed assets (IAS 16). Therefore, with these amendments, fruit crops fall within the scope of IAS 16 instead of IAS 41. Production grown on fruit plantations remains within the scope of IAS 41. The amendments do not have an impact on the Company's Financial Statements.

• Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods beginning on or after 01/01/2016)

In August 2014, the IASB issued limited-purpose amendments to IAS 27. With these amendments, an entity has the option of recognizing its investments in subsidiaries, joint ventures and associates under the equity method in the separate financial statements of which, until the adoption of the specific amendments, it did not apply. The amendments do not have an impact on the Company's Financial Statements.

• Annual Improvements to IFRS - Cycle 2012-2014 (effective for annual periods beginning on or after 01/01/2016)

In September 2014, the IASB issued the "Annual Improvements to IFRS - Cycle 2012-2014", which consists of a series of amendments to four Standards and is part of the program for annual improvements to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities may apply them earlier. The issues included in this circle are as follows: **IFRS 5:** Changes in Disposal Methods, **IFRS 7:** Service Contracts and Implementation of Amendments to IFRS 7 in Condensed Interim Financial Statements, **IAS 19:** Discount Rate: Local Market Issue, and **IAS 34:** Disclosure of information in the interim financial report. The amendments do not have an impact on the Company's Financial Statements.

• Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods beginning on or after 01/01/2016)

In December 2014, the IASB made amendments to IAS 1. These amendments are intended to resolve issues relating to existing disclosure and disclosure requirements and to ensure that entities are able to exercise judgment in the preparation of the Finance Situations. The amendments do not have an impact on the Company's Financial Statements.

• Amendments to IFRS 10, IFRS 12 and IAS 28: "Investing Entities: Applying the Exemption from Consolidation" (effective for annual periods beginning on or after 01/01/2016)

In December 2014, the IASB issued limited-purpose amendments to IFRS 10, IFRS 12 and IAS 28. These amendments introduce explanations regarding the accounting requirements of investment entities, while providing for exemptions in specific cases, which will reduce the Costs associated with the implementation of the Standards. The amendments do not have an impact on the Company's Financial Statements.

3.1.2 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 14 “Regulatory Deferral Accounts” (effective for annual periods beginning on or after 01/01/2016)

In January 2014, IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. In many countries, industry sectors are subject to rate regulation where governments regulate the supply and pricing of specific types of entity activities. The Company will assess the impact of the above on its Financial Statements, although they are not expected to have any. This Standard has not been adopted by the European Union yet.

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

In May 2014, the IASB issued a new Standard, IFRS 15. This Standard is fully in line with revenue recognition requirements in accordance with the principles of both IFRS and US GAAP (US GAAP). The underlying principles on which this Standard is based are consistent with an important part of current practice. The new Standard is expected to improve financial reporting by establishing a more robust framework for resolving issues arising by enhancing comparability across industries and capital markets by providing additional disclosures and clarifying the accounting treatment of contract costs. The new Standard replaces IAS 18 "Revenue", IAS 11 "Construction Contracts", and some revenue-related Interpretations. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2018.

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

In July 2014, the IASB issued the final version of IFRS 9. The improvements made by the new Standard include the creation of a reasonable model for classification and measurement, a single predictive model for impairment "expected loss" and also one substantially reformed approach for hedge accounting. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have been adopted by the European Union and entered into force on 01/01/2018.

• Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between an Investor and the Associate or its Consortium" (the IASB postponed indefinitely the entry into force of these amendments)

In September 2014, the IASB issued limited-purpose amendments to IFRS 10 and IAS 28. The purpose of these amendments is to address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 in dealing with the sale or asset transfer between an investor and his or his associate or consortium. In December 2015, the IASB suspended indefinitely the entry into force of these amendments, pending the results of the research project on accounting treatment using the equity method. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

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

In January 2016, the IASB issued a new Standard, IFRS 16. The purpose of the IASB project was to develop a new Lease Model that defines the principles that both parties apply to a contract - that is, the client (The "lessee") and the supplier ("the lessor") - to provide relevant leases information in a manner that faithfully reflects these transactions. To achieve this purpose, the lessee should recognize the assets and liabilities arising from the lease. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

• Amendments to IAS 12 "Recognition of deferred tax assets for unrealized losses" (effective for annual periods beginning on or after 01/01/2017)

In January 2016, the IASB issued limited-purpose amendments to IAS 12. The purpose of these amendments is to clarify the accounting treatment of deferred tax assets for unrealized losses on debt securities measured at fair value. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

• Amendments to IAS 7 "Disclosure Initiative" (effective for annual periods beginning on or after 01/01/2017)

In January 2016, the IASB issued limited-purpose amendments to IAS 7. The purpose of these amendments is to make it possible for users of financial statements to assess changes in liabilities arising from financial activities. The amendments require entities to provide disclosures that will enable investors to evaluate changes in liabilities arising from financial activities, including changes in cash flows and non-cash changes. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

• Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 01/01/2018)

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not alter the core principles of the Standard but provide clarification as to the application of those principles. The amendments clarify how an engagement commitment is recognized in a contract, how it is determined whether an entity is the principal or the trustee, and how it is determined whether the income from the grant of a license should be recognized at a particular time; or Over time. The Company will examine the impact of all of the above in its Financial Statements. These have not been adopted by the European Union.

• Amendment to IFRS 2 "Classification and measurement of share-based Payment Transactions" (effective for annual periods beginning on or after 01/01/2018)

In June 2016, the IASB issued a limited purpose amendment to IFRS 2. The purpose of this amendment is to provide clarification on the accounting treatment of specific types of equity-settled payment transactions. In particular, the amendment introduces the requirements for the accounting treatment of the effect of vesting and non-vesting conditions on the measurement of cash-based equity-settled payments, the accounting treatment of equity-settled payment transactions bearing a settlement characteristic in a deduction basis for a withholding tax, and an amendment to the terms and conditions of a share-based payment which alters the transaction classification from cash-settled to equity-settled. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

• Amendments to IFRS 4: "Application of IFRS 9 Financial Instruments in conjunction with IFRS 4 Insurance Contracts" (effective for annual periods beginning on or after 01/01/2018)

