Piraeus Clean Energy Limited Partnership

Consolidated Audited Financial statements

For the year ended 31 December 2012

Contents

Piraeus Clean Energy Limited Partnership

Partnership Information

Registered Number
LP013805

Registered Office
1 Sp. Kyprianou,
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Cyprus

General Partner
Piraeus Clean Energy GP Limited
1 Sp. Kyprianou,
1065 Nicosia,
Cyprus

Administrator
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2112, Nicosia,
Cyprus

Auditor
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Julia House,
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90 High Holborn
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Piraeus Clean Energy Limited Partnership

General Partner's report

The General Partner presents this report and the Group consolidated audited financial statements of the Partnership and it's subsidiary undertakings for the year ended 31 December 2012.

Principal activity

The principal activity of the Partnership and of the Group is that of holding investments in the clean energy sector. As at 31 December 2012 the Group continued to set up the corporate structure of its associated undertakings by incorporating and acquiring sub-investments while partly commencing development of its investments.

Legal Structure

Piraeus Clean Energy Limited Partnership is a Limited Partnership registered in England under the Limited Partnerships Act 1907 on 1 March 2010 with number LP013805 and in Cyprus pursuant to the Partnership and Business Names Law Cap 116 with number S11852, regulated by the Central Bank of Cyprus in accordance with the ICIS Law ("the Partnership").

Piraeus Clean Energy GP Limited is a company incorporated on 31 December 2007 in Cyprus, with registered number 218102 and acts as the General Partner to the Partnership ("the General Partner").

Piraeus Clean Energy Holdings Limited is a company incorporated on 6 October 2008 in Cyprus, with registered number 239353, (the "Subsidiary").

Zibeno Investments Limited is a company incorporated on 31 October 2011 in Cyprus with registered number 296069 ("Zibeno"). Zibeno was incorporated for carrying out the Group's investment strategy in the clean energy sector and in particular biomass energy.

Arigeo Energy Holdings Limited is a company incorporated on 30 May 2012 in Cyprus with registered number 307174 ("Arigeo"). Arigeo was incorporated for holding investments related to a solar park being developed in Trikala, Greece.

Zibeno I Energy S.A. is a company incorporated on 24 February 2012 in Greece with registered number 119711501000 ("Zibeno I"). Zibeno I was incorporated for pursuing biomass energy production opportunities in Greece.

KPM Energy S.A. is a company incorporated on 25 September 2012 in Greece with registered number 007599701000 ("KPM"). KPM was incorporated for developing a solar park in Trikala, Greece.

Together, the Partnership, the Subsidiary, Zibeno, Arigeo, Zibeno I and KPM form the Group.

Results and Partners' profit shares

The results for the period are shown on pages 9 and 10. Partners' funds are shown in note 12 of the financial statements.

Financing

The Limited Partnership is financed by contributions made by the Partners. During the year the Limited Partner invested €2,598,563 (2011: €135.000) into Piraeus Clean Energy LP. The amount was utilized by the Partnership for supporting the investment development of the Group.

General Partner's report (continued)

Review of developments, position and performance

As at 31 December 2012 the Partnership partly commenced the development of its investments while further investigating for investment opportunities. Through its subholding Zibeno I, the Group filed applications to authorities for the construction of biomass plants of 1MW in Edessa and Naousa in Greece while other suitable plots are being investigated. Also, the Group entered into the development of a solar park in Trikala, Greece by acquiring 80% of KPM. During the reporting year the Partnership had consolidated loss of €177,424. As at 31 December 2012 the Partnership had total consolidated assets of €4,641,442 and net assets attributed to the Group of €2,495,413. The performance of the Partnership is considered satisfactory in view of the early development stage of its projects and the long term investment horizon.

Directors

The Directors of the General Partner throughout the period and subsequently were as follows:

Director	Appointed	Resigned
Loukas Pilitsis	11 May 2010	
Marios Demitriades	11 May 2010	
George Rologis	15 February 2012	
Alkis Kailos	15 February 2012	
Arnaud Henin	15 February 2012	
Chris Georghiades	11 May 2010	15 February 2012
Agapios Agapiou	11 May 2010	15 February 2012
Teresa Farmaki	11 May 2010	15 February 2012

Events after the balance sheet date

Except as disclosed in Note 14 to the financial statements, there were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office.

