



HELIOGENESIS S.A.



**Financial statements
for the year ended 31 December 2019
According to the International Financial Reporting Standards (IFRS)**

TABLE OF CONTENTS

Contents	Pages
Board of directors' report	2 – 7
Independent auditors' report	8 – 10
Financial statements for the year ended 31 December 2019 (1 st of January 2019 through to 31 st of December 2019)	11 – 35

BOARD OF DIRECTORS REPORT

(in accordance with Law 3556/2007, article 4)

Dear Shareholders,

According to the article 150 Law 4548/2018, we submit to the General Assembly this report, for the achievements of the year ended December 31, 2019.

A. GENERAL

The overall image of the company in terms of organization, infrastructure and growth prospects for the coming years remains positive.

The annual energy production of the company has been steadily higher, compared to the predicted production included in the original business plan of the particular project of the company, for every year of production so far mainly due to the higher than expected irradiation and plant availability.

With respect to the operational expenses, the company has already agreed and put to place a program to effectively control its operating costs, by improving the financial terms of all contracts relating to the management of the company.

BUSINEES MODEL

Heliogenesis SA is a special purpose vehicle established solely for the development and operation of renewable energy photovoltaic power plants. The Company has developed one 4.99 MWp PV power plant at the location Riganes of the Kastraki in the municipality of Farsala of the Larisa prefecture. This PV Power Plant was completed and went in commercial operation in January 2011. The construction of the particular PV Plant was financed through shareholder equity and bank debt.

The Company's business model is restricted to the operation of the particular PV Power Plant in order to achieve debt repayment and dividend distribution to the shareholders.

Business Administration Principles and Internal Management Processes.

Heliogenesis SA is managed by its Board of Directors (The Board) that takes decisions for all issues, with the aim to ensure the smooth operation of the PV Power Plant, the fulfilment of all contractual obligations with regards to debt financing, operations and other contracts and thus the successful implantation of the Company's business plan. To this end The Board holds regular meetings to evaluate the overall performance of the company and take any decisions required to ensure smooth operations.

The Company has contracted to third party companies all main operational activities namely:

- The operation and Maintenance of the PV Power Plant has been assigned to a company with extensive experience in the operation and maintenance of similar scale power plants.
- Financial Accounting and Auditing is outsourced to specialized companies.

B. MAIN EVENTS ON THE COMPANY'S OPERATIONS

I. Operations of 2019

The energy production during 2019 was 6.0% higher compared to that of the previous year due to higher overall irradiation.

With respect to the invoicing price of the energy produced, the Decision of the Ministry of Development Competitiveness and Shipping with Protocol No. 3296 - 25/01/2012, approved a subsidy of €4.552.000 regarding the construction of a photovoltaic power plant in the location "Riganes" in the municipality of Farsala in the prefecture of Larissa, given however that the above mentioned subsidy payment has not been disbursed to Heliogenesis SA and according to the provision of law No. 4046/2012 that includes relative provisions for the redefinition of billing information for operating RES and CHP power stations, the per kWh tariff was reduced from EUR 0.409/kwh to EUR 0.34/kwh. This new tariff was enforced for the energy produced from April 2014 onwards.

II. Capital Increase

By virtue of a General Meeting's resolution on the 30th of July 2019 the Capital of the Company was initially increased by Euro eight hundred and eight thousand nine hundred and twelve (€ 808,912) through capitalization from the above par value by increase in the nominal value of each share by Euro thirteen (€ 13.00), such that the nominal value of each share was increased, following the capital increase, from Euro ten (€ 10.00) to Euro twenty three (€ 23.00). Simultaneously a capital decrease, of Euro eight hundred and eight thousand nine hundred and twelve (€ 808,912) was carried out, through the reduction of the nominal price of each share and return of capital, in the form of a cash distribution to the shareholders, by Euro thirteen (€ 13.00) per share, such that the nominal value of each share was decreased, following the capital decrease, from Euro twenty three (€ 23.00) to Euro ten (€ 10.00).

Upon completion of the above capital increase and simultaneous capital decrease, the Company's share capital amounts to Euro six hundred twenty two thousand, two hundred and forty (€ 622,240), divided into sixty two thousand two hundred and twenty four (62,224) shares of a par value of Euro ten (€ 10.00) each.

II. Main risks and uncertainties for 2020

The main risks and uncertainties for the company in the coming period are:

- **Financial Risk:** The interest rates depend on international economic conditions of credit liquidity in the economy. In order to hedge itself from floating interest rates, the company has implemented a SWAP agreement for the main portion of its loan obligations while for the remaining amounts, which are subject to floating rates, the current low EURIBOR rates have a positive contribution to the overall cost of the company's loan obligations.
- **Liquidity Risk:** Due to the current economic crisis, the company relies on a specific cash flow program to be able to have at all times sufficient bank credit and cash reserves. With regards to the accounting treatment of the actions above, given that the risk of non-recovery of accruals under contract by the Greek government is minimal, despite the known delays in the payment of its obligations, the company does not form any provisions. The company does not take positions in derivatives and other financial instruments which are not related to the main object of activity or trying to record profit by predicting the course of capital markets.
- **Currency Risk:** The company operates in Greece and all transactions are in Euros. As a result, the exchange rate risk is non-existent.

III. Environmental Issues

Heliogenesis SA holds the No. 7714/81569 – 7/12/2009 Decision of Approval of Environmental Terms, for its 4.99 PV Plant as part the relevant development and licensing process followed. This decision clearly defines all environmental terms that Heliogenesis SA needs to adhere to, with respect to the operation and maintenance of the PV Power Plant.

The company has included the particular provisions in the Operations and Maintenance Manual of the PV Plant, developed by the contractor that undertook the construction of the PV Plant, in order to ensure compliance with the above-mentioned environmental terms. The above mentioned Operations and Maintenance Manual includes all the operating and maintenance procedures for (a) the prevention and minimization of the pollution related to the operation of the PV plant, (b) the continuous improvement of the Company's environmental performance, (c) the compliance with environmental legislation and (d) the compliance to all provisions included in the relevant licenses of the PV plan.

More specifically the Company:

- Has assigned, through a dedicated agreement, the operation and maintenance of the PV Plant to a specialized company with extensive experience in the particular field. As part of this agreement the company is contractually obliged to adhere to all procedures above.
- The Company carries out regular on-site inspections in order to verify the implementation of all environmental protection processes by the 3rd party company that has undertaken the Operation and Maintenance of the PV Plant.

The Company's environmental approach focuses on :

- Energy consumption minimization and through the implementation of a reporting system to monitor such consumption.
- Continuous information of the Company's management and 3rd party partners, with regards to environmental issues.

The above-mentioned environmental approach is communicated and implemented by every company working on behalf of the Company.

V. Environmental Restoration

The Company carries out provisions for the restoration of the environment after the termination of the operation of the PV Plant. The Company's management assesses regularly the adequacy of such provisions. The notes to the financial statements include further information with regards to the calculation of the provisions above.

VI. Labor Issues

The company does not employ salary personnel. As such the Company does not face any labor related issues.

VI. Estimations and perspectives for 2020

The company's net debt and attendant financial costs are expected to decline in 2020 due to the regular debt repayments of the carried out by the company.

