

**PROTERGIA THERMOELEKTRIKH SOCIETE ANONYME
(PROTERGIA THERMOELEKTRIKH S.A.)**

**Annual Financial Statements
for the Financial Year from
1st January 2019 up to 31st December 2019**

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A. Board of Directors' Management Report

**TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY
«PROTERGIA THERMOELEKTRIKH SOCIETE ANONYME»**

According to the relevant provisions of article 150 of Law 4548/2018, we present today to your meeting for approval the financial statements of the Company for the year 2019 (01/01/2019-31/12/2019) as well as our observations on these as follows:

1. PROGRESS OF THE ACTIONS OF THE COMPANY

Year 2019 was the first fiscal year during which the company had a turnover in the field of Trading of Electric Power.

2. FINANCIAL POSITION

At 31.12.2019 the share capital of the Company amounts to € 660.000, divided into 660.000 registered shares of a nominal value of € 1 per share and the share premium amounts to € 102.649.800.

The total investment of PROTERGIA THERMOELEKTRIKH SA as at 31/12/2019 amounted to 93,36 million and is analyzed as follows:

Subsidiary Name	Amount	Percentage
KORINTHOS POWER S.A	93.231.388	65%
PROTERGIA ENERGY S.A	130.600	100%
Total	93.361.988	

3. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks such as liquidity risk. The Company's risk management program aims to reduce the potential negative impact on financial results, which may result from the inability to forecast financial markets and fluctuations in cost variables.

The basic risk management policies are determined by the Company's Management. The risk management policy is implemented by the Available Management Department of the parent company, which operates as a service center which operates within specific directions approved by the Administration. The procedure is as follows:

- Evaluation of the risks related to the activities and functions of the Company,
- Design of methodology and selection of appropriate financial products to reduce risks and
- Execution / implementation, in accordance with the procedure approved by the administration, of the risk management process.

The financial means of the Company consist mainly of deposits in banks, receivables & liabilities.

Credit risk analysis

The Company does not have a significant credit risk concentration in some of the parties to the contract. Credit risk stems from cash and cash equivalents, bank deposits and financial institutions, as well as credit risk reports from customers.

	Past due but not impaired				Non past due but not impaired	Total
	0-3 months	3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables						
2019	142.391	-	-	-	-	142.391
2018	267.500	-	-	-	-	267.500

Liquidity risk analysis

Liquidity risk is related with the company's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis. Liquidity needs are monitored in different time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Long-term liquidity needs for the next 6 months and next year are determined monthly.

The tables below summarize the maturity profile of the company's liabilities as at 31 December 2019 and 2018 respectively:

	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Liquidity Risk Analysis - Liabilities					
<i>(Amounts in €)</i>					
2019					
Trade and other payables	5.321.674	-	-	-	5.321.674
Other payables	495.309	-	-	-	495.309
Total	5.816.982	-	-	-	5.816.982
Liquidity Risk Analysis - Liabilities					
<i>(Amounts in €)</i>					
2018					
Other payables	360.985	-	-	-	360.985
Total	360.985	-	-	-	360.985

Market risk analysis

- **Currency risk**

The Company is not subject to foreign exchange risk as all its transactions are made in euros.

- **Price risk**

As at 31/12/2019, the Company is not at risk of fluctuating the prices of financial instruments as it does not have investments in debit or participation securities and derivatives.

- **Interest rate risk**

The assets of the Company that are exposed to interest rate fluctuations mainly concern the available and equivalent cash. The Company's policy regarding financial assets is to invest its cash in floating interest rates in order to maintain the necessary liquidity while achieving satisfactory return for its shareholders.

4. FINANCIAL RESULTS

Year 2019 was the first fiscal year during which the company had a turnover (amounted to € 17,5 m). The gross profit margin reached 2,57 %. The company reached € 434.156 Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) compared to € 10.060 losses during 2018 and € 350.564 profit after tax for the period compared to € 11.101 losses during 2018.

5. DIVIDEND POLICY

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

6. KEY PERFORMANCE INDICATORS

The Company's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary actions. The company evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

-EBITDA (Operating Earnings Before Interest, Taxes, Depreciation & Amortization): The Company defines the «Company's EBITDA» quantity as profits/losses before tax, itemized for financial and investment results; for total depreciation (of tangible and intangible fixed assets).

- ROCE (Return on Capital Employed): This index is derived by dividing profit before tax, financial results and depreciation to the total capital employed by the Company, these being the sum of the Net Position; the sum of loans; and long - term forecasts.

- ROE (Return on Equity): This index is derived by dividing profit after tax by the Company's Net Position.

The above indicators for 2019 are as follows:

EBITDA in thousands €

	2019
EBITDA	438
ROCE	0.47%
ROE	0.47%

During the comparative period, the Company did not have a turnover, with the result that the indicators of 2018 are not comparable with those of the closing year.

7. ENVIRONMENTAL ISSUES

The company applies the Mytilineos' Group Environmental Management System:

- Compliance with legislative requirements as a minimum commitment, continuous assessment and monitoring of all environmental parameters related to its operation are key components of the company's environmental management, by investing the required financial resources.
- The Company, as part of its environmental practices, is responsible for collecting and recycling its waste, as well as the good management of water consumption.

8. COMPANY'S OWN SHARES

The Company does not possess its own Shares.

9. BRANCHES

The Company does not own branches.

