Annual Report of the Board of Directors

Independent Auditor’s Report

&

Annual Financial Statements

(1 January 2017 – 31 December 2017)

FITCO S.A.

G.C.Registry:6489301000

SEAT: Athens Tower, Building B, 2-4Mesogeion Avenue

Table of Contents

	Page
Annual report of the Board of Directors	
Independent Auditor’s Report	
Annual Financial Statements	
I. Statement of Financial Position	**1**
II. Income Statements	**2**
III. Statement of Comprehensive Income	**3**
IV. Statement of Changes in Equity	**4**
V. Statement of Cash Flows	**5**
Notes to the Financial Statements	**6-46**

ANNUAL REPORT OF THE BOARD OF DIRECTORS

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report"), concerns the year 2017 (1 January - 31 December 2017). This report was prepared in line with the relevant provisions of Codified Law 2190/1920, as in effect.

This report details financial information on the FITCO Metal Works S.A. (hereinafter referred to for the purpose of brevity as "Company" or «FITCO») for the year 2017, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties that the Company faced against and finally sets out the important transactions between the issuer and its affiliated parties. The Company does not have any branches.

A. Financials - Business report - Major events

Throughout 2017 recovery in the Eurozone fluctuated slightly positively, which positively affected the sales of the Company. The average price of Copper fluctuated to Euro 5,453 per tonne for the fiscal year 2017 following the downtrend during the first six months of the year, versus Euro 4,398 per tonne in 2016, while the average price of zinc fluctuated slightly positively to Euro 2,561 per tonne versus Euro 1,896 per tonne in 2016.

The turnover for 2017 accumulated to Euro 65.5 million increased by 49.8% versus Euro 43.7 million for the prior year. The increase of the turnover is attributed to the increase of metal prices as well as the increase of the volume of sales due to the reduction of the completion in the Italian market after the a big competitor leaving the market. The earnings before taxes, interest and depreciation (EBITDA) accumulated for 2017 to profit of Euro 2.0 million, versus losses of Euro 0.3 million the respective prior year, while the results before taxes and interest (EBIT) amounted to profit of Euro 0.8 million, versus losses of Euro 1.6 million the respective prior year. The net result profit / (losses) after tax in 2017 amounted to Euro 0.1 million, versus Euro 1.9 million in 2016.

In 2017 initiatives for cost savings were realized as well as programs for restructuring of production through optimizing and reorganizing production processes. The Company for those purposes proceeded with limited capital expenditures, which included mainly some necessary improvements – upgrades in the existing machinery with a total cost of Euro 0.6 million.

In addition, the net debt for the fiscal year of 2017 amounted to Euro 13.7 million, versus Euro 15.1 million in the year before.

B. Financial standing

The ratios showing the financial standing of the Company evolved as follows:

RATIOS	31/12/2017	31/12/2016
Liquidity Current Assets / Current Liabilities	0.84	1.45
Leverage Equity / Bank Loans	1.11	1.04
Return on Invested Capital Profit before taxes and Financial / Equity + Bank Loans	2.8%	-5.0%
Return on Equity Net profit(loss) / Equity	-0.5%	-11.8%

C. Corporate Social Responsibility and Sustainable Development

Reference to the Non-Financial disclosure

FITCO is 100% subsidiary of ELVALHALCOR S.A.. In the Non-Financial Reporting section of ELVALHALCOR the respective information is include for the major production subsidiaris which are being consolidated. More specifically for FITCO S.A. The subsidiaries which represent over the 1% of the consolidated revenue of ELVALHALCOR are considered the most important and are being presented in the Sustainability Report (Sustainability Reporting Guidelines) of the Global Reporting Initiative (GRI-Standards). More information can be found in http://www.elvalhalcor.com/userfiles/pdfs/financial_results/Annual-Financial-Report_ELVALHALCOR_12-2017.pdf και www.fitco.gr.

Environment

FITCO, considering the big environmental problems that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and by minimizing its environmental footprint.

The protection of the environment is implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques) that have been established by the European Union. In the adoption of best available techniques, the production processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, and not only in terms of waste produced.

Human resources

One of the main advantages of Fitco is the quality of human capital that is credited in large part for its hitherto successful course. For this reason, the company attaches great importance to the selection, evaluation and reward its staff.

Fitco's policy is to attract highly quality individuals for optimal and timely needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment, through transparent procedures.

Fitco within its responsible operation has established a code of values and behaviour of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is increased.

Moreover, FITCO seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting virtually the employment in the region.

Health and Safety

FITCO cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work.

In 2017, further steps were taken to improve the security culture while the training of employees to create a safe working environment intensified. FITCO's virtue is the recording and reporting of "near misses" something that is key element for improving and advancing worker safety.

D. Main Risks and Uncertainties

The company is exposed to the following risks from the use of its financial instruments:

Credit risk

The Company's exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales (for Company) and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of collectability they have shown. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and his properties, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Investments

These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on proper classification of the investment at the time of acquisition and reviews classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

Guarantees

The Company's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The sum of the guarantees provided by Company is of low value and does not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Company to manage liquidity is to ensure, by holding the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. It is noted that on 31 December 2017, the Company possessed an amount of Euro 584 thousand in Cash and Cash equivalents and the necessary credit lines, so they can easily service the short-term and mid-term liabilities.

For the avoidance of liquidity risk the Company makes a cash flow projection for one year while preparing the annual budget as well as a monthly rolling projection for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen. The Company is in discussion with banks for the extension or refinancing of the existing bond loan with maturity in 2018 (see note 18)

Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Company's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Company exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Company enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

Risk from fluctuation of metal prices (copper, zinc, other metals)

The Company bases both its purchases and sales on stock market prices/ indexes for the price of copper and other metals used and incorporated in its products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Company, however, does not use hedging instruments for the entire working stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through the impairment of inventories.

Exchange rate risk

The Company is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Company companies, which is the Euro. The currencies in which these transactions are held are mainly the USD and the GBP.

Over time, the Company hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign

currency. The Company enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates variation, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Company's operating activities and is mostly the Euro.

Interest rate risk

The Company finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Company rise.

The interest rate risk is mitigated as part of the Company's borrowing is in fixed rates.

Capital management

The Company' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Company and to allow Company activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Company as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

There were no changes in the approach adopted by the Company in how capital was managed during the financial year.

Macroeconomic environment

In the context of the aforementioned analysis, the Company has evaluated the impact in the management of the financial risks due to the macroeconomic environment in the markets in which it operates.

Considering, however, the following:

1. The nature of the Company's operations, as exporting,
2. The financial standing of the Company,
3. The production capacity of the units

It is obvious that there are adequate cash flows to cover the imports of raw material which are necessary for the production. The availability and the prices of the basic material follow the international market and are not affected by the domestic situation in Greece or any other country.

Nevertheless, the Management constantly estimates the situation and the potential repercussions, in order to secure that all the necessary actions and possible measures are being taken for the minimization of potential effects to the Company's operations.

E. Outlook and prospects for 2018

In general for 2018, the Company will continue to have as a strategic target the increase of the market shares in industrial products and the strengthening of the activity in new markets that have not been affected by the economic crisis. Furthermore, in the current year the optimal management of the working capital and the reduction of the net debt is our main priority.

The Chairman of the Board of Directors

Nikolaos Koudounis

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "FITCO METAL WORKS S.A."

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of "FITCO METAL WORKS S.A." (Company) which comprise the statement of financial position as of 31 December 2017, the statements of profit or loss, comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2017, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.
Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2017 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

"With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report".