In September 2016, the IASB issued amendments to IFRS 4. The purpose of these amendments is to determine the treatment of the temporary accounting effects due to the different date of entry into force of IFRS 9 Financial Instruments and the current version of the Standard on Insurance Contracts. Amendments to the existing requirements of IFRS 4 allow entities whose main insurance-related activities postpone the application of IFRS 9 by 2021 ("temporary exemption") and allow all issuers of insurance contracts to recognize the other comprehensive Income, rather than profits or losses, the volatility that may result from the application of IFRS 9 before the adoption of the new Standard on Insurance Contracts ("overlapping approach"). The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

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

In December 2016, the IASB issued the "Annual Improvements to IFRS - Cycle 2014-2016", which consists of a series of amendments to certain Standards and is part of the program for annual improvements to IFRSs. The amendments included in this circle are as follows: **IFRS 12:** Clarification of the Scope of the Standard, **IFRS 1:** Deletion of short-term exemptions for first-time adopters, **IAS 28:** Measurement of a related or a joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 with respect to IFRS 12 and on or after 1 January 2018 with respect to IFRS 1 and IAS 28. The Company will examine the impact of all of the above in the Financial Statements Situations, although not expected to have any. These have not been adopted by the European Union.

• IFRIC 22 "Foreign Currency Transactions and Advance Payments" (effective for annual periods beginning on or after 01/01/2018

In December 2016, the IASB issued a new IFRIC 22 Interpretation. This Interpretation includes the exchange rate requirements to be used when presenting foreign currency transactions (e.g. revenue transactions). When payment has been received or paid in advance. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

• Amendments to IAS 40 "Transfers of Property Investments from or to Other Categories" (effective for annual periods beginning on or after 01/01/2018)

In December 2016, the IASB made limited scoping changes to IAS 40. The purpose of these amendments is to strengthen the principle of transfers from or to investment property to determine that (a) a transfer from, or Property investments should be made only if there is a change in the use of the property and (b) such a change in the use of the property would include the valuation of the property that meets the criteria for its classification as an investment property. This change in use should be supported by relevant documentation / evidence. The company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

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 straight line method within their useful life, as follows:

Buildings	25-35 years
Mechanical equipment	4-35 years
Vehicles	4-10 years
Other equipment	3-7 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 amount, the difference (depreciation) is entered directly as an expense to the profit and loss account.

Major spare parts qualify as tangible assets when an entity expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as tangible assets.

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 (ADMHE), as well as research and development costs.

Production, installation and operation licenses of power plant

The Company has recognized the License for production, installation and operation of the power plant as an asset in the financial statements, minus the depreciations. The Company carries out tests of impairment on an annual basis by applying the methodology of Discounted Cash Flows and using assumptions which prevail in the energy market. The company compares the recoverable value, which is computed as the use value of the unit, to its carrying value. Where the recoverable is less than the carrying value, a provision is made for the impairment of the value at the detriment of the results.

Trademarks

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 straight line 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.

Pollutant emissions' licenses

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.

3.4 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 Inventory

On the date of the balance sheet, inventory is valuated at the lower between their cost and their net realisable 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 inventory 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 included into the profit and loss account.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, 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 goodwill) 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 income taxes for the period 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 included in the profit and loss account, save the tax which refers to transactions included directly in equity, in which case it is directly included, mutatis mutandis, in 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 applied 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 Employee Benefits

Short-term benefits: Short-term benefits to employees (except for severance payments due to the termination of employment) in money or in kind are recognised as an expense when they become accrued. Any outstanding amount is recognised 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 projects, 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 occurred, 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.

Expenses: Expenses are recognised 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.

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.

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 2016 and December 31st 2015 is analysed as follows:

	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY					
	Past due but non-impaired					
(Amounts in €)	0-3 months	3-6 months	6-12 months	> 1 year	Not past due and not impaired	Total
Maturity of Trade Receivables						
2016	5.838.131	2.072.496	181.155	13.935.517	28.890.904	50.918.203
2015	7.745.618	4.532.429	4.724	13.990.967	9.244.577	35.518.315

The Company's receivables mainly emerge from the sale of electricity to the Operator of Electricity Market (LAGHE) and of services to the Independent Power Transmission Operator (ADMHE), as well as from its activity in the retail market of electricity.

For overdue receivables with a maturity of more than one year, an amount of € 13.4 million relates to earlier balances of LAGHE against which 2 of the 12 settlement installments were received in March 2017, following the decision of the Court of Justice No. 1761/2016.

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 31/12/2016 there is a temporary negative difference between the current assets and the short-term liabilities of the Company of € 156 million, which will not exist after the completion of the absorption of the Company by MYTILINEOS SA, according to from 14/12/2016 Board of Directors' report. According to the relevant Merger Agreement Draft, MYTILINEOS SA will also absorb the parent company of PROTERGIA and the related companies METKA SA. and ATE SA, resulting in the creation of positive working capital at the date of completion of the merger.

More specifically, for the Company, at € 247 million of existing comprehensive short-term liabilities:

• Amounts of € 62.6 million relate to liabilities to the related company METKA SA, € 9.4 million to ALUMINIUM OF GREECE SA and € 30.8 million to other (affiliated) companies of the Group.

• On 31/12/2016 the amount of € 72.5 million of loan liabilities, which is shown in the short-term liabilities, relates to the temporary balance of a syndicated bond loan of the company, the contract of which provides for an extension of its duration for 2 + 2 years. In particular, the relevant condition of the existing loan agreement provides that "The Issuer is entitled but not required by a written declaration to the Bondholders to request an extension in respect of the total (and not part of) the Bonds." On this basis, the Company negotiates the terms of the original 2-year extension period and the renewal of such borrowing is considered reasonable. This is supported by the other relevant references to the loan agreement, which set the capital installments and the interest rate for the years 2017-2018, as well as the installments of the next extension of two more years, under the original informal framework agreement of the banks for total loan duration of 7-10 years, on the basis of which the capital installments mentioned in the contract are also calculated. Furthermore, significant receivables from the previous fiscal year are expected to be incurred within the current fiscal year, mainly in the amount of € 9.9 million compensation for the Transitional Capacity Assurance Mechanism (TCAM), against which € 1.2 million was received in March 2017 and the gradual repayment of the remaining balances of LAGHE amounting to € 13.4 million, against which 2 of the 12 settlement installments have already been received following the decision of the Council of Ministers No. 1761/2016. This, together with the significant increase in production, as shown by the operation of the first two months, is expected to strengthen the Company's operating profitability and its liquidity and financial position.

