Annual Financial Report
For the Period from 1st of January to 31st of December 2016
In accordance with International Financial Reporting Standards ("IFRS")

SIDENOR STEEL INDUSTRY S.A.
Societe Anonyme Reg. 7497/01/B/86/164(02) 2-4 Mesogheion Ave, Athens

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A. Annual Report of the Board of Directors

The attached Annual Report of the Board of Directors (hereinafter referred to as the "Report") relates to the financial year 2016 (01.01.2016 - 31.12.2016). The Report has been drafted and is in line with the relevant provisions of Law 2190/1920 (article 43a and 37).

This report contains all the relevant information required by law to provide material information about the activities in this fiscal year the Company SIDENOR STEEL INDUSTRIAL SA (hereinafter referred to as the «Company» or «SIDENOR»).

The thematic sections of the Report and their content are as follows:

A. Significant Events for the financial year 2016

The most important events that took place during the financial year 2016 are as follows:

On May 31, 2016 the negotiations between the Company and the Bondholders for the refinancing of the Syndicated Bond Loan of € 179.800.000 were concluded with the signing of the relevant Amendment Act.

The refinancing relates to the transfer of the short-term portion of the loan as reflected in the Company's Financial Statements on 31.12.2015 in June and December 2020 installments respectively, which increase accordingly.

Resolutions of the Annual General Meeting

At the Ordinary General Meeting of Shareholders held in Athens on 30 June 2016, the following were decided:

1. The approval of the annual financial statements for the financial year 2015 with the related financial statements Reports of the Board of Directors and the Certified Auditors.

2. The exemption of the members of the Board of Directors and the Auditors from any liability for compensation for the year 2015.

3. Regular auditor of fiscal year 1 / 1-31 / 12/2016 was the audit firm "Pricewaterhouse Coopers "with a fee in accordance with her offer.
4. Approval of remuneration of members of the Board of Directors

B. Significant Transactions with Related Parties

Related party transactions primarily concern the purchase and sale of pipe products. Through these transactions the companies taking advantage of the size of the Group achieve economies of scale. The Company's trading with its affiliates during 2016 has been made on market terms and in the context of its normal business activity. Transactions between related parties within the meaning of IAS. 24 are analyzed as follows:

	Sales of Goods and Services	Purchases of Goods and Services	Receivables	Payables	Sales of Fixed Assets	Purchases of Fixed Assets
Parent						
VIOHALCO SA	4.224,00	-	4.658,42	44.352,02	-	2.262,37
Subsidiaries						
AEIFOROS BULGARIA SA	506,8	-	1.667,02	-	1.146,60	-
AEIFOROS SA	363.718,37	450.460,67	-	426.382,36	8.597,40	-
DOJRAN STEEL LLCOP	23.498.363,23	7.864.923,62	25.451.770,97	2.450.497,02	128.755,00	-
ERLIKON SA	7.642.318,92	144.715,84	6.391.659,72	41.345,63	14.015,50	-
ETIL SA	22.499,60	1.114.478,30	-	270.492,14	2.865,45	411.861,75
PRAKSIS SA	12.829,82	-	98.056,72	-	1.146,60	-
PROSAL TUBES SA	2.599,86	-	14.618,46	-	2.292,15	-
SIDENOR INDUSTRIAL SA	0	0	0	0	-	-
SIDERAL SHPK	658.001,79	1.201.935,54	4.232.448,40	360.673,41	-	-
SIDEROM STEEL SRL	3.350.713,92	-	455.193,71	-	-	-
SIGMA IS SA	6.148,87	-	4.011,32	-	-	-
SOVEL SA	91.969.283,51	5.585.241,05	-	42.976.445,34	81.014,34	-
THERMOLITH SA	3.671,44	339.665,63	-	100.460,87	2.292,15	-
Equity accounted investees						
DOMOPLEX LTD	1.096.599,52	-	939.172,36	-	-	-
SIDMA ROMANIA SRL	28.061,84	-	-	-	-	-
SIDMA SA	12.952.346,01	923.991,83	4.959.190,68	118.004,45	86.432,85	150,16
VIENER	3.099,96	-	3.211,56	2.614,13	-	-
Other						
ANAMET SA	12.126,24	1.486.909,51	-	2.005.041,93	1.719,90	-
ANOXAL SA	-	478,07	-	588,96	-	-
ANTIMET SA	9.737.463,54	299.385,85	4.739.057,59	45.366,31	-	-
COMMERCIAL PARK CORINTHOS SA	1.866,48	-	680,47	-	-	-
CONSULTANT & CONSTRUCTION SOLUTION SA	-	141,05	-	268,32	-	-
CORINTH PIPEWORKS HOLDING SA	130.016,98	869.905,54	-	16.508,86	2.394,00	-
CORINTH PIPEWORKS SA	309.079,27	1.383.401,47	-	3.452.251,43	132.803,75	-
DIA.VI.PE.THI.V SA	3.123,68	-	1.230,72	-	-	-
ELKEME SA	-	134.146,50	-	192.830,20	-	-
ELLINIKI HALIVDEMPORIKI SA	-	-	-	8.893,88	-	-
ELVAL SA INDUSTRIAL SA	411.085,10	187.423,50	-	4.538.653,50	-	-
EPIPHANIOU PHANOS LTD	1.296.918,99	2.700.784,77	15.318,12	1.419.506,08	-	-
ERGOSTEEL SA	-	2.010,00	0,01	25.368,09	-	25.491,86
ETEM BULGARIA SA	75.163,39	-	12.088,40	-	-	-
EVETAM SA	-	29.505,30	-	35.003,63	-	-
FLOCOS SA	960	-	-	-	-	-
FULGOR SA	1.851,50	17,6	18.959,37	-	61.753,65	-
GREEK INSTITUTE OF COPER DEVELOPMENT	-	-	273,4	-	-	-
HALCOR SA	63.632,08	-	16.695,83	-	-	-
HELLENIC CABLES HOLDING SA	55.592,76	9.058,60	104.262,35	10.530,02	140.711,55	380,7
HELLENIC CABLES SA	63.751,08	9.486,35	83.694,99	-	-	11.143,81
ICME ECAB SA	-	-	113.796,10	-	91.771,05	-
INOS BALCAN	5.759,86	-	-	-	-	-
INOS BALKAN D.O.O.	-	-	10.808,93	-	-	-
LESCO OOD	-	5.106,44	-	11.162,60	-	-
METAL AGENCIES LTD	-	329,36	86.156,36	-	-	-
METALIGN SA	1.166,40	176.575,85	-	52.109,97	598,83	98,83
NOVAL SA	859,77	-	-	-	-	-
NOVOMETAL DOO	2.104,06	38.097,46	4.104,90	53.462,86	-	-
SANITAS SA	-	495,77	-	-	-	-
SIDEBALK STEEL DOO	484.394,96	100.408,50	533.112,17	62.764,30	-	-
SMARTREO PTY LTD	289.485,77	-	1.004.668,57	-	-	-
STEELMET SA	420	996.803,01	-	400.684,51	-	-
STOMANA INDUSTRY SA	8.535.111,20	5.043.249,42	23.175.842,98	-	87.115,35	6.137,55
TECHNOLOGY OF METAL PROCESSING	-	35.400,00	-	21.948,00	-	-
TEKA SYSTEMS SA	-	561.100,54	-	279.453,71	-	58.364,84
TEPRO METAL AG	-	-	929,88	-	-	-
VIANATT SA	3.510,07	-	4.352,50	-	-	-
VIEXAL SA	-	394.701,85	-	39.648,04	-	-
VITRUVIT SA	3.600,00	2.629,90	-	995,83	-	-

C. Company Branches

The company's main facilities, through its subsidiaries, are located in Greece, Bulgaria, the Former Yugoslav Republic of Macedonia, Albania, Romania, Serbia and Cyprus. The main activities of the branches are the production and marketing of steel products.

D. Development and Performance of the Company

In 2016, the company's turnover amounted to 98.001 thousand euro compared to 143.651 thousand euro in the corresponding financial year of 2015. This decrease was due to the significant fall in the price of scrap at the end of 2015, which affected sales prices in the first half of 2016, as well as the reduced production capacity of the company's factory due to the start of the experimental period of the induction furnace investment.

The administrative and distribution expenses of the Company amounted to € 15.319 thousand compared to € 18.149 thousand in 2015, while the financial results amounted to € (12.620) thousand compared to € (15.208)) thousand euros in 2015.

Ratios and Alternative Performance Measures

The management of the Company has adopted, monitor and report internally and externally Indicators and Alternative Performance Indicators. These indicators provide a comparable picture of the Company's performance and are the basis for decision-making for management.

Liquidity: It is an indication that short-term liabilities are covered by current receivables and is calculated from the ratio of current assets to short-term liabilities. The figures are derived from the Statement of Financial Position. For the Company for the current fiscal year as well as the comparable previous ones are as follows:

	31 December 2016	31 December 2015
Current Assets / Short Term Liabilities	0,82	0,89

Gearing: It is an indication of leverage and is calculated from the ratio of equity to loan. The amounts are used as presented in the Statement of Financial Position. For 2016 and 2015 it was as follows:

	31 December 2016	31 December 2015
Equity / Loans	56,48	12,99

Efficiency of Capital Employee: It is a measure of the return on equity and foreign invested capital and is measured by the ratio of the operating result to the same and borrowed funds. Amounts are used as presented in the Income Statement and Statement of Financial Position. For the year 2016 and the previous year, figures for the Company were as follows:

	31 December 2016	31 December 2015
Operating Profit / (Equity + Loans)	-1,30%	-3,47%

Profitability:

	31 December 2016	31 December 2015
Gross Profit Margin (Gross Profit / Sales)	13,49%	7,33%
Net Profit Margin (Net Profit / Sales)	-14,73%	-16,82%
EBITDA	2.972.044	(3.091.803)
EBITDA Margin * (EBITDA / Sales)	3,03%	-2,15%

*EBITDA: It is the Company's earnings before taxes, finance and depreciation. It is calculated by adjusting depreciation in operating profit as reported in the income statement.

	31 December 2016	31 December 2015
Operating profit / (loss)	(3.321.755)	(9.257.092)
Adjustments for:		
+ Depreciation of tangible fixed assets	6.263.714	6.148.367
+ Amortization of fixed assets	30.085	16.921
- Grants Amortization	-	-
EBITDA	2.972.044	(3.091.803)

E. Sustainable Development Policy

SIDENOR INDUSTRIAL STEEL SA and its subsidiaries have incorporated the principles of Sustainable Development into their business activities and the way in which they operate, recognizing that these principles are a prerequisite for their long-term development. The concern for the Health and Safety of the employees, the respect and protection of the natural environment, the integrated coverage of the needs of the customers and the harmonious coexistence with the local societies in which it is active, are the main issues of SIDENOR'S INDUSTRIAL STEEL SA. Sustainable Development.