Athens, 8 June 2018

PricewaterhouseCoopers S.A.
Certified Auditors - Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg No 113

The Certified Auditor Accountant

Konstantinos Michalatos
SOEL Reg No 17701

ANNUAL FINANCIAL STATEMENTS

For the fiscal year ended on 31.12.2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND MEMBER OF THE BoD	THE GENERAL MANAGER AND MEMBER OF THE BoD	THE FINANCIAL MANAGER AND MEMBER OF BoD
NIKOLAOS KOUDOUNIS ID. No. AE 012572	ANDREAS GONTZES ID No. X 170406	VASILIOS GONTZES ID No. X 561428	SPYRIDON KOKKOLIS ID No. X 701209

I. Statement of Financial Position

EUR	Note	2017	2016
ASSETS			
Non-current assets			
Property, plant and equipment	9	25,321,519	25,455,424
Intangible assets and goodwill	10	83,651	95,225
Investment property	11	1,737,372	1,746,304
Trade and other receivables	14	38,378	40,927
		27,180,920	**27,337,880**
Current Assets			
Inventories	13	16,157,480	11,853,565
Trade and other receivables	14	10,530,323	4,877,976
Derivatives	15	-	100,080
Cash and cash equivalents	16	584,211	321,822
		27,272,014	**17,153,443**
Total assets		**54,452,935**	**44,491,323**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	10,384,770	10,384,770
Other reserves	17	7,603,340	8,113,290
Retained earnings/(losses)		(2,131,074)	(2,487,049)
Equity attributable to owners of the company		**15,857,036**	**16,011,011**
LIABILITIES			
Non-current liabilities			
Loans and Borrowings	18	-	10,380,766
Deferred tax liabilities	12	5,358,164	5,360,567
Employee benefits	19	324,224	301,386
Grants	20	577,852	626,236
		6,260,240	**16,668,955**
Current liabilities			
Trade and other payables	21	17,888,099	6,766,243
Loans and Borrowings	18	14,254,750	5,044,557
Derivatives	15	192,809	556
		32,335,658	**11,811,357**
Total liabilities		**38,595,899**	**28,480,312**
Total equity and liabilities		**54,452,935**	**44,491,323**

The notes in pages from 6 through 45 constitute an integral part of these Financial Statements.

II. Income Statement

EUR	Note	2017	2016
Revenue	**5**	**65,493,283**	**43,732,599**
Cost of sales	7	(63,237,505)	(43,818,078)
Gross profit		**2,255,778**	**(85,480)**
Other Income	6	1,048,348	256,437
Selling and Distribution expenses	7	(911,379)	(648,825)
Administrative expenses	7	(840,198)	(741,032)
Other Expenses	6	(723,017)	(338,255)
Operating profit / (loss)		**829,532**	**(1,557,155)**
Finance Income	8	418	252
Finance Costs	8	(879,667)	(1,002,714)
Net Finance income / (cost)		**(879,250)**	**(1,002,462)**
Profit/(Loss) before income tax		**(49,718)**	**(2,559,617)**
Income tax expense	12	(23,047)	666,570
Profit/(Loss) for the year		**(72,764)**	**(1,893,047)**

The notes in pages from 6 through 45 constitute an integral part of these Financial Statements.

III. Statement of Comprehensive Income

EUR	**2017**	**2016**
Profit / (Loss) of the period from continued operations	**(72,764)**	**(1,893,047)**
Items that will never be reclassified to profit or loss		
Profit from Revaluation of Fixed Assets to Fair Value	190,862	-
Remeasurements of defined benefit liability	(10,829)	(18,027)
Related tax	(53,688)	7,898
Total	**126,345**	**(10,129)**
	(51,688)	
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences		
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(362,995)	545,295
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	70,662	(185,077)
Related Tax	84,777	(104,476)
Total	**(207,557)**	**255,741**
Other comprehensive income / (expense) after tax	**(81,211)**	**245,612**
Total comprehensive income / (expense) after tax	**(153,976)**	**(1,647,435)**
Attributable to:		
Owners of the company	(153,976)	(1,647,435)
Total comprehensive income / (expense) after tax	**(153,976)**	**(1,647,435)**

The notes in pages from 6 through 45 constitute an integral part of these Financial Statements.

IV. Statement of Changes in Equity

EUR	Share capital	Reserves at Fair Value	Other reserves	Reserves for Revaluation of Fixed Assets to Fair Value	Results carried forward	Total
Balance as at 1 January 2015	**10,384,770**	**(185,078)**	**327,284**	**8,108,629**	**(977,159)**	**17,658,447**
Net Profit / (Loss) for the period	-	-	-	-	(1,893,047)	(1,893,047)
Other comprehensive income	-	255,740	-	-	(10,129)	245,611
Total comprehensie income	-	255,740	-	-	(1,903,176)	(1,647,435)
	-	-	-	-	-	-
Transactions with the shareholder's directly in equity	-	-	-	-	-	-
Transfer of reserves	-	-	-	(393,285)	393,285	-
Total transactions with the shareholders	-	-	-	(393,285)	393,285	-
Balance as at 31 December 2015	**10,384,770**	**70,662**	**327,284**	**7,715,344**	**(2,487,049)**	**16,011,011**
Balance as at 1 January 2016	**10,384,770**	**70,662**	**327,284**	**7,715,344**	**(2,487,049)**	**16,011,011**
Net Profit / (Loss) for the period	-	-	-	-	(72,764)	(72,764)
Other comprehensive income	-	(72,044)	-	-	(9,167)	(81,211)
Total comprehensie income	-	(72,044)	-	-	(81,931)	(153,976)
	-	-	-	-	-	-
Transactions with the shareholder's directly in equity	-	-	-	-	-	-
Transfer of reserves	-	-	-	(437,905)	437,905	-
Total transactions with the shareholders	-	-	-	(437,905)	437,905	-
	-	-	-	-	-	-
Balance as at 31 December 2016	**10,384,770**	**(1,382)**	**327,284**	**7,277,439**	**(2,131,075)**	**15,857,035**

The notes in pages from 6 through 45 constitute an integral part of these Financial Statements.

V. Statement of Cash-Flows

EUR	2017	2016
Cash flows from operating activities		
Profit / (loss) after taxes	(72,764)	(1,893,047)
Adjustments for:		
Tax	23,047	(666,570)
Depreciation and Amortization	**1,180,378**	**1,170,867**
Depreciation of tangible assets	1,207,185	1,202,549
Depreciation of intangible assets	21,577	16,703
Depreciation of grants	(48,385)	(48,385)
Finance Income	(418)	(252)
Interest charges & related expenses	879,667	1,002,714
(Profit) / loss from sale of tangible assets	235,332	-
Impairment/ (Reversal of Impairment) on intangible assets	(776,694)	-
Loss from assets and investment property write off	168,427	-
Impairment/ (Reversal of Impairment) of receivables	101,554	-
(Other provisions)/Reversal of provisions	-	(1,641)
	1,738,529	**(387,929)**
Decrease / (increase) in inventories	(4,303,915)	(973,755)
Decrease / (increase) in receivables	(5,652,347)	85,616
(Decrease) / Increase in liabilities (minus banks)	11,166,892	2,914,108
	1,210,631	**2,025,969**
Interest charges & related expenses paid	(879,667)	(989,774)
Net Cash flows from operating activities	**2,069,492**	**648,267**
Cash flows from investing activities		
Purchase of tangible assets	(626,943)	(337,667)
Purchase of intangible assets	(10,003)	(19,473)
Interest received	418	252
Net Cash flows from investing activities	**(636,529)**	**(356,888)**
Cash flows from financing activities		
Loans settlement	(1,170,573)	(643,662)
Net cash flows from financing activities	**(1,170,573)**	**(643,662)**
Net (decrease)/ increase in cash and cash equivalents	**262,390**	**(352,282)**
Cash and cash equivalents at the beginning of period	321,822	674,105
Cash and cash equivalents at the end of period	**584,211**	**321,822**

The notes in pages from 6 through 45 constitute an integral part of these Financial Statements.

