I. Annual Financial Report of the period 1st January 2018 until 31st of December 2018

II. Independent Chartered Auditor Accountant's Report

III. Annual Financial Statements for the period 1st of January 2018 until 31st of December 2018 according to the International Financial Reporting Standards ("IFRS")

I. Annual Financial Report of the year from 1st January 2018 until 31st December 2018

SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY SA
Societe Anonyme Reg. No.:7497/01/B/86/164(02) 2-4 Mesogion Ave, Athens

Contents

I. 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 2018 (01.01.2018 - 31.12.2018). 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 legal information required in order to obtain a meaningful briefing on the business during the financial year of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (Hereinafter referred to as "Company" or “SIDENOR” for brevity purposes).

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

I. Major Events for the financial year 2018

The most important events that took place during the financial year 2018 are as follows:

- During the financial year 2018, the Bondholders of the Syndicated Bond Loan amounting to € 179,800,000, accepted the Company's request for the amendment of its terms. More specifically, it was approved the extension of the repayment until December 2023 with fixed interest rate (4.25%) until its maturity.

- In July 2018, the Company proceeded to the sale of its subsidiary AEISFOROS SA to the company ANAMET SA. The price of the sale amounted to € 9,215,180

Decisions of the Ordinary General Assembly

In the Ordinary General Assembly of the company’s shareholders that took place in Athens on 24th of June 2019 the following have been decided:

1. The approval of the annual financial statements for the fiscal year that ended on 31.12.2018 with the reports of them by the Board of Directors and Auditors.
2. Discharge of the members of the Board of Directors and auditors from any liability for the year 2018.
3. The election of auditors for the year 2019 and determination of their remuneration.
4. The approval of the Board of Directors Members’ remuneration according to article 24 par. 2 of CL 2190/1920.