At the end of February 2020, the pandemic of the COVID-19 virus started, caused a general lock-down for more than two months in our country, in addition to the consequences it had on human lives and the world economy. However, the pandemic is not expected to have any consequences for the Company's progress, as there are increased needs for energy and the park is already operating at its maximum potential, the only customer that is the Greek State during the lock-down paid and quite late rest, while the maintenance of the park has been assigned to an external partner who does not face sustainability problems

VII. Board of Directors

The Board of Directors that managed the Company until 28.02.2020, had the following composition:

1. Konstantinos Zompanakis	Chairman and CEO
2. Evgenios Dendrinis	Vice President and CEO
3. Dionisia Kavvatha	Vice President
4. Rekouniotti Panagiota	Member of the Board
5. Maria Karra	Member of the Board
6. Power Development Projects Hellas Ltd	Member of the Board

The Board of Directors that managed the Company from 01.03.2020 and continues to manage the Company until today, with its term coming to an end on 28.02.2023, has the following composition:

1. Konstantinos Zompanakis	Chairman and CEO
2. Evgenios Dendrinis	Vice President and CEO
3. Dionisia Kavvatha	Vice President
4. Markos Komondouros	Member of the Board
5. Rekouniotti Panagiota	Member of the Board
6. Power Development Projects Hellas Ltd	Member of the Board

The Vice President and CEO Mr. Evgenios Dendrinis represent the Company for every subject which is mandatory, signing under the corporate name.

VIII. Facilities – Branch Offices

The Company maintains a branch office at the location of the PV Plant, Riganes of the area of Kastraki at the municipality of Farsala, The Company headquarter is at 4 Valaoritou Str., Athens.

IX. Subsequent events

- The Board of Directors has proposed the distribution of gross dividend to the shareholders.
- There were no further events, following the issue of the financial statements that require reporting

C. FINANCIAL STATEMENTS PRESENTATION

- Total sales for the year 2019 amounted to 2.573.190,72 € versus 2,428.290,88 € for 2018, increased by 5,97%.
- Gross margin for 2019 was 67,25% of total sales versus 65,35% for 2018.
- Profits before TAX were 47,71% of total sales and amounted to 1.227.741,55 € versus 1.108.944,51 € for 2018 or 45,67% as percent of total sales.
- Profits after tax for 2019 were 36,46% of total sales amounting to 938.291,61 € decreased compare to 787.684,33€ for 2018 or 32,45% of total sales.
- The EBIT margin, earnings before interest and tax, for the company as whole was at the satisfactory level of 59,35% of total sales amounting to 1.527.110,73 € increased versus 58,03% for 2018 or 1.409.197,40 €.
- Finance cost amounted to 299.369,18 € for 2019, decreased compared to 300.252,89 € for 2018.
- The total debt of the company will continue to decrease in 2020 in accordance with the repayment schedule of the relevant loans.
- Trade and other receivables account was reduced by 351.535,28 € driven by:
 - a) Net increase of trade receivables of 333.821,07 € due to an increase in the days of repayment of the invoices issued to LAGIE.
 - b) Increase by 12.714,21 € of advances related to tax and
 - c) increase of prepaid expenses by 5.000,00 €.
- Current liabilities not related to borrowing (to suppliers and other liabilities) increased during the year and amounted to 186.686,75 € from 96.529,12 € at the end of 2018.
- Non-current net long-term borrowings at the end of 2019 reduced to 3.145.330,99 € versus 3.987.594,14 € for the previous year. The decrease in long-term debt is primarily due to the repayment of due amortization.
- The Company's capital structure was increased in 2019, with equity amounting to 4.298.086,99 € versus 4.236.268,20 € for 2018.
- "Non-current liabilities" increased
 - (a) to the amount of 194.901,80 € at the end of 2019 compared to 184.304,30 € at the end of 2018, due to depreciation of forecasted dismantling expenses of the photovoltaic park located at Farsala at the end of its operations.
 - (b) To the amount of 181.890,70 € at the end of 2019 due to the recognition of long-term liabilities from leased property.



I. Basic economic ratios

Basic economic ratios are presented as follows:

a) Ratios of economic structure	2019	2018
- Current Assets / Total Assets	: 22,67%	22,17%
- Equity / Total liabilities	: 86,30%	76,32%
- Equity / Non-current assets	: 61,02%	56,42%
- Current Assets / Current liabilities	: 210,85%	236,34%
b) Profitability ratios		
- Net results / Equity	: 28,56%	26,18%
- Gross profit/ Sales	: 47,71%	45,67%

II. Financial statements preparation


The financial statements of the Company for the year end December 31st, 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and present fairly the financial position of "HELIOGENESIS S.A." as at December 31st, 2019, and include the income statement, 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.

We invite you, all Shareholders to:

1. Approve the financial position and the other financial statements for the year ended December 31st, 2019.
2. To hold harmless the member of the Boards of Directors and the independent auditors of the Company, from any liability in relation to the fiscal year 2018, in accordance to the Law and the Company's articles of incorporation.

Athens, May 5, 2020


CHAIRMAN OF THE BOARD



Konstantinos Zobanakis

ID: AB973733

THE VICE PRESIDENT AND
MANAGING DIRECTOR



Evgenios Dendrinos

ID: T078714



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[Translation from the original text in Greek]

Independent Auditor's Report

To the Shareholders of HELIOGENESIS PRODUCTION AND DISTRIBUTION OF ELECTRICAL POWER AE

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of the Company HELIOGENESIS PRODUCTION AND DISTRIBUTION OF ELECTRICAL POWER AE (the Company) which comprise of the statement of the financial position of 31 December 2019, the statements of the comprehensive income, the changes in equity and cash flow for the fiscal year that has ended on this date, as well as the summary of significant accounting policies and methods and the notes for the year then ended.

In our opinion, the accompanying Financial Statements give a true and fair view in all material respects of the financial position of the company HELIOGENESIS PRODUCTION AND DISTRIBUTION OF ELECTRICAL POWER AE as of 31 December 2019 and its financial performance in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for the opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA's) which have been incorporated in the Greek Legislation. According to those standards, our responsibilities are further described in the paragraph of our review "Auditor's responsibilities for the audit of financial statements". We are independent of the Company throughout the duration of our appointment according to the Code of Conduct for Professional Auditors of the Board of the International Code of Ethics for Professional Accountants that were incorporated in the Greek Legislation and in accordance with the ethical requirements related to the audit of financial statements in Greece; we have fulfilled our ethical obligations in accordance with the requirements of the applicable legislation and with the Code of Conduct. We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the administration regarding the financial statements

The management is responsible for the preparation and the fair presentation of the financial statements in accordance with the provisions of International Financial Reporting Standards

(IFRS), as such have been adopted by the European Union, and those internal procedures that the management considers necessary so as to enable the preparation of financial statements free of any material error due to fraud or error.

In the course of the preparation of the financial statements, the management is responsible for evaluating the Company's ability to continue its activities as a going concern, notifying if applicable, any such issues and the use of the basis of accounting of the going concern, unless if it is of the intentions of the management to liquidate the Company or suspend its operations or does not have any other realistic alternative option other than taking such actions.

Auditor's responsibilities for the audit of financial statements

Our aim is to have a reasonable assurance on whether the financial statements in their entirety are free of material misstatement caused by fraud or error and to issue an auditor's report which should include our opinion. Reasonable assurance is of high level, but there is no guarantee that our audit performed in accordance with the International Standards on Auditing, as such have been incorporated by the Greek Legislation, should always detect a material error, when such exists. Errors may occur due to fraud or error and are considered significant when, individually or cumulatively, could be reasonably expected to influence the financial decisions of the users, of the financial statements.