Notes to the Financial Statements

1. Incorporation and Activities

FITCO Metal Works S.A. (former SYLL.AN S.A.) or «FITCO» or the «Company» was established in 2005 and it is registered in the Register of Societes Anonyme G.C.Registry. : 6489301000.

The term of the company has been set to 50 from publication of its Articles of Association, namely until 2055 and it is a subsidiary of ElvalHalcor S.A. and member of Viohalco SA/NV.

FITCO produces rolling products from copper, zinc, brass and other copper alloys. The Company has a vertically integrated production and holds a leading position in the production of brass tubes and bars.

The Financial Statements of Fitco are included in the consolidated Financial Statements of the parent ElvalHalcor SA.

The main activities of the Company is the production and sales of zinc rolling.

The company is operating mainly in Greece, Italy, Germany, the United Kingdom, Bulgaria, Poland, Serbia, Portugal and Turkey.

The Company is seated in Athens, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525. The Company's main offices as well as the address is at 53rd km. National Road Athens-Lamia, Inofyta, Pr. of Viotia, GR 320 11. Information about the Company and its activities are available on its website (***www.fitco.gr***) **.**

2. Basis of preparation of the Financial Statements

(a) Compliance Note

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the IASB may differ from those adopted by the European Union.

The financial statements ended 31 December 2017 were approved for publication by the Company's Board of Directors on 7 June, 2018**.**

(b) Measurement basis

The financial statements have been prepared in historical cost, except of derivative financial instruments, fixed assets (land-plot, buildings and machinery) and investment property which are valued in the fair value.

(c) Functional currency and presentation

The Financial Statements are presented in Euro, which is the Company's functional currency. The amounts indicated in the Financial Statements are denominated in Euro and are rounded up/down to the nearest unit (any differences in sums are due to rounding up/down).

(d) Application of estimates and judgements

Preparing financial statements in line with the IFRS requires that Management take decisions, make assessments and assumptions which affect the implementation of accounting policies, and the book amounts of assets, liabilities, income and expenses. The actual results may finally differ from such estimates.

Estimates and related assumptions are continuously revised. These revisions are recognized in the period they were made and any subsequent ones.

Specific information about the areas for which estimates are uncertain and vital decisions must be made with respect to the application of accounting policies having a considerable effect on the amounts posted in financial statements is given in the notes below:

Significant Estimates

- Valuation of assets that are not measured at fair values: The Group makes estimates regarding any impairment of the fixed assets which are not measured in fair values (Investments in subsidiaries, Intangible fixed assets).

3. New Principles

New principles that have not been put in effect

New Standards, amendments and interpretations: Specific new standards, amendments to standards and interpretations have been issued, which are required for accounting periods beginning on or after 1 January 2017. The Group's assessment of the impact of the application of these new standards, amendments and interpretations is set out below.

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Notes to the Financial Statements

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have no impact in Company's financial statements.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities"

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment has no effect in Company's financial statements.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies, if they meet a specific condition, to measure financial assets with prepayment features and negative compensation payments to the amortised cost or to the fair value through other comprehensive income instead of the fair value through profit or loss. The Group cannot apply the amendments earlier because they have not yet been endorsed by the European Union.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that

the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company is currently identifying the parameters required to endorse the standard.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarified that entities should account for their long-term interests in an associate or joint venture - to which the equity method does not apply - based on IFRS 9. The amendments have not yet been endorsed by the European Union.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how entities should determine the retirement costs when changes take place to defined benefit pension plans. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures" (effective for annual periods beginning on or after 1 January 2018)

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2021)

The amendments listed below include changes in four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business Combinations"

The amendments clarified that an entity re-measures its previously held share in a jointly controlled activity when it acquires control of that entity.

IFRS 11 "Joint Arrangements"

The amendments clarified that an entity does not re-measure its previously held share in a jointly controlled activity when it acquires joint control over that entity.

IAS 12 "Income Taxes"

The amendments clarified that an entity accounts for all the effects on income tax on dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments specify that an entity treats as part of general borrowing any loan that was specifically incurred for the development of an asset when that asset is ready for its intended use or sale.

Notes to the Financial Statements

Disclosures about the adoption of IFRS 9 and IFRS 15

IFRS 15

This new standard will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts. The new standard is based on the principle revenue recognition when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company will adopt the new standard from 1 January 2018, when it becomes mandatory. The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

No significant impact is expected with the new rules which will align the accounting used by the Company with the standard's provisions.

IFRS 9

Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Company have decided to adopt IFRS 9 on 1 January 2018 with the practical expedients permitted under the standard.

The Group and the Company do not expect the new guidance to have a significant impact on the classification and measurement of its financial assets for the following reasons:

- The debt instruments that are currently classified as available-for-sale (AfS) financial assets appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.
- A FVOCI election is available for the equity instruments which are currently classified as AfS.
- Debt instruments currently classified as held-to-maturity and measured at amortised cost appear to meet the conditions for classification at amortised cost under IFRS 9.

There will be no impact the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Company's risk management practices, as the standard introduces a more principles-based approach. The Company's existing hedge relationships appear to satisfy the provisions of IFRS 9. As a consequence, the Group and the Company do not expect a significant impact from the hedge accounting treatment.

Notes to the Financial Statements

In regards to the new impairment model which requires the recognition of impairment provisions based on expected credit losses (ECL), the Company performed a test for the provision for credit losses on the 2017 figures under which an additional provision of € 200 thousand at Company level would affect the profit and loss of the period before taxes.

Finally, the new standard also introduces expanded disclosure requirements and changes in presentation; these are expected to change the nature and extent of the Company's disclosures financial statements about its financial instruments particularly on the first adoption of the new standard.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Company consistently applies the accounting principles for all periods in which the consolidated financial statements are presented, with the exception of the application of the new standards, amendments to standards and interpretations listed below, the application of which is mandatory for annual financial statements beginning on or after after January 1, 2016. The new standards adopted in the year and did not have an impact on the Company's financial statements were:

4.1 Foreign Currency

Transactions and balances

Transactions that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in the profit and loss statement.

4.2 Financial Assets

(a) Non-derivative financial instruments

Financial instruments excluding derivatives consist of equities and other securities, receivables and other receivables, cash and cash equivalents, loans and long-term liabilities, trade and other payables. These items are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are initially recognized at fair value plus acquisition cost save those

recognized at fair value. Assets are measured as per their classification.

(b) Trade and other receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their non-depreciated cost less impairment losses. Impairment losses are recognised when there are objective indications that the Company is not in a position to collect all or part of the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of the estimated future cash flows. The amount of provision is recognised in the income statement as an expense.

(c) Cash and cash equivalents

Cash and cash equivalents include cash balances, sight deposits and short-term, high-liquid and low-risk investments.