The Sustainable Development Policy of SIDENOR INDUSTRIAL STEEL SA is in line with the Company's values, responsibility, integrity, transparency, efficiency and innovation. The Policy is determined by the Top Management, which is committed to:

- the implementation of the Sustainable Development Policy at all levels and fields of activity of the Company
- the strict observance of the existing legislation and the full implementation of the standards, policies, internal instructions and related procedures applied by the Company, as well as other requirements resulting from voluntary agreements, endorsed and accepted by SIDENOR INDUSTRIAL STEEL SA.
- open, two-way communication with stakeholders in order to identify and record their needs and expectations.
- providing a healthy and safe working environment for human resources, partners, and each visitor.
- the protection of human rights and the provision of a working environment of equal opportunities, without any discrimination.
- the continuous effort to reduce the environmental footprint through the implementation of responsible actions and prevention measures in accordance with the Best Available Techniques in order to limit and minimize the effects of the Company on the natural environment.
- the cooperation and support of the local community, in order to contribute to the sustainable development of the local areas where it operates.
- the constant pursuit of creating added value for stakeholders.

To fulfill the above commitments, the Company on a voluntary basis designs and implements relevant programs, while at the same time it sets strategic priorities that focus on the following SIDENOR’S INDUSTRIAL STEEL Sustainable Development Axes:

1.	**Economic Development and Corporate Governance**	:	The Company aims to achieve positive financial results, implements a system of good corporate governance, evaluates and manages business risks in order to safeguard the interests of the shareholders. It develops procedures and takes measures both to enhance transparency and to prevent and combat corruption.

2.	**Market**	:	The Company aims at optimal and complete customer satisfaction and invests in research and development to provide new products and solutions of high quality and added value, thus improving its position in the constantly evolving business environment. Additionally, the Company expects responsible business conduct from its suppliers and partners.
3.	**Human Resources - Health and Safety at Work**	:	The Company respects and supports internationally recognized human rights and implements policies of fair reward, meritocracy and equal opportunities for all of its human resources, without any discrimination and respect for diversity. At the same time, it offers opportunities for development through continuous training and systematic evaluation of its human resources. Of great importance is the Company's concern to provide a healthy and safe working environment. With a view to continual improvement in this area, it continuously takes preventive measures and implements programs and related actions.
4.	**Enviroment**	:	The Company in the field of environmental management applies the prevention principle and carries out systematic actions in order to minimize its environmental impact. The Company, with a view to protecting the environment, implements targeted programs for optimal resource management, the promotion of metal recycling and the implementation of energy efficiency measures, the reduction of carbon dioxide emissions and practices for the proper disposal of waste materials. SIDENOR INDUSTRIAL STEEL SA seeks to make its business development environmentally responsible and in this context invests in environmentally friendly measures.
5.	**Local Community**	:	The Company is at the side of the local community and responds with sensitivity to issues that concern it, having developed a close relationship based on dialogue and cooperation. The Company designs and implements actions that respond to the basic needs of society in issues of work, development, education, health, environment, and culture. It encourages volunteering and supports initiatives for the sustainable development of the local community.

For all the above mentioned main issues concerning SIDENOR INDUSTRIAL STEEL SA and its subsidiaries, we set individual Sustainable Development objectives, which we evaluate on an annual basis in terms of their effectiveness and review them whenever necessary.

The policy, the results of SIDENOR's INDUSTRIAL STEEL SA performance on Sustainable Development, and the implementation of programs and achievement of targets monitored by the Company's Sustainable Development Team and published on an annual basis, in order to inform all stakeholders .

The views of stakeholders are taken into account during the annual review of the management of all the above issues.

F. Major Risks

Market Risk

Currency risk

The Company operates in Europe and therefore most of its transactions are in Euros. However, parts of the Company's merchandise purchases are in US Dollars.

Interest on loans is in a currency that does not differ from that of the cash flows arising from the Company's operating activities (Euro).

The Company's investments in other subsidiaries are not hedged because these foreign exchange positions are considered to be of a long-term nature and have been realized in euro.

Risk of price fluctuation

The purpose of risk management under market conditions is to control the Company's exposure to these risks within acceptable parameters, while optimizing returns.

a) Products

The main market risk is the risk of fluctuations in the prices of raw materials (scrap) which, in turn, significantly shape the final price of the products. The Company's policy is to present inventories at the lower of the cost of acquisition and net realizable value. In times of fluctuation in prices, the results are affected by the devaluation of the value of the stocks. The Company carries out hedging operations using derivative financial instruments where available.

b) Investments

Investments are classified by the Company on the basis of the purpose for which they were acquired.

Management decides the appropriate classification of the investment at the time of acquisition. Also estimates that there will be no payment default on these investments.

Cash flow risk and fair value changes due to interest rate fluctuations

The Company finances its investments as well as its needs in working capital through bank lending and bond loans, which results in charging its effects with debit interest. Increasing interest rate trends will have a negative effect on results as the Company will incur additional borrowing costs.

Interest rate risk is mitigated as part of the borrowing of the Company is at fixed rates, either directly or indirectly through the use of financial instruments (interest rate swaps).

If on 31/12/2016 the interest rates were increased / (reduced) by 0.25% / (-0.25%), the effect on the Company's profit before tax would be (loss) / profit (- € 643 thousand)) / € 643 thousand. The Company's equity would also be proportionally affected.

Accordingly, if on 31/12/2015 interest rates were increased / (decreased) by 0.25% / (-0.25%), the effect on profit before tax would be (loss) / profit (- € 622 thousand.) / € 622 thousand. The Company's equity would also be proportionally affected.

Credit risk

Credit risk is the risk of loss to the Company in the event that a customer or third party in a financial instrument transaction fails to meet its contractual obligations and is principally related to customer requirements Credit risk exists also in cash and cash equivalents, in investments and in financial derivative contracts.

Trade and other receivables

The Company's exposure to credit risk is mainly influenced by the characteristics of each client. Demographics of the Company's customer base, including the default risk of the particular market and the country in which customers operate, have less impact on credit risk as there is no geographical concentration of credit risk. No customer exceeds 10% of sales and therefore the commercial risk is distributed to a large number of customers.

The Board of Directors has set a credit policy under which each new client is examined on an individual basis for his credit rating before the usual payment terms are proposed. Credit limits are set for each customer, which are reviewed according to current conditions and adjusted, if necessary, for sales and collections terms. Customer credit limits are generally determined on the basis of the insurance limits taken for them by insurance companies and then receivables are insured against these limits.

In monitoring the credit risk of customers, customers are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past receivables that they have demonstrated. Customers and other receivables include mainly wholesalers of the Company. Clients classified as "high risk" are placed in a special statement of customers and future sales must be prepaid. Depending on the client's history and status, the Company seeks, where possible, collateral or other collateral (eg letters of guarantee) to secure its receivables.

The Company recognizes an impairment provision that represents its estimate of impairment in respect of customers, other receivables and investments in debt securities. This provision mainly consists of impairment losses on specific receivables estimated on the basis of the conditions that they will be realized but not yet finalized.

The nominal value less provision for trade receivables is estimated to approximate their fair value. The fair values of financial liabilities for the purpose of their occurrence in the annual financial statements are calculated based on the present value of the future cash flows arising from specific contracts using the current interest rate available to the Company for the use of similar financial instruments.

Guarantees

The Company has the policy not to provide guarantees, but only exceptionally, by decision of the Board of Directors to subsidiaries or affiliated companies.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations when they expire. The Bank's approach to liquidity management is to ensure, by holding the absolutely necessary cash and adequate credit limits from the cooperating banks, that it will always have liquidity to meet its obligations when they expire under normal but and difficult conditions without incurring unacceptable losses or risking the reputation of the Company.

To avoid liquidity risks, the Company carries out a cash flow forecast for a period of one year when the annual budget is drawn up and a monthly rolling three-month provision to ensure that it has sufficient cash to meet its operational needs, including the coverage of financial its obligations. This policy does not take into account the relative impact of extreme conditions that cannot be predicted.

Capital management

The policy of the Board of Directors is to maintain a strong capital base in order to maintain creditor and market confidence in the Company and allow the future development of its activities. The Board of Directors monitors the return on capital, which the Company defines as net dividends divided by total net worth. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that would be possible with higher levels of borrowings and the advantages and security offered by a strong and healthy capital position.

Debt Index $\dfrac{\text{Long Term Liabilities}}{\text{Long Term Liabilities + Total Equity}}$ 0,98

Fixed Asset Index $\dfrac{\text{Total Equity}}{\text{Non-Current Assets}}$ 2%

The Company does not have a specific share purchase plan.

There were no changes to the Company's approach to capital management during the year.

Determination of fair values

The fair value of financial assets (e.g., derivatives, shares, bonds, mutual funds) traded on active markets (exchanges) is determined by the published prices at the balance sheet date. For financial assets, the bid price is used, and for the financial liabilities the demand is used.

The fair value of financial assets that are not traded on active markets is determined using valuation techniques and assumptions based on market data at the balance sheet date.

The nominal value less provision for trade receivables is estimated to approximate their fair value. The fair values of financial liabilities for the purpose of their presentation in the financial statements are calculated based on the present value of future cash flows arising from specific contracts, using the current interest rate that is available to the Company, for the use of similar financial instruments.

Risks of macroeconomic environment in Greece

The macroeconomic and financial environment in Greece shows signs of improvement, but uncertainties remain.

After the completion of both the recapitalization of Greek banks in late 2015, and the bailout program of EUR 85 bn. Euros between the institutions and the Greek government in June 2017, the Eurogroup and institutions completed the debate on the second evaluation of the Greek project, which paved the way for the release of the third installment of financial assistance to Greece amounting to EUR 8.5 billion.

Capital controls in Greece since June 2015, which remain (although loosened), have not prevented SIDENOR from continuing uninterrupted operations, while cash flow from operating activities has not been disrupted.

In addition, SIDENOR's strong customer base outside Greece minimizes the liquidity risk that may arise from the uncertainty of the economic environment in Greece.

SIDENOR closely and continuously monitors developments in both the international and domestic environment and adapts its business strategies and risk management policies in a timely manner, in order to minimize the impact of macroeconomic conditions on its activities.

Liquidity Risk:

The instability of the Greek banking sector creates an uncertain financial situation in Greece which may affect the Company's liquidity.

The bulk of the borrowing relates to long-term loans whose average maturity is around 3 years. Additionally, the fact that the Company exports most of its output significantly offsets the current situation in Greece.

The financing of the Company comes mainly from Greek financial institutions.

The approach adopted by the Company for liquidity management is to ensure, through holding the absolutely necessary cash and sufficient credit limits from the cooperating banks, that it will have liquidity to meet its obligations when they expire, under normal but also difficult conditions without incurring unacceptable losses or risking its reputation. At the same time, in order to avoid liquidity risks, the Company carries out a cash flow forecast for a period of one year when the annual budget is drawn up, and a monthly rolling three month forecast to ensure that it has enough cash to meet its operational needs.

The Company has direct access to sources of finance and historically refines its short-term debt obligations. The Company believes that the refinancing of its short-term borrowing will continue in the future as in the past if deemed necessary.

At the request of the company's management, which was accepted by the competent banks and is currently in the final signing stage, the repayment of the capital installment of the Syndicated Bond Loan which was scheduled to take place in June 2017 was transferred in December 2017.