As it is our duty to audit, according to the International Standards on Auditing, as such have been incorporated into the Greek Legislation, we exercise our professional judgement and maintain professional skepticism throughout our audit. Moreover:

- We detect and evaluate the risks of material error in the financial statements, caused by fraud or error, by planning and performing our audit procedures that deal with such risks and we acquire auditing evidence that is adequate and appropriate to provide the basis for our opinion. The risk of not detecting a material error caused by fraud is higher than the one caused by error as fraud might include collusion, forgery, deliberate omissions, falsified confirmations or deviation of the system of internal controls of the company.
- We obtain understanding of the company's system of internal controls related to auditing with the aim to plan audit procedures appropriate for the circumstances, but not with the aim to form an opinion on the efficiency of the Company's internal controls.
- We evaluate the appropriateness of the accounting principles and methods that were used and the appropriateness of accounting estimates and relevant notifications made by the management.
- We are expressing our opinion on the appropriateness of the use of the going concern basis used by the management and based on the accounting evidence acquired on whether there is material uncertainty regarding events or circumstances that may cast a material uncertainty regarding the Company's ability to continue operations as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant notes of the financial statements and in the

case that those disclosures are inadequate; we should accordingly include a qualification in our audit opinion. Our conclusions are based on the accounting evidence acquired until the date of the auditor's report. However, future events or circumstances may cause the Company to cease operating as a going concern.

- We evaluate the total presentation, structure and content of the financial statements, including the notes to the accounts, as well as the extent to which the financial statements present in a true and fair view the underlying transactions and events.
- We obtain sufficient and appropriate audit evidence regarding the financial data of the Company's operations in relation with the expression of our audit opinion on the financial statements. We are responsible for the supervision, review and implementation of our audit. We remain fully responsible for our audit opinion.

Among other issues, we notify those responsible for governance, about the planned range and timeframe of the audit as well as about important audit findings, including any important deficiencies we may detect during our audit in the internal controls of the Company.

Report on Other Legal and Regulatory Requirements

Taking account that Management is responsible to prepare the Management Report by the Board of Directors and the Corporate Governance Statement included in this report, in implementation of the provisions of paragraph 5, article 2 (part B) of Law 4336/2015, we note that:

a) In our view, the Management Report by the Board of Directors has been prepared in compliance with the current legal requirements of article 150 of Law 4548/2018 and the contents thereof correspond to the attached financial statements for the fiscal year ended on 31/12/2019.

b) Based on the opinion we formed during our audit with respect to Company HELIOGENESIS PRODUCTION AND DISTRIBUTION OF ELECTRICAL POWER AE and its environment, we have not detected material inaccuracies regarding the Management Report by its Board of Directors.



AUDIT SERVICES AE
CERTIFIED AUDITORS
4 Zallogou st., 153 43 Agia Paraskevi
SOEL Reg. No. 162

Athens, 8 May 2020
Certified Public Accountant

A blue ink signature of Sotiris Sokos, written in a cursive style.

Sotiris Sokos
A.M. SOEL: 17011



HELIOGENESIS S.A.

Financial statements

for the year ended 31 December 2019

(in accordance with International Financial Reporting Standards)

Income statement for the year ended 31 December 2019

	Notes	<u>1/1 - 31/12/2019</u>	<u>1/1 - 31/12/2018</u>
Sales	1	2.573.190,72	2.428.290,88
Cost of sales	1	(842.573,16)	(841.391,26)
Gross profit		1.730.617,56	1.586.899,62
Administrative expenses	2	(209.217,49)	(182.530,04)
Other income – expenses (net)	3	5.710,66	4.827,82
Operating income (Loss)		1.527.110,73	1.409.197,40
Finance cost (net)	4	(299.369,18)	(300.252,89)
Profit (Loss) before tax		1.227.741,55	1.108.944,51
Income tax expense	5	(289.449,94)	(321.080,18)
Profit / (Loss) for the year		938.291,61	787.864,33

Statement of comprehensive income

	<u>1/1 - 31/12/2019</u>	<u>1/1-31/12/2018</u>
Profit / (Loss) for the year	938.291,61	787.864,33
Other comprehensive income		
Cash flow hedge	(28.374,66)	42.761,99
Income tax effect	6.809,92	(12.400,98)
Other comprehensive income for the year, net of tax	(21.564,74)	30.361,01
Total comprehensive income for the year, net of tax	916.726,87	818.225,34

The accompanying notes are an integral part of these financial statements.

Statement of financial position for the year ended 31 December 2019

	Notes	2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	6	7.043.172,45	7.508.927,20
Deferred tax assets	7	<u>132.239,34</u>	<u>107.908,18</u>
		7.175.411,79	7.616.835,38
Current assets			
Trade and other receivables	8	1.085.419,84	733.884,56
Cash and short-term deposits	9	<u>1.017.777,15</u>	<u>1.435.942,22</u>
		2.103.196,99	2.169.942,22
Total assets		9.278.608,78	9.786.662,16
EQUITY AND LIABILITIES			
Issued capital	10	622.240,00	622.240,00
Share premium	10	1.708.947,68	2.517.859,68
Statutory reserve	11	229.511,07	229.511,07
Cash flow hedge reserve	11	(402.466,39)	(380.901,65)
Retained earnings		<u>2.139.854,63</u>	<u>1.247.559,10</u>
Total equity		4.298.086,99	4.236.268,20
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	12	3.145.330,99	3.987.594,14
Derivative financial liabilities	13	460.936,04	460.405,07
Other provisions and liabilities	14	194.901,80	184.304,30
Long term liabilities IFRS 16		<u>181.890,38</u>	<u>0,00</u>
Total Non-current liabilities		3.983.059,21	4.616.960,51
Current liabilities			
Trade and other payables	15	186.686,75	96.529,12
Income tax and other taxes payable	15	2.966,15	9.252,01
Derivative financial liabilities	12	739.184,68	743.684,32
	13	<u>68.625,00</u>	<u>83.968,00</u>
Total Current liabilities		997.462,58	933.433,45
Total liabilities		4.980.521,79	5.550.393,96
Total equity and liabilities		9.278.608,78	9.786.662,16

The accompanying notes are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2019

	Notes	2019	2018
Operating activities			
Profit / (Loss) for the year		938.291,61	787.864,33
Non-cash adjustment to reconcile profit / (loss) before tax to net cash flows:			
Income tax	5	289.449,94	321.080,18
Depreciation and impairment of property, plant and equipment	7	630.107,53	615.166,37
Other provisions		25.206,35	0,00
Finance costs	4	<u>305.153,77</u>	<u>300.252,89</u>
		2.188.209,20	2.024.363,77
Working capital adjustments:			
Increase / (Decrease) in trade and other receivables and prepayments		29.707,06	1.468.775,01
Increase / (Decrease) in trade and other payables (except from borrowings)		<u>39.618,02</u>	<u>(794.808,52)</u>
		69.325,08	673.966,49
Net cash flows from operating activities		2.257.534,28	2.698.330,26
Finance costs (interest & other)		(285.068,15)	(300.252,89)
Income tax paid		<u>(711.707,75)</u>	<u>(368.753,47)</u>
Net cash flows used in investing activities (a)		1.260.758,38	2.029.323,90
Investing activities			
Movements in provisions		<u>10.597,50</u>	<u>10.021,27</u>
		10.597,50	10.021,27
Financing activities			
Dividends paid	18	0,00	(1.100.001,00)
Payments from capital decrease		(808.912,00)	0,00
Payments against financial leases IFRS16		(13.760,54)	0,00
Payments of interest of financial leases IFRS16		(5.784,59)	0,00
Proceeds from borrowings	11	<u>(861.063,82)</u>	<u>(939.009,33)</u>
Net cash flows from/(used in) financing activities (c)		(1.689.520,95)	(2.039.010,33)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)			
		(418.165,07)	334,84
Cash and cash equivalents at 1 January		<u>1.435.942,22</u>	<u>1.435.607,38</u>
Cash and cash equivalents at 31 December	9	1.017.777,15	1.435.942,22

The accompanying notes are an integral part of these financial statements.