10. SIGNIFICANT POST BALANCE SHEET EVENTS

Following the developments about coronavirus, (On 31 December 2019, the World Health Organization ("WHO") was informed that a limited number of cases of pneumonia, of an unknown cause, were detected in Wuhan, Hubei. On 7 January 2020, Chinese authorities identified a new type of coronavirus (COVID-19) as the cause. In March 2020, WHO declared the COVID-19 a pandemic, since January 2020 coronavirus has started to spread globally and in March we had the first confirmed cases in Greece) the Company has implemented initiatives through a special task force, reports to senior management, monitoring all developments and assessing potential impacts of Covid-19. The Task Force, adhering to all protocols from the WHO and other relevant authorities, has already put in place a business continuity plan with the primary priority the safety of employee.

The Company, at this stage, is not able to quantify or evaluate the potential impacts of Covid-19. In light of these developments and given the uncertainties of the situation, which could potentially lead to reduce the demand of electricity and the extension of collection period.

Any potential impact to our results will depend on, to a large extent, ongoing developments, almost all of which are beyond our control. The Greek authorities' decision to implement quarantines and other emergency public health measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. As a result, because of the uncertainty surrounding the COVID-19 outbreak, the financial impact related to the outbreak and response to the coronavirus cannot be reasonably estimated at this time.

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).

DINOS BENROUBI

IOANNIS KALAFATAS

The President of the Board and Chief Executive Officer

The member of BoD

B. Independent Auditor's Report

To the Shareholders of PROTERGIA THERMOELEKTRIKH SOCIÉTÉ ANONYME

Report on the Financial Statements

We have audited the accompanying financial statements of PROTERGIA THERMOELEKTRIKH SOCIÉTÉ ANONYME (the Company), which comprise the statement of financial position as at December 31, 2019, statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company PROTERGIA THERMOELEKTRIKH SOCIÉTÉ ANONYME as at 31 December 2019, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

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

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 that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as an aggregate, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these financial statements.

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

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

We disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- a. In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150, CL 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2019.
- b. Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company PROTERGIA THERMOELEKTRIKH SOCIÉTÉ ANONYME and its environment.

Athens, 18 March 2020
The Certified Public Accountant

Kourti Athanasia
I.C.P.A. Reg. No. 52251

Annual Financial Statements for the Financial Year ended 31st December 2019

It is hereby certified that the attached Financial Statements are the ones approved by the Board of Directors of “PROTERGIA THERMOELEKTRIKH SOCIETE ANONYME” on 18.03.2020, that they were posted on the internet, under www.argyritisgi.gr.

C. Statement of profit and loss

PROTERGIA THERMOELEKTRIKH S.A			
<i>(Amounts in €)</i>	<i>Note</i>	1/1 - 31/12/2019	1/1 - 31/12/2018
Sales	5.10	17.531.279	-
Cost of sales	5.11	(17.080.222)	-
Gross profit		451.056	-
Other operating income	5.13	-	150.641
Administrative expenses	5.12	(16.900)	(10.060)
Other operating expenses	5.13	-	(150.641)
Earnings before interest and income tax		434.156	(10.060)
Financial income	5.14	7.538	-
Financial expenses	5.14	(1.534)	(41)
Profit before income tax		440.160	(10.101)
Income tax expense	5.15	(89.596)	(1.000)
Profit for the period		350.564	(11.101)
Result from discontinuing operations		-	-
Profit for the period		350.564	(11.101)
Summary of results of continuing operations			
Definition of line item: OperEarnings before income tax,financ.res,depr&amort. (EBITDA)			
Profit before income tax		440.160	(10.101)
Plus: Financial results		(6.004)	41
Plus: Depreciation		3.421	-
Subtotal		437.577	(10.060)
Oper.Earnings before income tax,financial results,depreciation and amortization		437.577	(10.060)

The notes attached hereto are listed on pages 15-41 and they form an integral part of these financial statements.

D. Statement of Comprehensive Income

PROTERGIA THERMOELEKTRIKH S.A		
<i>(Amount in €)</i>	1/1 - 31/12/2019	1/1 - 31/12/2018
Other Comprehensive Income:		
Net Profit/(Loss) For The Period	350.564	(11.101)
Items that will not be reclassified to profit or loss:	-	-
Items that may be reclassified subsequently to profit or loss:	-	-
Other Comprehensive Income:	-	-
Total comprehensive income for the period	350.564	(11.101)

The notes attached hereto are listed on pages 15-41 and they form an integral part of these financial statements.

E. Statement of Financial Position

		PROTERGIA THERMOELEKTRIKH S.A	
(Amounts in €)	Note	31/12/2019	31/12/2018
Assets			
Non current assets			
Investments in Subsidiary Companies	5.1	93.361.988	93.361.988
Other Long-term Receivables	5.2	95.158	-
Right - of - use assets	2.2.3	10.834	-
		93.467.980	93.361.988
Current assets			
Trade and other receivables	5.3	142.391	267.500
Other receivables	5.4	396.125	10.599
Cash and cash equivalents	5.5	5.542.135	2.211
		6.080.651	280.310
Assets		99.548.631	93.642.298
Liabilities & Equity			
EQUITY			
Share capital	5.6	660.000	660.000
Share premium	5.6	102.649.800	102.649.800
Other reserves		(6.600)	(6.600)
Retained earnings		(9.672.323)	(10.022.887)
Equity attributable to parents shareholders		93.630.877	93.280.313
EQUITY		93.630.877	93.280.313
Non-Current Liabilities			
Lease liabilities	2.2.3	7.888	-
Non-Current Liabilities		7.888	-
Current Liabilities			
Trade and other payables	5.7	5.321.674	-
Tax payable	5.8	89.596	1.000
Current portion of lease liabilities	2.2.3	3.287	-
Other payables	5.9	495.309	360.985
Current Liabilities		5.909.866	361.985
LIABILITIES		5.917.754	361.985
Liabilities & Equity		99.548.361	93.642.298

The notes attached hereto are listed on pages 15-41 and they form an integral part of these financial statements.