Moreover, the debate on further restructuring of the aforementioned loan repayment schedule for the years 2018, 2019 and 2020 is continuing and is expected to be completed in the near future and according to the company's assessment no later than 12 months after the financial statements have been issued.

In any case, the company by following its strategic planning, as reflected in its relevant five-year business plan, has achieved a significant increase in sales volume during the first six months of 2017 compared to the corresponding period of 2016, while the completion in early 2017 of the strategic investment of the induction furnace has resulted in a reduction in operating costs. As a consequence of the above, the company succeeded in improving its results. For example, Gross Profit in the first half of 2017 increased by 79% compared to the corresponding period of the previous year. This improvement in the company's results is expected to be sustained by the end of the current fiscal year, but also over a five-year period due to the increase in sales through new market penetration as well as the further depression of operating costs. According to the above, the current estimates anticipate an improvement in the Company's liquidity, which can cover, in addition to working capital needs and the short-term part of its long-term borrowings.

The Company continues to maintain the "going concern" in the preparation of the financial statements for the year ended 31 December 2016.

Operational Risks:

<u>Production / Sales and Suppliers</u>

The Company's sales in Greece amounted to 49% of the total turnover for the period ended December 31, 2016. The operations of the Company in Greece depend to a large extent on foreign suppliers. Assuming that current capital controls will remain in force, the Company should continue to seek approval from the competent authorities to use cash and cash equivalents held in Greece to serve the payments of suppliers outside Greece. This could cause a delay in imports of raw materials. However, this is remote as the Company regularly makes payments from holdings abroad and estimates that this will continue to happen in the future.

Developments that could negatively affect the Greek economy are beyond the control of the Company and Management is not in a position to anticipate or foresee any impact on the Greek economy. Nevertheless, the Management of the Company taking into account its export character, which is strengthened by its modern production facilities both in Greece and abroad, constantly assesses the situation and its possible impact and takes all the necessary and effective measures in time to minimize any impact on its activities.

<u>Credit Risk</u>

The Company applies a specific credit policy that focuses on customer credit control. Where appropriate, additional insurance coverage is required as a credit guarantee. Additional credit risk is considered to exist for amounts receivable by the State. The deceleration that has recently occurred in the Greek market may affect the Company's customer base in Greece with an impact on the average working capital life. However, sales per customer are distributed to a large number of customers, which ensures that the commercial risk is spread to acceptable levels.

Cash and cash equivalents are also considered elements with high credit risk, as current macroeconomic conditions in Greece have a significant pressure on domestic banks.

G. Evolution of Activities for 2017

In addition, the completion of the investment of the new induction furnace at the company's factory in Thessaloniki will generate considerable cost benefits.

Developments during 2016 and national and international debates on the re-examination of the terms of Greece's funding program maintain the macroeconomic and financial environment in the country volatile. The return to economic stability depends heavily on the actions and decisions of the institutions in the country and abroad.

The economic uncertainty of the country's economic environment is a major risk factor where any adverse developments may adversely affect primarily domestic activities and their financial situation. The management of SIDENOR SA, taking into account its export character, strengthened by its modern production facilities in Greece, continually assesses the situation and takes all necessary and minimizes any impact.

Finally, safety in the workplace, environmental protection, harmonious co-existence with the local community and ongoing staff training continue to be non-negotiable goals, inextricably linked to the operation of the company.

Athens, September 1, 2017

The Vise President of the Board of Directors

Athanasios I. Athanasopoulos
ID Number: X 556803

B. Independent Auditor's Report

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Sidenor Steel Industry S.A which comprise the statement of financial position as of 31 December 2016 and the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Sidenor Steel Industry S.A as of 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.

b) Based on the knowledge we obtained from our audit for the Company "Sidenor Steel Industry S.A" and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, 8 September 2017

The Certified Auditor

PricewaterhouseCoopers

268 Kifissias Ave

152 32 Chalandri

SOEL Reg. No. 113

Konstantinos Michalatos

SOEL Reg No. 17701

Annual Financial Report
For the Period from 1st of January to 31st of December 2016
In accordance with International Financial Reporting Standards ("IFRS")

SIDENOR STEEL INDUSTRY S.A.
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Annual Financial report

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Statement of Financial Position

	31-Dec-16	31-Dec-15
ASSETS		
Non-current assets		
Fields - lots	27.220.721	27.694.428
Machinery - technical installations & other mechanical equipment	51.450.917	45.100.667
Other Fixed Assets	2.939.470	12.283.562
Intangible Assets	205.244	43.689
Holdings in associated companies	7.854.303	7.854.303
Holdings in subsidiary companies	108.968.771	105.968.771
Financial Assets Available for Sale	1.431.345	1.419.444
Long-term Receivables	15.653.623	16.289.085
	215.724.394	**216.653.948**
Current Assets		
Stocks	32.928.575	30.416.604
Trade and other receivables	107.662.337	120.910.010
Cash and cash equivalents	8.410.934	4.767.718
	149.001.847	**156.094.332**
Total assets	**364.726.240**	**372.748.280**
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	7.337.589	7.337.589
Share premium	40.100.692	40.100.693
Other reserves	7.914.566	7.914.566
Retained earnings/(losses)	(50.798.576)	(36.200.592)
Total	4.554.271	19.152.255
Total equity	**4.554.271**	**19.152.255**
LIABILITIES		
Non-current liabilities		
Loans and Borrowings	163.521.573	160.594.047
Deferred tax liabilities	10.773.184	12.289.501
Employee benefits	2.332.191	2.065.627
Grants	125.497	125.497
Provisions	648.000	648.000
Trade and other payables	1.296.141	2.425.447
	178.696.586	**178.148.118**
Current liabilities		
Trade and other payables	87.792.012	87.167.244
Loans and Borrowings	93.683.371	88.280.663
	181.475.383	**175.447.907**
Total liabilities	**360.171.969**	**353.596.025**
Total equity and liabilities	**364.726.240**	**372.748.280**

The notes on pages 20 to 57 are an integral part of these financial statements.

Income Statement

Amounts in Euro	12 months until 31/12/2016	12 months until 31/12/2015
Revenue	**98.001.177**	**143.650.800**
Cost of sales	(84.783.465)	(133.117.487)
Gross profit	**13.217.712**	**10.533.313**
Selling and Distribution expenses	(7.359.652)	(9.964.127)
Administrative expenses	(7.958.972)	(8.184.702)
Other Income	9.335.973	7.226.304
Other Expenses	(10.556.816)	(8.867.880)
Operating profit / (loss)	**(3.321.755)**	**(9.257.092)**
Finance Income	426.307	50.690
Finance Costs	(13.046.526)	(15.258.314)
Dividend	56.666	93.236
Profit/(Loss) before income tax	**(15.885.308)**	**(24.371.480)**
Income tax expense	1.449.909	209.711
Profit/(Loss) after tax	**(14.435.399)**	**(24.161.769)**

Profit / (losses) after tax per share attributable to the shareholders for the year (amounts expressed in euro per share)

	12 months until 31/12/2016	12 months until 31/12/2015
Basic	(19,1578)	(32,0661)

	12 months until 31/12/2016	12 months until 31/12/2015
Profit/(losses) after taxes	**(14.435.399)**	**(24.161.769)**
Recognized actuarial gain/losses after taxes	(162.585)	29.647
Total income after taxes	**(162.585)**	**29.647**
Balance as at 31/12/2016	**(14.597.984)**	**(24.132.122)**

The notes on pages 20 to 57 are an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

Amounts in Euro	Share Capital & share Premium Reserves	Other Reserves	Retained Earnings	Total Equity
Balance as at 1 January 2015	**13.835.863**	**7.914.566**	**(12.068.470)**	**9.681.959**
Profit/(loss) that was recognised directly in owner's equity	-	-	29.647	**29.647**
Net profit of the period	-	-	(24.161.769)	**(24.161.769)**
Total comprehensive income	**-**	**-**	**(24.132.123)**	**(24.132.123)**
Issuance of share capital/ (reduction)	33.602.418	-	-	**33.602.418**
Balance as at 31 December 2015	**47.438.281**	**7.914.566**	**(36.200.592)**	**19.152.255**
Balance as at 1 January 2016	**47.438.281**	**7.914.566**	**(36.200.592)**	**19.152.255**
Profit/(loss) that was recognised directly in owner's equity	-	-	(162.585)	**(162.585)**
Net profit of the period	-	-	(14.435.399)	**(14.435.399)**
Total comprehensive income	**-**	**-**	**(14.597.984)**	**(14.597.984)**
Balance as at 31 December 2016	**47.438.281**	**7.914.566**	**(50.798.576)**	**4.554.271**

The notes on pages 20 to 57 are an integral part of these financial statements.

Statement of Cash Flows

Amounts in Euro	1/1 to 31/12/2016	1/1 to 31/12/2015
Cash flows from operating activities		
Cash flows from operating activities	13.591.758	16.998.212
Interest paid	(12.181.687)	(14.846.159)
Income tax paid	-	(72.353)
Net Cash flows from operating activities	**1.410.071**	**2.079.700**
Cash flows from investing activities	**-**	**-**
Purchase of tangible assets	(3.451.553)	(12.128.257)
Sales of Fixed Assets	769.049	445.685
Sales of Participations in other companies	-	2.025
Dividends received	56.666	91.211
Interest received	426.307	50.690
Acquisition of other investments/available for sale investments	(11.901)	-
Increase of participation in subsidiaries	(3.000.000)	139.545
Net cash generated from investing activities	**(5.211.432)**	**(11.399.101)**
Cash flows from financing activities	**-**	**-**
Issue of ordinary shares	-	28.261.337
Loans received	10.873.479	9.975.714
Loans settlement	(3.428.902)	(31.147.366)
Net cash flows from financing activities	**7.444.577**	**7.089.684**
Net (decrease)/ increase in cash and cash equivalents	**3.643.216**	**(2.229.716)**
Cash and cash equivalents at the beginning of period	4.767.718	6.997.434
Cash and cash equivalents at the end of period	**8.410.934**	**4.767.718**

The notes on pages 20 to 57 are an integral part of these financial statements.

1 General Informations

These financial statements include the financial statements of SIDENOR STEEL INDUSTRIAL A.E. (The company").

The main activities of the Company are the industrial processing and trading of iron and steel products.

The company operates in Greece and in the wider region of the Balkans and Europe. The Company is a 100% subsidiary of the VIOHALCO S.A. Group.

The Company is seated in Greece, Attica, at the Municipality of Athens, in the street Mesogeion 2-4. The Company's financial statements are published at http://sidenorsteelindustry.vionet.gr.

The financial statements have been approved for publication by the Board of Directors on 29/5/2017 and are subject to approval by the Annual General Meeting which will convene on 31/7/2017.

2 Summary of significant accounting policies

The principal accounting policies applied by the Group in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of the financial statements

These annual financial statements have been prepared by the management in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), including the International Accounting Standards ("IAS") and Interpretations issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through results as well as derivatives.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. Moreover, it requires the use of calculations and assumptions affecting the aforementioned assets and liabilities' amounts, the disclosure of contingent receivables and liabilities existing on the financial statements' preparation date and of the aforementioned income and expense amounts during the reported year. Although these calculations are based on the best possible knowledge of management with respect to the current conditions and activities, the actual results can eventually differ from these estimates (Note 4).