The table below shows the maturity of the financial liabilities for 31 December 2016 and 2015 respectively:

	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY				
Liquidity Risk Analysis 2016	**Up to 6 months**	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**	**Total**
(Amounts in €)					
Long-term loans	-	-	-	-	-
Short-term loans	-	32.229.044	-	-	32.229.044
Leasing	-	-	-	-	-
Suppliers and other Liablities	86.513.948	-	-	-	86.513.948
Other Liabilities	48.158.447	-	-	-	48.158.447
Long Term Liabilities payable for the next financial year	-	72.501.998	-	-	72.501.998
Total	134.672.395	104.731.042	-	-	239.403.437

	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY				
Liquidity Risk Analysis 2015	**Up to 6 months**	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**	**Total**
(Amounts in €)					
Long-term loans	-	-	-	-	-
Short-term loans	-	29.570.518	-	-	29.570.518
Leasing	-	-	-	-	-
Suppliers and other Liablities	123.997.292	-	-	-	123.997.292
Other Liabilities	7.732.243	-	-	-	7.732.243
Long Term Liabilities payable for the next financial year	4.250.000	72.191.043	-	-	76.441.043
Total	135.979.535	101.761.561	-	-	237.741.096

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 functional currency.

The Company's functional currency is the euro. The company is exposed to foreign exchange risk through its transactions in USD, mainly through the supply of spare parts.

In order to deal with and limit the above risk, the Company follows all the necessary measures to deal with the risk of exchange rate change. In addition, to reduce the foreign exchange risk through its transactions, the Company follows a pricing policy trading mainly in the same currency with the customers/suppliers.

Product Price fluctuation risk

The Company is exposed to the natural gas and emission price fluctuation risk, since any change in prices influences the production costs. A rise in the prices of natural gas and emissions can cause an increase of the System Marginal Price depending on the market mix, having an impact on the production costs, as well as on the Company's revenue.

Interest rate risk

The operating income and cash flows of the Company are substantially independent of changes in the market interest rates. The Company's debt on December 31, 2016 amounts to € 104,7 million (A detailed table illustrating the loan liabilities is presented in note 5.11). The Company's policy is to continuously follow the interest rate trends and the duration of its financing needs.

Imposition of capital controls in Greece

Greece's economic activity and macroeconomic data have been significantly affected by the impact of capital controls and the additional fiscal adjustment measures following the agreement and implementation of the new support package measures. The company monitored and continues to monitor these developments with great caution, taking all necessary measures to ensure the smooth pursuit of its business.

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/assets which are measured at fair value on 31/12/2016 and 31/12/2015:

Financial Liabilities:

PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY				
Amounts in €	**31/12/2016**	**Level 1**	**Level 2**	**Level 3**
Swaps				
Forward exchange contracts for cash flow hedges	13.122		13.122	
Total	**13.122**	**0**	**13.122**	**0**

Amounts in €	**31/12/2015**	**Level 1**	**Level 2**	**Level 3**
Swaps				
Forward exchange contracts for cash flow hedges	557		557	
Total	**557**	**0**	**557**	**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 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

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY			
	Land and Buildings	Vehicles & Mechanical Equipment	Furniture and Other Equipment	Total
Gross book value	73.624.227	189.071.820	359.048	263.055.095
Accumulated depreciation and / or impairment	10.507.718	40.889.054	221.299	(51.618.071)
Net book value on 01/01/2015	**63.116.510**	**148.182.766**	**137.748**	**211.437.024**
Gross book value	73.887.247	193.523.548	422.380	267.833.175
Accumulated depreciation and / or impairment	12.904.883	48.869.657	293.371	(62.067.911)
Net book value on 31/12/2015	**60.982.365**	**144.653.891**	**129.009**	**205.765.264**
Gross book value	73.996.722	198.762.460	639.915	273.399.097
Accumulated depreciation and / or impairment	15.305.620	60.903.836	434.329	(76.643.785)
Net book value on 31/12/2016	**58.691.103**	**137.858.624**	**205.586**	**196.755.313**

(Amounts in €)	Land and Buildings	Vehicles & Mechanical Equipment	Furniture and Other Equipment	Total
Net book value on 01/01/2015	**63.116.510**	**148.182.766**	**137.748**	**211.437.024**
Additions	263.020	5.786.858	63.332	6.113.211
Sales - Reductions	-	(1.335.131)	-	(1.335.131)
Depreciation	(2.397.165)	(7.980.603)	(72.072)	(10.449.840)
Net book value on 31/12/2015	**60.982.365**	**144.653.891**	**129.009**	**205.765.264**
Additions	109.475	5.238.912	217.535	5.565.922
Depreciation	(2.400.737)	(12.034.179)	(140.958)	(14.575.873)
Net book value on 31/12/2016	**58.691.103**	**137.858.624**	**205.586**	**196.755.313**

Tangible assets have been capitalized at 31/12/2016 cumulative interest on the construction cost period € 1.21 million as well as the negative result of the probationary period amounting to € 10.16 million.

5.2 Intangible assets

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY Software	 Energy Plants Licences	 Rights & Other Intangibles Assets	 Total
Gross book value	398.157	92.666.521	7.051.406	100.116.084
Accumulated depreciation and / or impairment	150.655	13.302.504	1.064.926	14.518.085
Net book value on 01/01/2015	**247.501**	**79.364.017**	**5.986.481**	**85.597.999**
Gross book value	458.995	92.666.521	7.025.945	100.151.460
Accumulated depreciation and / or impairment	256.900	16.303.025	1.290.640	17.850.565
Net book value on 31/12/2015	**202.095**	**76.363.495**	**5.735.305**	**82.300.896**
Gross book value	806.260	92.666.521	8.908.513	102.381.294
Accumulated depreciation and / or impairment	393.907	19.303.547	1.533.371	21.230.824
Net book value on 31/12/2016	**412.353**	**73.362.974**	**7.375.143**	**81.150.469**