Statement of changes in equity for the year ended 31 December 2019

	Paid Capital	Share Premium	Share Hedging Reserves	Legal Reserves	Profits carried forward	Total
As at December 31st 2017	622.240,00	2.517.859,68	(411.262,66)	229.511,07	1.559.694,77	4.518.042,86
Other comprehensive income	0.00	0.00	30.361,01	0.00	0.00	30.361,01
Profit / (Loss) for the year	0.00	0.00	0.00	0,00	787.864,33	787.864,33
Total comprehensive income	0.00	0.00	30.361,01	0,00	787.864,33	818.225,34
Dividends	0.00	0.00	0.00	0.00	(1.100,000.00)	(1.100,000.00)
As at December 31st 2018	622.240,00	2.517.859,68	(380.901,65)	229.511,07	1.247.559,10	4.236.268,20
Profit / loss recognized directly in equity IFRS 16					(45.996,08)	(45.996,08)
Other comprehensive income	0.00	0.00	(21.564,74)	0.00	0.00	30.361,01
Profit / (Loss) for the year	0.00	0.00	0.00	0,00	938.291,61	938.291,61
Total comprehensive income	0.00	0.00	30.361,01	0,00	938.291,61	938.291,61
Capital Return	0.00	(808.912,00)	0.00	0.00	0,00	(808.912,00)
As at December 31st 2018	622.240,00	1.708.947,68	(402.466,39)	229.511,07	2.139.854,63	4.298.086,99

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION

A.1 General information

These financial statements include the financial statements of HELIOGENESIS PRODUCTION AND TRADE OF ELECTRIC POWER SA (the Company).

The accompanying financial statements of HELIOGENESIS S.A. (the Company), were approved by Board of Directors on 05.05.2020 and are under approval of the Shareholder's General Assembly that will be held on 02.06.2020

HELIOGENESIS S.A. was incorporated in 2007 in Greece with a 40 years operation period, as a production and trading of electricity power Company.

The registered office is located at Valaoritou Street 4, Athens Municipality.

A.2 Company's main operations

- Production and trading of electricity power from renewable energy sources and from its photovoltaic systems.
- Trading, installation, operation and management of electricity production systems from renewable energy sources and from its photovoltaic systems.
- Consulting services in relation to the above.
- Issuance of related licenses for and on Company's account, or of third parties.
- Ensuring the related grants and subsidies from private, government and international bodies and from European Union on the name and for the company or third parties.

B. BASIS OF PREPARATION

The accompanying financial statements, of the Company for the period from 1st of January through to December 31st 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the relevant Interpretations, as issued by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union and are effective until December 31, 2019. There are no Standards that were adopted earlier to the initial date of their application.

The financial statements of the Company have been prepared on a historical cost basis, except for derivatives valued on a fair present value basis, and on a going concern basis. The preparation of the Company's financial statements in accordance with IFRS requires the use of specific accounting judgments, estimates and assumptions. Additionally, it requires from management to make judgments during the implementation process of the accounting policies of the Company. The judgments, estimates and assumptions are based on the management's best knowledge in relation to the current circumstances and are analyzed below, in note C1. The accounting policies and processes have been consistently applied to all presented financial years.

The accompanying financial statements are presented in Euro, unless otherwise stated.

C. Summary of significant accounting policies

C.1. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

(a) Income taxes and additional taxes for unaudited tax years

Estimated provision for income tax in accordance with IAS 12 is based on taxes to be charged by tax authorities and includes current income tax, provision for any additional taxes that will probably be charged after future tax audit and recognition of any future tax benefits. The amount of tax that will be actually paid may differ from what has been provided and recorded to the financial statements. Further information is provided in note 5.

(b) Provision for environmental rehabilitation and dismantling of equipment

The Company provides for environmental rehabilitation and dismantling of equipment at the time the photovoltaic park's operation stops. Company's management reviews periodically in estimation of the adequacy of this provision. Further details are analyzed in Note 15.

(c) Interest rate risk

Interest risk increases as per the outstanding debt obligations of the Company. Such debt obligations are subject to floating interest rates that introduces interest cost risks. The Company has executed an interest hedging agreement, for the largest portion of its debt obligations. There is no significant impact to the Financial Statements for the year ending 31.12.2018. Further details are analyzed in Notes 11 & 13.

C.2 Functional and presentation currency

Financial statements are presented in Euro, which is the Company's functional currency. Transactions in foreign currencies are recorded at the functional currency after retranslated using the rates at the date the transaction. All differences arising on settlement or translation of monetary items are taken to the income statement with the exception of monetary items that are adjusted to its present values. These are considered as part of the present value and are recognized accordingly.

C.3. Property, plant and equipment

The management applies the basic method (initial purchase cost less accumulated depreciation and/or accumulated impairment losses), for categories of the operating assets, in accordance to IAS 16.

Such cost includes all costs directly associated with the acquisition of property, plant and equipment or the amount attributed to that asset when initially recognized, including the cost of materials used, financial costs until the date of starting of its operation and all other related costs, direct or indirect.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings / Photovoltaic station	20 years
Machinery	20 years
Furniture and other equipment	5 – 6 years

Assets with cost below EUR 1.500,00 are fully depreciated during the year of its acquisition due to not significance.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial statements date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

C.4. Intangible assets

Expenses within the scope of IAS 38.18 are capitalized (i.e. software licenses). All other intangible assets that were out of scope of IAS 38.18 have been written off.

C.5. Impairment of intangible assets

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction in which the parties have full knowledge and participate voluntarily, after deducting the costs of disposal of the asset, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

At each reporting date the management assess whether there is any indication of impairment of an asset under IAS 36, according to which it is ensured that the assets are accounted for at a value not exceeding the recoverable amount, where recoverable amount of an asset is the higher of fair value (less costs to sell) and value in use.

This evaluation also takes into account information from internal and external sources. Impairment of assets does not apply to items of deferred tax assets and financial assets falling under IAS 39 and in current assets classified as held for sale. Any impairment loss is recognized directly in the Income Statement.

C.6. Financial instruments Initial recognition and subsequent measurement

The standard is analyzing policies for the recognition and measurement of financial instruments, financial liabilities and certain contracts for the acquisition or sale non-financial instruments. Acquisition and sale of investments are recognized at the time of the transaction which is the date when the Company is obliged to acquire or sale the asset. Investments are initially recognized at fair value adding direct transaction costs, except those assets that are measured at fair value through income statement. Investments are derecognized when the

right to cash flows from investments expires or transfers and the Company has substantially transferred all risks and rewards related to the ownership.

The Company's financial instruments are classified in the following categories based on the substance of the contract and the reason of their acquisition.

i) Financial assets/liabilities at fair value through income statement

Financial assets and liabilities that cover the following assumptions:

- Financial assets /liabilities that are acquired for commercial reasons (including derivatives, except those categorized as effective hedging instruments, those acquired or made for sale or acquire back and finally those that constitute part of the investment portfolio from recognized financial instruments).
- At the initial recognition it is determined by the Company as an asset that is valued at fair value, with recognition of changes in the income statement. The realized and not realized profit or loss that result from the changes in fair value of the financial assets, are recognized through the income statement for the year.

ii) Trade and other receivable

Trade and other receivable include non-derivative financial assets with fixed or determined payments that could be traded in active markets. Trade and other receivable include the following:

- advances for services,
- receivables from taxes, as imposed by tax authorities,
- any other receivable, not resulted by an official agreement resulting to a Company's right to receive cash or other financial assets.