F. Statement of changes in equity

PROTERGIA THERMOELEKTRIKH S.A					
(Amounts in €)	Share capital	Share premium	Other reserves	Retained earnings	Total
Opening Balance 1st January 2018 ,according to IFRS -as published-	660.000	102.649.800	(6.600)	(10.011.786)	93.291.414
Change In Equity					
Transactions With Owners	-	-	-	-	-
Net Profit/(Loss) For The Period	-	-	-	(11.101)	(11.101)
Other Comprehensive Income:					
Total Comprehensive Income For The Period	-	-	-	(11.101)	(11.101)
Adjusted Closing Balance 31/12/2018	660.000	102.649.800	(6.600)	(10.022.887)	93.280.313
Opening Balance 1st January 2019 ,according to IFRS -as published-	660.000	102.649.800	(6.600)	(10.022.887)	93.280.313
Change In Equity					
Transactions With Owners	-	-	-	-	-
Net Profit/(Loss) For The Period	-	-	-	350.564	350.564
Other Comprehensive Income:					
Total Comprehensive Income For The Period	-	-	-	350.564	350.564
Adjusted Closing Balance 31/12/2018	660.000	102.649.800	(6.600)	(9.672.323)	93.630.877

The notes attached hereto are listed on pages 15-41 and they form an integral part of these financial statements.

G. Cash flow statement

PROTERGIA THERMOELEKTRIKH S.A		
<i>(Amounts in €)</i>	1/1 - 31/12/2019	1/1 - 31/12/2018
<u>Cash flows from operating activities</u>		
Profit for the period	350.564	(11.101)
Adjustments for:		
Tax	89.596	1.000
Depreciation of Right - of - use assets	3.421	-
Interest income	(7.538)	-
Interest expenses	1.534	-
	87.013	1.041
<u>Changes in Working Capital</u>		
(Increase)/Decrease in trade and other receivables	(355.575)	(1.477)
Increase / (Decrease) in liabilities	5.455.997	2.982
	5.100.423	1.504
Cash flows from operating activities	5.538.000	(8.556)
<u>Cash flows from operating activities</u>		
Cash flows from operating activities	5.538.000	(8.556)
Interest paid	(1.534)	(41)
Taxes paid	(1.000)	(1.000)
Net Cash flows continuing operating activities	5.535.466	(9.596)
Net Cash flows discontinuing operating activities	-	-
Net Cash flows from continuing and discontinuing operating activities	5.535.466	(9.596)
<u>Net Cash flow from continuing and discontinuing investing activities</u>		
Interest received	7.538	-
Net Cash flow from continuing investing activities	7.538	-
Net Cash flow from discontinuing investing activities	-	-
Net Cash flow from continuing and discontinuing investing activities	7.538	-
<u>Net Cash flow continuing and discontinuing financing activities</u>		
Payment of finance lease liabilities	(3.080)	-
Net Cash flow continuing financing activities	(3.080)	-
Net Cash flow from discontinuing financing activities	-	-
Net Cash flow continuing and discontinuing financing activities	(3.080)	-
Net (decrease)/increase in cash and cash equivalents	5.539.925	(9.596)
Cash and cash equivalents at beginning of period	2.211	11.807
Cash and cash equivalents at end of period	5.542.135	2.211
Net cash at the end of the period	5.542.135	2.211
Cash and cash equivalents at the end of period	5.542.135	2.211

The notes attached hereto are listed on pages 15-41 and they form an integral part of these financial statements.

1. Information about the Company

1.1 General Information

Under the company name «PROTERGIA THERMOELEKTRIKH SOCIETE ANONYME» (PROTERGIA THERMOELEKTRIKH SA) was established in 2008 and has its registered office in the Municipality of Marousi (ARTEMIDOS 8, 151 25). The Company is registered in the Athens Chamber of Commerce and Industry, Directorate of Registers and Development of Information Systems, Department: Registry / GEMI Service, with Registry Number GEMI : 8112001000.

1.2 Corporate Purpose

Pursuant to Article 3 of the Articles of Association, the Company's objective is :

- a) The participation in the capital of other companies and the establishment of subsidiaries of any legal form.
- b) The trading, importing, distributing, extracting metals and minerals in general, manufacturing, processing the above products to serve and succeed in the corporate purpose and representing domestic and foreign commercial, craft and industrial companies producing and marketing products.
- c) The production and manufacture in Greece or in the foreign aluminum and the trade in any country, the production and marketing of electricity and the provision of services.
- d) The research, export and processing in Greece of any mining materials and metals as well as their marketing in any country.
- e) The provision of advice and services to any natural or legal person in the areas of organization, administration and management.

2. Summary of important accounting principles

The basic accounting principles applied in preparing these financial statements are described below. These principles have been consistently applied to all periods presented, except as described in note 2.2.

2.1 Financial Statements preparation framework

The financial statements of “PROTERGIA THERMOELEKTRIKH SOCIETE ANONYME ” dated 31 December 2019 and covering the financial year 2019, comply with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), as well as their interpretations, as issued by the IFRS Interpretations Committee (I.F.R.I.C.) of the IASB.

The financial statements have been prepared based on historic cost principle.

The company's separated financial statements is consolidated in Mytilineos SA, based in Amarousion Attica, with the method of full consolidation.

The presentation currency is Euro unless stated otherwise. Any differences in the tables are due to rounding.