(d) Available-for-sale financial assets

These include non-derivative financial assets that are either designated in this subcategory, or do not fit into "detained until the end" or "as a fair value through profit and loss." Purchases and sales of investments are recognized on trade date that is the date the Company commits to buy or sell the asset. Investments are initially recognized at fair value plus transaction costs. Then available for sale financial assets are measured at fair value and the resulted profit or loss is recognised in reserve 'fair value' of equity until these assets are sold or impaired. The fair value of those traded on a regulated market is the closing price. For other items the fair value cannot reliably determine the fair value corresponds to the acquisition cost. The impairment loss is recognized upon transfer of the accumulated damage from the reserve to the income statement.

The accumulated losses carried forward is the difference between the acquisition value after depreciation over the effective rate and the current fair value minus the depreciation already charged to the profit from previous years. Impairment losses recognized in profit or loss statement are not reversed through the income statement for equity financial assets. The Company looks for evidence of impairment that for the shares are listed in Stock Exchange is a mandatory or prolonged decline in fair value below its cost, which in such case recorded in the results.

(e) Fair Value

The fair values of financial assets traded on active markets are designated based on current market price. In the case of assets not so traded, fair values are designated using valuation techniques such as recent transaction analysis, reference to comparable and cash flow discounts.

(f) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Notes to the Financial Statements

Loans are classified as “Short-term Liabilities” unless the Company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern. The recognition stops when the contractual obligations cancelled, terminated or sold.

4.3 Derivatives and hedge accounting

The Company holds derivative instruments to offset the risk of interest rate and the foreign currency change. Derivatives are initially and subsequently recognized at fair value. The method of recognizing gains and losses depends on whether derivatives designated as hedging instruments or as held for trading.

The Company documents at the inception of the transaction the relationship between instruments of hedging and hedged items as well as the strategic management of risk. At the conclusion of the contract and on an ongoing basis later recorded assessment of the high efficiency of hedging for both fair value hedges and for cash flow hedges. To offset future transaction demonstrates the possibility of completing the transaction.

(a) Fair value hedging

Changes in the fair value of derivatives which are defined as fair value hedges are posted to the results as are the changes in the fair value of the hedged assets which are attributed to the risk offset.

(b) Cash-Flow hedging

The effective proportion of change in the fair value of derivatives defined as cash flow hedges are posted to an equity reserve. The gain or loss on the non-effective proportion is posted to the results. The amounts posted as an equity reserve are carried forward to the results of the periods where the hedged assets affect profits or losses. In cases of hedging forecast future transactions which result in recognition of a non-monetary asset (e.g. inventory) or liability, profits or losses which had been posted to equity are carried forward to acquisition cost of the non-financial asset generated.

When a hedge matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to Equity remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to Equity are carried forward to the income statement.

4.4 Share Capital

The share capital consists of common shares. Direct expenses for the issuance of shares appear after deducting the relevant income tax, reducing the amount of growth.

Notes to the Financial Statements

4.5 Property, Plant & Equipment

(a) Recognition and measurement

Land, buildings, machinery and equipment are shown at fair value, based on valuations by external independent assessors, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any positive effect from the revaluation of land, building and machinery is recognized in the Statement of Comprehensive Income and transferred to the equity in a special reserve, unless the amount is reversing a prior year loss for impairment that was formerly recognized in the Income Statement. The loss from the impairment of land, buildings, machinery is recognized in the Income Statement unless it reverses a prior year positive effect that was recognized in a revaluation reserve in the Equity. Transportation means and other equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is probable that the future financial benefits will accrue to the Company and the cost can be reliably measured. The cost of repairs and maintenance is posted to the results when incurred.

Upon sale of tangible assets, the differences between the proceeds and the carrying value is recorded as gains or losses on the results and the item 'Other operating income' or 'Other operating expenses "as appropriate. When the book value of tangible assets exceeds its recoverable amount, the difference (impairment loss) is recognized immediately as an expense in the income statement.

(b) Depreciation

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method during the estimated useful life of fixed assets and their segments if they have a different useful life. The estimated useful life of these categories is as follows:

Buildings	25-50	years
Machinery & equipment	1-40	years
Transportation equipment	5-15	years
Furniture and fixtures	3-8	years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date, if deemed necessary.

4.6 Intangible Assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After

acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

Intangible assets with unlimited useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets, which is 3 years.

Expenses required to develop and maintain software are posted as expenses in the income statement during the year they incur.

4.7 Investment Property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to the retained earnings.

4.8 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. Acquisition cost is determined by applying the annual average weighted cost method and includes the cost to buy, produce or manufacture and other expenses so as to acquire its current condition and location and the ratio of production expenses. The cost may include any transfer from the cash flow hedging reserve. Net realisable value is assessed based on current sale prices of inventories in the course of ordinary activities less any termination and sales expenses which apply to the case.

4.9 Impairment

(a) Non-derivative financial assets

The carrying values of Company’s financial assets not recognized at fair value through profit or loss, including investments accounted for by the equity method, are examined in each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired include:

- bankruptcy of a debtor or designation as insusceptible to recovery
- amount of debt adjustment because of changing conditions of payment,
- evidence that due to adverse economic conditions, the borrower or issuer will go into bankruptcy,
- adverse developments in the method of payment of borrowers or issuers.
- the disappearance of an active market for a share or
- observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets.

Assigned financial assets at amortized cost

The Company recognizes an indication of impairment of these assets both at independent asset and at entire. All individually significant assets reviewed individually for impairment. Whatever is not impaired individually, is collectively evaluated for impairment. Assets that are not individually significant, are collectively evaluated for impairment. Collective assessment results from the aggregation of assets with common risk characteristics.

An impairment loss is recognized as the difference between the carrying amount of the asset and the present value of expected future cash flows at the effective interest rate. The loss is recognized in the income statement as a provision. Where the Company decides that there is no realistic reason to restore the carrying amount of the asset, the provision deleted. If the amount of the impairment loss decreases and the decrease is linked to an objective event occurring after the impairment, then the original impairment loss was reversed and recognized in the Income Statement.

Financial assets available for sale

Impairment on financial assets available for sale is recognized by transferring the cumulative loss of the reserve "Fair value" in the results. The amount transferred to the results is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of a share depicted as a financial asset available for sale subsequently increases and the increase is related to an objective event occurring after the impairment then the original impairment loss is reversed and recognized in the Income Statement. Otherwise, the impairment is reversed in the Statement of Comprehensive Income.

(b) Non-financial assets

For non-financial assets other than investment property, inventories and deferred tax asset, the value of accounting is examined at each balance sheet date for impairment. Goodwill and intangible assets with indefinite life are examined annually for impairment in a mandatory basis.

The recoverable amount of the asset or cash-generating unit is the higher of value in use and fair value less any costs to sell. The value in use is based on expected future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk directly associated with the asset or cash-generating units.

Impairment is recognized if the carrying amount exceeds the estimated recoverable amount.

Impairment is recognized in the Income Statement.

The impairment of goodwill is not reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount to the extent it does not exceed the carrying amount of the asset (net of depreciation) that would have been determined if he had not registered the loss.

4.10 Employee benefits

(a) Short-term benefits

Short-term benefits to staff in cash and kind are posted as expenses when accrued. A liability is recognized for the amount expected to be paid as benefit to the staff and its executives if there is a legal or contractual obligation to pay this amount as a result of employee services and insofar as such liability can be reliably measured.

(b) Defined contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognized as expense in profit or loss at the time they are due.

(c) Defined benefit plans

Defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is the current value of the future benefit of the employee for his services for the defined benefit less the fair value of the plan assets and changes arising from the non-posted actuarial gains and losses and the past service cost. The discount rate corresponds to the rate of the index applying to the European bonds "iBoxx – AA-rated Euro corporate bond 10+ year". Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using the straight-line method within the maturity period.