II. Significant Transactions with Related Parties

Related party transactions primarily concern the purchase and sale and processing of finished products (finished and semi-finished) of steel. 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 2018 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	Acc. Receivables	Liabilities	Sales of Assets	Purchases of Assets
Parent	**-**	**257,520**	**-**	**451,896**	**-**	**-**
VIOHALCO SA	-	257,520	-	451,896	-	-
Subsidiaries	**155,088,660**	**212,856,165**	**76,502,405**	**75,675,790**	**340,000**	**241,439**
DOJRAN STEEL LLCOP	56,182,913	24,570,503	56,712,026	-	-	-
ERLIKON SA	11,670,017	97,000	8,160,982	21,335	-	-
ETIL SA	33,545	2,155,757	9,475	731,033	-	238,363
PRAKSIS	5,573	128,034	47,436	35,355	-	-
PROSAL TUBES SA	2,431	-	1,749	-	-	-
SIDERAL SHRK	6,006,702	1,586,587	908,416	-	-	-
SIDEROM STEEL SRL	66,659,631	-	10,344,086	-	-	-
SIGMA IS SA	7,788	-	6,195	21,164	-	-
SOVEL SA	14,520,061	184,318,285	312,039	74,866,902	340,000	3,076
Associates	**17,627,499**	**2,061,682**	**8,218,204**	**157,253**	**-**	**1,485**
VIENER SA	14,413	938,526	18,408	60,954	-	-
SIDMA SA (Associate)	15,737,260	1,123,155	8,035,475	96,299	-	1,485
DOMOPLEX (Associate)	1,875,826	-	164,322	-	-	-
Other related parties	**34,382,849**	**31,188,907**	**28,166,511**	**23,143,783**	**59,030**	**19,689**
AEIFOROS BULGARIA SA	2,471	-	5,806	-	-	-
AEIFOROS SA	502,589	1,985,318	-	1,596,603	-	-
ANAMET SA	941	10,505,652	-	4,625,770	-	-
ANTIMET SA	3,100	437,946	5,621,499	-	-	-
CENERGY HOLDINGS SA	8,197	-	62,389	16,287	-	-
CORINTH PIPEWORKS SA	723,699	5,049,526	47,357	10,461,628	-	1,076
DIA.VI.PE.THI.V SA	6,562	-	-	363	-	-
ELKEME SA	-	161,061	-	238,855	-	-
ELVALHALCOR - 1.Copper Segment	471,748	4,016	812,000	-	-	-
ELVALHALCOR - 2.Aluminium Segment	66,561	10,036	6,704	4,483,046	-	-
ERGOSTEEL SA	-	-	-	-	-	16,572
ETEM BULGARIA SA	383	-	-	-	-	-
ETEM COMMERCIAL SA	152	-	-	-	-	-
FITCO SA	3,005	-	3,726	-	-	-
FLOCOS SA	960	-	-	-	-	-
FULGOR SA	256,414	8,519	375,783	78,351	-	-
HELLENIC CABLES SA	20,934	48,817	134	2,628	-	-
INOS BALKAN DOO	6,538	-	6,538	-	-	-
LESCO OOD	-	11,290	-	6,446	-	-
METALIGN S.A.	-	253,766	21,227	-	-	-
NOVAL SA	-	273	720	203	-	-
NOVOMETAL DOO	2,033	-	8,201	53,463	-	-
SIDEBALK STEEL DOO	4,455,159	-	337,135	-	-	-
STEELMET PROPERTIES SA	-	169,535	-	21,284	-	-
STEELMET SA	294	1,575,396	-	542,332	1,110	-
STOMANA IDUSTRY SA	27,838,930	8,309,598	20,735,340	-	57,920	-
SYMETAL SA	-	242	-	-	-	-
TEKA SYSTEMS SA	-	1,374,936	-	678,601	-	170
TEPRO METAL AG	-	14,168	3,803	-	-	-
THERMOLITH SA	8,198	917,735	-	319,128	-	-
VET SA	381	-	-	-	-	-
VIEXAL SA	-	350,895	-	16,826	-	-
VITRUVIT SA	3,600	183	-	1,380	-	1,871
ICME ECAB SA	-	-	113,796	-	-	-
VIANATT SA	-	-	4,353	-	-	-
ANOXAL SA	-	-	-	589	-	-
Total	**207,099,009**	**246,364,273**	**112,887,120**	**99,428,722**	**399,030**	**262,612**

(amounts expresses in th. €.)

III. Company's Branches

The Company has the following branches:

- NR Thessaloniki– Veroia 11km, 57008 Diavata– Manufacturing Plant
- 33 Amarousiou Chalandriou, 15125 Marousi – Offices
- NR Athens Korinthos 17km, 19300 Aspropyrgos – Branch
- Tsigeli Position Gate A', 37100 Almyros– Branch
- Tsigeli Position Gate B', 37100 Almyros– Branch
- Tsigeli Position, 37100 Almyros– Branch

The main activity of the plant on the NR Thessaloniki Veroia is the production and trading of steel products.

IV. Evolution and Performance of the Company

In 2018, the company's turnover amounted to 389,065 thousand euros compared to 269,365 thousand euros in the corresponding financial year of 2018. The rapid recovery of the company's turnover is mainly due to the increase in sales volumes (28%, 135,782 thousand euro) and the increase in the sale prices as a consequence of the increase in raw material prices (scrap) and higher demand for finished steel products internationally. The company presented a significant increase in sales of reinforcing steel products in the Balkans region and mainly in Romania in 2018 compared to 2017, while notable was the increase in sales of wire rod products in Romania, Kosovo and Northern Macedonia (FYROM) in 2018

The administrative and distribution expenses of the Company amounted to € 18,216 thousand compared to € 14,688 thousand in 2017, while the financial results for the year amounted to € 10,852 thousand compared to € 12,527 thousand euro in 2017.

Ratios and Alternative Performance Measurement Indexes

The Company's Management has adopted, monitors and reports internal and external Ratios and Alternative Performance Measurement Indexes. These indicators provide a comparable picture of the Company's performance and are the basis for decision-making for the management.