2.2 Changes in 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 2018, with the exception of the application of new standards and interpretations whose application is mandatory for financial years beginning on January 1st, 2019.

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

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

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

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The new Standard affects the separate Financial Statements .

The implications of the new Standard at the Company is described above at Note 2.3.

IFRIC 23 “Uncertainty over Income Tax Treatments” (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 “Income Taxes” specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The new Interpretation does not affect the separate Financial Statements.

Amendments to IFRS 9: “Prepayment Features with Negative Compensation” (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the “negative compensation” feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The amendments do not affect the separate Financial Statements.

Amendments to IAS 28: “Long-term Interests in Associates and Joint Ventures” (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The amendments do not affect the separate Financial Statements.

Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The amendments do not affect the separate Financial Statements.

Amendments to IAS 19: “Plan Amendment, Curtailment or Settlement” (effective for annual periods starting on or after 01/01/2019)

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments do not affect the separate Financial Statements.

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

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

Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

Amendments to IAS 1 and IAS 8: “Definition of Material” (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

Amendments to IFRS 9, IAS 39 and IFRS 7: “Interest Rate Benchmark Reform” (effective for annual periods starting on or after 01/01/2020)

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

Amendments to IFRS 3: “Definition of a Business” (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (effective for annual periods starting on or after 01/01/2022)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity’s right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

2.2.3 Changes in Accounting Policies

The Company proceeded with the adoption of IFRS 16 "leases" from 1 January 2019. IFRS 16 introduces a single model for the recognition of leases in the financial statements. By adopting the standard, the Company as a lessee recognizes in the statement of financial position rights of use of assets and lease obligations, the date when the leased fixed assets are made available for use. The accounting treatment of leases for the lessor remains the same as in IAS 17.

The company applied IFRS 16 using the simplified method of transition. According to this method, the standard is applied retroactively with the cumulative effect of its application being recognized on 1 January 2019. According to the above, the comparative information of 2018 has not been reworded and presented in accordance with IAS 17. Changes in accounting policies regarding leases are analyzed below.

As a Lessee

As a lessee, with the previous accounting policy, the Company classified leases as operating or financing based on the assessment if all risks and benefits related to ownership of a component of the Assets, irrespective of the final transfer or non-ownership of the title of the item. According to IFRS 16, the right to use assets and lease obligations

is recognized for most of the leases to which it contracts as a tenant, except for small-value leases, the payments of which were registered with a fixed method in the statement of results throughout the duration of the lease.

The recognized rights to use assets are related to the following category of assets and are presented in the "Right-of-use Assets":

PROTERGIA THERMOELEKTRIKH S.A		
<i>(Amount in €)</i>	31/12/2019	1/1/2019
Right - of - use Properties	10.834	14.255
Right - of - use assets	10.834	14.255

The Company reflects the lease obligations on the "long term lease obligations" and "long term lease obligations payable to the next use" in the statement of financial position.

Significant Accounting Policies

Leases are recognized in the statement of financial position as a right to use an asset and a lease obligation, the date on which the leased fixed asset becomes available for use. Each rent is divided between the rental obligation and interest, which is charged to the results throughout the lease, in order to obtain a fixed interest rate for the remainder of the financial liability in each period.

The rights to use assets are initially measured at their cost, and then reduced by the amount of accumulated depreciation and any impairment. The right to use is depreciated in the shortest period between the useful life of the component or its duration, with the fixed method. The initial measurement of the rights of use of assets consists of:

- The amount of the initial measurement of the lease liability,
- Lease payments made on or before the commencement date, reduced by the amount of discounts or other incentives offered,
- Initial costs, which are directly linked to the rent,
- Recovery costs.

Finally, they are adjusted to specific recalculations of the corresponding lease liability.

Lease liabilities are initially calculated at the present value of rents, which were not paid at the start of the lease. Discounted at the imputed rate of the lease or, if this interest rate cannot be determined by the contract, with the differential lending rate (IBR). The differential lending rate is the cost that the lessee would have to pay to borrow the necessary capital in order to obtain an item of similar value with the leased asset, in a similar economic environment and with similar terms and assumptions.

Lease liabilities include net present value of:

- Fixed leases (including any in-substance fixed leases)
- Variable leases, depending on the rate
- Residual value expected to be paid

- The price of an option to purchase the underlying asset, if the lessor is almost certain to exercise it
- Penalties for termination of a lease if the lessor chooses this option.

After their initial measurement, the lease obligations are increased by their financial cost and are reduced by the payment of rents. Finally, they are reassessed when there is a change: a) to rents due to a change of index, b) to the estimation of the amount of residual value, which is expected to be paid, or c) to the assessment of a choice of purchase or extension, which is relatively Certain that it will be exercised or a right of termination of the contract, which is relatively certain that it will not be practiced.

The company during the transition made use of the following practical facilities provided by IFRS 16 for leases classified as functional, in accordance with IAS 17.

- Use of previously made assessments under applying IAS 17 and IFRIC 4 to determine whether a contract contains a lease, or whether a contract is a lease on the date of initial application.
- Use of accounting treatment of operating leases for leases with a maturity of under 12 months from 1 January 2019.
- Use of a single discount rate on a lease portfolio with similar characteristics.
- Excluding initial direct costs for measuring the right-of-use asset at the date of initial application.

As a lessor

When tangible assets are leased by leasing, the present value of rents is registered as a requirement. The difference between the gross amount of the claim and the present value of the claim is recorded as deferred financial income. The revenue from the lease is recognized in the usage results during the lease using the net investment method, which represents a constant periodic return. The company do not contract with the status of lessor.