General Partner's report (continued)

Statement of General Partners' Responsibilities

The General Partner is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The General Partner is required by The Limited Partnerships Act 1907 to prepare the financial statements for each financial year. Under the law the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and applicable law. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained within the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Limited Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose them with reasonable accuracy the financial position of the Group and which enable them to ensure that the financial statements will comply with The Limited Partnerships Act 1907. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the General Partner

Piraeus Clean Energy GP Limited 27 November 2013

Independent auditor's report

To the Members of Piraeus Clean Energy LP Limited

Report on the consolidated and the separate financial statements of Piraeus Clean Energy LP Limited

We have audited the accompanying consolidated financial statements of Piraeus Clean Energy LP (the "Partnership") and its subsidiaries (the "Group") and the separate financial statements of the Partnership, which comprise the consolidated balance sheet of the Group and the balance sheet of the Partnership as at 31 December 2012, and the consolidated statement of comprehensive income, changes in net assets and cash flows, and the statements of comprehensive income, changes in net assets and cash flows of the Partnership for the year then ended, and a summary of significant accounting policies and other explanatory information.

Partner's responsibility for the financial statements

The Partners are responsible for the preparation of the consolidated and separate financial statements of the Partnership that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Partners determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated and separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Partners, as well as evaluating the overall presentation of the consolidated and separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements and the separate financial statements give a true and fair view of the financial position of the Group and the Partnership as at 31 December 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Partnership.
- The consolidated and the separate financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and the separate financial statements give all the information required.
- In our opinion, the information given in the report of the General Partner is consistent with the consolidated and the separate financial statements

Other matter

This report, including the opinion, has been prepared for and only for the Partnership's partners as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Christakis K. Santis
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 27 November 2013

Consolidated Statement of comprehensive income for the year ended 31 December 2012

	Notes	2012 €	2011 €
Income		-	39
Expenses			
Rents		(6,817)	-
Licensing expenses		(26,800)	-
Finance costs		(5,207)	-
Legal & Professional fees		(17,383)	(11,587)
Administration & Accountancy fees		(49,941)	(38,990)
Audit Fee		(9,407)	(4,252)
Incorporation fees		(37,277)	-
Amortization of intangible assets		(750)	(91)
Annual license fees		(382)	-
Sundry expenses		(18,940)	-
Defence tax		(35)	-
Deferred tax		(648)	-
Bank charges		(3,837)	(9)
Total Expenses		(177,424)	(54,929)
Decrease in net assets		**(177,424)**	**(54,890)**
Attributable to:			
Non-Controlling interests		**(15,975)**	**(614)**
The Group	12	**(161,449)**	**(54.276)**

Consolidated statement of changes in net assets attributable to the Group

	Notes	2012 €	2011 €
Net assets attributable to the Group at 1 January		58,299	(22,425)
Capital contributions		2,598,563	135,000
Decrease in net assets attributable to the Group from operations	12	(161,449)	(54.276)
Net assets attributable to the Group at 31 December	12	**2,495,413**	**58.299**

The notes on pages 15 to 27 are an integral part of these financial statements.

Partnership Statement of comprehensive income for the year ended 31 December 2012

	Notes	2012 €	2011 €
Income		-	39
Expenses			
Legal & Professional fees		-	(9.587)
Administration & Accountancy fees		(35,100)	(33,350)
Audit Fee		(3,032)	(2,356)
Annual license fees		(383)	-
Bank charges		(35)	-
Total Expenses		**(38,550)**	**(45,293)**
Decrease in net assets attributable to the Limited Partners from operations	12	**(38,550)**	**(45,254)**

Partnership statement of changes in net assets attributable to the Limited Partners

	Notes	2012 €	2011 €
Net assets attributable to the Limited Partners at 1 January		72,209	(17,537)
Capital contributions		2,598,563	135,000
Decrease in net assets attributable to the Partners from operations	12	(38,550)	(45,254)
Net assets attributable to the Partners at 31 December	12	**2,632,222**	**72,209**

The notes on pages 15 to 27 are an integral part of these financial statements.