Trade and other receivables, are initially measured at the transaction cost and subsequently measured at amortized cost using the effective interest rate method.

Trade receivables and other are tested for impairment periodically. In cases where the collection of the receivable is considered default, based on the respective contractual terms, then provision for such impairment is made. The amount of impairment is determined from the difference between the carrying amount of receivables and the present value of the estimated future cash flows, which are discounted by using the effective interest rate. Any impairment losses are recognized directly to the income statement.

iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest rate method.

iv) Available for-sale financial investments

Available-for-sale financial investments include non-derivative financial assets under this category or are not classified to any other category.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired. Impairment losses that have been recognized in other comprehensive income are not reversed through profit & loss.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques, such as using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis or other valuation models.

Financial instruments not traded in an active market have been classified as available for sale financial assets and their fair value could not be reliably determined are valued at cost. At each financial statements date the Company estimates if there is any objective indication that these financial assets could be impaired. If an impairment is evidenced the cumulative impairment loss is transferred to income statement.

C.7. Financial assets and liabilities

The specific standard is referred to the recognition and measurement of financial assets and liabilities under the scope of IFRS 9.

Financial instruments: Recognition and measurement.

The specific standard is referred to the classification of financial assets, financial liabilities and investments and the classification of relative interest, dividends, losses and profits and the conditions under which the financial assets and financial liabilities should be netted off. A financial instrument is determined as every contract that creates on the same time a financial asset for an entity and a financial liability or an investment for another entity.

Financial asset is every asset that relates to:

- (a) cash and cash equivalents including cash and bank deposits
- (b) investments to other entities ,
- (c) contractual rights :
 - (i) to deliver cash or other financial asset from another entity or
 - (ii) the exchange of financial assets or liabilities with another entity possibly in favor of another entity or
- (d) a contact that could or will settle the instruments of the entity and are:
 - (i) non derivative for which the company is obliged to or could be obliged to obtain a fluctuated quantity of its own instruments or
 - (ii) a derivative that could or will be settled except the exchange of certain amount in cash or other financial asset with a certain amount of own instruments. For this purpose in its own instruments are not included means as the contracts for the future delivery or receipt of its own instruments.

Financial liabilities are liabilities related to:

- (a) contractual right :
 - (i) to deliver cash or other financial asset to another entity or
 - (ii) the exchange of financial assets or liabilities with another entity possibly against the other entity or
- (b) a contact that could or will settle the instruments of the entity and are:

- (i) non derivative for which the company is obliged to or could be obliged to deliver a fluctuated quantity of its own instruments or
- (ii) a derivative that could or will be settled except the exchange of certain amount in cash or other financial asset with a certain amount of own instruments. For this purpose in its own instruments are not included means as the contracts for the future delivery or receipt of its own instruments.

Instruments are every contract that demonstrates a right over the remaining amount, if the assets are deducted from its liabilities. Fair value is the amount with an asset could be exchanged or a liability could be settled between two parties who acts with their own will and are completely aware of the market conditions, under a transaction that is taking place on a commercial base.

C.8. Provisions

Provisions are recognized when:

- (a) The Company has a present obligation (legal or constructive) as a result of a past event
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- (c) a reliable estimate can be made of the amount of the obligation

Provisions are measured at expected value that is required to determine the present obligation, using the most reliable evidence that is available at financial statements date, including the risks and uncertainties specific to the present obligation, using the method of effective interest discount rate.

Contingent liabilities are not recognized in the financial statements, but are disclosed, unless the possibility of future cash outflows is insignificant. Contingent assets are not recognized in the financial statements, but are disclosed if the cash inflow is probable.

C.9. Share capital

Expenses realized for the issue of shares are shown in equity as a deduction from the proceeds and net of any taxes. Expenses realized for the issue of shares for the acquisition of other companies are included in its cost of acquisition.

C.10. Dividend Distribution

The dividend distribution to the mother Company is recognized as a liability in the financial statements as per the date that such distribution was approved by the Shareholders General Assembly.

C.11. Income & deferred taxes

Taxes charged to the period consist of current and deferred taxes, i.e. taxes and tax relieves related to the financial benefits incurring within the period but have been charged or are going to be charged from the tax authorities to different periods.

Current income taxes include short-term liabilities or receivables attributable to the tax authorities related to payable taxes on the period's taxable income and any additional prior period's taxes.

Current taxes are calculated according to effective tax rates and tax laws prevailing in the relevant periods, based on taxable profits for the year.

Deferred taxes are calculated with the liability method in all temporary tax differences as of preparation date of the financial statements occurring between the tax base and the book value of the assets and liabilities. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the financial statements date and are expected to apply when the related deferred income tax asset is realized

or the deferred income tax liability is settled. In case it is not possible to determine the time of reversal of the temporary tax differences, the tax rate used is that of the fiscal year following that of the financial statements. Deferred tax assets are recognized only to the extent that is likely that taxable profit will be generated in the future, which will generate the deferred tax asset.

Most of the changes in the deferred assets or liabilities are recognized as part of the tax expenses or income in the income statement for the year.

Changes in the assets or liabilities affecting temporary tax differences and are directly recorded in equity, and cause the slight change in the deferred tax receivables or liabilities to be debited against the equity account.

C.12 Recognition of revenue

Revenue includes the fair value of sale of goods and rendering of services, net from VAT, discounts and sale returns.

Revenue is recognized as follows:

(a) Sale of goods:

Revenue from sales of goods is recognized to the income statement, if significant risks and rewards have been transferred to the buyer and the receipt of cash is granted.

(b) Sale of services:

Sales of services are recognized, on an accrual basis, in the income statement of the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income is recognized on an accrual basis using the effective interest rate method.

C.13. Leases

In case of leased assets where the lessor substantially transfers all risks and rewards to the Company, the lease is classified as a finance lease. At the commencement of the lease term, the Company recognizes finance leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge, which is recognized in the income statement, and the reduction of the outstanding liability, which is recognized to the balance sheet. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A lease is classified as an operating lease if the lessor substantially retains all risks and rewards. Any payments made for operating leases, including prepayments, (net of any incentives provided to the lessor) are recognized in the income statement, using the straight-line method through the leasing period.

Leased assets under a finance lease are classified as property, plant and equipment in the financial statements and are depreciated over their estimated useful life. Income from rentals is recognized using a straight line method over the lease period.

The Company has not entered to any financial lease contract.

C.14. Borrowing Costs

While calculating the effective interest rate, the Company estimates the cash flows by taking into account the contractual terms behind the financial instrument (for example, prepayments) but not the future losses. The estimation includes all expenses and items paid or received among counterparties which are considered part of the effective interest rate, any issuance fees and additional charges or discounts.

Borrowing costs include:

- Interest for current bank loans and overdraft accounts.
- Depreciation of deep-discounted bonds,
- Depreciation of other expenses incurred related to loans,
- Financial costs from financial leases.

All borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset must be capitalized.

D. New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

- **IFRS 16: Leases**

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

Impact from the implementation of IFRS 16

The Company applied the standard to all active lease contracts on 1.1.2019, recognizing the cumulative effect of the initial adaptation on the net position of 1.1.2019 without reforming the figures of the comparative period in accordance with the transitional provisions of the standard. Consequently, the figures of the comparative period are not comparable.