Liquidity: It is indicative of current liabilities coverage by current receivables and it is calculated from the ratio of current assets to short-term liabilities. The figures derive from the Statement of Financial Position. For the Company for the current fiscal year and the comparable previous are as follows:

	31-Dec-18	31-Dec-17
Current Assets / Short-term Liabilities	0.91	0.77

Gearing: Constitutes an indication of leverage and is calculated by the ratio of equity to loans. Amounts are used as presented in the Statement of Financial Position. For 2018 and 2017 it was as follows:

	31-Dec-18	31-Dec-17
Equity / Loans	0.09	0.07

Return on Capital employed: Constitutes a measurement of the return on equity and loans invested capital and is measured by the ratio of the operating result to the equity plus borrowed funds. Amounts are used as presented in the Income Statement and in the Statement of Financial Position. For the year 2018 and the previous year's figures for the Company were as follows:

	31-Dec-18	31-Dec-17
Operating Result / (Equity + Borrowed Funds)	7.34%	3.13%

Profitability:

	31-Dec-18	31-Dec-17
Gross Profit Margin (Gross Profit / Sales)	8.80%	10.89%
Net Profit Margin (Net Profit / Sales)	1.90%	4.96%
EBITDA *	26,708,304	15,577,898
EBITDA Margin * (EBITDA / Sales)	6.86%	5.78%

*EBITDA: Constitutes the Company's profitability index before taxes, financial expenses and depreciation. It is calculated by adjusting depreciation in operating profit as it is reported in the income statement.

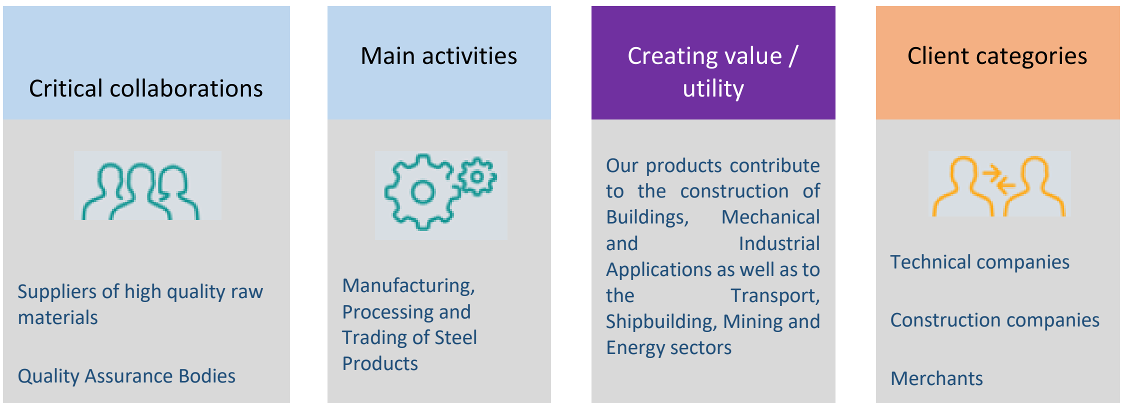
	31-Dec-18	31-Dec-17
Operating profit / (loss)	19,442,957	8,443,230
Adjustments for:		
+ Depreciation of tangible fixed assets	7,205,786	7,085,418
+ Amortization of intangible assets	59,561	49,249
EBITDA*	**26,708,304**	**15,577,898**

V. Non-financial Information

Business Model

The Company is active in the steel industry, manufacturing and trading of steel products, currently one of the largest Greek steel manufacturing industries, with a leading position in Greece as well as in Southeastern Europe.

SIDENOR's business model aims to create value for all stakeholders, such as shareholders, customers, employees, suppliers and the community at large.