Effect on Financial Statements

<i>(Amount in €)</i>	
Operating lease commitments disclosed on December 31, 2018	34.844
(Less): Leases outside the scope of IFRS 16	-
(Less): Short-term leases	-
Add / (less): Other adjustments	(19.611)
Total	15.233
Weighted average incremental borrowing rate as at 1.1.2019	3,20%
Discounted operating lease commitments at 1.1.2019	14.255
Add/ (less): Lease liabilities from repurchase	-
Lease Liabilities recognized on January 1,2019	14.255
Long-term lease obligations	
	11.175
Short-term lease obligations	
	3.080
Total Lease Liabilities on January 1,2019	14.255

Effect of IFRS 16 adoption within the period:

As a result of the first application of IFRS 16, in relation to leases previously classified as operational, the Company recognized € 10,8 thousands in 31/12/2019 Rights of use and € 11,2 thousands Lease obligations.

In addition, in relation to the above leases, the Company acknowledged depreciation and financial expenses instead of leasing costs. For the annual period ended on 31/12/2019, the Company recognized € 3,4 thousands depreciation and € 405,22 financial expenses.

The analysis of lease liabilities for the following years as well as the recognized rights of use assets of the asset per asset category is as follows:

<i>(Amount in €)</i>	up to 1 year	1 to 5 years	after 5 years	Total
Lease payments	3.589	8.159	-	11.748
Finance Charges	(303)	(270)	-	(573)
Net present values	3.287	7.888	-	11.175

<i>(Amount in €)</i>	Right - of - use Properties	Total
1/1/2019 - 1st application IFRS 16	14.255	14.255
Additions	-	-
Depreciation	(3.421)	(3.421)
Derecognition	-	-
31/12/2019	10.834	10.834

2.3 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.

Judgments

- **Recoverability of receivables**

Allowances for doubtful receivables are based on historical data on recoverability of receivables and take into account the expected credit risk. The method, applied by Company, facilitates calculating the expected credit losses over the life of its receivables. The method is used on past experience, but is adapted in order to reflect projections for the future financial condition of customers and economic environment. Balancing historical data and future financial conditions

Financial Statements for the period

from January 1st to December 31st, 2019

with the expected credit losses requires applying significant estimates. The amount of the allowance is recognized as an expense in other operating expenses in the income statement.

Estimations and assumptions

- **Income taxes**

Significant estimations are required in determining the provisions regarding 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 initially calculated, said differences shall affect the income tax and the provisions of deferred taxation for the period during which such amounts have been determined.

- **Contingent Liabilities**

The Company is involved in litigation and claims in the normal course of business. The management considers that any settlements would not significantly affect the Company's financial position on 31 December 2018. However, the determination of contingent liabilities related to the litigation and claims is a complicated process involving judgments about the possible consequences and interpretations of laws and regulations.

2.4 Property, plant and equipment

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent cost is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Company and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

2.5 Intangible Assets

Intangible assets include trademarks and licenses, software licenses as well as research and development costs.

Trademarks

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

Software

Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 3 to 5 years. Any expenses required for the

development and maintenance of software are recognized as expenses when realized. Any expenses incurred for the development of specific software, which are controlled by the Company, shall be recognized as intangible assets.

2.6 Investments in subsidiaries

Subsidiaries are those (including special purpose financial entities) in which the Company owns more than half of the voting rights or has the ability to direct the financial and operational principles followed. The existence of possible voting rights that can be exercised or converted, is considered when the Company assess it has the control of a company. Investments in subsidiaries are measured in accordance with IFRS 10 at their cost.

The financial statements presented are the separate financial statements of PROTERGIA THERMOELEKTRIKH SOCIETE ANONYME. The company does not present consolidated financial statements, making use of paragraph 10 of IFRS 10. The Company and its subsidiaries are fully consolidated in the financial statements of the MYTILINEOS Group, which are available at www.mytilineos.gr. The analysis of the company's subsidiaries with the corresponding participation rates is as follows:

Subsidiary Name	Amount	Percentage
KORINTHOS POWER S.A	93.231.388	65%
PROTERGIA ENERGY S.A	130.600	100%
Total	93.361.988	

2.7 Financial Instruments

A financial asset or financial liability is recognized in the statement of financial position when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Financial assets are classified at initial recognition and are subsequently measured at amortized cost at fair value through other comprehensive income and fair value through profit or loss.

i) Initial recognition

Initially, the company measures financial assets at fair value. Trade receivables (which do not contain significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it shall generate cash exclusively pertaining to capital and interest repayments of the initial capital. The business model applied by the Mytilineos' Group for the purposes of managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, disposal of financial assets, or both. Acquisition or disposal of financial assets that require delivery of assets within a timeframe specified by a regulation or a contract is recognized as at the transaction date, i.e. as at the date when the company makes a commitment to acquire or to dispose of the asset.

ii) Classification and subsequent measurement

To facilitate subsequent measurement purposes, financial assets are classified into the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging instruments. Financial assets with cash flows referring not only to capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The company measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in order maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortized cost, subsequently apply the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through total comprehensive income

Upon initial recognition, the company may decide to irrevocably classify its investment participations as equity instruments designated at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is determined per financial instrument. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments designated at fair value through total comprehensive income are not subject to impairment test.

iii) Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

iv) Impairment

The company recognizes provision for impairment for expected credit losses regarding all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the company expects to receive.

Regarding trade receivables, the company applies simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk.

2.8 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 valued at fair value through the profit and loss account.