Piraeus Clean Energy Limited Partnership

Consolidated Balance Sheet

	Notes	2012 €	2011 €
ASSETS			
Non-current assets			
Intangible assets	7	14,159	14.909
Fixed assets	8	2,909,354	-
Current assets			
Current assets – due from related parties	10	561,962	-
Deferred tax asset		7,625	-
VAT receivable		284,977	
Prepayments		91,446	-
Cash at bank	6	771,919	145,141
Total assets		4,641,442	160,050
LIABILITIES			
Non-current liabilities			
Bank loans	9	(1,350,000)	-
Current liabilities			
Current liabilities - due to related parties	10	(108,534)	(59,248)
Current liabilities - other	11	(619,435)	(18,467)
Total current liabilities		(2,077,969)	(77,715)
NET ASSETS		**2,563,473**	**82,335**
Attributable to:			
NON-CONTROLLING INTERESTS		**68,060**	**24,036**
THE GROUP	2,12	**2,495,413**	**58,299**
		2,563,473	**82,335**

The financial statements were authorised for issue in accordance with a resolution of the Board of the General Partner on 27 November 2013.

For the General Partner on behalf of Group

The notes on pages 15 to 27 are an integral part of these financial statements.

Piraeus Clean Energy Limited Partnership

Partnership Balance Sheet

	Notes	2012 €	2011 €
ASSETS			
Non-current assets			
Investment in subsidiary	5	2,171,600	135,000
Current assets			
Current assets – due from related parties	10	561,962	-
Cash at bank	6	500	500
Total assets		2,734,062	135,500
LIABILITIES			
Current liabilities			
Current liabilities - due to related parties	10	(98,890)	(52,677)
Current liabilities - other	11	(2,950)	(10,614)
Total current liabilities		(101,840)	(63,291)
NET ASSETS		**2,632,222**	**72,209**
Represented by:			
NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS	2,12	**2,632,222**	**72,209**

The financial statements were authorised for issue in accordance with a resolution of the Board of the General Partner on 27 November 2013.

For the General Partner on behalf of the Limited Partnership

The notes on pages 15 to 27 are an integral part of these financial statements.

Piraeus Clean Energy Limited Partnership

Consolidated statement of Cash Flows

	Notes	2012 €	2011 €
Cash flow from operating activities			
Decrease in net assets attributable to the Limited Partners from operations		(161,449)	(54,276)
Additions to non controlling interest		44,024	24,036
Amortization of intangible assets	7	750	91
Increase in receivables		(946,010)	-
Increase in payables	10,11	650,254	54,829
Net cash (outflow) / inflow to / from operating activities		**(412,431)**	**24,680**
Cash flow from investing activities			
Acquisition of fixed assets	8	(2,909,354)	-
Acquisition of intangible assets	7	-	(15,000)
Net cash outflow to investing activities		**(2,909,354)**	**(15,000)**
Cash flow from financing activities			
Capital contributions received from Limited Partners	12	2,598,563	135,000
Proceeds from loans	9	1,350,000	-
Net cash inflow from financing activities		**3,948,563**	**135,000**
Net increase in cash and cash and cash equivalents		**626,778**	**144,680**
Cash and cash equivalents at beginning of the year		**145,141**	**461**
Cash and cash equivalents at end of the year	6	**771.919**	**145,141**

The notes on pages 15 to 27 are an integral part of these financial statements.