Research centers and organizations

Special partners in the implementation of projects

Important resources

A productive unit of steel works in Greece

High-quality mechanical equipment

Specialized and experienced staff

Public Sector and Institutions

Communication channels

Sector exhibitions

Sign up for lists of approved suppliers

Competitive advantages

Innovation and technological excellence

Exporting activity in over 20 countries

ISO 9001, ISO 14001, OHSAS 18001 management systems

Internationally registered trademark SIDENOR

Customer-centric philosophy

Strict steel production standards

Cost structure

Maintenance of infrastructure and equipment of production facilities

Product and plant certifications

Revenue structure

Sales of steel products

Sustainable Development Issues Management - Policies and Systems

The Company has mechanisms and processes for the emergence and management of sustainable development issues with emphasis on safe work, respect for the environment and society while focusing on its economic and sustainable operation. The commitment of Management and the Responsible Management Issues Framework are reflected in the SIDENOR Policy of Sustainable Development.

SUSTAINABLE DEVELOPMENT POLICY (extract)

SIDENOR's Sustainable Development Policy is in agreement with the Company's principles, accountability, integrity, transparency, efficiency and innovation and is determined by the Management, which is committed to the following:

• the implementation of the Policy at all levels and fields of activity of the Company.

• the strict abidance with 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.

• the open, two-way communication with stakeholders in order to recognize and record their needs and aspirations.

• providing a healthy and safe working environment for human resources, partners and every visitor.

• the protection of human rights and the provision of a working environment for equal opportunities, without any discrimination.

• the open communication, with transparency, for the Company's stakeholders.

• the continuous effort to reduce the environmental footprint through the implementation of responsible actions and prevention measures in accordance with the Best Available Techniques.

• the cooperation and support of the local society, with the aim of contributing to the sustainable development of the local areas in which it operates.

• the constant pursuit of creating added value for stakeholders.

SIDENOR, in order to strengthen its Sustainable Development operation, has established specific policies and implements appropriate management systems and processes that support responsible operation and determine how the Company's objectives are achieved. In particular, SIDENOR has, among other things, has established and implements the following policies and codes:

- Internal Rules of Operation
- Sustainable Development Policy
- Health and Safety Policy at Work
- Environmental Policy
- Human Resource and Human Rights Policy
- Quality Policy
- Code of Ethics and Business Ethics

The Company's integrated management is carried out through the Management Systems it implements. In particular, SIDENOR applies the following certified systems:

- Quality Management System, according to ISO 9001 standard.
- Environmental Management System, according to ISO 14001.
- Occupational Health and Safety System, in accordance with OHSAS 18001 standard.

The following sections present the results of policies and procedures implemented by SIDENOR, quoting relevant environmental and social performance reports (presentation of relevant non-financial indicators).

Labour Issues

The Company invests in its human resources as it has recognized the human factor's contribution to its successful course and the achievement of its business goals. SIDENOR's main concern is to ensure optimal working conditions and fair reward, with respect for human rights, diversity and equal opportunities for all employees. SIDENOR's human resources policies and initiatives are designed to effectively attract, develop and maintain employees. Constantly oriented to human values, the Company seeks to apply responsible work practices, focusing on important issues such as:

- ensuring the health and safety of employees and their associates
- preserving jobs
- providing equal opportunities for all employees
- applying objective assessment systems
- providing continuous education and training of employees
- providing additional benefits.

Labour Indicators

	2018	2017
Number of employees	319	315
Workers' Mobility (Turnover)	5.3%	5.5%
% of women in total human resources	10.66%	9.52%

Turnover rate: percentage of employees leaving (for reasons of resignation, dismissal, retirement, etc.) of the Company's total human resources. Excluding transfers to Group companies, the index stands at 2% for the year 2017 and 2.5% for 2018.

Policy and related payment and benefits systems have been developed to attract, employ and retain experienced staff with the necessary skills and abilities that led to the optimization of individual but also overall performance. The remuneration of each employee reflects the educational background, experience, responsibility, but also the value / weight of the position in the labor market. Additionally, in the context of employee reward and satisfaction, the Company offers a number of additional benefits.