2.9 Share Capital

Expenses incurred to issue shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

2.10 Income Tax & deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

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 the tax expenses in the profit and loss statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets and liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Company and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the Equity of the Company, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

2.11 Personnel Benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits comprise pensions or other benefits (life insurance and medical insurance) the company provides after retirement as an exchange for the employees' service with the company. Thus, such benefits include defined contribution plans as well as defined benefit plans. The Company does not have any defined benefit plans. The accrued cost of defined contribution plans relates to the legal compensation and is booked as expense in the period that is incurred.

2.12 Grants

The Company recognizes Government Grants that cumulatively satisfy the following criteria: a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and b) it is probable that the amount of the grant will be received. Government Grants are booked at fair value and are systematically recognized as revenues according to the principle of matching the grants with the corresponding costs that they are subsidizing. Government Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenues over the useful life of the fixed asset.

2.13 Provisions

Provisions are recognized when the Company has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

2.14 Recognition of income and expenses

Income: Income includes fair value of performed works, sales of goods and services, net of Value Added Tax, discounts and returns. 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 claim is reasonably assured.
- **Provision of services:** Income from the provision of services is accounted for the period during which such services are provided, based on the stage of completion of the service in relation to the total services to be rendered.
- **Income from assigned rights for the utilization of tangible assets (offsets):** The fair value of assigned rights is recognized as deferred and is amortized through the income statement according to the rate of completion of contracts for which these rights have been assigned.
- **Interest income:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends:** Dividends are accounted for as revenue, when the right to receive payment is established.

Expenses: Expenses are recognized in profit and loss on an accrual basis. The payments made for operating leases are transferred to profit and loss as expenses, during the time of utilization of the leased premises. Expenses from interests are recognized on an accrual basis.

2.15 Dividend distribution

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

2.16 Leases

As a Lessee:

Leases are recognized in the statement of financial position as a right to use an asset and a lease obligation, the date on which the leased fixed asset becomes available for use. Each rent is divided between the rental obligation and interest, which is charged to the results throughout the lease, in order to obtain a fixed interest rate for the remainder of the financial liability in each period.

The rights to use assets are initially measured at their cost, and then reduced by the amount of accumulated depreciation and any impairment. The right to use is depreciated in the shortest period between the useful life of the component or its duration, with the fixed method. The initial measurement of the rights of use of assets consists of:

- The amount of the initial measurement of the lease liability,

- Lease payments made on or before the commencement date, reduced by the amount of discounts or other incentives offered,
- Initial costs, which are directly linked to the rent,
- Recovery costs.

Finally, they are adjusted to specific recalculations of the corresponding lease liability.

Lease liabilities are initially calculated at the present value of rents, which were not paid at the start of the lease. Discounted at the imputed rate of the lease or, if this interest rate cannot be determined by the contract, with the differential lending rate (IBR). The differential lending rate is the cost that the lessee would have to pay to borrow the necessary capital in order to obtain an item of similar value with the leased asset, in a similar economic environment and with similar terms and assumptions.

Lease liabilities include net present value of:

- Fixed leases (including any in-substance fixed leases)
- Variable leases, depending on the rate
- Residual value expected to be paid
- The price of an option to purchase the underlying asset, if the lessor is almost certain to exercise it
- Penalties for termination of a lease if the lessor chooses this option.

After their initial measurement, the lease obligations are increased by their financial cost and are reduced by the payment of rents. Finally, they are reassessed when there is a change: a) to rents due to a change of index, b) to the estimation of the amount of residual value, which is expected to be paid, or c) to the assessment of a choice of purchase or extension, which is relatively Certain that it will be exercised or a right of termination of the contract, which is relatively certain that it will not be practiced.

As a lessor:

When tangible assets are leased by leasing, the present value of rents is registered as a requirement. The difference between the gross amount of the claim and the present value of the claim is recorded as deferred financial income. The revenue from the lease is recognized in the usage results during the lease using the net investment method, which represents a constant periodic return.

3. Management of financial risks

3.1 Financial risk management objectives and policies

The Company is exposed to financial risks such as liquidity risk. The Company's risk management program aims to reduce the potential negative impact on financial results, which may result from the inability to forecast financial markets and fluctuations in cost variables.

The basic risk management policies are determined by the Company's Management. The risk management policy is implemented by the Available Management Department of the parent company, which operates as a service center which operates within specific directions approved by the Administration. The procedure is as follows:

- Evaluation of the risks related to the activities and functions of the Company,
- Design of methodology and selection of appropriate financial products to reduce risks and
- Execution / implementation, in accordance with the procedure approved by the administration, of the risk management process.

The financial means of the Company consist mainly of deposits in banks, receivables & liabilities.

Credit risk analysis

The Company does not have a significant credit risk concentration in some of the parties to the contract. Credit risk stems from cash and cash equivalents, bank deposits and financial institutions, as well as credit risk reports from customers.

	Past due but not impaired				Non past due but not impaired	Total
	0-3 months	3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables						
2019	142.391	-	-	-	-	142.391
2018	267.500	-	-	-	-	267.500

Liquidity risk analysis

Liquidity risk is related with the company's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis. Liquidity needs are monitored in different time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Long-term liquidity needs for the next 6 months and next year are determined monthly.

The tables below summarize the maturity profile of the company's liabilities as at 31 December 2019 and 2018 respectively:

	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
<i>Liquidity Risk Analysis - Liabilities</i>					
<i>(Amounts in €)</i>					
2019					
Trade and other payables	5.321.674	-	-	-	5.321.674
Other payables	495.309	-	-	-	495.309
Total	5.816.982	-	-	-	5.816.982
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
<i>Liquidity Risk Analysis - Liabilities</i>					
<i>(Amounts in €)</i>					
2018					
Other payables	360.985	-	-	-	360.985
Total	360.985	-	-	-	360.985

Market risk analysis

- **Currency risk**

The Company is not subject to foreign exchange risk as all its transactions are made in euros.