(Amounts in €)	'PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY Software	 Energy Plants Licences	 Rights & Other Intangibles Assets	 Total
Net book value on 31/12/2015	**247.501**	**79.364.017**	**5.986.481**	**85.597.999**
Additions	60.838	-	-	60.838
Sales - Reductions	-	-	(25.462)	(25.462)
Depreciation	(106.244)	(3.000.521)	(225.714)	(3.332.480)
Net book value on 31/12/2015	**202.095**	**76.363.495**	**5.735.305**	**82.300.896**
Additions	347.265	-	1.882.569	2.229.833
Depreciation	(137.007)	(3.000.521)	(242.731)	(3.380.260)
Net book value on 31/12/2016	**412.353**	**73.362.974**	**7.375.143**	**81.150.469**

5.3 Deferred Tax Assets / Liabilities

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY					
	31/12/2016	31/12/2016	31/12/2016	31/12/2016	31/12/2016	31/12/2016
(Amounts in €)	Opening Balance	Recognized in the Income Statement	Recognized in equity through Statement of Comprehensive Income	Closing Balance	Deferred Tax Assets	Deferred Tax Liabilities
Non Current Assets						
Intangible Assets	(22.863.002)	746.098	-	(22.116.904)	-	(22.116.904)
Tangible Assets	(9.700.265)	(2.262.521)	-	(11.962.786)	11.122	(11.973.907)
Current assets						
Receivables	-	(2.052.124)	-	(2.052.124)	-	(2.052.124)
Short Term Liabilities						
Short Term Loan	(90.177)	90.177	-	-	-	-
Provisions	42.938	6.318	6.553	55.808	55.808	-
Other Short Term Liabilities	72.288	(63.466)	3.644	12.466	12.466	-
Total	**(32.538.218)**	**(3.535.519)**	**10.197**	**(36.063.540)**	**79.396**	**(36.142.936)**
Deferred tax on tax losses	**4.988.000**	**2.763.586**	-	**7.751.586**	**7.751.586**	-
Deferred Tax (Liabilities) / Assets	**(27.550.218)**	**(771.933)**	**10.197**	**(28.311.954)**	**7.830.982**	**(36.142.936)**

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY					
	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
(Amounts in €)	Opening Balance	Recognized in the Income Statement	Recognized in equity through Statement of Comprehensive Income	Closing Balance	Deferred Tax Assets	Deferred Tax Liabilities
Non Current Assets						
Intangible Assets	(21.173.543)	(1.689.459)	-	(22.863.002)	-	(22.863.002)
Tangible Assets	(6.331.384)	(3.368.881)	-	(9.700.265)	8.208	(9.708.473)
Long-term Liabilities						
Long Term Loan	(167.816)	167.816	-	-	-	-
Short Term Liabilities						
Short Term Loan	-	(90.177)	-	(90.177)	-	(90.177)
Provisions	29.750	6.272	6.916	42.938	42.938	-
Other Short Term Liabilities	(114.013)	72.127	114.175	72.288	72.288	-
Total	**(27.757.006)**	**(4.902.302)**	**121.091**	**(32.538.218)**	**123.434**	**(32.661.652)**
Deferred tax on tax losses	**-**	**4.988.000**	**-**	**4.988.000**	**4.988.000**	**-**
Deferred Tax (Liabilities) / Assets	**(27.757.006)**	**85.698**	**121.091**	**(27.550.218)**	**5.111.434**	**(32.661.652)**

The Company has recognized as of 31/12/2016 a deferred tax asset of € 7.75 million on tax losses that will be offset against future profits. The deferred tax asset on tax losses transferred at 31.12.2015 amounted to € 4.99 million.

5.4 Other Long-term Receivables

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Guarantees given	265.292	246.092
Other Long Term Receivables	**265.292**	**246.092**

5.5 Inventories

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Other	8.703.810	9.019.649
Total	**8.703.810**	**9.019.649**
Stocks - Total value	**8.703.810**	**9.019.649**

5.6 Customers and Other Commercial Receivables

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Customers	50.690.592	35.295.561
Checks Receivable	227.611	222.753
Net Trade Receivables	**50.918.203**	**35.518.314**

The balance of customers on 31/12/2016 mainly concerns receivables from LAGHE amounting to € 16,21 million, receivables from ADMHE amounting to € 17,24 million and from customers in the retail market of electricity amounting to € 17,96 million.

5.7 Other Receivables

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Other Debtors	3.789.277	1.081.693
Receivables from the State	1.672.321	2.399.646
Receivables from Related Parties	-	542.975
Accrued Income-Prepaid Expenses	19.301.642	5.864.171
Total	**24.763.239**	**9.888.486**

5.8 Derivative Financial Instruments

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016		31/12/2015	
	Assets	Liabilities	Assets	Liabilities
Forward Foreign Exchange Contracts for cash flow hedging	-	13.122	-	557
Derivative Financial Instruments	**-**	**13.122**	**-**	**557**

5.9 Cash and cash equivalents

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Cash	75.777	172.355
Short term bank deposits	2.063.987	7.463.405
Time Bank Deposits	4.090.000	5.680.000
Total	**6.229.764**	**13.315.761**

5.10 Equity

i) Share Capital

The share capital of the Company amounts to € 20.08 million on 31.12.2016, divided into 20.08 million shares with a nominal value of 1 € per share.

i) Reserves

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY Statutory Reserves	Special & Extraordinary Reserves	UnTaxed & Taxed in a special way Reserves	Reserve of Financial Instruments	Actuarial Profit/ (Loss) Reserve	Total
Balance at 1 January 2015, in accordance with IFRS - as published	**-**	**(200.800)**	**69.150.680**	**324.499**	**(74.360)**	**69.200.019**
Transfer to reserves	145.000	-	-	-	-	145.000
Cash Flow Hedging	-	-	-	(439.069)	-	(439.069)
Deferred Tax on Actuarial Profits / (Losses)	-	-	-	-	6.916	6.916
Actuarial Profits / (Losses)	-	-	-	-	(13.453)	(13.453)
Deferred Tax from Cash Flow Hedging	-	-	-	114.175	-	114.175
Closing balance 31/12/2015	**145.000**	**(200.800)**	**69.150.680**	**(395)**	**(80.898)**	**69.013.587**
Balances on 1 January 2016, in accordance with IFRS - as published	**145.000**	**(200.800)**	**69.150.680**	**(395)**	**(80.898)**	**69.013.587**
Cash Flow Hedging	-	-	-	(12.565)	-	(12.565)
Deferred Tax on Actuarial Profits / (Losses)	-	-	-	-	6.553	6.553
Actuarial Profits / (Losses)	-	-	-	-	(22.595)	(22.595)
Deferred Tax from Cash Flow Hedging	-	-	-	3.644	-	3.644
Closing balance 31/12/2016	**145.000**	**(200.800)**	**69.150.680**	**(9.317)**	**(96.940)**	**68.988.623**