Equal opportunities and respect for human rights

With respect for human rights and with responsibility towards its people, the Company implements a human resources management policy with a view to providing equal opportunities without discrimination based on gender, nationality, religion, age and educational level. SIDENOR is opposed to child labour and condemns all forms of forced and compulsory labour. Additionally, SIDENOR condemns and prevents the development of behaviors that could lead to discrimination, unequal behavior, intimidation or moral harassment, gesture and verbal or physical threat.

As a result of the policies, procedures and control mechanisms in place, during 2018, as in previous years, no cases of child labour or forced labour have been detected and no human rights violation has occurred.

Health and Safety at work

With particular respect for the protection of human life, SIDENOR has set as a priority the design of measures for the anticipation and prevention of accidents. Commitment of Management in this field is reflected in the Health and Safety Policy (M & S) established and implemented by the Company. The Company complies with relevant legislation and regulations on working conditions and occupational health and safety, and focuses on the implementation of preventive measures and actions to avoid occupational incidents. SIDENOR implements a certified Occupational Health and Safety Management System (OHSAS 18001), which implements targeted H & S programs for the continuous improvement of the Company in this field. The Company attaches great importance to the training and participation of its employees in related matters. To monitor and evaluate performance in the field of H & S at work, the Company uses internationally applicable and measurable indicators

Health and Safety Indices

	2016	2017	2018
Event Frequency Index (LTIR)	8.72	4	10.80
Incident severity index (SR)	154.7	92.07	248.30
Fatal events	0	0	0

LTIR: Lost time incident rate (number of security incidents / incidents with a full-time absence of work per 10^6 working hours)

SR: Severity rate (number of days of absence per 10^6 hours of work)

Social Issues

The Company seeks to have a positive and productive interaction with the social environment in which it operates, contribute to the country's overall economic development and benefit local communities through job creation (priority the local area) and business opportunities (we seek cooperation with local suppliers wherever possible). SIDENOR supports organizations, associations and associations on a yearly basis through a variety of sponsorship activities.

Through its activity, SIDENOR produces multiple benefits for the community. In addition to the payment of wages and other benefits to its employees, the relevant taxes and contributions are paid to the state, continuous investments and payments are made to the cooperating suppliers of materials and services. In this way, the overall positive impact of the Company on local as well as on wider society is important.

Anti-corruption and bribery issues

SIDENOR implements an integrated corporate governance framework that aims to ensure the company's transparent, sound and efficient management, which in the long run leads to business and economic growth. The SIDENOR Code of Conduct, the Code of Ethics and Business Ethics, reflect the Company's commitment and position on transparency, anti-corruption and bribery. A Company's recent policy, recently issued, is the Business Ethics and Anti-Corruption Policy.

The Company opposes any form of corruption and undertakes to operate in an ethical and responsible manner. Although the risk of corruption is low, the Company takes all necessary measures to control and identify possible incidents. As a result of the Company's policies and practices, in 2017, as in previous years, no corruption / bribery incident.

Environmental issues

The protection of the environment is high on the Company's priorities. With a view to an integrated approach to environmental protection, the Company has set up the appropriate infrastructure and follows systematic environmental management. SIDENOR's commitment in this field is reflected in the environmental policy it has established and follows, and is translated into practice through the implementation of a certified Environmental Management System (ISO 14001) and coordinated programs and actions (e.g. energy saving actions, waste management, reduction of air emissions, etc.), which is being implemented and which aim at the continuous improvement of the Company's performance in this field.

	2018	2017
Specific emissions of CO2 (kg / t of product)	895	733
Specific water consumption (m3 / t of product)	2.61	2.60

Responsible supply chain management

SIDENOR selects and manages its suppliers responsibly. Suppliers are an important group of stakeholders, as raw materials and other materials, equipment and services are essential components of product development. As a recipient of products and services, the Company is responsive to its obligations and is committed to positively influence the supply chain.