Based on the option provided by IFRS 16, the Company, on the date of first adoption, did not re-evaluate whether a contract constitutes or contains a lease and therefore applied the standard only to the contracts previously recognized as leases under the IAS. 17.

Regarding the transition, the following practices were followed as provided by the standard:

- i. A single discount rate was applied depending on the duration of the lease for all categories of leases,
- ii. Any initial costs of concluding the lease from the appraisal of the right of use were excluded,
- iii. It was considered that the acquisition value of the right is equal to the obligation from the lease, adjusted by the amount of any prepaid or worked rents relating to that lease and which were recognized in the balance sheet immediately before the date of initial application.
- iv. The right of the exemption and non-application of the new provisions in leases whose duration does not exceed 12 months as well as in leases in which the leased item is of low value (less than 5,000 euros when new) was chosen.

v. The calculation of discounted outstanding future leases was based on the company's loan fixed interest rate.

At inception of the adoption of the standard, the Company recognized on 1.1.2019 rights of use amounted of 164,352.78 Euros versus long term liabilities from leases of 210,348.86 Euros. The impact to the net equity resulted to 45,996.08 Euros loss.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs.

- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

D2. Standards issued but not yet effective and not early adopted

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards.

- **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of

an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU.

E. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Company's business activities and the general economic environment exhibits a variety of risks that the management is requested to respond by weighting the cost of the possible negative effects from these risks. Company's policies for the risk management are applied in order to recognize and analyze all Company's risks and to impose limits of risk taking and perform audits for towards that. The Company manages its risk management policies periodically, in order to embody the changes in the market's environment and the Company's business activities.

E.1 Interest rate risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to a specific credit risk from its operating activities, as its sales are made to Greek State. At the same time, the risk from its financing activities, including deposits with banks and financial institutions is eliminated as the Company seeks to have always appropriate and agreed credit lines with banks.

E.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to a specific credit risk from its operating activities, as its sales are made to Greek State. At the same time, the risk from its financing activities, including deposits with banks and financial institutions is eliminated as the Company seeks to have always appropriate and agreed credit lines with banks.

E.3 Foreign currency risk

Company's transactions are made only in Euro.

Note 1: Sales and Cost of Sales

Sales are analyzed as follows:

	2019	2018
Sales of electricity power	<u>2.573.190,72</u>	<u>2.428.290,88</u>

Cost of sales is analyzed as follows:

	2019	2018
Insurance	(28.405,00)	(29.900,00)
Rentals	0,00	(19.817,38)
IFRS 16 Interest Cost	(5.855,83)	0,00
IFRS 16 Depreciation cost	(14.941,16)	0,00
Repairs and maintenance	(172.000,00)	(172.000,00)
Other third party fees	(6.204,80)	(4.507,51)
Depreciation	<u>(615.166,37)</u>	<u>(615.166,37)</u>
Total	<u>(842.573,16)</u>	<u>(841.166,37)</u>

Note 2: Administrative expenses

Administrative expenses are analyzed as follows:

	2019	2018
Third party fees & expenses	(96.799,26)	(105.568,75)
Rentals	(6.960,00)	(6.960,00)
Other third party fees	(1.861,91)	(2.184,64)
Taxes other than income taxes	<u>(103.596,32)</u>	<u>(67.816,65)</u>
Total	<u>(209.217,49)</u>	<u>(182.530,04)</u>

- The variance in taxes other than income taxes is attributable to the extraordinary special solidarity levy on producers of electricity, calculated on the price of electricity sales that took place during 2019, and amounts to 92.664,87 € versus 66.133,20 € in 2018.

Note 3: Other income – expenses

Other income - expenses are analyzed as follows:

	2019	2018
Sub- letting income	100,00	200,00
Other income	5.610,66	4.627,82
Total other income	<u>5.710,66</u>	<u>4.827,82</u>

Note 4: Finance income and finance cost

Finance income and finance cost are analyzed as follows:

Finance cost	2019	2018
Interest and other relating expenses	<u>(299.369,18)</u>	<u>(300.252,89)</u>
Total Finance cost	<u>(299.369,18)</u>	<u>(300.252,89)</u>

Note 5: Income tax

Income tax is analyzed as follows:

	2019	2018
Income tax	(335.004,43)	(368.753,47)
Deferred tax	45.554,49	47.673,29
Total	<u>(289.449,94)</u>	<u>(321.080,18)</u>
	31/12/2019	31/12/2018
Profit (Loss) before tax	1.227.741,55	1.108.944,51
Tax rate applicable in Greece	24,00%	29,00%
Proportionate tax; 24% (2018: 28%)	(294.657,97)	(321.593,91)
Permanent differences	(571,56)	(922,70)
Prior Year Tax	6,77	0,00
Effect from the change in tax rate	5.772,83	1.436,44
Total income tax	<u>(289.449,94)</u>	<u>(321.080,17)</u>

Deferred tax assets and liabilities have been measured at the tax rate that has been announced for the following year, ie 24%.

Unaudited Financial Statements by the Greek TAX Authorities

From the fiscal year that ended on December 31st 2011 and onwards, according to law 4147/2013 (article 65A), as in force (and as per the provisions of Art. 82 of Law 2238/1994), the Greek Societe Anonymes and limited liability Companies whose Financial Statements need to be audited should of could issue "Annual Tax Certificate", which is issues, following the conduct of a TAX audit, from a legal auditor or the auditing firm that audits the yearly financial statements.

The Company has been audited by the Greek TAX authorities for the Fiscal Year that ended on December 31st 2009. With respect to the unaudited Fiscal Year that ended 31/12/2010, the five year prescription period has been exceeded.

It should be noted that the TAX authorities, as per relevant decisions of the Ministry of Finance as well as the N.S.K can audited the aforementioned Fiscal Years provided that the TAX return form and or the form of withholding taxes etc. have not been filled within the legally provided time-frame, in which case the above mentioned prescription period is extended to 15 years (according to the provisions of par. 5 of Art. 84 of K.F.E. with regards to 15 yearlong prescription). The Management of the Company believes that it is not probable that extra taxes will be applied for the Fiscal Year that ended 31/12/2010.

The Fiscal Years 31/12/2011 to 31/12/2018 have been audited by the Auditing Firm elected as per Code N. 2190/1920 in accordance with Art. 82 of Law 2238/1994 and Article 65A N.4174 / 2013 and the relevant certificates of tax compliance we issued without any reservations.

The TAX Audit for the Fiscal Year that ended 31/12/2019, which was conducted by the Auditing Firm, is in progress and the relevant TAX certificate is expected to be issued following the publication of the attached financial statements. Should by the finalization of the TAX Audit, additional tax obligations arise, the Management of the Company appreciates that those will not materially affect the financial statements.