5.11 Debts

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Long Term Debt		
Total	-	-
Short Term Debt		
Bank loans	32.229.044	29.570.518
Total	**32.229.044**	**29.570.518**
Long Term Liabilities payable in the next financial year	**72.501.998**	**76.441.043**
Total	**104.731.042**	**106.011.561**

On 31/12/2016 the amount of € 72.5 million of borrowings that is included in short-term liabilities relates to the temporary balance of a syndicated bond loan of the company, the contract of which provides for an extension of its duration for 2 + 2 years. In particular, the relevant condition of the existing loan agreement provides that "The Issuer is entitled but not required by a written declaration to the Bondholders to request an extension in respect of the total (and not part of) the Bonds." On this basis, the Company negotiates the terms of the original 2-year extension period and the renewal of such borrowing is considered reasonable. This is supported by the other relevant references to the loan agreement, which set the capital installments and the interest rate for the years 2017-2018, as well as the installments of the next extension of two more years, under the original informal framework agreement of the banks for total loan duration of 7-10 years, on the basis of which the capital installments mentioned in the contract are also calculated.

5.12 Obligations for pension plans

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Pension Plans	192.441	148.061
Total	**192.441**	**148.061**

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
	Defined contribution plans	
Current employment costs	20.336	16.622
Financial cost	2.961	2.861
Cost (Result) of Settlements	4.487	704
Amount charged to the income statement	**27.784**	**20.186**
Amount Recognised in the Statement of Comprehensive Income	**22.595**	**13.453**

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
	Defined contribution plans	
Opening Balance	**148.061**	**114.422**
Actuarial (gains) / losses	22.595	13.453
Benefits paid	(6.000)	-
Current employment costs	20.336	16.622
Financial cost	2.961	2.861
Outcome of Settlements	4.487	704
Current employment costs	**192.441**	**148.061**

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Discount Interest Rate	1,80%	2,00%
Future salary increase	2,00%	2,00%
Inflation	2,00%	2,00%

5.13 Other Long Term Liabilities

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Additions	5.741.829	1.781.800
Total	**5.741.829**	**1.781.800**

Other Long Term Liabilities refer to received customer guarantees of electricity supply.

5.14 Suppliers and Other Liabilities

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Suppliers	86.508.957	123.997.292
Checks Payable	4.991	-
Total	**86.513.948**	**123.997.292**

The balance of the suppliers on 31/12/2016 mainly relates to obligations towards the associated company METKA S.A. amounting to € 62.4 million for the construction of the Plant and the purchase of spare parts, towards ALUMINIUM GREECE S.A. amounting to € 9.4 million for the supply of natural gas, towards ADMHE amounting to € 8.9 million, towards LAGHE amounting to € 1.9 million, as well as obligations towards DEDDIE amounting to € 3.4 million for Energy Trading in the Retail Market.

5.15 Current Tax Liabilities

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Tax expense attributable to the period	2.200	2.200
Tax Obligations	1.743.121	1.078.834
Municipal and State Fees for the sale of Electricity in the Retail Market	5.693.956	2.626.327
Total	**7.439.277**	**3.707.361**

5.16 Other Short Term Liabilities

(Amounts in €)	'PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Amounts due to affiliated parties	29.464.012	2.544.176
Accrued expenses	11.692.602	2.136.773
Insurance	227.895	145.934
Accrued Income - Subsidies	92.195	-
Other liabilities	6.681.742	2.905.360
Total	**48.158.447**	**7.732.243**

• Amounts due to affiliated parties at 31/12/2016 relate to an obligation to the related company Mytilineos Financial Partners.

• Accrued expenses on 31/12/2016 mainly concern charges for the supply of electricity to retail business.

• Other liabilities include an amount of € 6.3 million relating to liability to other creditors of the company.

5.17 Sales

	PROTERGIA AGIOS NIKOALOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in €)	**1/1-31/12/2016**	**1/1-31/12/2015**
Sales	**242.922.311**	**123.933.522**

Sales are related to the sale of the electricity produced by the Power Station to LAGHE and ADMHE amounting to € 92.2 million and to the trading and retail supply of electricity amounting to € 24.3 million and € 126.4 million respectively (See Annex I).

5.18 Cost of Sales

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in €)	**31/12/2016**	**31/12/2015**
Other employee benefits	2.252.429	1.951.163
Cost of purchase of electricity and retail services recognized as an expense	132.224.036	67.662.470
Inventory cost recognized as an expense	783.105	571.707
Third party fees and expenses	5.884.253	4.111.720
Third Party Benefits	57.433.273	34.518.325
Repairing and maintenance costs of assets	1.068.813	974.016
Operating leasing	74.904	62.603
Taxes and Duties	2.463	90.119
Other miscellaneous expenses	83.708	62.131
Depreciation of tangible assets	14.462.408	10.405.829
Depreciation of intangible assets	3.262.964	3.244.856
Total	**217.532.356**	**123.654.939**

Third party benefits on 31/12/2016 include the value of the supply of natural gas for electricity production, amounting to € 56.9 million compared to € 33.8 million at 31.12.2015.