The Company's procurement policy follows the policy of strengthening the local economy by offering business opportunities and employment to local suppliers. In the process of evaluating and selecting suppliers, the criterion of locality is considered positively.

Non-financial risks and remedies

The Company operates in an economic and social environment characterized by various risks, financial and non-financial. In this context, it has established procedures for controlling and managing both financial risks and non-financial risks. The main categories of non-financial risks for the Company are the environmental risks and risks associated with H&S at work. The management of these risks is considered to be of great importance by the Management of the Company as they involve the risk of directly or indirectly affecting the smooth operation of the Company. The Company's internal rules of operation clearly describe the risk areas and include specific procedures developed under the Prevention Authority for the management of H & S and environmental issues.

Additionally, within the framework of the certified Management Systems implemented by the Company, an assessment is made on an annual basis for the relevant risks. In order to reduce the probability and the significance of the risks in these areas, the Company takes preventive measures, plans and implements specific programs and actions and monitors its performance through relevant indicators (quality, environment, health and safety at work) has set.

Note:

The non-financial indicators presented in this report are in line with the Global Reporting Initiative (GRI Standards) Guidelines for Sustainability Reporting Guidelines. The selection of these indicators was based on their relevance to the Company's activities.

VI. Main Risks

The Company through the use of its financial instruments is exposed to credit risk, liquidity risk and market risk. This note provides information on the Company's exposure to each of the above risks, the Company's objectives, its policies and procedures for risk measurement and management, and the Company's capital management. More figures for these disclosures are included in the full range of the consolidated financial statements.

The Company's risk management policies are applied to identify and analyze the risks faced by the Company and to set risk-taking limits and to apply controls on them. Risk management policies and related systems are reviewed periodically to incorporate changes observed in market conditions and the Company's activities

The oversight of compliance with risk management policies and procedures is entrusted to the Internal Audit Department, which carries out regular and extraordinary audits on the implementation of procedures, the findings of which are communicated to the Board of Directors.

Foreign exchange risk

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

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 mainly in euro.

Risk of products' price fluctuation

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

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

Investments

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

Management decides on the suitable classification of the investment at the time of acquisition. It also estimates that there will be no effect of default on these investments.

Interest rate risk

The Company finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that encumbers 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 mitigated, as part of the Company's loans is subject to fixed interest rates, either directly or indirectly through the use of financial instruments (interest rates Swaps).

If, as of 31/12/2018, interest rates were increased (decreased) by 0.25% / (-0.25%), the effect on the Company's profits before taxes would be (loss) / profit equal to (-€608 thousand) / euro €608 thousand. The Equity of the Company would be affected proportionally.

Respectively, if, as of 31/12/2017, interest rates were increased (decreased) by 0.25% / (-0.25%), the effect on the Company's profits before taxes would be (loss) / profit equal to (-€630 thousand) / €630 thousand. The Equity of the Company would be affected proportionally.

Guarantees

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

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. 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.

		31-Dec-18	31-Dec-17
Debt Ratio	Non-current Liabilities / Non-Current Liabilities +Total Equity	0.89	0.89

		31-Dec-18	31-Dec-17
Index of Assets' Financing	Total Equity / Total non-current asset	10.21%	8.16%

The Company does not have a specific own share buyback plan.

No changes occurred insofar at the approach adopted by the Company in relation to capital management during the fiscal period reported.

Fair value estimation

The fair value of financial instruments traded in active markets (stock exchanges) (such as derivatives, shares, bonds and mutual funds) is based on quoted market prices at the balance sheet date. The offer price is used for financial assets, while the bid price is used for financial liabilities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on market conditions existing at each balance sheet date.

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.

Risks of macroeconomic environment

After the country's official exit from the economic adjustment program on 20 August 2018, the macroeconomic and financial environment in Greece is showing signs of stabilization, but there is still uncertainty and the economy is still vulnerable to fluctuations in the external environment. Capital controls initially imposed on the country on 28 June 2015 continue to exist, but since then they have been partially relaxed mainly for businesses. Assuming that the agreed conditions regarding the achieving of primary surplus, the capital controls will be further relaxed and in the short or medium term will be eliminated, no significant negative impact on the Company's activities is expected.