Actuarial gains and losses arising from historical data adjustments exceeding 10% of the accumulated liability.

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Company books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are

discounted. In the case of termination where it is impossible to determine the number of employees that will make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability.

(e) Plans for participation in profits and benefits

The Company records a liability and a corresponding expense for benefits and profit participation. This amount is included in post-tax profits less any reserves stipulated by law.

4.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. In addition, the amount of this obligation should be reliably measurable. Provisions are re-examined on each balance sheet date and, if it is likely that there will no longer be an outflow of resources to settle the obligations, the provisions are reversed. Provisions are used only for the purpose for which they were originally created. No provisions are recognized for future losses. Contingent assets and contingent liabilities are not recognized in the financial statements.

4.12 Income

(a) Sales of goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(b) Services

Revenue from the sale of services is recognised in the period in which the services are rendered, on the basis of the stage in completion of the actual service to the services as a whole.

(c) Income from interest

Income from interest is recognised when the interest becomes accrued (based on the effective interest rate method).

(d) Income from dividends

Dividends are recognised as income when the right of the Company to receive payment is established.

Notes to the Financial Statements

(e) Income from rents

Rents are recognized as revenue on a straight course in the lease.

4.13 Government grants

Government grants for investments in assets are recognised as accrued income where there is a reasonable assurance that the grant will be received and the Company will comply with all relevant conditions. Government grants relating to the purchase of fixed assets are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

Government grants compensating the Company for expenses are recognized in the results so that these will match the expenses that they will cover.

4.14 Leases

Leases of property, plant and equipment, which the Company substantially maintains all the risks and benefits of ownership are classified as financial leasing. Financial leasing is capitalised from the moment the lease begins at the lower amount between the fixed asset's fair value and the present value of the minimum lease payments. Financial leases net of financial expenses are classified on 'Liabilities'. The part of financial expenses that concerns financial leasing is recorded in profit and loss during the term of the lease. Items of property, plant and equipment that were acquired through financial leasing are depreciated over the shorter period between the useful lives thereof and the term of their lease.

Leases where substantially all the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized in a straight line basis over the lease term.

Operating lease payments are allocated as an expense in the income statement under the direct method over the lease. The lease grants received are recognized in the income statement as an integral part of the cost during the lease.

4.15 Income Tax

The income tax of the year includes both current and deferred tax. Income tax is posted in profit or loss save any cases concerning items directly posted to Equity, in which case it is recognized in Equity.

Current income tax is the tax expected to be paid on the taxable income for the year, based on enacted tax rates on the balance sheet date, and any adjustment to prior-period payable tax.

Deferred income tax is calculated using the liability method which arises from temporary differences between the book value and taxation basis of the assets and liabilities. Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled.

The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

Deferred tax assets are recognised only to the extent that there will be a future taxable profit for use of the temporary difference generating the deferred tax assets. Deferred tax assets are reduced when the relevant tax benefit is realized.

Additional income taxes arising from the allocation of dividends are posted in the same year with the obligation to pay the relevant dividend.

4.16 Borrowing cost

The borrowing cost that is directly linked with the purchase, construction or production of fixed assets for which a considerable amount of time is required so they can be completed for use or sale, is added to the cost of those assets until the time when these assets will be available for use or sale. The proceeds from the interests from amounts collected as to be used for the purpose of the construction of the asset as well as the amount of grants reduces the borrowing cost that is capitalized. In all other case the cost of borrowing is affecting the Income statement of the fiscal year. To the extent that general borrowing is used for the construction of an asset, the cost of borrowing for capitalization can be estimated using a capitalization rate.

5. Sales

The sales according to the geographical distribution are presented as follows:

EUR

Revenue	**2017**	**2016**
Greece	17,662,819	9,132,750
European Union	46,585,584	32,503,530
Other European countries	732,386	1,281,388
Asia	433,657	621,518
America	78,838	75,431
Africa	-	117,981
Oceania	-	-
Total	**65,493,283**	**43,732,599**

Notes to the Financial Statements

Breakdown of Sales per Category:

EUR	2017	2016
Sale of goods	48,364,362	35,977,684
Rendering of services	4,472,307	3,110,127
Other	12,656,615	4,644,787
Total	**65,493,283**	**43,732,598**

6. Other Operating Income & Expense

EUR	2017	2016
Other Income		
Amortization of Grants	48,385	48,385
Rental income	100,143	80,808
Foreign Exchange Gains	49,138	48,285
Income from reversal of Intangible assets impairment losses	776,694	-
Other Income	73,988	78,960
Total	**1,048,348**	**256,437**
Other Expense (-)	**2017**	**2016**
Loss from fixed assets write off	(168,427)	-
Loss from sale of Fixed assets	(235,332)	-
Foreign Exchange Losses	(147,117)	(102,137)
Other Expenses	(172,141)	(236,118)
Total	**(723,017)**	**(338,255)**
Other Operating Income - Expenses (Net)	**325,331**	**(81,818)**

7. Expenses by nature

A breakdown of the expenses by nature is as follows:

Notes to the Financial Statements

	2017	2016
Cost of inventories recognized as an expense	54,884,505	36,011,684
Employee benefits	3,654,945	3,232,383
Energy	529,428	436,838
Depreciation and amortisation	1,228,763	1,216,185
Taxes - duties	164,863	138,907
Credit insurance expenses	170,414	172,971
Rental fees	49,395	42,996
Transportation	458,757	965,585
Promotion & advertising	16,257	44,048
Third party fees and benefits	1,927,790	1,338,397
Impairment losses on receivables	101,554	-
Other provisions	-	416
Other expenses	1,802,411	1,607,526
Total	**64,989,082**	**45,207,935**

The cost of employee benefits is analyzed as follows :

EUR	**2017**	**2016**
Employee remuneration & expenses	2,702,721	2,566,832
Social security expenses	713,224	618,810
Defined benefit plan expenses	21,898	31,529
Other employee benefits	217,102	15,212
Total	**3,654,945**	**3,232,383**

The number of staff at the end of the year for the Company was: 100 (2016: 95).

Notes to the Financial Statements

8. Finance Income and Cost

EUR	2017	2016
Interest Income	418	252
Total	**418**	**252**
Interest expenses	(879,667)	(1,002,714)
Total	**(879,667)**	**(1,002,714)**
Financial Income & Cost (Net)	**(879,250)**	**(1,002,462)**