Partnership Statement of Cash Flows

	Notes	2012 €	2011 €
Cash flow from operating activities			
Decrease in net assets attributable to the Limited Partners from operations		(38,550)	(45,254)
Increase in receivables	10	(561,962)	-
Increase in payables	10,11	38,549	44,293
Net cash outflow to operating activities		**(561,963)**	**(961)**
Cash flow from investing activities			
Investment paid to subsidiary	5	(2,036,600)	(134,000)
Net cash flows used in investing activities		**(2,036,600)**	**(134,000)**
Cash flow from financing activities			
Capital contributions received from Limited Partners	12	2,598,563	135,000
Net cash inflow from financing activities		**2,598,563**	**135,000**
Net increase in cash and cash and cash equivalents		**-**	**39**
Cash and cash equivalents at beginning of the year		**500**	**461**
Cash and cash equivalents at end of the year	6	**500**	**500**

The notes on pages 15 to 27 are an integral part of these financial statements.

Notes to the Financial Statements as at 31 December 2012

1 – Partnership information

The Partnership is a Limited Partnership registered in England under the Limited Partnerships Act 1907 on 1 March 2010 with number LP013805. Its principal place of business is in Cyprus and its details are registered in Cyprus pursuant to the Partnership and Business Names Law, cap.116. The Partnership is regulated by the Central Bank of Cyprus and acts as a private international collective investment scheme in accordance with the ICIS Law (Cyprus International Collective Investment Scheme Law, Law No. 47(I) of 1999, as amended).

The General Partner is a company incorporated and registered in Cyprus, with registered number 218102 and acts as the General Partner to the Partnership.The General Partner carries on its business from Cyprus.

The Subsidiary is a company incorporated in Cyprus, with registered number 239353.

The sub-subsidiaries Zibeno Investments Limited and Arigeo Energy Holdings Limited are companies incorporated in Cyprus with registered numbers 296069 and 307174, the sub-subsidiaries Zibeno I Energy SA and KPM Energy S.A are companies incorporated in Greece with registered numbers 119711501000 and 007599701000 (the "Sub-subsidiaries"). Together, the Partnership, the Subsidiary and the sub-subsidiaries form the Group.

Clean Energy CI LP acts as the Carried Interest Partner (the "Carried Interest Partner").

The Partnership is focused on investing in clean energy infrastructure projects in South-Eastern Europe and the Emerging Mediterranean region.

2 – Accounting Policies

Basis of preparation

The financial statements for the year ended 31 December 2012 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and exercise of judgment by the General Partner while applying the Partnership's accounting policies. These estimates are based on the General Partners' best knowledge of the events that existed at the balance sheet date; however, the actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 of the financial statements.

In the current period, the Partnership has applied all the new and revised standards, amendments and interpretations issued by the International Accounting Standards Board ('IASB'), that are relevant to its operation and effective for the current accounting period of the Partnership. This adoption did not have a material effect on the accounting policies of the Partnership.

2 - Accounting Policies (continued)

Basis of preparation (continued)

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The General Partner expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Partnership.

Going concern

These financial statements have been prepared on a going concern basis. It is the opinion of the General Partner that the Group has the ability to meet its liabilities as and when they fall due. Amounts payable by the Group are currently being met by the General Partner, and will be reimbursed by the Group subject to Limited Partnership Agreement when further partners' commitments are called in from the Limited Partners.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Partnership and entities controlled by the Partnership (its subsidiaries and subsidiary undertakings). Control is achieved where the Partnership has the power to govern the financial and operating policies of a portfolio Group so as to obtain benefits from its activities. The Group is defined as Piraeus Clean Energy Limited Partnership, its Subsidiary, Piraeus Clean Energy Holdings Limited and sub-subsidiaries Zibeno Investments Limited, Arigeo Energy Holdings Limited, Zibeno I Energy SA and KPM Energy SA, as these are defined in page 4.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Basis of measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the balance sheet at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Revenue recognition

Revenues earned by the Partnership and the Group are recognised on the following bases:

(i) Interest income

Interest income is recognized on a time proportion basis using the effective interest method.

(ii) Dividend income

Dividend income is recognized when the right to receive payment is established.

2 – Accounting Policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Partnership are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Partnership's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated in the basis of the tax laws enacted or substantively enacted at the reporting date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

2 – Accounting Policies (continued)

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the net liabilities of the counterparties/ borrowers, as adjusted with any fair value gains or losses relating to their investment properties. The amount of the provision is recognised in profit or loss.