Note 6: Property, plant and equipment

Property, plant and equipment as at December 31, 2019 are analyzed as follows:

	Land and Buildings	Machinery and other equipment	Furniture and other equipment	Total
Cost or valuation				
As at January 1, 2018	315.239,93	11.988.087,35	3.243,67	12.306.570,95
Additions	0,00	0,00	0,00	0,00
As at December 31, 2018	315.239,93	11.988.087,35	3.243,67	12.306.570,95
Depreciation as at January 1, 2018	(106.724,99)	(4.072.508,79)	(3.243,60)	(4.182.477,38)
Depreciation	(15.762,00)	(599.404,37)	0,00	(615.166,37)
As at December 31, 2018	(122.486,99)	(4.671.913,16)	(3.243,60)	(4.797.643,75)
Net book value as at December 31, 2018	<u>192.752,94</u>	<u>7.316.174,19</u>	<u>0,07</u>	<u>7.508.927,20</u>
Cost or valuation				
As at January 1, 2018	315.239,93	11.988.087,35	3.243,67	12.306.570,95
Additions ROU IFRS 16	164.352,78	0,00	0,00	164.352,78
Additions	0,00	0,00	0,00	0,00
As at December 31, 2018	479.592,71	11.988.087,35	3.243,67	12.306.570,95
Depreciation as at January 1, 2018	(122.486,99)	(4.671.913,16)	(3.243,60)	(4.797.643,75)
Depreciation ROU IFRS 16	(14.941,16)	0,00	0,00	(14.941,16)
Depreciation	(15.762,00)	(599.404,37)	0,00	(615.166,37)
As at December 31, 2019	(153.190,15)	(5.271.317,53)	(3.243,60)	(5.427.751,28)
Net book value as at December 31, 2019	<u>362.402,56</u>	<u>6.716.769,82</u>	<u>0,07</u>	<u>7.043.172,45</u>

- There are mortgages or pledges on the Company's property, plant and equipment in favor of its loans, amounting to 10.608.000 €.
- In the cost of buildings an amount of 117,839.83 € was capitalized, concerning the provision for dismantling of equipment after the agreement's expiration date.
- According to IAS 23 "Borrowing Costs" an amount of 167,280.15 € was capitalized as an increase to the cost of the photovoltaic park. An amount of 84,772.70 € concern interest for 2010 and 82.507,45 € for 2011.
- The management of the company is of the view that as of December 31, 2018 there are no indications of impairment for the tangible assets.
- The value of acquisition of the buildings is increased by an amount of € 164,352.78 concerning the value of rights of use from leases according to IFRS 16.

Note 7: Deferred tax

Deferred taxes are recognized with the liability method in all temporary tax differences as of preparation date of the financial statements occurring between the tax base and the book value of the assets and liabilities.

Deferred tax is analyzed as follows:

	2018	2018
Deferred tax assets		
Deferred tax liabilities	146.847,10	148.128,42
	(14.607,76)	(40.220,24)
Deferred tax assets	<u>132.239,34</u>	<u>107.908,18</u>
More than 12 months		
Up to 12 months	146.847,10	148.128,42
	<u>146.847,10</u>	<u>148.128,42</u>
Deferred tax liabilities		
Over 12 months	(14.607,76)	40.220,24

Deferred tax movement is analyzed as follows:

Deferred Tax Liabilities:

	Depreciation	Provisions	Other	Change in Tax Rate	Total
BS as at 1/1/2018	(104.262,03)	0,00	0,00	0,00	(104.262,03)
Income tax (expense)/profit	<u>41.646,96</u>	<u>0,00</u>	<u>0,00</u>	<u>3.595,24</u>	<u>45.242,20</u>
BS as at 31/12/2018	(62.615,07)	0,00	0,00	3.595,24	(59.019,83)
Income tax (expense)/profit	<u>35.980,67</u>	<u>0,00</u>	<u>0,00</u>	<u>8.431,40</u>	<u>44.412,07</u>
BS as at 31/12/2019	<u>(26.634,40)</u>	<u>0,00</u>	<u>0,00</u>	<u>12.026,65</u>	<u>(14.607,76)</u>

Deferred Tax Assets:

	Depreciation	Provisions	Other	Change in Tax Rate	Total
BS as at 1/1/2018	0,00	16.638,50	167.980,53	0	184.349,03
Income tax (expense)/profit	<u>0,00</u>	<u>2.995,52</u>	<u>0,00</u>	<u>(564,43)</u>	<u>2.431,09</u>
(Debit) / Credit in Equity	<u>0,00</u>	<u>0,00</u>	<u>(19.852,11)</u>	<u>0,00</u>	<u>(19.852,11)</u>
BS as at 31/12/2018	0,00	19.364,02	148.128,42	(564,43)	166.928,01
Income tax (expense)/profit	<u>0,00</u>	<u>3.611,433</u>	<u>0,00</u>	<u>(2.658,57)</u>	<u>952,86</u>
(Debit) / Credit in Equity	<u>0,00</u>	<u>0,00</u>	<u>(21.033,77)</u>	<u>0</u>	<u>(21.033,77)</u>
BS as at 31/12/2019	<u>0,00</u>	<u>22.975,45</u>	<u>127.094,65</u>	<u>(3.223,01)</u>	<u>146.847,10</u>

Deferred tax (expense) / income in the income statement is based on the following temporary differences:

	2019	2018
Depreciation	35.980,67	41.646,96
Change in TAX rate	5.772,83	3.030,81
Accrued interest expense	3.611,43	2.995,52
Total	<u>45.364,92</u>	<u>47.673,29</u>

Note 8: Trade and other receivables

Trade and other receivables are analyzed as follows:

Current Assets

	2019	2018
Trade receivables	<u>1.026.034,05</u>	<u>692.212,98</u>
Trade receivables net	<u>1.026.034,05</u>	<u>692.212,98</u>
Other receivable	<u>59.385,79</u>	<u>41.671,58</u>
Total	<u>59.385,79</u>	<u>41.671,58</u>
Total Receivables	<u>1.085.419,84</u>	<u>733.884,56</u>

The ageing analysis of trade receivables are mainly due to LAGIE and BAYWARE HELLAS, are analyzed as follows:

Receivable days	31/12/2019	31/12/2018
0 – 30 days	107.220,28	145.940,63

31 – 60 days	135.345,50	113.423,99
61 – 90 days	206.670,56	195.189,73
91 – 120 days	262.543,28	237.658,63
121 – 150 days	311.706,26	0,00
151 – 180 days	2.548,17	0,00
181 + days	0,00	0,00
Total	<u>1.026.034,05</u>	<u>692.212,98</u>

“Other receivables” are analyzed as follows:

Advance payment for income tax 2019	33.516,93	25.152,50
VAT	4.349,78	0,00
Prepaid land rentals for 2019	<u>21.519,08</u>	<u>16.519,08</u>
	<u>59.385,79</u>	<u>41.671,58</u>

The total amount will be netted off during 2019.

Note 9: Cash and short-term deposits.

Cash and short-term deposits are analyzed as follows:

	2019	2018
Cash in hand	169,44	1.896,54
Cash at banks	<u>1.017.607,71</u>	1.434.045,68
Total	<u>1.017.777,15</u>	<u>1.435.942,22</u>

Cash at banks earns interest at floating rates based on monthly bank deposit rates.

There are no deposits in foreign currencies. Interest income on bank deposits were accounted for on an accrual basis and are included in the finance cost in the accompanying income statement.

Note 10: Issued capital and share premium

The Company’s issued capital as at December 31, 2019, is divided into 62,224 authorized ordinary shares (December 31, 2018: 62.224 ordinary shares), of € 10 par value each.

By virtue of a General Meeting’s resolution on the 30th of July 2019 the Capital of the Company was initially increased by Euro eight hundred and eight thousand nine hundred and twelve (€ 808,912) through capitalization from the above par value by increase in the nominal value of each share by Euro thirteen (€ 13.00), such that the nominal value of each share was increased, following the capital increase, from Euro ten (€ 10.00) to Euro twenty three (€ 23.00). Simultaneously a capital decrease, of Euro eight hundred and eight thousand nine hundred and twelve (€ 808,912) was carried out, through the reduction of the nominal price of each share and return of capital, in the form of a cash distribution to the shareholders, by Euro thirteen (€ 13.00) per share, such that the nominal value of each share was decreased, following the capital decrease, from Euro twenty three (€ 23.00) to Euro ten (€ 10.00).