Notes to the Financial Statements

9. Property, Plant & Equipment

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2016	**1,739,414**	**7,020,069**	**18,652,224**	**227,620**	**875,499**	**420,855**	**28,935,681**
Additions	-	62,848	149,291	-	13,011	112,517	**337,667**
Balance as at 31 December 2016	**1,739,414**	**7,082,917**	**18,801,516**	**227,620**	**888,510**	**533,371**	**29,273,348**
Accumulated depreciation							
Balance as at 1 January 2016	**-**	**(479,874)**	**(1,051,923)**	**(222,498)**	**(861,080)**	**-**	**(2,615,375)**
Depreciation of the period	-	(482,561)	(703,470)	(2,104)	(14,414)	-	**(1,202,549)**
Balance as at 31 December 2016	**-**	**(962,435)**	**(1,755,393)**	**(224,602)**	**(875,494)**	**-**	**(3,817,924)**
Carrying amount as at 31 December 2016	**1,739,414**	**6,120,482**	**17,046,122**	**3,018**	**13,016**	**533,371**	**25,455,424**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2017	**1,739,414**	**7,082,917**	**18,801,516**	**227,620**	**888,510**	**533,371**	**29,273,348**
Additions	-	1,000	546,146	11,325	19,094	49,379	**626,943**
Disposals	-	-	(27,688)	-	(646)	(32,616)	**(60,949)**
Write offs	-	-	-	-	-	(305,735)	**(305,735)**
Revaluation	753,746	53,211	1,104	-	-	-	**808,061**
Other reclassifications	-	-	131,237	-	4,241	(135,478)	**(0)**
Balance as at 31 December 2017	**2,493,159**	**7,137,128**	**19,452,315**	**238,945**	**911,199**	**108,921**	**30,341,667**
Accumulated depreciation							
Balance as at 1 January 2017	**-**	**(962,435)**	**(1,755,393)**	**(224,602)**	**(875,494)**	**-**	**(3,817,924)**
Depreciation of the period	-	(484,254)	(709,595)	(2,357)	(10,980)	-	**(1,207,185)**
Disposals	-	-	4,315	-	646	-	**4,961**
Balance as at 31 December 2017	**-**	**(1,446,689)**	**(2,460,673)**	**(226,958)**	**(885,828)**	**-**	**(5,020,148)**
Carrying amount as at 31 December 2017	**2,493,159**	**5,690,439**	**16,991,643**	**11,987**	**25,371**	**108,921**	**25,321,519**

Notes to the Financial Statements

(a) Pledges on fixed assets

There are pledges related to payment of loans for the fixed assets of the Company (see notes 18&25).

(b) Assets under construction

The account “Assets under construction” includes machinery the installation of which has not been completed as at 31 December, 2017.

Notes to the Financial Statements

10. Intangible Assets

EUR	Trademarks and licenses	Software	Total
Cost			
Balance as at 1 January 2016	**99,813**	**137,119**	**236,931**
Additions		19,473	19,473
Balance as at 31 December 2016	**99,813**	**156,592**	**256,405**
Accumulated amortization and impairment			
Balance as at 1 January 2016	**(25,277)**	**(119,200)**	**(144,477)**
Amortization for the period	(7,778)	(8,925)	**(16,703)**
Balance as at 31 December 2016	**(33,055)**	**(128,125)**	**(161,179)**
Carrying amount as at 31 December 2016	**66,758**	**28,468**	**95,225**

EUR	Trademarks and licenses	Software	Total
Cost			
Balance as at 1 January 2017	**99,813**	**156,592**	**256,405**
Additions		10,003	10,003
Balance as at 31 December 2017	**99,813**	**166,595**	**266,408**
Accumulated amortization and impairment			
Balance as at 1 January 2017	**(33,055)**	**(128,125)**	**(161,179)**
Amortization for the period	(7,778)	(13,800)	**(21,577)**
Balance as at 31 December 2017	**(40,832)**	**(141,925)**	**(182,757)**
Carrying amount as at 31 December 2017	**58,980**	**24,671**	**83,651**

11. Investment Property

Investment property includes seven housing structures in Kefalonia, which the Company is renting to third parties.

The valuation of the fair value of the investment property on 31 December 2017 was performed by independent valuators, who have no affiliation with the Company. The independent valuators are members of accredited professional bodies and hold the necessary experience and the specific knowledge in regards to the fair value measurement in the areas where the Company's property is located.

Notes to the Financial Statements

The measurement of the fair value of the investment property is classified as level 2 according to the assumptions used for applying the valuation techniques.

The valuation method that has been applied for the fair value reflect the most efficient use as estimated by the Management of the Company.

The fair value of the land and buildings was estimated with the market approach which reflects the prices of assets for comparable property in the area where the assets of the Company are located. The observable data were adapted to the specific characteristics of each land plot.

EUR	
Balance as at 1 January 2016	**1,811,837**
Revaluation	(65,533)
Balance as at 31 December 2016	**1,746,304**

EUR	
Balance as at 1 January 2017	**1,746,304**
Revaluation	(8,932)
Balance as at 31 December 2017	**1,737,372**

12. Income Tax

During 2017 the tax audit of Company was completed by the auditor according to article 82, paragraph 5 of Law.2238/1994, for the fiscal year 2016 and the certificate was issued without qualification remarks.

For the fiscal year 2016, the Company is under the audit of the Certified Auditors according to the provisions of article 65A of L. 4174/2013. This audit is on-going and the relative report of tax compliance is expected to be issued after the publication of the financial statements for the year ended in 31st December 2017. The result of the audit is not expected to significantly affect the financial statements.

EUR	**2017**	**2016**
Deferred Tax Expense/(Income)	23,047	(666,570)
Total Tax	**23,047**	**(666,570)**

Notes to the Financial Statements

Reconciliation of Tax expense:

		2017		2016
Accounting Profit/loss (-) before income tax		**(49,718)**		**(2,559,617)**
At statutory income tax rate	-29%	14,418	-29%	742,289
Non-deductible expenses for tax purposes	75%	(37,465)	3%	(75,719)
	46%	**(23,047)**	**-26%**	**666,570**
Income tax expense reported in the statement of profit or loss		**(23,047)**		**666,570**

Deferred Tax

The movement in deferred tax is as follows:

Notes to the Financial Statements

Deferred Tax Liability

EUR	Net balance at 1 January 2016	Recognised in profit or loss	Recognised in OCI	Other	Net Balance at 31 December 2016	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(5,457,518)**	(115,588)	-	-	**(5,573,106)**	-	(5,573,106)
Intangible assets	**2,606**	22,115	-	-	**24,721**	24,721	-
Investment property	**(525,433)**	19,005	-	-	**(506,428)**	-	(506,428)
Provisions	**493,732**	(68,080)	7,898	-	**433,550**	433,550	-
Other items	**(441,299)**	809,119	(104,457)	(2,668)	**260,695**	260,695	-
Tax assets/liabilities (-) before set-off	**(5,927,911)**	**666,570**	**(96,559)**	**(2,668)**	**(5,360,568)**	**718,966**	**(6,079,534)**
Set-off tax						(718,966)	718,966
Net tax assets/liabilities (-)					**(5,360,568)**	**-**	**(5,360,568)**

EUR	Net balance at 1 January 2017	Recognised in profit or loss	Recognised in OCI	Other	Net Balance at 31 December 2017	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(5,573,106)	(176,397)	(53,688)	-	**(5,803,191)**	-	(5,803,191)
Intangible assets	24,721	(2,082)	-	-	**22,639**	22,639	-
Investment property	(506,428)	2,590	-	-	**(503,838)**	-	(503,838)
Provisions	433,550	(7,340)	-	-	**426,210**	426,210	-
Other items	260,695	160,183	84,777	(5,639)	**500,016**	500,016	-
Tax assets/liabilities (-) before set-off	**(5,360,568)**	**(23,047)**	**31,089**	**(5,639)**	**(5,358,164)**	**948,865**	**(6,307,029)**
Set-off tax						(948,865)	948,865
Net tax assets/liabilities (-)					**(5,358,164)**	**-**	**(5,358,164)**

During 2015 there was a change in the corporate tax rate from 26% to 29%. The effect of this change in the Income statement was Euro 585 thousand.

13. Inventories

EUR	**2017**	**2016**
Merchandise	128,940	128,940
Finished goods	3,702,114	2,346,962
Semi-finished goods	7,775,609	5,064,163
By-products & scrap	107,573	61,470
Work in progress	720,453	197,303
Raw and auxiliary materials, consumables and packaging	3,722,791	4,054,728
Total	**16,157,480**	**11,853,565**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less expenses for sale.