- **Price risk**

As at 31/12/2019, the Company is not at risk of fluctuating the prices of financial instruments as it does not have investments in debit or participation securities and derivatives.

- **Interest rate risk**

The assets of the Company that are exposed to interest rate fluctuations mainly concern the available and equivalent cash. The Company's policy regarding financial assets is to invest its cash in floating interest rates in order to maintain the necessary liquidity while achieving satisfactory return for its shareholders.

4. Capital Management

The management of the Company's capitals aims to ensure its capacity to continue its activity and develop its investment program.

The financial position of the Company as shown in the Balance Sheet for 2019, is supported by the paid share capital, amounting to € 660.000 and Share premium € 102.649.800.

5. Notes on Financial Statements

5.1 Investments in subsidiaries

The total investment of PROTERGIA THERMOELEKTRIKH SA for KORINTHOS POWER S.A. and PROTERGIA ENERGY S.A on 31/12/2019 amounted to 93,36 million and is analyzed as follows:

Subsidiary Name	Amount	Percentage
KORINTHOS POWER S.A	93.231.388	65%
PROTERGIA ENERGY S.A	130.600	100%
Total	93.361.988	

5.2 Other Long-term Receivables

(Amounts in €)	PROTERGIA THERMOELEKTRIKH S.A	
	31/12/2019	31/12/2018
Given Guarantees	95.158	-
Other Long-term Receivables	95.158	-

The amount of € 95.158 concerns given guarantees for the Company's participation in electricity auctions.

5.3 Trade and Other Receivables

(Amounts in €)	PROTERGIA THERMOELEKTRIKH S.A	
	31/12/2019	31/12/2018
Customers	142.391	267.500
Net trade Receivables	142.391	267.500

5.4 Other receivables

(Amounts in €)	PROTERGIA THERMOELEKTRIKH S.A	
	31/12/2019	31/12/2018
Receivables from the Greek State	271.125	10.599
Receivables from Subsidiaries	125.000	-
Total	396.125	10.599

The receivables from the Greek State concern, for the most part, VAT and the receivables from subsidiaries concern amounts intended for Increase in share capital that have been given to Protergia Energy S.A.

5.5 Cash and cash equivalents

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Cash	607	1.082
Bank deposits	5.541.528	1.128
Total	5.542.135	2.211

5.6 Equity

Share capital and share premium

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	Share Capital	Share premium
Opening Balance at 1/1/2019	660.000	102.649.800
Increase/(decrease) of share capital	-	-
Closing Balance at 31/12/2019	660.000	102.649.800

The Share Capital of the Company as at 31.12.2019 amounts to € 660.000 divided into 660.000 nominal shares with a nominal value of € 1 each share. In the fiscal year 2018, there was no change in the Share Capital and Share Premium of the Company.

Other reserves

PROTERGIA THERMOELEKTRIKH S.A						
(Amounts in €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Revaluation reserves	Actuarial Gain/Losses Reserve	Total
Opening Balance 1st January 2018, according to IFRS -as published	-	(6.600)	-	-	-	(6.600)
Closing Balance 31/12/2018	-	(6.600)	-	-	-	(6.600)
Opening Balance 1st January 2019, according to IFRS -as published	-	(6.600)	-	-	-	(6.600)
Closing Balance 31/12/2019	-	(6.600)	-	-	-	(6.600)

5.7 Trade and Other Payables

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Suppliers	5.321.674	-
Total	5.321.674	-

5.8 Tax Payable

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Tax expense for the period	89.596	1.000
Total	89.596	1000

The change is related to an income tax provision of € 88,5 thousand.

5.9 Other Payables

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Liabilities to Related Parties	490.000	360.985
Others Liabilities	5.309	-
Total	495.309	360.985

The Liabilities to Related Parties concern amounts intended for increase in share capital that have been given to the Company by its parent Mytilineos SA.

5.10 Sales

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Sales of Goods	17.500.320	-
Revenue from services	30.959	-
Total	17.531.279	-

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	Sales	
	2019	2018
Hellas	11.184.151	-
European Union	872.084	-
Other Countries	3.618.200	-
Elimination	1.856.844	-
Regional Analysis	17.531.279	-

5.11 Cost of sales

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Cost of materials & inventories	16.759.218	-
Third party expenses	321.004	-
Total	17.080.222	-

5.12 Administrative Expenses

PROTERGIA THERMOELEKTRIKH S.A		
<i>(Amounts in €)</i>	31/12/2019	31/12/2018
Administrative expenses		
Third party expenses	12.802	6.155
Operating leases rent	-	3.383
Taxes & Duties	125	122
Other expenses	551	400
Depreciation - Right -of-use Assets	3.421	-
Total	16.900	10.060

On 1/1/2019, the first application of the IFRS 16 standard for leases was made. For this reason and in accordance with the requirements of the standard, the lease of the Company's building no longer appears in the operating costs. More information is provided in note 2.2.3.

5.13 Other operating Income / Expenses

PROTERGIA THERMOELEKTRIKH S.A		
<i>(Amounts in €)</i>	31/12/2019	31/12/2018
Other operating income		
Operating income from services	-	150.641
Other	-	-
Total	-	150.641
Other operating expenses		
Operating expenses from services	-	150.641
Total	-	150.641

The amount of other operating income and other operating expenses for the fiscal year 2018 concerns the cost of Purchase of Electricity Products (NOME) from LAGIE/EXE and their subsequent sale to the parent company.