Finance costs

Finance costs primarily comprise the interest on bank loans and are recognized on an effective interest basis.

Provisions

Provisions are recognised when the Partnership has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Bank loans

Bank loans are recognised initially at fair value, net of transaction costs incurred. Bank loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loan, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Loan costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on loans, amortisation of discounts or premium relating to loans, amortisation of ancillary costs incurred in connection with the arrangement of loans, finance lease charges and exchange differences arising from foreign currency loans to the extent that they are regarded as an adjustment to interest costs.

2 – Accounting Policies (continued)

Bank loans (continued)

Loan costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Bank loans are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank.

Priority Profit Share

The General Partner shall be allocated out of the Partnership's profits, an amount computed as follows:

> Until the end of the investment period, as 2% per annum of that Investor's commitment at the final closing date or in the case of a commitment in excess of €25 million, a blended percentage computed on the basis of 2% of €25 million and 1.5% of the excess.
>
> Thereafter, as the individual percentage per annum of that Investor's Investment-Related Proportion of the acquisition cost of any investment, or of that part of any investment, that has not been disposed of, liquidated or written off, based on the daily balances of those investment-related proportions.

In the year ended 31 December 2012 no priority profit share was recognised as the Investment period has not yet commenced (2011: NONE).

Purchased Intangible Assets

Purchased intangible assets are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives, which are set at 20 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2 – Accounting Policies (continued)

Fixed Assets
Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The useful life of the fixed assets is determined upon completion of its development. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Comparatives
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 – Financial risk management

(a) Financial risk Management Structure

The General Partner is responsible for identifying and controlling risks. The Board of Directors of the General Partner is ultimately responsible for the overall risk management of the Partnership through a process of ongoing identification, measurement and monitoring.

The Partnership's overall risk management program seeks to maximize the returns derived for the level of risk to which the Partnership is exposed and seeks to minimize potential adverse effects on the Partnership's financial performance. The Partnership's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures. The Partnership is exposed to market risk (including cash flow and fair value interest rate risk), credit risk and liquidity risk.

Cash flow and fair value interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Partnership's borrowings carry floating interest rates and consequently expose the Partnership to cash flow interest rate risk.

At 31 December 2012, if interest rates on Euro-dominated loans payable had been 10% higher/lower with all other variables held constant, post-tax profit for the period would have been €443 lower/higher, mainly as a result of higher/lower interest income on floating rate loans payable.

The Partnership is also exposed to fair value interest rate risk in relation to its cash and cash equivalents which is however mitigated as far as possible by only depositing cash amounts with institutions approved by the Board of Directors of the General Partner.

3 – Financial risk management (continued)

(a) Financial risk Management Structure

Credit risk
The Partnership is exposed to credit risk, which is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge its contractual obligation. As at the balance sheet date, the Partnership was not exposed to credit risk from its receivable balances as these are with related parties with no defaults in the past. Bank balances are held with the Partnership's ultimate controlling group and the credit risk is hence significantly reduced (Notes 6,10).

Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not march. An unmatched position potentially enhances profitability but can also increase the risk of losses. As at the balance sheet date the Company's liabilities to related and third parties are due within one year and hence the carrying amounts equal the contractual undiscounted cash flows as the impact of discounting is not significant (Note 10).

Moreover, the Partnership has committed commitments of €40,000,000 available for future operating activities and to meet its liquidity needs.

(b) Capital risk management
The capital as defined by management at 31 December 2012 is equal to the balance of the Accounts of Limited Partners for the relevant period (Note 12).

The Partnership's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide superior risk adjusted returns for its investors and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Partnership may adjust the amount of contribution and/or profit distributions paid to the Limited Partners, call for additional Limited Partners' contributions from their commitments, raise further external financing or sell assets.

(c) Fair value estimation
The carrying value less impairment provisions of receivables and payables are assumed to approximate their fair values.