2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 19R (Amendment) "Employee Benefits"

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) “Joint Arrangements”

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’.

IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortisation

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IAS 16 and IAS 41 (Amendments) “Agriculture: Bearer plants”

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

IAS 27 (Amendment) “Separate financial statements”

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements.

IAS 1 (Amendments) “Disclosure initiative”

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment entities: Applying the consolidation exception”

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

Annual Improvements to IFRSs 2012

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB’s 2010-12 cycle of the annual improvements project.

IFRS 2 “Share-based payment”

The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

IFRS 3 “Business combinations”

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 “Operating segments”

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 “Fair value measurement”

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 “Related party disclosures”

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2014

The amendments set out below describe the key changes to four IFRSs.

IFRS 5 “Non-current assets held for sale and discontinued operations”

The amendment clarifies that, when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 “Financial instruments: Disclosures”

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 “Employee benefits”

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 “Interim financial reporting”

The amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’.

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. The Group is currently investigating the impact of IFRS 9 on its financial statements.

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 Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

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. The amendments have not yet been endorsed by the EU.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts" (effective for annual periods beginning on or after 1 January 2018)

The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39. The amendments have not yet been endorsed by the EU.

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.

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.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle) (effective for annual periods beginning on or after 1 January 2017)

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 summarized financial information.

IAS 28 “Investments in associates and Joint ventures”

The amendments clarified that when venture capital organizations, 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.

2.3 Investments in Subsidiaries and Associates

(a) Subsidiary companies

Subsidiaries are enterprises (including special purpose entities) in which the company exercises control. The company exercises control over a company when the company is exposed or has rights to variable returns from its participation in the business and has the ability to influence those returns through the power it exercises in the business. The Company does not prepare and publish consolidated financial statements because the financial statements of the company itself and its subsidiaries are included in the consolidated financial statements prepared by the parent company VIOHALCO S.A. And for this reason, based on IAS. 27, is not required to prepare consolidated financial statements.

The Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Company’s voting rights relative to the size and dispersion of holdings of other shareholders give the Company the power to govern the financial and operating policies.

The Company applies the acquisition method to account for business combinations. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. By each case of purchase the Company recognizes eventual non-controlling interest of the subsidiary either in its fair value or in the value of the share of the non-controlling interest in the net position of the subsidiary.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. In case that the contingent consideration is classified as equity item it is not re-measured until the final settlement through equity.

The Company records its investments in subsidiary companies, in its corporate financial statements, at cost less devaluation.

(b) Changes in ownership interests in subsidiaries without change of control

The Company's transactions with non-controlling interests are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

(c) Disposal of subsidiaries

When the Company ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but the Company's significant influence is retained, only a proportionate share of the amounts previously recognised in net worth is reclassified to profit or loss.

The Company's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company's investments in associate companies are presented at acquisition cost less impairment.

2.4 Segment Reporting

The operating segments are presented in a manner consistent with its internal financial reports, in accordance with the Company's management.

2.5 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 Property, plant and equipment

All property, plant and equipment, is shown at cost less subsequent depreciation and impairment. Acquisition cost may also include 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 costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Builldings	10-33	Years
- Machinery	5-25	Years
- Vehicles	6-7	Years
- Furniture, fittings and equipment	3-8	Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

When an asset's carrying amount is greater than its estimated recoverable amount, the difference (impairment) is immediately written down to results.

Upon sale of tangible fixed assets, any difference between the proceeds and their book value is recorded as profit or loss in the operating results.

Borrowing costs directly attributable to the acquisition, construction of qualifying assets, which need a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.7 Intangible Assets

Software

Software licenses are valued at cost less accumulated amortization, less any accumulated impairment. Depreciation is carried out using the straight-line method over their estimated useful lives, which is 3 to 5 years.

Expenses required for the development and maintenance of software are recognized as expenses in the income statement when incurred.

Development Expenses

Research costs are considered as an expense when they are incurred. The cost of development projects (mainly related to the design and testing of new or improved products) is recognized as a category of intangible assets only when there is a likelihood of success of those projects, taking into account their commercial and technological viability, and provided that the cost can be measured reliably. Other development costs that do not meet the above criteria are recognized as expenses when incurred. Expenses with a finite useful life that have been capitalized are amortized after the commencement of production of the products mentioned, using the straight-line depreciation method, over the estimated useful life of the asset, which in any case does not exceed five years.

Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the subsidiary's equity in the acquisition date. Goodwill on acquisitions of subsidiaries is recognized in intangible assets. Goodwill is not amortized and is tested annually for impairment and is recognized at cost less any impairment losses. Goodwill losses are not reversed.

Trademarks and licenses

Licenses are valued at cost less amortization. Amortization is carried out using the straight-line method and is calculated from the date of commencement of the right until the expiry date of the license.

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 Financial Assets

The Company classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category includes financial assets acquired for the purpose of short selling. It also includes derivative financial instruments unless they have been identified as hedging instruments. Assets of this category are classified in current assets if they are held for trading or are expected to be sold within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

The purchase and sales of investments are recorded for on the trade-date, which the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Loans and receivables are initially recognized at fair value plus transaction costs. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Then, the available-for-sale financial assets are evaluated at fair value and the relevant profits or losses are recorded in the reserves of equity. During the sale or when designated as impaired, the profits and losses are carried over to the results. Impairment losses being recognized in profit or loss shall not be reversed through the results.

Realized and non-realized profits or losses arising from the changes in the fair values of the financial assets evaluated at fair value through profit or loss are presented in the income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. As regards non traded assets, their fair value is established using measurement techniques such as analysis of recent transactions, comparable assets traded and cash flow discounting.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If impairment is demonstrated, accumulated loss in equity which is the difference between the cost of acquisition and the fair value shall be carried over to results. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

(d) Impairment of financial assets at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

2.10 Derivative Financial Instruments

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within other gains/ (losses) – net.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis.

2.11 Inventories

Stocks are estimated at the lower value between their acquisition cost and their net realizable value. The acquisition cost is determined based on the average monthly weighted cost method. Financial expenses are not included in the acquisition cost. The net realizable value is estimated based on the stock's current sales price, within the framework of ordinary business activities, less any possible selling expenses, wherever such a case concurs.

2.12 Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash and demand deposits.

2.14 Share Capital

Ordinary shares are classified as equity.

Direct expenses attributable to the issue of new shares appear following the subtraction of the relevant income tax, as a deduction in net worth.

Treasury share acquisition cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included as reserves in equity attributable to the Company's equity holders.

2.15 Suppliers

The trade payables are accounted for initially at fair value and later on are evaluated at the net value using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. In this case borrowings are classified as non-current liabilities.

2.17 Deferred income tax

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

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.18 Income Tax

Income tax is calculated based on the tax rates enacted and in effect in the countries where the Group operations take place, and is recognized as an expense during the year in which the related income arises.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.19 Employ benefits

(a) Pension obligations

The employee benefits after their retirement include defined contribution programs and defined benefit programs.

The accrued cost of defined contribution programs is recognized as expense during the relevant period.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Short term benefits

Short term employee benefits both in money and kind are accounted for as expense when they occur.

2.20 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

2.21 Provisions

A provision shall be recognized when:

i. The Group has a current legal or inferable commitment as a result of past events
ii. It is likely that a cash outflow will be required to settle the commitment
iii. The amount can be reliably estimated

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

2.22 Revenue recognision

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Intercompany revenues within the Group are fully written off in the consolidated financial statements. Revenue is recognized as follows:

(a) Sales of goods — wholesale

Sales of goods are recognized when a Company entity has delivered products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) Sales of services

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

(c) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Thereafter, interests are calculated by using the same rate on the impaired value (new accounting value).

(d) Dividends

Dividends are recognized when the right to receive payment is established.

2.23 Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.24 Divident distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.25 Roundings

The numbers contained in these financial statements have been rounded to Euros. Accordingly in certain cases, the sum of the numbers in a column may not conform to the total figure given for that column or the figure presented in the notes may differ to the number shown in the primary financial statements.

3 Financial Risk Management

The Company is exposed to Credit Risk, Liquidity Risk and Market Risk arising from the use of its financial instruments. This memo provides information regarding the exposure of the Company to each of the above risks, the goals of the Group, its risk assessment and management policies and procedures, as well as the Company's capital management. More quantitative information on these notifications is included throughout the Financial Statements.

The Company's risk management policies are implemented in order to identify and analyze risks faced by the Company as well as to set risk-taking limits and implement controls thereon. Risk management policies and related systems are periodically monitored, in order to ensure that they incorporate the changes in market conditions and in the Company's activities.

The Internal Audit department is responsible for monitoring compliance with risk management policies and procedures. The department carries out regular as well as special audits in order to ascertain compliance with proper procedures and its findings are communicated to the Board of Directors.

3.1 Foreign exchange risk

The Company operates in Europe, and consequently the greater part of the Company's transactions are carried out in Euros. However, part of the Company's purchases is denominated in US Dollar.

The loan interest is in the same currency as that used in the cash flows relating to the Company's operational activities, which is mainly Euro.

The Company's investments in other subsidiaries are not hedged, as these are regarded as long-term currency investments and have mainly been carried out in Euros.

3.2 Price risk

The purpose of risk management against market conditions is to control the Company's exposure to those risks, within the framework of acceptable parameters while optimizing results.

a) Products

The main market risk is the risk of fluctuations in the prices of raw materials (scrap), which determine to a great extent the final price of the products. Company policy is to show inventories at the lower value between acquisition cost and net realizable value. In periods of price fluctuation results are affected by the depreciation of the value of stocks. The Company makes hedging using derivative financial products where available.

b) Investments

Investments are classified by the Group based on the purpose for which they were acquired.

Management decides on the suitable classification of the investment at the time of its purchase and re-examines said classification on each presentation date.

3.3 Cash flow and fair value interest rate risk

The Company finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that charges its financial results. Upward trends in interest rates will have adverse effects on results, as the Company will incur additional cost of debt.

Interest rate risk is contained, as part of the Company's loans is subject to fixed interest rates.

If, as at 31/12/2016, interest rates were increased (decreased) by 0.25% / (-0.25%), the Company's profits before taxes effect would be (loss) / profit equal to (-€643 thousand) / €643 thousand. Company net assets would be affected proportionally.

Respectively, if, as at 31/12/2015, interest rates were increased (decreased) by 0.25% / (-0.25%), the Company's profits before taxes effect would be (loss) / profit equal to (-€622 thousand). /€622 thousand.

3.4 Credit Risk

Credit risk is the risk of loss to the Company in the event that a customer or third party in a financial instrument transaction fails to meet its contractual obligations and is primarily related to customer receivables. Credit risk exists also in cash and cash equivalents, in investments and in financial derivative contracts.