Notes to the Financial Statements

14. Trade and Other receivables

EUR	**2017**	**2016**
Trade receivables	6,271,889	4,120,833
Less: Impairment losses	(1,543,680)	(1,467,665)
Net trade receivables	**4,728,209**	**2,653,167**
Cheques and notes receivables & Cheques overdue	123,214	45,954
Receivables from related entities	4,182,161	1,380,255
Tax assets	606,638	606,638
Other debtors	890,101	193,503
Total	**10,530,323**	**4,879,517**
Non-current assets		
Other non-current receivables	38,378	40,927
Total	**38,378**	**40,927**
Total receivables	**10,568,701**	**4,920,444**

The provision for doubtful debts is raised for specific balances of customers that the Management considers to be doubtful in terms of collection, less the expected indemnity received from insurance companies.

15. Derivatives

EUR	2017	2016
Future contracts	-	100,080
Total	**-**	**100,080**
Current liabilities		
Forward foreign exchange contracts	11,867	556
Future contracts	180,942	-
Total	**192,809**	**556**
Amounts recognised in P&L		
	(466,001)	**(742,125)**

For the Company results from settled financial risk management operations recorded in the Income Statement during years 2017 and 2016 are included in Sales and Cost of Goods Sold for results from metal and exchange rate derivatives and in other income-expenses for results derived from swaps and forwards contracts.

16. Cash and Cash equivalents

EUR	2017	2016
Cash in hand and Cash in bank	384	525
Short-term bank deposits	583,828	321,297
Total	**584,211**	**321,822**

Bank deposits are set at variable interest rates according to the applicable rates of interbank market.

Notes to the Financial Statements

17. Share capital and reserves

(a) Share capital

The Company's share capital stands at Euro 10,384,770 (2016: Euro 10,384,770) divided into 3,461,590 (2016: 3,461,590) common unregistered shares with a nominal value of Euro 3.00 each.

(b) Reserves

EUR	2017	2016
Statutory Reserves	6,545	6,545
Hedging Reserve	(136,894)	70,662
Tax exempt reserves	295,422	295,422
Extraordinary Reserves	25,317	25,317
Other reserves	7,315,222	7,715,344
	7,505,612	**8,113,290**

Statutory reserve

Under Greek trade law, companies must transfer at least 5% of their annual net profits to a statutory reserve until that reserve is equal to 1/3 of the paid-up share capital. Distribution of Statutory Reserve is prohibited. No statutory reserve will be set aside during this year due to losses.

Untaxed and special reserves

Untaxed and special reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves). Reserves from income exempt from taxation and reserves taxed pursuant to special laws concern income from interest for which a tax has been withheld at the source. In addition to any prepaid taxes, these reserves are subject to taxation in case they are distributed. No deferred taxes have been accounted for as regards the above untaxed reserves in case they are distributed.

Reserves from revaluation at fair value

This reserve is accounted after the positive effect of the revaluation of Land, buildings and machinery to fair value. This reserve cannot be distributed to shareholders until it is moved to results carried forward account through depreciation or after the recognition of profit through the sale of an asset.

Notes to the Financial Statements

18. Loans and obligations from financial leasing

EUR	**2017**	**2016**
Secured bond issues	-	10,380,766
Total	**-**	**10,380,766**
Unsecured bank loans	3,844,047	3,732,977
Current portion of secured bond issues	10,410,703	1,311,580
Total	**14,254,750**	**5,044,557**
Total loans and borrowings	**14,254,750**	**15,425,324**

The maturity of the long-term debt are as follows:

EUR	**2017**	**2016**
Between 1 and 2 years	**-**	**10,380,766**

For the assumption of the bank loans of the Company mortgages and pledges have been issued to property total worth of Euro 15.6 million.

The average interest rates (short-term and long-term) at the reporting date was 4.79% for 2017 and 5.28% for 2016.

There was no incident in the fiscal year which could lead to a breach of the terms of the loans of the Company.

19. Liabilities for employee's retirement benefits

According to the Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in case of retirement equals 40 % of the compensation which would be payable in case of unjustified dismissal. The Company believes this is a defined benefit and it charges the accrued benefits in each period with a corresponding increase in the pension liability. Any payments made to retirees each year are charged against this liability. The displayed personal benefit obligation of the Company as at 31 December 2017 and 2016 is as follows:

Notes to the Financial Statements

EUR	2017	2016
Balance at 1 January	**301,386**	**282,158**
Amounts recognized in profit or loss		
Current service cost	11,519	10,706
Settlement/curtailment/termination loss	5,580	15,212
Interest cost/income (-)	4,799	5,611
Total P&L Charge	**21,898**	**31,529**
Amounts recognized in OCI		
Remeasurement loss/gain (-):		
-Actuarial loss/gain (-) arising from:		
Financial assumptions	3,600	13,729
Experience adjustments	7,228	4,298
Total amount recognized in OCI	**10,829**	**18,027**
Other		
Benefits paid	(9,888)	(30,328)
	(9,888)	**(30,328)**
Balance at 31 December	**324,225**	**301,386**

The assumptions on which the actuarial study was based for the calculation of provision are the following:

	2017	2016
Discount rate	1.50%	1.60%
Price Inflation	1.50%	1.50%

The aforementioned results depend of the assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate was used less by 50 basis points, then the liability for employee retirement benefits of the Company would be lower by 5.9% and if a salary growth by 50 basis points more was used per annum (instead of 1.5% p.a.), then the liability for employee retirement benefit of the Company would be higher by 5.4%.

20. Government grants

EUR	2017	2016
Opening balance	**626,236**	**674,621**
Amortisation of grants	(48,385)	(48,385)
Closing balance	**577,851**	**626,236**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account "Other income" of the income statement.

Grants have been provided for the purchase of tangible assets.

21. Trade payables and other liabilities

EUR

EUR	2017	2016
Suppliers	1,468,995	1,610,396
Down payments from customers	1,542	1,542
Social Security funds	155,088	136,317
Amounts due to related parties	15,401,412	4,127,099
Sundry creditors	521,989	702,824
Accrued expenses	229,765	85,012
Other Taxes	109,307	104,595
Total	**17,888,099**	**6,767,784**

22. Financial Assets

The Board of Directors of the Company in cooperation with the parent Group has set rules and procedures for measuring the following risks:

- Credit risk
- Liquidity risk
- Exchange rate risk
- Interest rate risk

Below there were presented analytically the evidence of the size of each risk.

Notes to the Financial Statements

(a) Credit risk

The Company's exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must receive in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

The financial assets that bear a risk is are as follows:

EUR	**2017**	**2016**
Trade & Other receivables (Current)	9,923,685	4,271,338
Trade & Other receivables (Non-current)	38,378	40,927
Total	**9,962,063**	**4,312,265**
Cash and cash equivalents	584,211	321,822
Derivatives	-	100,080
Total	**584,211**	**421,902**

The account «*Trade and other receivables*» includes receivables from customers and related parties.

Notes to the Financial Statements

EUR	**2017**	**2016**
Neither past due nor impaired	9,511,503	4,026,803
Overdue		
- Up to 6 months	49,617	70,685
- Over 6 months	400,943	216,318
Total	**9,962,063**	**4,313,806**

The movement for the provision for impairment for trade and other receivables is as follows:

	2017	**2016**
Balance as at 1 January	**1,467,665**	**1,467,765**
Impairment loss recognized	101,554	-
Impairment loss reversed	(25,539)	(100)
Balance as at 31 December	**1,543,680**	**1,467,665**

The Company insures the bigger part of its receivables in order to be secured in case of failure to collect.