4 – Critical accounting judgment and key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of non-financial assets
The General Partner tests annually whether the assets have suffered any impairment in accordance with the Partnership's accounting policies. The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount.

5 – Investments in subsidiaries

	2012	2011
	€	€
As at 1 January	135,000	1,000
Additions	2,036,600	134,000
As at 31 December	**2,171,600**	**135,000**

Investment in subsidiary	Country of incorporation	Activities	Shareholding 2012	Shareholding 2011
Piraeus Clean Energy Holdings Limited	Cyprus	Investment Holding	100%	100%

The General Partner has determined that the fair value of the inter-company investment is equal to the historic cost of the investment, noting that the intention of the Group is to hold the investments for the long-term. As of 31 December 2012 the Net Asset Value of the subsidiary and its undertakings was €2,025,465.

During the year, the Partnership has invested a further €2,036,600 in the subsidiary, in the form of purchase of additional shares at a premium.

6 – Cash and cash equivalents

Cash and cash equivalents comprise of cash deposited with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of the cash and which are subject to an insignificant risk of changes in value.

Group	2012	2011
	€	€
Piraeus Bank (Cyprus) Limited – current account	77,613	145.141
Piraeus Bank S.A. – current account	694,306	-
	771,919	**145.141**

Partnership	2012	2011
	€	€
Piraeus Bank (Cyprus) Limited – current account	500	500
	500	**500**

Bank balances are held with financial institutions with a credit rating of Caa2 by Moody’s as at 31 December 2012.

7 – Intangible assets

	2012	2011
	€	€
Cost		
Balance at 1 January	15,000	-
Additions	-	15,000
Balance at 31 December	**15,000**	**15,000**
Amortisation		
Balance at 1 January	91	-
Amortisation for the period	750	91
Balance at 31 December	**841**	**91**
Net book amount	14,159	14,909
Balance at 31 December	**14,159**	**14,909**

The intangible asset relates to a project under development about the construction of a biomass renewable energy production site.

Purchased intangible assets are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

The Board estimates that the fair value of the assets as at 31 December 2012 equals the Net book value as at the same date being €14,159 (2011: €14,909).

8 – Fixed assets

	2012	2011
	€	€
Cost		
Balance at 1 January	-	-
Additions	2,209,354	-
Balance at 31 December	**2,209,354**	**-**
Depreciation		
Balance at 1 January	-	-
Depreciation for the year	-	-
Balance at 31 December	**-**	**-**
Net book amount	2,209,354	-
Balance at 31 December	**2,209,354**	**-**

Fixed assets relate to a solar park under construction in Trikala, Greece. Since the asset was in development as at 31 December 2012, no depreciation was charged for the year ended at the same date.

9 – Bank loans

Group	2012 €	2011 €
Piraeus Bank S.A.	1,350,000	-
	1,350,000	**-**

During the year, KPM Energy S.A. secured a facility loan of up to €1,500,000 from Piraeus Bank S.A. in Greece. As at the year end, KPM Energy S.A. had utilized €1,350,000 with the remaining of the loan expected to be drawn down early after the year end.

The Loan bears interest of Euribor 3M+5.60% margin and is repayable by 2022.

10 – Current Assets / (liabilities) – due from / (to) related parties

Group	2012 €	2011 €
Piraeus Clean Energy GP Limited (1)	561,962	-
Piraeus Clean Energy GP Limited	(108,534)	(59,248)
	(453,428)	(59,248)

Partnership	2012 €	2011 €
Piraeus Clean Energy GP Limited (1)	561,962	-
Piraeus Clean Energy GP Limited	(90,890)	(52,677)
Piraeus Clean Energy Holdings Limited	-	-
	(471,072)	**(52,677)**

(1) During 2012 the Partnership transferred to the investment manager €561,962 in the form of an interest free loan which does not bear a maturity date. The loan will be settled in the future against priority profit sharing allocations to be made to the investment manager out of profits of the Partnership.