3.5 Customers and other receivables

The Company's exposure to credit risk is mainly affected by the specific characteristics of each customer. The demographic characteristics of the Company's customer base, including the risk of payment default characterizing the specific market and country wherein customers operate, do not affect credit risk to the same extent, as no correlation between geographic location and credit risk has been observed. No customer exceeds 10% of sales and, as a result, market risk is divided among a large number of customers.

The Board of Directors has established a credit policy whereby each new customer is individually checked for creditworthiness before the usual payment terms are proposed. Credit limits are set on a customer by customer basis and are re-estimated according to current trends and if necessary the sales and collection terms are readjusted. Customer credit lines are mainly determined based on the insurance limits set by the insurance companies based on which the company proceeds with insuring the receivables

When monitoring customer credit risk, customers are classified in accordance with their credit profile, the maturity of their receivables and any prior collection problems they may have displayed. Customers and other receivables mainly concern wholesale customers of the Company. Customers characterized as "high risk" are placed on a special list and future sales have to be prepaid. Depending on the customer's prior record and profession, the Company reserves the right to demand tangible or other guarantees (such as letters of guarantee).

The Company records a depreciation provision which represents its assessment of losses incurred in relation to customer liabilities, other receivables. This provision mainly consists of losses due to the devaluation of specific receivables that were deemed realizable in relation to specific conditions but which have not as yet been finalized.

The nominal value less impairment provision of trade receivables is assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by the present value of the discounted future cash flows of specific contracts at the current market interest rate prices that is available to the Company for similar financial instruments.

3.6 Guarantees

The policy of the Company is not to offer guarantees, except only to subsidiaries or affiliated companies and then only by decision of the Board of Directors.

3.7 Liquidity risk

Liquidity risk is the risk whereby the Company may be unable to fulfil its financial obligations when these become due. The approach adopted by the Company regarding liquidity management is to ensure, by maintaining minimum necessary cash reserves and sufficient credit limits from the banks with which it cooperates, that it will always have enough liquidity in order to fulfil its financial liabilities when those become due, under normal as well as exceptional circumstances, without incurring unacceptable losses or risking the Company's reputation.

In order to avoid liquidity risks, the Company anticipates annual cash flows when drafting the annual budget, as well as a rolling monthly provision for a period of three months, in order to ensure that it will always have enough cash reserves in order to cover its operational costs. The effect of unforeseeable extreme circumstances is not taken into consideration in this policy.

The developments that have taken place in 2016, as well as the national and international discussions regarding the reconsideration of the terms of Greece's financing program, have resulted in the continuation of an unstable macroeconomic and financial environment in the country. The return to economic stability depends to a large extent on the actions and decisions of local and international institutions.

The uncertainty of the economic environment in Greece constitutes a key risk factor and any negative developments in this area is likely to affect the Company's indigenous operations, and its financial performance and position. Taking into consideration the export orientation of the Group and its technologically advanced production facilities both in Greece and abroad, the Group's management continually assesses the situation and takes all necessary actions and measures in order to minimize any impact on the Company's operations.

3.8 Capital Management

The policy of the Board of Directors consists of the preservation of a solid capital base, in order to maintain investor, creditor and market confidence in the Company and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Company as the net results divided by the total net position, excluding non-convertible preferred shares and minority interests into consideration, excluding non-convertible preferred shares. The Board of Directors also monitors the level of dividends paid to the holders of ordinary shares.

The Board of Directors tries to maintain a balance between, on the one hand, higher returns which would have been possible under higher borrowing levels and, on the other hand, the advantages associated with the security that a strong and healthy capital position would provide.

The leverage ratio at December 31, 2016 and 2015 were as follows:

	31/12/2016	**31/12/2015**
Total Borrowing	257.204.943	248.874.710
Less		
Cash and Cash Equivalent	(8.410.934)	(4.767.718)
Net Borrowing	**248.794.009**	**244.106.992**
Total Net Worth	4.554.271	19.152.255
Total Capital Employed	**253.348.280**	**263.259.246**
Leverage Ratio	**98%**	**93%**

There have been no changes to the Company's approach on capital management during the financial year.

3.9 Fair value estimation

The table below analyses financial instruments carried in the balance sheet at fair value, for both Group and Company, by level of the following fair value measurement hierarchy:

First level – Includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Second level – Includes inputs other than quoted prices included within the first level, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Third level – Includes inputs that are not based on observable market data (that is, unobservable inputs).

The different levels are defined as follows:

		31/12/2016			
Amounts in Euro		**Level One**	**Level Two**	**Level Three**	**Total**
Available-for-sale financial assets	10	5.150	-	1.426.195	1.431.345
		5.150	**-**	**1.426.195**	**1.431.345**

		31/12/2015			
Amounts in Euro		**Level One**	**Level Two**	**Level Three**	**Total**
Available-for-sale financial assets	10	5.150	-	1.414.294	**1.419.444**
		5.150	**-**	**1.414.294**	**1.419.444**

Valuation techniques used to derive Level 2 fair values

Level 2 trading comprise forward foreign exchange contracts (forward).

These forward foreign exchange contracts have been fair valued using forward exchange rates at balance sheet date and quoted in an active market.

Valuation of Level 3 fair value

The available-for-sale financial assets and the derivative financial assets of level 3 are non-traded securities. So it is not possible to measure their fair value reliably. Correspondingly, they are valued at acquisition cost.

Valuation processes

For financial reporting purposes, the group's financial department performs the valuations of financial assets and Level 3 fair values. The procedure is performed at least once every quarter in line with the group's quarterly reporting dates.

Fair value of financial assets and liabilities measured at unamortized cost

The carried value of the short terms borrowings approximate its fair value because the effect from discount is immaterial.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities
- Other short-term financing liabilities

4 Accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) The Company recognizes provisions for anticipated negative outcome of legal cases based on assessments performed the Group's Legal Department.

c) Also, provisions are recognized, based on historical information and past experience, for estimated losses that are expected to arise in the future due to customer claims for contractual obligations undertaken by the Company.

d) The Company recognizes provisions for impairments to investments taking into account the future gains from those investments.

e) The current value of the employee benefit commitments is based on a number of factors specified actuarially using some assumptions. The assumptions used to define the net expenditure of employee benefits include discount rates, future pay raises as well as inflation rates. Possible changes in these assumptions would affect the accounting value of the commitment.

f) Employee benefits

The current value of the employee benefit commitments is based on a number of factors specified actuarially using some assumptions. The assumptions used to define the net expenditure of employee benefits include discount rates, future pay raises as well as inflation rates. Possible changes in these assumptions would affect the accounting value of the commitment.

The present value of the defined benefits is calculated based on the appropriate discount rate (Bond index "iBoxx AA-rated Euro corporate bond 10+year") plus increases in staff salaries. The assumptions used are further illustrated in Note 17.

4.2 Critical judgement in applying the entity's accounting policies

By application of the provisions of IAS 2, according to which inventories are valued at the lower of the acquisition cost and the net realizable value.

5 Sales

Amounts in Euro

Sales	31 December 2016	31 December 2015
Greece	47.700.983	55.554.803
European Union	22.395.435	42.868.248
Other European countries	26.841.699	41.269.845
Asia	-	1.063.901
America	670.761	2.214.706
Africa	387.745	-
Oceania	4.554	679.297
Total	**98.001.177**	**143.650.800**

Analysis of sales per category

Amounts in Euro	31 December 2016	31 December 2015
Sale of goods	83.806.187	133.177.749
Rendering of services	12.107.387	9.656.045
Other	2.087.603	817.006
Total	**98.001.177**	**143.650.800**

Total assets other than associates	31 December 2016	31 December 2015
Greece	356.871.938	364.893.977
Total	**356.871.938**	**364.893.977**
Investments in associates		
Greece	6.319.950	6.319.950
Abroad	1.534.352	1.534.352
Total	7.854.303	7.854.303

Total Assets	**364.726.240**	**372.748.280**

Investments in property plant and equipment and intagible assets	**31 December 2016**	**31 December 2015**
Greece	3.708.483	14.795.287
Total	**3.708.483**	**14.795.287**

6 Fixed Assets

6.1 *Tangible Fixed Assets*

Amounts in Euro	Landplot	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost or fair value							
Balance as at 1 January 2015	**7.909.251**	**28.933.315**	**129.193.955**	**497.746**	**6.784.839**	**3.964.917**	**177.284.022**
Additions	3.573.640	1.292.545	474.555	1.748	117.072	9.335.726	**14.795.287**
Disposal	-	-	(419.534)	(50.809)	(10.160)	-	**(480.503)**
Write offs	-	-	(113.206)	-	-	-	**(113.206)**
Reclassifications	-	540.558	681.080	-	3.400	(1.225.038)	-
Balance as at 31 December 2015	**11.482.891**	**30.766.419**	**129.816.850**	**448.685**	**6.895.151**	**12.075.605**	**191.485.601**
Accumulated depreciation							
Balance as at 1 January 2015	-	**(13.499.045)**	**(79.824.005)**	**(482.263)**	**(6.639.203)**	-	**(100.444.515)**
Depreciations of the period	-	(1.055.836)	(5.018.414)	(4.647)	(69.471)	-	**(6.148.367)**
Disposal	-	(2)	41.617	50.437	9.267	-	**101.320**
Write offs	-	-	84.618	-	-	-	**84.618**
Balance as at 31 December 2015	-	**(14.554.882)**	**(84.716.183)**	**(436.472)**	**(6.699.407)**	-	**(106.406.944)**
Carrying amount as at 31 December 2015	**11.482.891**	**16.211.537**	**45.100.667**	**12.213**	**195.744**	**12.075.605**	**85.078.657**

Amounts in Euro	Landplot	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost or fair value							
Balance as at 1 January 2016	**11.482.891**	**30.766.419**	**129.816.850**	**448.685**	**6.895.151**	**12.075.605**	**191.485.601**
Additions	(0)	493.645	1.150.478	24.490	140.943	1.898.927	**3.708.483**
Disposal	-	-	(90.641)	-	(30.957)	(605.940)	**(727.538)**
Reclassifications	-	155.604	10.369.288	-	-	(10.716.533)	**(191.641)**
Write offs	-	-	(66.616)	-	-	-	**(66.616)**
Balance as at 31 December 2016	**11.482.891**	**31.415.668**	**141.179.359**	**473.175**	**7.005.137**	**2.652.059**	**194.208.290**
Accumulated depreciation							
Balance as at 1 January 2016	-	**(14.554.882)**	**(84.716.183)**	**(436.472)**	**(6.699.407)**	-	**(106.406.944)**

Depreciations of the period	-	(1.122.956)	(5.057.493)	(5.890)	(77.376)	-	**(6.263.714)**
Disposal	-	-	17.395	-	28.244	-	**45.639**
Write offs	-	-	27.839	-	-	-	**27.839**
Balance as at 31 December 2016	-	**(15.677.838)**	**(89.728.442)**	**(442.362)**	**(6.748.539)**	-	**(112.597.181)**
Carrying amount as at 31 December 2016	**11.482.891**	**15.737.830**	**51.450.917**	**30.813**	**256.598**	**2.652.059**	**81.611.109**

On the Company's fixed assets there are mortgages and bank notes for a total amount of € 215.760 thousand for loans with a total amount of € 179.800 thousand.