5.14 Financial Income / Expenses

PROTERGIA THERMOELEKTRIKH S.A		
<i>(Amounts in €)</i>	31/12/2019	31/12/2018
Financial income		
Bank deposits	7.538	-
Total	7.538	-
Financial expenses		
Other Banking Expenses	1.129	41
Interest on financial leases	405	-
Total	1.534	41

5.15 Income tax expense

PROTERGIA THERMOELEKTRIKH S.A.		
(Amounts in €)	31/12/2019	31/12/2018
Tax expense for the period	88.596	-
Extraordinary Income Tax	1.000	1.000
Total	89.596	1.000
Earnings before tax	440.160	(10.101)
Nominal Tax rate	0,24	-
Tax calculated at the statutory tax rate of 29%	105.638	-
Tax calculated at the statutory tax rate of 29%	105.638	-
Extraordinary Income Tax	1.000	1.000
Other	(17.042)	-
Effective Tax Charge	89.596	1.000

The tax rate of the public limited liability entities in Greece as at 31/12/2019 is 24% (31 December 2018: 29%), as amended by Article 22 of Law 4646/2019, according to which, profits from business activity of legal entities are taxed at a rate of 24% for the income of the tax year 2019 and onwards.

For the years 2011 to 2013 the company was subject to the tax audit of the Certified Auditors Accountants provided by the provisions of Article 82 § 5 of Law 2238/1994, while from 1/1/2014 the company applies the provisions of article 65A § 1 of Law 4171/2013. The company is not subject to tax audit under the provisions of article 65A § 2 of L.4174 / 2013 for fiscal years 2014 and 2015 and under the provisions of article 56 § 1 of L.4410 / 2016 for fiscal years 2016-2018. For the fiscal year 2019, the tax audit of the Certified Public Accountants for the receipt of a Tax Compliance Report is in progress. Upon completion of the tax audit, the Management does not expect significant tax liabilities to arise other than those recorded and depicted in the financial statements.

5.16 Guarantees

There are no collaterals on the assets of the Company.

5.17 Contingent assets / liabilities

There are no litigation or arbitration disputes that have a significant impact on the financial position or operation of the Company.

5.18 Unaudited tax years

The company has accepted the closing note number 114994/1/16/12/2010 for the management years 2009-2010 of law 3888/2010. For the fiscal years that ended on 30/06/2011 and 31/12/2011, the Company has been audited for taxes based on POL 1159 / 26.7.2011.

For the fiscal year 2012 and 2013, the company was audited by the statutory auditors and received within 2013 and 2014, a Tax Compliance Certificate without any discrepancies. On 31/12/2019 it has not been audited for taxes for the fiscal years 2014 to 2018. The Company has not formed a relevant forecast because it is estimated that no

significant tax disputes will arise. For the fiscal year 2019, the tax audit of the Certified Public Accountants for the receipt of a Tax Compliance Report is in progress.

5.19 Number of employed personnel

The company does not employ personnel for the fiscal years 2018 & 2019.

5.20 Transactions with related parties

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Stock Sales		
Parent entity	1.856.844	-
Total	1.856.844	-
Stock Purchases		
Parent entity	10.429.175	-
Total	10.429.175	-
Services Sales		
Parent entity	-	150.641
Total	-	150.641
Services Purchases		
Parent entity	194.095	5.383
Total	194.095	5.383

PROTERGIA THERMOELEKTRIKH S.A		
(Amounts in €)	31/12/2019	31/12/2018
Balance from sales of stock/services receivable		
Parent entity	142.111	267.500
Subsidiaries	125.000	-
Total	267.111	267.500
Balance from sales/purchases of stock/services payable		
Parent entity	5.792.475	360.985
Total	5.792.475	360.985
Balance from lease liabilities		
Parent entity	11.175	-
Total	11.175	-

Transactions with these companies are conducted on a purely commercial basis. The Company did not engage in any transaction of an unusual nature or content that is material to the Company, or to companies and individuals closely associated with it, and does not intend to engage in such transactions in the future. None of the transactions involve special terms and conditions and no warranty has been given or received within the year.

5.21 Post balance sheet events

Following the developments about coronavirus, (On 31 December 2019, the World Health Organization (“WHO”) was informed that a limited number of cases of pneumonia, of an unknown cause, were detected in Wuhan, Hubei. On 7 January 2020, Chinese authorities identified a new type of coronavirus (COVID-19) as the cause. In March 2020, WHO declared the COVID-19 a pandemic, since January 2020 coronavirus has started to spread globally and in March we

had the first confirmed cases in Greece) the Company has implemented initiatives through a special task force, reports to senior management, monitoring all developments and assessing potential impacts of Covid-19. The Task Force, adhering to all protocols from the WHO and other relevant authorities, has already put in place a business continuity plan with the primary priority the safety of employee.

The Company, at this stage, is not able to quantify or evaluate the potential impacts of Covid-19. In light of these developments and given the uncertainties of the situation, which could potentially lead to reduce the demand of electricity and the extension of collection period.

Any potential impact to our results will depend on, to a large extent, ongoing developments, almost all of which are beyond our control. The Greek authorities' decision to implement quarantines and other emergency public health measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. As a result, because of the uncertainty surrounding the COVID-19 outbreak, the financial impact related to the outbreak and response to the coronavirus cannot be reasonably estimated at this time.

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).

Marousi, 18 March 2020

The President of the Board and Chief
Executive Officer

The Member of BoD

DINOS BENROUBI
ID. No. Ξ 110308

IOANNIS KALAFATAS
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