5.19 Administrative Expenses

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
Administrative expenses	**31/12/2016**	**31/12/2015**
(Amounts in €)		
Other employee benefits	1.842.195	935.151
Third party fees and expenses	3.947.190	3.963.766
Third Party Benefits	154.459	269.351
Repairing and maintenance costs of assets	31.665	24.516
Operating leasing	119.943	82.348
Taxes and Duties	4.585	95.537
Other miscellaneous expenses	467.578	134.832
Depreciation of tangible assets	113.466	44.011
Depreciation of intangible assets	117.296	87.624
Total	**6.798.378**	**5.637.136**

5.20 Disposal Expenses

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
Disposal costs	**31/12/2016**	**31/12/2015**
(Amounts in €)		
Third party fees and expenses	2.749.881	591.628
Third Party Benefits	468.330	-
Advertising	3.074.344	2.181.872
Other miscellaneous expenses	211.502	-
Total	**6.504.056**	**2.773.500**

5.21 Other Operating Income / Expenses

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in €)	**31/12/2016**	**31/12/2015**
Other operating income		
Compensations	4.631	987
Other	569.527	267.478
Total	**574.158**	**268.464**
Other operating costs		
Other service charges	3.944	929
Other taxes	9.889	11.471
Compensations	-	93
Total	**13.833**	**12.492**

5.22 Financial Income / Expenses

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Financial Income		
Bank deposits	39.853	28.664
Loans to related parties	25.612	276.852
Other	27.211	-
Total	**92.676**	**305.517**
Financial Expenses		
Bank loans	4.730.175	6.810.636
Loans from related parties	802.627	143.995
Supplies of Letters of Guarantee	308.790	256.057
Factoring	1.326.571	-
Other Banking Expenses	139.940	65.186
Total	**7.308.102**	**7.275.875**

5.23 Other Financial Results

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECRTICITY 31/12/2016	31/12/2015
Other Financial Results		
Other	(2.074.488)	(313.335)
Total	**(2.074.488)**	**(313.335)**

5.24 Income Tax

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Past Year Taxes	-	72.902
Deferred tax	771.933	(85.698)
Extraordinary Tax Levy	2.200	3.185
Other taxes	173	173
Total	**774.305**	**(9.438)**
Profit before tax	**3.357.931**	**(15.159.775)**
Nominal Tax Rate	0,29	
Tax calculated based on the established tax rate	**973.800**	**-**
Non-deductible expenses	(330.000)	-
Real Estate Taxes	173	173
Past Year Taxes (Reserves and other Tax Differences)	-	72.902
Extraordinary Tax Levy	2.200	3.185
Other	128.132	(85.698)
Real Tax Effect	**774.305**	**(9.438)**

For the years 2011 to 2013 the company was subject to the tax audit of the Certified Accountants Auditors provided by the provisions of Article 82 § 5 of Law 2238/1994, for the years 2014-2015, Article 65A § 1 of Law 4171 / 2013, while for the year 2016, Article 56 § 1 of Law 4410/2016 applies. In particular, for 2016, this control is in progress and the relevant tax certificate is due to be issued after the publication of the financial statements for the year 2016. If additional tax liabilities arise until the completion of the tax audit, we assume that they will not have a material effect on the financial statements. According to the recent legislation, the control and issuance of tax certificates is valid for the years 2016 and hereafter, on a voluntary basis.

5.25 Encumbrances

In order to secure bank lending, tangible collateral on real estate and receivables of the company has been established:

PROTERGIA AGIOS NIKOLAOS SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in million €)	**31/12/2016**
Real Estate Collateral	135,20
Pledge on Receivables	16,44
Total Securities	**151,64**

5.26 Contingent assets – liabilities

DEPA claims against PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY

The differences that have arisen between the company a) PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY and b) DEPA SA derive from claimed claims on behalf of DEPA SA i) in the year 2016 for Annual Amount of Take or Pay (ToP) bills of the year 2014, amounting to € 1,3 million plus interest, and (ii) charges for a retrospective review of a contract price due to a price revision of the Turkish company under the firm BOTAS PETROLEUM PIPELINE CORPORATION which is the supplier company of the company DEPA, amounting to € 6,3 million plus interest of € 0,5 million.

The company PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY has already filed the arbitration order of 28.09.2016 / 22311 / ZF against DEPA SA to resolve the above.

The requests in the arbitration application are:

(A) recognition that the requirements of DEPA SA for ToP charges are unlawful and that DEPA SA has acted in contravention of Article 24 (3) of Law 3175/2003 and the provisions of the Gas Sale Agreement (Articles C.5.2 (a), E5.1, and E5.3 (a) and (b) of the Convention; and Article 5 of the Framework Convention) with regard to the issue of these invoices, and

(B) the recognition that DEPA SA has acted in violation of article 24 of Law 3175/2003 in relation to the issue of the Price Review Invoices and therefore the requirements of DEPA SA are unfounded, unlawful, indeterminate, and PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY is not therefore required by contract or law to pay to DEPA SA the invoices for gas price revision and is not due to DEPA SA the relevant amounts. In any case, if it is considered that some amounts have to be charged, the recognition is required that DEPA SA has acted in breach of paragraph 4 of Appendix 1 to the Convention and paragraph 3 (b) of Article 3 of Law 4001/2011 regarding the issue of gas price revision invoices and that the retrospective review of the supply price in accordance with the Agreement Sale of Natural Gas may not be applied for more than sixteen (16) months from the date of issue and receipt of the relevant DEPA invoice by PROTERGIA AGIOS NIKOLAOS POWER SOCIÉTÉ ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY and in any case for a period of more than thirty (30) months from the date and that the company does not have to pay back interest on the charges related to the relevant price revision.

The dietary procedure is in progress. In any case, it is expected that a corresponding arbitration award will be taken into account in order to resolve a dispute between the opposing party DEPA SA and another power producer, according to which it was considered that the relative retroactive burden of this generator from gas price revisions in DEPA's relations with BOTAS's supplier could not be longer than thirty (30) months prior to the date of issue, the notification of the invoice, the charge in question not being charged retroactively and the time before its application with default interest, whereas on that basis it is estimated that there is a greater likelihood of success of the claims claimed by the company for that difference. Based on the above, the company has recognized in the income statement for the year 2016 a provision for a possible liability amounting to € 0,5 million.

There are also claims of the Company against third parties and claims of third parties against the Company, which amount to € 10,61 million and € 0,5 million respectively, for which no provision has been formed in the Company's results as their collection / payment is considered uncertain.