The above amount of operating assets (€ 2.652 thousand) relates to the installation of new machinery in order to improve the quality and range of products produced, as well as the reduction of production and energy costs as well as improvements to the existing machinery equipment of the factories.

6.2 *Intangible Fixed Assets*

Amounts in Euro	**Software**	**Total**
Cost or Fair Value		
Balance as at 1 January 2015	**400.550**	**400.550**
Reclassifications	4	4
Balance as at 31 December 2015	**400.553**	**400.553**
Accumulated amortisation and impairment		
Balance as at 1 January 2015	**(339.944)**	**(339.944)**
Amortization for the period	(16.921)	**(16.921)**
Impairment	1	**1**
Balance as at 31 December 2015	**(356.865)**	**(356.865)**
Carrying amount as at 31 December 2015	**43.689**	**43.689**

Amounts in Euro	**Software**	**Total**
Cost or Fair Value		
Balance as at 1 January 2016	**400.553**	**400.553**
Reclassifications	191.641	**191.641**
Balance as at 31 December 2016	**592.194**	**592.194**
Accumulated amortisation and impairment		
Balance as at 1 January 2016	**(356.865)**	**(356.865)**
Amortization for the period	(30.085)	**(30.085)**
Balance as at 31 December 2016	**(386.950)**	**(386.950)**
Carrying amount as at 31 December 2016	**205.244**	**205.244**

7 Investments in Associates

Amounts in Euro	**31 December 2016**	**31 December 2015**
Balance as at January 1	7.854.303	7.993.848
Other changes	-	(139.545)

Balance as Year-end	7.854.303	7.854.303

The associates are as follows:

	31 December 2016	**31 December 2015**
SIDMA SA	6,53%	6,53%
DIAPEM	-	33,35%
VIENER	20,67%	-
METALLOURGIA ATTIKIS SA	50,00%	50,00%
DOMOPLEX LTD	45,00%	45,00%
AWM SPA	34,00%	34,00%

8 Investments in Subsidiaries

Amounts in Euro	**31 December 2016**	**31 December 2015**
Balance as at January 1	**105.968.771**	**102.433.244**
M&A Effects	3.000.000	-
Return of Capital	-	3.535.526
Balance as at Year-end	**108.968.771**	**105.968.771**

The subsidiaries are as follow:

Company Name	**Country**	**% direct participation**	**Activity Sector**
31/12/2016			
SOVEL A.E.	Greece	64,01%	Steel
ERLIKON SA	Greece	98,45%	Steel
AEIFOROS SA	Greece	90,00%	Steel
VEMET SA	Greece	100,00%	Steel
ETIL SA	Greece	69,98%	Steel
DOJRAN STEEL	FYROM	100,00%	Steel
PRAKSIS SA	Greece	61,00%	Steel
SIDERAL	Albania	99,45%	Steel
SIDEROM STEEL SLR-ΣΥΜΜ.ΣΕ	Romania	100,00%	Steel
PROSAL TUBES	Bulgaria	100,00%	Steel

Company Name	Country	% direct participation	Activity Sector
31/12/2015			
SOVEL A.E.	Greece	64,01%	Steel
ERLIKON SA	Greece	98,45%	Steel
AEIFOROS SA	Greece	90,00%	Steel
VEMET SA	Greece	100,00%	Steel
ETIL SA	Greece	69,98%	Steel
DOJRAN STEEL	FYROM	100,00%	Steel
PRAKSIS SA	Greece	61,00%	Steel
SIDERAL	Albania	99,45%	Steel
SIDEROM STEEL SLR-ΣΥΜΜ.ΣΕ	Romania	100,00%	Steel
PROSAL TUBES	Bulgaria	100,00%	Steel

9 Financial assets available for sale

Amounts in Euro	**31/12/2016**	**31/12/2015**
Listed Securities		
-Greek Equity instrunments	5.150	5.150
Unlisted Securities		
-Greek Equity instrunments	146.177	134.276
-International Debt instrunments	1.280.018	1.280.018
	1.431.345	1.419.444

Amounts in Euro	**31/12/2016**	**31/12/2015**
Balance as at 1 January	1.419.444	1.419.444
Additions	11.901	-
Balance as at 31 December	1.431.345	1.419.444
Non-current Assets	1.431.345	1.419.444

All equity instruments are in euro.

These financial assets are periodically evaluated for impairment.

The fair value of unlisted securities is determined by discounting the expected future cash flows based on the market rate and the required return on risk-related investments.

The maximum exposure to credit risk at the reporting date is the value at which available for sale financial assets are presented.

10 Deferred Income Tax

Amounts in Euro	**31/12/2016**	**31/12/2015**
Deferred tax liabilities		
Tax assets/liabilities (-) before set-off	(10.773.184)	(12.289.501)
Total	**(10.773.184)**	**(12.289.501)**
Net tax assets/liabilities (-)	**(10.773.184)**	**(12.289.501)**

The total change in deferred income tax is as follows:

Amounts in Euro	31/12/2016	31/12/2015
Net balance at 1 January	**(12.289.501)**	**(12.381.314)**
Recognised in profit or loss	1.449.909	103.922
Recognised in OCI	66.408	(12.109)
Balance at the end of period	**(10.773.184)**	**(12.289.501)**

The movements in deferred tax assets and liabilities prior to offsetting are as follows:

Amounts in Euro	Depreciation Defference	Deiffence in provisions	Loans and borrowings	Unrecognised intangible assets	Employee benefits	Other items	Total
Net balance at 1 January	**(12.709.452)**	**583.950**	-	**(1.560)**	**-**	**(254.252)**	**(12.381.314)**
Recognised in profit or loss	(33.005)	93.772	-	1.560	-	41.594	**103.922**
Recognised in OCI	-	(12.109)	-	-	-	-	**(12.109)**
Balance at 31 December 2015	**(12.742.457)**	**665.614**	**-**	**-**	**-**	**(212.658)**	**(12.289.501)**
Net balance at 1 January 2016	**(12.742.457)**	**665.614**	-	-	-	**(212.658)**	**(12.289.501)**
Recognised in profit or loss	1.250.962	(612.566)	(161.172)	-	616.984	355.700	1.449.909
Recognised in OCI	-	-	-	-	66.408	-	66.408
Balance at 31 December 2016	**(11.491.495)**	**53.048**	**(161.172)**	**-**	**683.392**	**143.043**	**(10.773.184)**

Deferred tax is determined using tax rates that are expected to apply when the deferred income tax asset is realized or liability is settled.

The income tax rate applicable to companies transacting in Greece is 29%.

The deferred tax recognized in other comprehensive income is related to the differed tax occur from the recognition of the actuarial loss/profit to the personnel retirement benefit liability.

11 Inventories

Amounts in Euro	31/12/2016	31/12/2015
Merchandise	1.305.220	1.387.268
Finished goods	12.206.025	16.277.581
Semi-finished goods	3.508.969	416.130
By-products & scrap	283.924	195.820
Raw and auxiliary materials, consumables, spare parts and packaging materials	15.404.547	12.116.303
Down payments for purchase of inventory	219.890	23.503
Total realizable value	**32.928.575**	**30.416.604**

Cost of inventories recorded as an expense in the cost of sales amounts to €62 million (2015: €101 million).

By application of the provisions of IAS 2 inventories are valued at the lower of the acquisition cost and the net realizable value.

12 Trade & Other Receivables

Amounts in Euro	31 December 2016	31 December 2015
Trade receivables	47.477.253	40.097.778
Less: Impairment losses	(6.539.082)	(1.428.408)
Net trade receivables	**40.938.171**	**38.669.370**
Other downpayments	318.813	15.468
Cheques and notes receivables & Cheques overdue	8.179.087	6.463.309
Receivables from related entities	56.773.877	69.038.059
Tax assets	30.820	1.124.298
Other debtors	3.123.632	11.429.109
Reserved deposit accounts	-	4.800
Receivables from dividends of equity accounted investees	635.289	578.623
Less: Impairment losses	(2.337.351)	(6.413.025)
Total	**107.662.337**	**120.910.010**
Non-current receivables from other related parties	15.000.000	15.000.000
Other non-current receivables	653.623	1.289.085
Total	**15.653.623**	**16.289.085**
Total receivables	**123.315.960**	**137.199.095**
Guarantees for securing customer receivables	11.591.938	13.154.438
Other Receivables	1.488.836	1.488.836
Total	**13.080.774**	**14.643.274**

	31 December 2016	31 December 2015
Receivables		
0-3 months	1.626.116,3	2.134.816,0
3-6 months	2.852.120,4	529.447,0
> 6 months	10.696.030,7	22.322.543,0
Total	**15.174.267,4**	**24.986.806,0**
Provisions for doubtful debts		
Beginning of the year	(7.841.432)	(6.139.870)
Provisions	(1.035.000)	(1.701.562)
End of the year	(8.876.432)	(7.841.432,00)

Trade customers and other receivables (per currency)

	31 December 2016	31 December 2015
Euro	122.223.100	136.020.078
USD	1.092.860	1.092.860
GBP	-	86.156
Total	**123.315.960**	**137.199.094**

Other non-current receivables relate to given guarantees to third parties within the framework of the Company's activity that do not have a maturity date. The Company has assessed the receivables' balance to be approximately equal to their current value.

Financial instruments per Category

Balance as at December 31st 2015
Amounts in Euro

Assets	**Loans and receivables**	**Available for sale**
Non-current financial assets available for sale	-	1.419.444
Trade and other receivables	122.782.519	-
Cash and cash equivalents	4.767.718	-
Total	**127.550.237**	**1.419.444**

Balance as at December 31st 2016
Amounts in Euro

Assets	**Loans and receivables**	**Available for sale**
Non-current financial assets available for sale	-	1.431.345
Trade and other receivables	111.051.833	-
Cash and cash equivalents	8.410.934	-
Total	**119.462.767**	**1.431.345**

13 Cash and Cash Equivalents

Amounts in Euro	**31/12/2016**	**31/12/2015**
Cash in hand and Cash in bank	32.818	43.018
Short-term bank deposits	8.378.116	4.724.700
Total	**8.410.934**	**4.767.718**

Credit rating to cash	**31/12/2016**	**31/12/2015**
AA-	30.808	31.318
C	-	4.693.382
CCC+	8.347.308	-
Total	**8.378.116**	**4.724.700**

14 Share Capital

Amounts in Euro	Number of Shares	Ordinary Shares	Share Premium	Total
1 January 2015	**556.740**	**3.746.055**	**10.089.808**	**13.835.863**
	538.000	3.591.534	30.010.885	33.602.418
31 December 2015	**1.094.740**	**7.337.589**	**40.100.693**	**47.438.281**
1 January 2016	**1.094.740**	**7.337.589**	**40.100.692**	**47.438.281**
	1.094.740	**7.337.589**	**40.100.692**	**47.438.281**

The nominal value of the shares is € 6,75.