Upon completion of the above capital increase and simultaneous capital decrease, the Company’s share capital amounts to Euro six hundred twenty two thousand, two hundred and forty (€ 622,240), divided into sixty two thousand two hundred and twenty four (62,224) shares of a par value of Euro ten (€ 10.00) each.

Note 11: Statutory and cash flow hedge reserves.

Statutory and cash flow hedge reserves are analyzed as follows:

	Statutory Reserves	Cash Flow Hedge Reserves	Total
As at January 1, 2018	183,126.18	(510,696.91)	(327,570.73)

Other	0	30.361,01	30.361,01
As at December 31, 2018	229.511,07	(380.901,65)	(151.390,58)
Other	0	(21.564,74)	(21.564,74)
As at December 31, 2019	229.511,07	(402.466,39)	(172.955,32)

Statutory reserves: Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve until such a reserve equals one third of the outstanding share capital. This reserve cannot be distributed during the corporation's existence, except from the amount exceeding the one third of share capital, as it concerns a voluntary reserve.

Cash flow hedge reserve: It is related to the financing of the construction of the photovoltaic park located at Farsala. The Company has entered to an interest rate swap agreement. The effective portion of cash flow hedging was recognized in equity. The ineffective portion was recognized immediately in the income statement.

Note 12: Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are analyzed as follows:

	2019	2018
Non-Current borrowings		
Bond loans	3.274.039,71	4.130.603,89
Finance cost	(128.708,72)	(143.009,75)
Total Non-Current borrowings	3.145.330,99	3.987.594,14
Current borrowings		
Bond loans	739.184,68	<u>743.684,32</u>
Total borrowings	<u>739.184,68</u>	<u>4.731.278,46</u>
The term of the loans are:		
Up to 1 year	739.184,68	743.684,32
More than 2 years	<u>3.145.330,99</u>	<u>3.987.594,14</u>
	<u>3.884.515,67</u>	<u>4.731.278,46</u>

Company's loans have been granted from a German bank and are stated in Euro. Amounts payable up to 1 year after the financial statements date are classified as current borrowings and the amounts payable after 1 year are classified as non-current.

Subsequently, for the implementation of the construction project for the photovoltaic part located at Farsala, the Company based on the final agreement between HELIOGENESIS S.A. and creditor banks as it was defined on June 25, 2010 were entered to bond loan agreements on June 30, 2010 for the financing of the project.

Furthermore, the Company entered into a bond loan facility agreement with the creditor banks as follows:

- Bond loan facility agreement of 5.436.000 €. The bond is repayable in 18 months and bears interest of 6 month EURIBOR + spread 3%. Its repayment starts on March, 15 2012 with 6 month installments.
- Bond loan facility agreement of 4.152.000 € long term duration of 16 years and bears interest of 6 month EURIBOR + spread 3% Its repayment starts on March, 15 2012 with 6 month installments.

The above bank loan agreements provide certain commitments for the Company and meeting certain indicators of financial performance, starting from the year ended December 31, 2011.

The Company provides for accrued interest expense and charges the related expense in the income statement (Note 4).

Issuance expenses related to the bond loan of 602.166,06 € were valued at amortized cost using the effective interest method.

Note 13: Derivative financial liabilities

	2019	2018
Long term liabilities		
Interest rate swaps	<u>460.936,04</u>	<u>460.405,07</u>
Total	460.936,04	460.405,07
Current liabilities		
Interest rate swaps	<u>68.625,00</u>	<u>68.625,00</u>
Total	68.625,00	68.625,00

Note 14: Other Provisions and Liabilities

Other provisions and liabilities are related to estimated cost of dismantling of equipment of the photovoltaic park located at Farsala, in current values. The amount of this provision is recognized at present values, that was calculated over a 20 years period with interest rate of 5,75%, equal to the Company's interest on borrowings and is analyzed as follows:

Dismantling of equipment	220,000.00 €
Amount recognized on Present Value	117,839.93 €
Finance cost	<u>242,655.69 €</u>
Total provision	<u>360,495.62 €</u>

The movement is analyzed as follows:

Prediction of decommissioning 31/12/2018	184.304,30
Interest Cost 2019	<u>10.597,50</u>
Prediction of decommissioning 31/12/2019	<u>194.901,80</u>

Note 15: Trade and other payables

Trade and other payables are analyzed as follows:

	31/12/2019	31/12/2018
Suppliers	105.912,56	53.891,70
Other payables	15.658,44	2.712,18
Accrued expenses	64.053,76	38.847,41
Total	<u>186.686,75</u>	<u>96.529,12</u>

The current TAX liabilities are analyzed as follows:

<i>In EUR</i>	<u>31/12/2019</u>	<u>31/12/2018</u>
Income tax	0,00	0,00
VAT	0,00	6.634,90
Tax on third party fees	2.544,55	2.537,51
Stamp on rentals	<u>421,60</u>	<u>79,60</u>
Total	<u>2.966,15</u>	<u>9.252,01</u>

- Trade payables are not an interest bearing account and usually it is settled in 30 days period.
- The item "Other Creditors" recorded liabilities to OTE and VECTOR PARTNERS AE.

Note 16: Related parties

There is no parent company for HELIOGENESIS S.A. as a legal entity, as the share capital as at December 31, 2019 was majorly owned by individuals.

HELIOGENESIS S.A. is supplied with services from related companies as part of normal business activities. These related companies are under the same management or / and same shareholders with HELIOGENESIS S.A.

Related parties balances as of December 31st, 2019 are analyzed as follows:

	2019		2018	
	Asset	Liability	Asset	Liability
A. Companies				
HELIOGENESIS EPE	0.00	835,97	0,00	814,51
	0.00	835,97	0,00	814,51
B. Board of Directors and management:	0.00	0.00	0,00	0.00

Related parties transactions are analyzed as follows:

	2019		2018	
	Revenues	Purchases	Revenues	Purchases
A. Companies				
HELIOGENESIS EPE	0.00	835,97	0.00	1.482,60
	0.00	835,97	0.00	1.482,60

Open balances as at December 31st, 2019 are not guaranteed and will be settled in cash.

Note 17: Contingent Liabilities – Commitments

There are no contingent liabilities or commitments of the Company, which have not been properly disclosed in the financial statements of the Company.

Note 18: Dividend Distribution

The ordinary general meeting of shareholders of the Company for the previous year, which was held on 30.06.2019, did not approved the dividend payment.

Note 19: Subsequent events

Based on the decision of company's Board of Directors dated 05/05/2020 it was proposed the distribution of a gross dividend to shareholders amounting to Euro eight hundred thousand (800.000).

At the end of February 2020, the pandemic of the COVID-19 virus started, caused a general lock-down for more than two months in our country, in addition to the consequences it had on human lives and the world economy. However, the pandemic is not expected to have any consequences for the Company's progress, as there are increased needs for energy and the park is already operating at its maximum potential, the only customer that is the Greek State during the lock-down paid and quite late rest, while the maintenance of the park has been assigned to an external partner who does not face sustainability problems



The Company's annual financial statements from pages 10 to 35 were approved by the Board of Directors on May 5, 2020.

CHAIRMAN OF THE
BOARD

KONSTANTINOS
ZOBANAKIS
ID No: AB 973733

THE VICE PRESIDENT AND
MANAGING DIRECTOR

EVGENIOS DENDRINOS
ID NO: TO78714

CHIEF ACCOUNTANT

ACCOUNTING SOLUTIONS A.E
REG NO :928/08
NIKOLAOS ZAMANIS
REG NO: A' 08257