Piraeus Clean Energy Limited Partnership

11 – Current liabilities – other

Group	**2012**	**2011**
	€	**€**
Administration and Accountancy fees	29,584	14,138
Audit fees	6,952	4,329
Other liabilities	582,899	-
	619,435	**18,467**

Partnership	**2012**	**2011**
	€	**€**
Administration and Accountancy fees	-	8,625
Audit fees	2,950	1,989
	2,950	**10,614**

12 – Net assets attributable to Limited Partners

Group

	€
Committed Capital	40,000,000
Net liabilities attributable to Group as of 31 December 2010	**(22,425)**
Capital contributions	135,000
Decrease in net assets attributable to the Group from operations	(54,276)
Net assets attributable to Group as of 31 December 2011	**58,299**
Capital contributions	2,598,563
Decrease in net assets attributable to the Group from operations	(161,449)
Net assets attributable to Group as of 31 December 2012	**2,495,413**

Partnership

	€
Committed Capital	40,000,000
Net liabilities attributable to Limited Partners as of 31 December 2010	**(17,537)**
Capital Contributions	135,000
Decrease in net assets attributable to Limited Partners from operations	(45,254)
Net assets attributable to Limited Partners as of 31 December 2011	**72,209**
Capital Contributions	2,598,563
Decrease in net assets attributable to Limited Partners from operations	(38,550)
Net assets attributable to Limited Partners as of 31 December 2011	**2,632,222**

13 – Related Party transactions

Piraeus Clean Energy Limited Partnership

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions;

(a) The General Partner, Piraeus Clean Energy GP Limited has paid on behalf of the Limited Partners amounts due to third parties (Note 10).

(b) Piraeus Clean Energy Holdings Limited is a wholly owned subsidiary of the Partnership which as at 31 December 2012 has no liability or receivable from the Partnership.

(c) Zibeno Investments Limited is controlled by Piraeus Clean Energy Holdings Limited by 83% which as at 31 December 2012 has no liability or receivable from the fund.

(d) Zibeno I Energy is wholly controlled by Zibeno Investments Limited which as at 31 December 2012 has no liability or receivable from the Partnership.

(e) Arigeo Energy Investments Limited is wholly controlled by Piraeus Clean energy Holdings Limited which as at 31 December 2012 has no liability or receivable from the Partnership.

(f) KPM Energy S.A. is controlled by Arigeo Energy Investments Limited by 80% which as at 31 December 2012 has no liability or receivable from the Partnership. KPM received a financing facility loan from Piraeus Bank S.A.. As at 31 December 2012, €1,350,000 were drawn down from the facility.

The anchor limited partner, Piraeus FI Holding Limited, currently holds 100% of the Partnership's capital.

The ultimate controlling party of the anchor limited partner and General Partner is Piraeus Bank S.A., a company incorporated in Greece and listed on the Athens Stock Exchange.

The cash at bank held by the Group and Partnership are with financial institutions related to Piraeus Bank S.A. group.

14 – Events after the balance sheet date

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

14 – Events after the balance sheet date (continued)

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations. The Eurogroup requested the Cypriot authorities and the European Commission, in liaison with the European Central Bank, and the International Monetary Fund, to finalise the relevant Memorandum of Understanding in April 2013 which will then be followed by the formal approval of the Board of Directors of the European Stability Mechanism as well as by the ratification by Eurozone member states through national parliamentary (or equivalent) approval.

On 22 March 2013 legislation was enacted by the House of Representatives of the Republic of Cyprus concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and they were enforced on 28 March 2013. The Company's operations will be affected by the extent and duration of these restrictive measures.

On 29 March 2013 the Central Bank of Cyprus issued Decrees relating to Laiki Bank and the Bank of Cyprus implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

These measures are not expected to have any adverse impact on the Company's operations as the Company did not hold any material bank deposits, at 26 March 2013, in the above two Cypriot banks and as such no loss will arise from these measures.

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defense contribution from 15% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it.

15 – Approval of Financial Statements

The financial statements were approved and authorised for issue by the General Partner on 27 November 2013.

Independent auditor's report on pages 7 and 8.