15 Other Reserves

Amounts in Euro	**Statutory Reserves**	**Special Reseves**	**Tax exempt reserves**	**Total**
Balance as at 1 January 2015	**243.820**	**503.595**	**7.167.150**	**7.914.566**
Balance as at 31 December 2015	**243.820**	**503.595**	**7.167.150**	**7.914.566**
Balance as at 1 January 2016	**243.820**	503.595	**7.167.150**	**7.914.566**
Balance as at 31 December 2016	**243.820**	**503.595**	**7.167.150**	**7.914.566**

Based on Greek tax legislation, tax-free reserves are exempted from income tax, provided that they are not distributed to the shareholders.

According to new Income Tax Law No. 4172/2013, article 72, paragraph 12, reserves created of tax exempted profits by legal entities as a provision of previous Income Tax Law No.2238/1994, article 45, which are not distributed or capitalized as of December 31st 2014, from January 1st 2015 these reserves since are not distributed or capitalized, at the end of every forthcoming tax year should be offset tax recognized loses of the preceding five (5) years until their complete depletion

The offsetting of the credit reserves will take place in the Company’s income tax return. No tax liability is expected to arise.

16 Borrowings

Amounts in Euro	**31 December 2016**	**31 December 2015**
Non-current		
Secured bond issues	163.521.573	160.594.047
Total	**163.521.573**	**160.594.047**
Current		
Unsecured bank loans	31.018.179	31.547.081

Bank Loans	32.533.336	51.513.336
Bond Loans	15.938.131	
Secured bank loans	14.193.725	
Total	**93.683.371**	**88.280.663**
Total loans and borrowings	**257.204.944**	**248.874.710**
Total cash and cash equivalents	8.410.934	4.767.718
Net debt	**248.794.009**	**244.106.992**

The maturity dates of long term loans, are as follows:

Amounts in Euro	**31 December 2016**	**31 December 2015**
Between 1 and 2 years	34.384.106	17.734.809
Between 2 and 5 years	129.137.467	142.859.238
Total	**163.521.573**	**160.594.047**

The effective weighted average interest rates on the date of the balance sheet are as follows:

	31 December 2016	**31 December 2015**
Bank lending (current) - EUR	5,50%	6,18%
Bond issues - EUR	4,00%	4,96%

The maturity dates of all the company's borrowings are as follows:

Amounts in Euro	**31 December 2016**	**31 December 2015**
Up to 1 year	93.683.371	88.280.663
Between 1 and 2 years	34.384.106	17.734.809
Between 2 and 5 years	129.137.467	142.859.238
Total	**257.204.944**	**248.874.710**

Total borrowings (per currency)	**31 December 2016**	**31 December 2015**
Euro	257.204.944	248.874.710
Total	**257.204.944**	**248.874.710**

The Group's loans exposure to interest rate changes and contractual reset dates are as follows:

Contractual reset dates	31 December 2016	31 December 2015
< 6 months	8.990.000	212.107.383
6 - 12 months	8.990.000	-
1 - 5 years	161.820.000	-

The fair market values of loans are equal to their book values, as the impact of discounting is not significant. The fair values are evaluated based on parameters such as interest expense, specific country risk factors, or price quotations at the reporting date and are within level 2 of the fair value hierarchy.

The group for the bonds has given guarantees (Note 29).

The Group has direct access in funding sources and has been historically engaging in refinancing its short-term debt liabilities. The Group estimates that the refinancing of its short-term debt will continue in the future, as before.

17 Employee Retirement Obligations

Amounts in Euro	31 December 2016	31 December 2015
Amounts recognized in Balance Sheet		
Present value of obligation	2.332.191	2.065.627
Net Liability/(Asset) in Balance Sheet	**2.332.191**	**2.065.627**
Included in profit or loss		
Current service cost	81.348	93.848
Interest cost/income (-)	40.893	30.880
Settlement/curtailment/termination loss	306.356	369.896
Total amount recognised in Profit or Loss	**428.597**	**494.624**

The analysis of changes in benefit obligations of employees due to retirement for the years 2016 and 2015 is as follows:

Reconciliation of benefit obligation	31 December 2016	31 December 2015
DBO at start of period	2.065.627	2.048.097
Current service cost	81.348	93.848
Interest cost/income (-)	40.893	30.880
Settlement/curtailment/termination loss	306.356	369.896
Benefits paid	(391.025)	(435.338)
DBO adjustment (through OCI)	(5.729)	-
Actuarial loss/gain (-) Financial assumptions	135.721	(90.885)
Actuarial loss/gain (-) Experience adjustements	99.000	49.130
Balance at 31 December	**2.332.191**	**2.065.627**

The amounts that have been recognized at net equity through the other total income are:

Remeasurements	31 December 2016	31 December 2015
Liability gain/(loss) due to changes in assumptions	(135.721)	(90.885)

Liability experience gain/(loss) arising during the year	(99.000)	49.130
Total actuarial gain/(loss) recognised in OCI	**(234.721)**	**(41.756)**
Total amount recognised in OCI over the period	**(234.721)**	**(41.756)**

The total changes in net liability recognized in the financial statements are:

Movements in Net Liability/(Asset) in BS	**31 December 2016**	**31 December 2015**
Net Liability/(Asset) in BS at the beginning of the period	2.065.627	2.048.097
Benefits paid directly	(391.025)	(435.338)
Total expense recognized in the income statement	428.597	494.624
Total amount recognized in the OCI	228.992	(41.756)
Net Liability/(Asset) in BS	**2.332.191**	**2.065.627**

The principal actuarial assumptions used are as follows:

Assumptions	**31 December 2016**	**31 December 2015**
Discount rate	1,60%	2,00%
Inflation	1,75%	1,75%
Rate of compensation increase	0,50%	0,50%
Plan duration	15,25	15,82

The sensitivity analysis for each significant actuarial assumption which was reasonably possible, at the end of the reporting period and shows how the defined benefit obligation would have been affected by those changes is the following:

Sensitivity analysis	**31 December 2016**	**31 December 2015**
Discount rate	1,60%	2,00%
Rate of salary increase	0,50%	0,50%

1. If the discount rate was 0.5% higher, then the DBO would decrease by 7%
2. If the salary increase assumption used was 0.5% higher, then the DBO would increase by 8%
3. If the salary of voluntary retirements were zero, then the DBO would decrease by 0,5%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position. The methods and the formula of the assumptions used for the defined analysis has not changed compared with the previous year.

Regarding the risks associated with the above mentioned plans, these plans are unfunded and therefore no plan assets exist and hence asset volatility or similar risks (e.g. low returns, asset concentration etc.) do not exist. The risks associated with the existing plans relate to the actuarial assumptions that are used in determining the liability, that must be reflected in the financial statements, and comprise potential changes in bond yields, which determine the discount rate, and assumptions relating to inflation rate of future salary increase that may affect the future cash flows of the plans.

18 Government Grants

Amounts in Euro	31 December 2016	31 December 2015
Balance as at January 1	125.497	125.497
Ending Balance	**125.497**	**125.497**

Government grants relate to investments in property, plant and equipment.

19 Trade & Other Payables

Amounts in Euro	31 December 2016	31 December 2015
Suppliers	21.188.674	17.729.334
Downpayments from customers	1.951.203	1.254.476
Social Security funds	818.607	586.605
Amounts due to related parties	59.483.672	63.946.128
Sundry creditors	404.460	407.609
Deffered Income	2.616	2.616
Accrued expenses	2.028.980	2.039.586
Other accruals and deferred income	63.102	171.799
Other Taxes	1.850.698	1.029.090
Total	**87.792.012**	**87.167.244**
Non-current liabilities	1.296.141	2.425.447
Total liabilities	**89.088.153**	**89.592.690**

Financial Instruments

31/12/2016

Liabilities	**<1 έτος**	**1- 2 έτη**	**2-5 έτη**	**> 5 έτη**
Borrowings	93.683.371	42.157.107	137.610.080	0
Trade and other creditors	84.467.644	1.011.649	330.438	0
Total	**178.151.015**	**43.168.756**	**137.940.518**	**0**

31/12/2015

Liabilities	**<1 έτος**	**1- 2 έτη**	**2-5 έτη**	**> 5 έτη**
Borrowings	88.280.663	27.237.815	179.393.849	0
Trade and other creditors	86.722.519	1.232.721	1.342.087	0
Total	**175.003.182**	**28.470.537**	**180.735.936**	**0**

The above amounts are presented in contractual undiscounted cash flows and therefore do not agree with the amounts reported in the financial statements. The amounts concern trade and other payables, borrowings and derivative financial instruments.

Financial Instruments per category

Balance at 31/12/2016

Amounts in Euro

Liabilities	**Other financial liabilities**	**Total**
Long term loans	163.521.573	**163.521.573**
Short term loans	93.683.371	**93.683.371**
Total	**257.204.944**	**257.204.944**

Balance at 31/12/2015

Amounts in Euro

Liabilities	**Other financial liabilities**	**Total**
Long term loans	160.594.047	**160.594.047**
Short term loans	83.060.417	**83.060.417**
Total	**243.654.463**	**243.654.463**

20 Provisions

Long-term Provisions

Amounts in Euro	**Other Provisions**	**Total**
1st January 2015	648.000	**648.000**
31st December 2015	**648.000**	**648.000**
31st December 2016	**648.000**	**648.000**

21 Expenses per category

31/12/2016

Amounts in Euro	**Cost of goods sold**	**Selling and distribution expenses**	**Administrative expenses**	**Other Expense**	**Total**
Employee benefits	(5.697.845)	(1.865.702)	(3.324.433)	(1.653.749)	**(12.541.729)**
Cost of inventories recognized as an expense	(62.279.358)	(86.869)	(29.601)	(1.039)	**(62.396.866)**
Energy	(5.633.888)	(1.500)	(10.800)	(279.270)	**(5.925.458)**
Depreciation and amortisation	(5.837.665)	(125.407)	(126.487)	(204.240)	**(6.293.800)**
Insurance premiums	(245.970)	(239.039)	(67.949)	(300.257)	**(853.215)**
Rental fees	(60.596)	(163.172)	(553.363)	(157.712)	**(934.843)**
Transportation	(479.128)	(2.421.492)	(276.995)	(4.634.110)	**(7.811.723)**
Third party fees and benefits	(4.559.467)	(350.672)	(2.768.991)	(1.584.962)	**(9.264.092)**

Provisions	-	(1.035.000)	-	-	**(1.035.000)**
Other expenses	10.451	(1.070.800)	(800.353)	(1.741.477)	**(3.602.179)**
Total	**(84.783.465)**	**(7.359.652)**	**(7.958.972)**	**(10.556.816)**	**(110.658.905)**