(b) Liquidity risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Company to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2017, the Company had an amount of Euro 584 thousand (2016: 322 thousand) as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

To avoid liquidity risk the Company makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfillment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Notes to the Financial Statements

EUR		2016		
Liabilities	**Carrying Amount**	**Up to 1 yr**	**1 to 2 years**	**Total**
Bank loans	3,732,977	3,732,977	-	**3,732,977**
Bond issues	11,692,346	1,870,452	10,880,429	**12,750,881**
Derivatives	556	556	-	**556**
Trade and other payables	6,767,784	6,767,784	-	**6,767,784**
	22,193,664	**12,371,769**	**10,880,429**	**23,252,198**

EUR

EUR		2017		
Liabilities	**Carrying Amount**	**Up to 1 yr**	**1 to 2 years**	**Total**
Bank loans	3,844,047	3,844,047	-	**3,844,047**
Bond issues	10,410,703	10,410,703	-	**10,410,703**
Derivatives	192,809	192,809	-	**192,809**
Trade and other payables	17,888,099	17,888,099	-	**17,888,099**
	32,335,658	**32,335,658**	**-**	**32,335,658**

(c) Exchange rate risk

The Company is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Company, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD and the GBP.

Over time, the Company hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Company enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Company's operating activities and is mostly Euro.

Notes to the Financial Statements

	2016				
EUR	**EUR**	**USD**	**GBP**	**Λοιπά**	**Σύνολο**
Trade and other receivables	4,447,063		430,913	-	**4,877,976**
Loans and Borrowings	(15,425,324)	-	-	-	**(15,425,324)**
Trade and other payables	(6,745,085)	(6,912)	(12,987)	(1,259)	**(6,766,243)**
Cash & cash equivalents	321,781	41	-	-	**321,822**
	(17,401,565)	**(6,871)**	**417,926**	**(1,259)**	**(16,991,769)**

	2017				
EUR	**EUR**	**USD**	**GBP**	**Λοιπά**	**Σύνολο**
Trade and other receivables	10,530,323	-	-	-	**10,530,323**
Loans and Borrowings	(14,254,750)	-	-	-	**(14,254,750)**
Trade and other payables	(17,878,051)	(5,594)	(3,346)	(1,109)	**(17,888,099)**
Cash & cash equivalents	584,176	36	-	-	**584,211**
	(21,018,302)	**(5,558)**	**(3,346)**	**(1,109)**	**(21,028,315)**

Sensitivity analysis

	2016			
	Profit and Loss		**Equity (net of tax)**	
EUR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (10% movement in relation to EUR)	687	(687)	488	(488)
GBP (10% movement in relation to EUR)	(41,793)	41,793	(29,673)	29,673

	2017			
	Profit and Loss		**Equity (net of tax)**	
EUR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (10% movement in relation to EUR)	824	(824)	585	(585)
GBP (10% movement in relation to EUR)	(37,080)	37,080	(26,327)	26,327

The interest rates applied are as follows:

	Average		**Year End closing**	
	2017	**2016**	**2017**	**2016**
USD	1.1297	1.1069	1.1993	1.0541
GBP	0.8767	0.8195	0.8872	0.8562

Notes to the Financial Statements

(d) Interest rate risk

The Company finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Company rise.

The risk from the fluctuation in interest rates is:

EUR	**2017**	**2016**
Variable-rate instruments		
Financial liabilities	(14,254,750)	(15,425,324)
Total	**(14,254,750)**	**(15,425,324)**

If the interest rates rose by 0.25% the effect on the Income Statement would be:

EUR	**2016**	
	0,25% increase	**0,25% decrease**
Financial liabilities	(27,380)	27,380
Cash flow sensitivity (net)	**(27,380)**	**27,380**

	2017	
	0,25% increase	**0,25% decrease**
Financial liabilities	(25,302)	25,302
Cash flow sensitivity (net)	**(25,302)**	**25,302**

The goals, policies and procedures for managing risks and the valuation methods of risks have not changed versus the previous year.

(d) Capital management

The policy of the Board of Directors consists of maintaining a strong capital base, to ensure investor, creditor and market trust in the Company and to allow the Company's activities to expand in the future. The Board of Directors monitors the return on capital, which is defined by the Company as net results divided by total equity.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

There were no changes in the approach adopted by the Company in how capital was managed during the financial year.

23. Fair Value of financial assets

The different levels have been defined as follows:

- Level 1: consists of exchange traded derivatives which are based on market prices.
- Level 2: consists of OTC derivatives that are based on prices from brokers.
- Level 3: Includes unlisted shares. They come from estimates of the Company as there are no observable market data.

		2016		
EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	100,080	-	-	***100,080***
Derivative financial liabilities	-	(556)	-	***(556)***

		2017		
EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial liabilities	(180,942)	(11,867)	-	***(192,809)***

For the bond loans the Company tests for fair value according to market interest rates. The loans have floating rates that follow the market trends. For the year 2016 there was no material variation between the fair value and to the book value. The Company's carrying value of loans is denominated in Euro.

24. Commitments

The Company leases passenger vehicles. During the year that ended on 31 December 2016 expenses were posted in the Income Statement of Euro 32,401 (2015: Euro 37,841).

EUR	**2017**	**2016**
Less than one year	37,062	32,006
Between one and five years	66,101	85,521
	103,162	**117,527**

Notes to the Financial Statements

25. Contingent Liabilities / Assets

The Contingent Liabilities and Assets of the Company that occur in the context of the usual activity of operations are as follows:

	2017	2016
Guarantees to secure liabilities to suppliers	669,756	684,116
Guarantees to secure the good performance of contracts with clients	170,662	-
Mortgages and statutory notices of mortgage issued against lots & buildings	15,642,000	15,642,000
Other liabilities	1,475,000	1,475,000
Total	**17,957,418**	**17,801,116**

The tax liability for the Company for 2017 have not been review by the tax authorities, therefore have not been finalized for this fiscal year.

26. Related parties

Affiliated parties shall mean all companies and natural persons with whom direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter) is established.

Notes to the Financial Statements

EUR	2017	2016
Sale of goods		
Parent	7,630,434	582,748
Other	6,350,018	5,056,550
	13,980,452	**5,639,298**
Sale of services		
Parent	11,955	1,873
Other	87,343	47,983
	99,298	**49,856**
Purchase of goods		
Parent	21,482,729	15,506,254
Other	10,598,806	8,196,268
	32,081,535	**23,702,522**
Purchase of services		
Parent	374,785	1,847,433
Other	197,540	311,152
	572,324	**2,158,585**
Purchase of fixed assets		
Parent	-	-
Other	-	140,372
	-	**140,372**

EUR	2017	2016
Fees - benefits to the members of the Board of Directors and executives	496,011	446,438
	496,011	**446,438**

End-of-year balances from sale / purchase of goods, services, fixed assets, etc

EUR	2017	2016
Receivables from related parties:		
Parent	3,012,402	767,702
Other	1,169,758	612,552
	4,182,161	**1,380,255**
EUR		
Liabilities to related parties:		
Parent	14,868,521	3,105,655
Other	532,891	1,021,443
	15,401,412	**4,127,099**

Notes to the Financial Statements

Services towards and from affiliated parties, as well as sales and purchases of goods, are realized in accordance with the fee schedules, which apply for non-affiliates.

27. Subsequent events

There are no subsequent events after the 31st of December 2017 for which special reference should be made.