5.27 Number of employed staff

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
	31/12/2016	**31/12/2015**
Employees	163	95
Total	**163**	**95**

5.28 Undertaken operating Lease Obligations

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Up to 1 year	189.261	120.391
1-5 years	723.423	549.559
> 5 years	695.602	728.343
Total Operating Leases	**1.608.286**	**1.398.293**

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

5.29 Transactions with associated parties

(Amounts in €)	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY 31/12/2016	31/12/2015
Sales of Merchandise / Assets / Materials		
Parent	-	-
Other Affiliated Parties	2.597	1.023
Total	**2.597**	**1.023**
Purchases of Goods / Assets / Materials		
Parent	0	2.608.862
Other Affiliated Parties	492	5.002.431
Total	**492**	**7.611.293**
Sales of Services		
Parent	0	1.419.036
Other Affiliated Parties	3.474.914	3.080.751
Total	**3.474.914**	**4.499.787**
Purchasing Services		
Parent	2.864.658	2.912.000
Other Affiliated Parties	60.814.121	31.655.170
Total	**63.678.779**	**34.567.170**
Receivables from sales of goods / services		
Parent	0	542.975
Other Affiliated Parties	524.947	488.447
Total	**524.947**	**1.031.422**
Commitments from purchases of goods and services		
Parent	1.355.092	1.206.923
Other Affiliated Parties	101.438.019	111.198.980
Total	**102.793.111**	**112.405.902**

Transactions with these companies are carried out on a purely commercial basis. The Company did not participate in any transaction of an unusual nature or content that is material to the Company, or to companies and persons closely associated with it, and does not intend to enter into such transactions in the future. Of the total amount of liabilities at 31/12/2016, approximately € 62.6 million relate to a liability to the related company METKA SA for the construction of the Electricity Production Station and the purchase of spare parts. Respectively, the liability to the affiliated company Mytilineos Financial Partners as at 31.12.2016 amounts to € 29.5 million.

The benefits to the Management are analyzed as follows:

	PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY	
(Amounts in €)	**31/12/2016**	**31/12/2015**
Salaries and Board Payments	375.124	865.608
Social Insurance costs	46.458	40.542
Total	**421.582**	**906.150**

5.30 Events after the date of the balance sheet

The Boards of Directors of " PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY " (the Company), " METKA INDUSTRIAL AND MANUFACTURING SOCIETE ANONYME ", " ALUMINUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME " and "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME "decided the merger by absorption by the company " MYTILINEOS SA - GROUP OF COMPANIES " according to the provisions of Codified Law 2190/1920, Law 4172/2013, Law 4438/2016 and Commercial Law in general.

There are no other significant subsequent events that relate to the Company, which shall be required to be mentioned according to the International Financial Reporting Standards (IFRSs).

ANNEX I-SEPARATED FINANCIAL STATEMENTS OF THE INTEGRATED COMPANY UNDERTAKING OF PRODUCTION AND SUPPLY OF ELECTRICITY

PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY
SEPARATED STATEMENT OF BALANCE SHEET OF THE FULLY INTEGRATED COMPANY
31/12/2016
AMOUNTS IN THOUSANDS €

(Amounts in '000 €)	ENERGY PRODUCTION	ENERGY SUPPLY	TOTAL OF INTEGRATED COMPANY
Assets			
Non Current Assets			
Tangible Assets	196.625	130	196.755
Intangible Assets	80.904	247	81.150
Deferred Tax Assets	7.831	0	7.831
Other Long Term Receivables	71	194	265
	285.431	571	286.002
Current assets			
Stocks - Total value	8.704	0	8.704
Customers and Other Commercial Receivables	32.714	18.204	50.918
Other Receivables	4.045	20.719	24.763
Derivative Financial Instruments	0	0	0
Cash and cash equivalents	57	6.173	6.230
	45.519	**45.096**	**90.615**
Assets	**330.950**	**45.667**	**376.617**
Equity & Liabilities			
Equity			
Share Capital	20.080	0	20.080
Other Reserves	68.989	0	68.989
Retained Earnings	-3.870	2.485	-1.385
Equity	**85.199**	**2.485**	**87.684**
Capital allocation to business units	**-582**	**582**	**0**
Long-term Liabilities			
Long-term Debt	0	0	0
Deferred tax liabilities	36.143	0	36.143
Liabilties for pension plans	192	0	192
Other Long Term Liabilities	0	5.742	5.742
Long-term Liabilities	**36.335**	**5.742**	**42.077**
Short Term Liabilities			
Suppliers and other Liabilities	72.602	13.912	86.514
Current Tax Liabilities	293	7.147	7.439
Short-term Debts	32.226	3	32.229
Long Term Liabilities payable for the next financial year	72.502	0	72.502
Derivative Financial Instruments	13	0	13
Other Short Term Liabilities	32.361	15.797	48.158
Short Term Liabilities	**209.998**	**36.858**	**246.856**
Total liabilities	**246.333**	**42.600**	**288.933**
Equity & Liabilities	**330.950**	**45.667**	**376.617**

PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY
SEPARATED STATEMENT OF BALANCE SHEET OF THE FULLY INTEGRATED COMPANY
31/12/2015
AMOUNTS IN THOUSANDS €

(Amounts in € '000)	**ENERGY PRODUCTION**	**ENERGY SUPPLY**	**TOTAL OF INTEGRATED COMPANY**
Assets			
Non current Assets			
Tangible Assets	205.725	40	205.765
Intangible Assets	82.146	155	82.301
Deferred Tax Assets	5.111	0	5.111
Other Long Term Receivables	56	190	246
	293.039	385	293.424
Current Assets			
Stocks - Total value	9.020	0	9.020
Customers and Other Commercial Receivables	26.569	8.949	35.518
Other Receivables	3.052	6.836	9.888
Derivative Financial Instruments	0	0	0
Cash and cash equivalents	5.601	7.715	13.316
	44.242	**23.500**	**67.742**
Assets	**337.281**	**23.885**	**361.166**
Equity & Liabilities			
Equity			
Share Capital	20.080	0	20.080
Other Reserves	69.014	0	69.014
Retained Earnings	-3.287	-681	-3.968
Equity	**85.807**	**-681**	**85.125**
Capital allocation to business units	**-4.189**	**4.189**	**0**
Long-term Liabilities			
Long-term Debt	0	0	0
Deferred tax liabilities	32.662	0	32.662
Liabilities for Pension plans	148	0	148
Other Long Term Liabilities	0	1.782	1.782
Long-term Liabilities	**32.810**	**1.782**	**34.592**
Short Term Liabilities			
Suppliers and other liabilities	114.981	9.016	123.997
Current Tax liabilities	422	3.285	3.707
Short-term Debts	27.366	2.204	29.571
Long Term Liabilities payable for the next financial year	76.441	0	76.441
Derivative Financial Instruments	1	0	1
Other Short Term Liabilities	3.643	4.090	7.732
Short Term Liabilities	**222.854**	**18.596**	**241.449**
Total liabilities	**255.663**	**20.377**	**276.041**
Equity & Liabilities	**337.281**	**23.885**	**361.166**

PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF PRODUCTION AND SUPPLY OF ELECTRICITY SEPARATED STATEMENT OF PROFIT AND LOSS OF THE FULLY INTEGRATED COMPANY 31/12/2016 AMOUNTS IN THOUSANDS €			
Turnover	ENERGY PRODUCTION	ENERGY SUPPLY	TOTAL OF INTEGRATED COMPANY
SALES TO THIRD PARTIES			
Sales of electricity in LAGHE	69.876	20.358	90.234
Sales in ADMHE	21.161	77	21.238
Sales of electricity to retail consumers	0	123.750	123.750
Exports of electricity	0	3.866	3.866
Other Sales	0	383	383
Intercompany Sales			
Supply of Electricity	0	2.299	2.299
Other services	1.153	0	1.153
OVERALL TURNOVER	**92.189**	**150.733**	**242.922**
EXPENSES & PURCHASES			
Imports of electricity	0	(21.771)	(21.771)
Purchase of electricity from LAGHE	0	(50.940)	(50.940)
Purchase of electricity by third parties	0	(142)	(142)
Services from ADMHE	0	(44.677)	(44.677)
Services from DEDDIE	0	(14.694)	(14.694)
Payroll	(2.231)	(1.842)	(4.073)
Third party fees	(1.189)	(5.045)	(6.234)
CO2 rights	(3.104)	0	(3.104)
Natural Gas & LNG	(616)	0	(616)
Third Party Maintenance and Benefits	(1.492)	(31)	(1.522)
Other third party benefits	(695)	(575)	(1.269)
Taxes - Duties	(386)	(4)	(390)
Other expenses	(306)	(3.531)	(3.837)
Depreciation	(17.726)	(230)	(17.956)
Provisions	0	0	0
Financial results	(6.144)	(2.369)	(8.513)
(Losses) / gains on exchange differences	94	0	94
Extraordinary income / expenses	568	(8)	560
Intercompany expenses & purchases			
Other services	(1.732)	(1.706)	(3.437)
Natural Gas & LNG	(56.266)	0	(56.266)
Financial results	(777)	0	(777)
PROFITS/ (LOSS) BEFORE TAXES	**190**	**3.168**	**3.358**

PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY SEPARATED STATEMENT OF PROFIT AND LOSS OF THE FULLY INTEGRATED COMPANY 31/12/2015 AMOUNTS IN THOUSANDS €			
TURNOVER	**ENERGY PRODUCTION**	**ENERGY SUPPLY**	**TOTAL OF INTEGRATED COMPANY**
SALES TO THIRD PARTIES			
Sales of electricity in LAGHE	33.261	26.415	59.675
Sales in ADMHE	12.924	479	13.403
Sales of electricity to retail consumers	0	43.371	43.371
Exports of electricity	0	3.407	3.407
Other Sales	0	120	120
INTERCOMPANY SALES			
Supply of Electricity	0	2.807	2.807
Other services	1.150	0	1.150
OVERALL TURNOVER	**47.334**	**76.599**	**123.934**
EXPENSES & PURCHASES			
Imports of electricity	0	(24.161)	(24.161)
Purchase of electricity from LAGHE	0	(23.212)	(23.212)
Purchase of electricity by third parties	0	(207)	(207)
Services from ADMHE	0	(14.872)	(14.872)
Services from DEDDIE	0	(3.999)	(3.999)
Payroll	(1.992)	(895)	(2.886)
Third party fees	(1.131)	(847)	(1.978)
CO2 Rights	(1.747)	0	(1.747)
Natural Gas & LNG	(3.746)	0	(3.746)
Third party maintenance and benefits	(1.170)	(20)	(1.191)
Other third party benefits	(889)	(340)	(1.230)
Taxes - Duties	(190)	(3)	(192)
Other expenses	(133)	(2.246)	(2.379)
Depreciation	(13.651)	(132)	(13.782)
Financial results	(6.873)	(97)	(6.970)
(Losses) / gains on exchange differences	545	0	545
Extraordinary income / expenses	5	266	272
INTERCOMPANY EXPENSES & PURCHASES			
Supply of Electricity	0	(2.609)	(2.609)
Other services	(2.081)	(1.602)	(3.683)
Natural Gas & LNG	(30.119)	0	(30.119)
Financial results	(869)	(77)	(946)
PROFITS /(LOSSES) BEFORE TAXES	**(16.707)**	**1.547**	**(15.160)**

1. General Principles

The Company Protergia Agios Nikolaos Power Société Anonyme of Generation and Supply of Electricity (the Company or Protergia 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 in the Electricity Market in accordance with the provisions of Article 141 of Law 4001/2011 and decision no. 43/2014 by the Regulatory Authority for Energy.

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

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 (ADMHE) and the Distribution Network (DEDDHE) are clarified into separate accounts per activity.

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

- Production 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 Expenses and Revenues (Results)

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) Production 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 ADMHE and LAGHE (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

This activity includes Income, Expenditure and Assets and Liabilities, which are derived from trading and retail. Specifically,
Income from trading are mainly originating from billings to LAGHE and to domestic and foreign companies, and income from retail are mainly from sales to domestic and professional consumers of electricity.
Purchases concern the supply of Electricity from LAGHE and domestic and foreign companies, the rights of E import and export, and the other services from ADMHE, the network usage (DEDDHE).
Expenses mainly relate to personnel remunerations and costs, third party fees, finance and miscellaneous

expenses.

c) Other activities apart from Electricity

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 Electricity, as they are mentioned above.

Marousi, 27 March 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR	THE AUTHORISED REPRESENTATIVE	THE FINANCIAL DIRECTOR
DINOS BENROUBI ID. No. Ξ 110308	IOANNIS GIANAKOPOULOS ID. No. X 612361	IOANNIS ANTONOPOULOS 1ST CLASS LICENSE NO. 0018390