31/12/2015

Amounts in Euro	Cost of goods sold	Selling and distribution expenses	Administrative expenses	Other Expense	Total
Employee benefits	(5.957.234)	(2.097.310)	(3.245.023)	(1.475.125)	**(12.774.692)**
Cost of inventories recognized as an expense	(100.564.704)	(48.835)	(29.062)	(325)	**(100.642.927)**
Energy	(3.658.773)	(1.521)	(3.221)	(210.692)	**(3.874.207)**
Depreciation and amortisation	(5.772.278)	(75.635)	(130.447)	(186.928)	**(6.165.289)**
Insurance premiums	(212.659)	(229.013)	(69.230)	(291.892)	**(802.793)**
Rental fees	(80.240)	(288.364)	(315.422)	(118.896)	**(802.922)**
Transportation	(474.625)	(3.585.645)	(67.578)	(4.709.027)	**(8.836.875)**
Third party fees and benefits	(15.902.425)	(1.580.669)	(3.384.802)	(1.457.921)	**(22.325.816)**
Provisions	-	(1.701.562)	-	-	**(1.701.562)**
Other expenses	(494.549)	(355.573)	(939.916)	(417.074)	**(2.207.113)**
Total	**(133.117.487)**	**(9.964.128)**	**(8.184.701)**	**(8.867.880)**	**(160.134.196)**

The analysis of depreciation in the company's operations is as follows:

Depreciations	**31/12/2016**	**31/12/2015**
Cost of Goods Sold	(5.837.665,4)	(5.772.277,7)
Distribution Expenses	(125.406,6)	(75.635,4)
Administrative expenses	(126.487,4)	(130.447,2)
Other Expenses	(204.240,3)	(186.928,5)
Total	**(6.293.799,8)**	**(6.165.288,7)**

22 Employee Benefits Expense

Amounts in Euro	**31/12/2016**	**31/12/2015**
Employee remuneration & expenses	9.776.047	9.839.901
Social security expenses	2.337.085	2.440.167
Defined benefit contribution plan	428.597	494.624
Total	**12.541.729**	**12.774.692**

The analysis of the above expenses for Group and Company operations is as follows:

	31/12/2016	**31/12/2015**
Cost of goods sold	5.697.845	5.957.234
Distribution expenses	1.865.702	2.097.310
Administrative expenses	3.324.433	3.245.023
Other expenses	1.653.749	1.475.125

Total	**12.541.729**	**12.774.692**

23 Finance cost

Amounts in Euro	**31/12/2016**	**31/12/2015**
Income		
Interest	2.059	10.191
Other	424.248	40.499
Total	**426.307**	**50.690**
Expense (-)		
Interest	(12.919.026)	(15.086.299)
Foreign Exchange	(70)	(6.175)
Other	(127.430)	(165.840)
Total	**(13.046.526)**	**(15.258.314)**
Financial Income & Cost (Net)	**(12.620.219)**	**(15.207.625)**

Revenue - Expenses of Participations	**31/12/2016**	**31/12/2015**
Divident Income	56.666	91.211
Profit From Sale of Participations	-	2.025
Total	**56.666**	**93.236**

24 Income Tax

	31/12/2016	**31/12/2015**
Accounting Profit/loss (-) before income tax	(15.885.308)	(24.371.480)
Atstatutory income tax rate of 29%	4.606.739	7.067.729
Non-deductible expenses for tax purposes	(1.465.214)	
Tax-exempt income	15.305	-
Current-year losses for which no deferred tax asset is recognised	(3.156.830)	(5.535.194)
Temporary differences in tax base of property, plant and equipment	1.449.909	-
Change in tax rate or composition of new tax	-	(1.428.613)
Provision for tax free reserves contributed	-	105.789
	1.449.909	**209.711**

In accordance to Article 1, paragraph 4 of Law 4334/2015, the tax rate for domestic companies changed from 26% to 29%.

Taxable (expenses)/ income relating to other total incomes are analyzed as follows:

31/12/2016			**31/12/2015**		
Before Taxes	Tax (Debit)/Credit	After Taxes	Before Taxes	Tax (Debit)/Credit	After Taxes
(228.992)	66.408	(162.585)	41.756	(12.109)	29.647

Recognized actuarial gains / losses	**(228.992)**	**66.408**	**(162.585)**	**41.756**	**(12.109)**	**29.647**

The above amounts are related to deferred tax.

25 Other Operating income (expenses)

Amounts in Euro	**31/12/2016**	**31/12/2015**
Other Income		
Income from fees, commisions & costs recharged	9.097.890	6.828.646
Foreign Exchange Differences	139.035	-
Gain from sale of Assets	88.740	66.507
Other Income	10.309	331.152
Total	**9.335.973**	**7.226.304**
Other Expense (-)		
Loss from sale of Assets	(1.589)	-
Other taxes	(67.188)	-
Other Expense	(10.488.039)	(8.867.880)
Total	**(10.556.816)**	**(8.867.880)**
Other income and expense (net)	**(1.220.843)**	**(1.641.576)**

26 Operating cash flows

Amounts in Euro	**31/12/2016**	**31/12/2015**
Profit / (loss) after taxes	(14.435.399)	(24.161.769)
Adjustments for:		
Tax	(1.449.909)	(209.711)
Depreciation of tangible assets	6.263.714	6.148.367
Depreciation of intangible assets	30.085	16.921
Loss from the destruction of Assets	38.777	1.699.894
(Profit) / loss from sale of tangible & Intangible assets	(87.150)	(66.507)
(Profit) / loss from sale of investments	-	(2.025)
Investing activities result (income, expenses, profits and losses)	(482.973)	(141.901)
Interest charges & related expenses	13.046.526	15.258.314
Decrease / (increase) in inventories	(2.511.971)	(494.128)
Decrease / (increase) in receivables	12.848.135	(6.907.066)
(Decrease) / Increase in liabilities (minus banks)	(703.077)	24.010.764
Increase/ (decrease) in other provisions	1.035.000	1.847.058
Net Cash flows from operating activities	**13.591.758**	**16.998.212**

27 Commitments

The Company leases buildings and vehicles under operational lease agreements. The future aggregate minimum lease payments are as follows:

Future minimum lease payments Amounts in Euro	**31 December 2016**	**31 December 2015**
Less than one year	213.763	224.233
Between one and five years	423.928	403.005
	637.690	**627.238**

Amounts recognised in profit or loss	**31 December 2016**	**31 December 2015**
Amounts in EUR		
Charged to results	365.349	703.098
	365.349	**703.098**

28 Contingent Liabilities

The Company has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business, as follows:

Amounts in Euro

Liabilities	**31 December 2016**	**31 December 2015**
Guarantees to secure liabilities to suppliers	2.570.200	2.570.200
Guarantees to secure the good performance of contracts with clients	586.941	586.941
Mortgages and statutory notices of mortgage issued against lots & buildings	215.760.000	215.760.000
Total	**218.917.141**	**218.917.141**

29 Existing Collateral

The fixed assets incorporate mortgages in favor of the banks amounting to € 215.760 thousand for a current loan account balance of € 179.800 thousand.

30 Related parties

Transactions with related parties of SIDENOR Group and VIOHALCO Group are as follows:

Amounts in Euro	**31 December 2016**	**31 December 2015**
Sale of goods		

Subsidiaries	42.838.450	52.412.424
Equity accounted investees	14.030.560	1.201.299
Other	19.152.627	16.694.958
	76.021.637	**70.308.681**

Sale of services		
Subsidiary companies	18.575.267	6.588.079
Equity accounted investees	49.547	3.100
Parent	4.224	-
Other	2.336.416	2.039.475
	20.965.455	**8.630.654**

Sale of fixed assets		
Subsidiary companies	241.857	440.719
Equity accounted investees	86.433	-
Other	518.868	609
	847.158	**441.327**

Purchase of goods		
Subsidiary companies	14.726.268	29.623.152
Equity accounted investees	-	190
Other	11.607.508	26.373.058
	26.333.777	**55.996.400**

Purchase of services		
Subsidiary companies	1.975.152	14.974.087
Equity accounted investees	923.992	3.452
Parent	343.487	-
Other	2.860.044	4.434.806
	6.102.675	**19.412.346**

Purchase of fixed assets		
Subsidiary companies	411.594	1.416.249
Equity accounted investees	150	-
Parent	2.262	-
Other	101.618	4.983.981
	515.624	**6.400.230**

Benefits to Key Management Personnel

Amounts in Euro	**31 December 2016**	**31 December 2015**
Fees - benefits to the members of the Board of Directors and executives	539.673	404.225
	539.673	**404.225**

Υπόλοιπα τέλους χρήσης που προέρχονται από πωλήσεις-αγορές αγαθών, υπηρεσιών, παγίων κλπ. with the companies of SIDENOR Group and VIOHALCO Group.

Amounts in Euro	31 December 2016	31 December 2015
Receivables from related parties:		
Subsidiary companies	36.649.426	30.060.061
Equity accounted investees	5.901.575	1.060.092
Parent	4.658	-
Other	29.924.174	42.905.625
	72.479.833	**74.025.778**
Liabilities to related parties:		
Subsidiary companies	46.626.297	39.717.136
Equity accounted investees	120.619	2.614
Parent	44.352	-
Other	12.673.041	24.226.378
	59.464.309	**63.946.128**

Dividend income

SIDENOR INDUSTRIAL STEEL has income from dividends from the associate company METALLOURGIA ATTIKIS SA (€ 57 thousand).

The Company's commercial transactions with its affiliates during the fiscal year have been made on market terms and in the context of its normal business activity. There are no specific payment terms for the amounts due.

31 Fiscal years non-audited by tax authorities

The Company has not been audited by the tax authorities for the year 2010.

For the FY 2015 PricewaterhouseCoopers performed the tax audit and there were no additional tax liabilities, in excess of those disclosed in the financial statements.

For the 2016 financial year, the tax audit is being performed by PricewaterhouseCoopers S.A. The Company's management does not expect that additional tax liabilities will arise, in excess of those disclosed in the financial statements.

32 Number of Personnel

The number of employees at year end was 297 people. For the corresponding period of 2015 Company's personnel amounted to 312 employees.

33 Events after the Balance Sheet date

There were no significant events after the end of the year 2016.

34 Important events during the financial year 2016

The most important events that took place during the financial year 2016 are the following:

On May 31, 2016 the negotiations between the Company and the Bondholders for the refinancing of the Syndicated Bond Loan of € 179.800.000 were concluded with the signing of the relevant Amendment Act.

The refinancing relates to the transfer of the short-term portion of the loan as reflected in the Company's Financial Statements on 31.12.2015 in June and December 2020 installments respectively, which increase accordingly.

Resolutions of the Annual General Meeting

At the Ordinary General Meeting of Shareholders held in Athens on 30 June 2016, the following were decided:

1. The approval of the annual financial statements for the financial year 2015 with the related financial statements Reports of the Board of Directors and the Certified Auditors.
2. The exemption of the members of the Board of Directors and the Auditors from any liability for compensation for the year 2015.
3. Regular auditor of fiscal year 1 / 1-31 / 12/2016 was the audit firm "Pricewaterhouse Coopers "with a fee in accordance with her offer.
4. Approval of remuneration of members of the Board of Directors

Athens, September 1, 2017

The BoD Vice President	The Authorised Director	The Financial Manager
Athanasios I. Athanasopoulos **ID No. X 556803**	**Mariou Nikolaos** **ID No. AE 083192**	**Thomadakis Efstratios** **ID No. AE 551391** **LICENCE No 0065081, A Class**