Management continuously assesses the likely impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken to minimize any impact on the Company's activities. Management is not in a position to accurately predict possible developments in the Greek economy, but based on its assessment, it has concluded that no significant additional impairment provisions are required for the Company's financial and non-financial assets as at 31 December 2018.

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

The UK's exit from the European Union will not affect the Company as it does not sell or buy to or from the United Kingdom. Therefore, the currency fluctuations due to Brexit will not affect the operation of the Company.

With regard to the imposition of duties on US steel imports, the Company's Management is closely following developments. US steel sales for 2018 amounted to 0.65% of the total sales volume of the Company and therefore it is not estimated that the Company will be affected.

Regarding the devaluation of the Turkish lira, the Company keeps track of developments as it strengthens the export competitiveness of Turkish companies due to reduced production costs. The Company does not sell to Turkey.

SIDENOR closely and continuously monitors developments both internationally and domestically and adapts its business strategies and risk management policies in a timely manner to minimize the impact of macroeconomic conditions on its operations.

Liquidity Risk

The above developments as well as the instability of the Greek banking sector create 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 4 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, by 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 and difficult conditions without incurring unacceptable damage or jeopardizing its reputation. At the same time, in order to avoid liquidity risks, the Company carries out a provision for cash flows 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 assets to meet its operational needs.

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

During the financial year 2018, the Bondholders of the Syndicated Bond Loan amounting to € 179,800,000, accepted the Company's request to amend its terms. In particular, an extension of the repayment was approved until December 2023 and a fixed interest rate (4.25%) until its maturity.

The Company continues to maintain the "going concern principle" in the preparation of the financial statements for the year ended 31 December 2018.

Credit rating at cash and cash equivalents		
	COMPANY DATA	
	31/12/2018	**31/12/2017**
Aa3	29,836	30,322
Caa1	2,601,157	0
Caa2	0	4,224,873
Total	**2,630,993**	**4,255,195**

Operational risks

The Company's sales in Greece amounted to 45% of its total turnover for the period ended December 31, 2018. The operations of the Company in Greece depend to a large extent on foreign suppliers. Assuming that capital controls currently in place will remain in place, the company should continue to seek approval from the competent authorities to use cash and cash equivalents held in Greece in order to service payments to suppliers outside Greece. This could cause a delay in imports of raw materials. However, this can be considered as distant as the Company properly makes payments from cash held abroad, and considers that this regularity will continue to occur 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 forecast or foresee any potential impact thereof. Nevertheless, the Company's management, taking into account its export character, which is strengthened by the modern production facilities it holds in Greece, constantly assesses the situation and its possible consequences and takes all the necessary and effective measures and actions on time minimizing any impact on its activities.

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 financial derivative contracts.

The Company's exposure to credit risk is mainly affected 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. None of the customers exceeds 10% of sales and therefore commercial risk is distributed to a large number of customers.

The Board of Directors has set a credit policy based on which each new client is examined on an individual basis for its creditworthiness before the usual payment terms are proposed. Credit limits are defined for each customer, which are reviewed according to current conditions and adjusted, if necessary, the terms of sales and receipts. Customer credit limits are generally determined on the basis of the insurance limits received for them by insurance companies, and then claims 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 issues that they have occurred. Customers and other receivables include mainly wholesalers of the Company. Clients classified as "high risk" are placed in a special customer account and future sales must be pre-paid. Depending on the client's background and status, the Company seeks, where possible, interest or other collateral (eg letters of guarantee) to secure its claims.

The Company recognizes an impairment provision that represents the measurement of losses and expected losses for losses in relation to customers, other receivables and investments in debt securities. This provision mainly consists of impairment losses on specific receivables and is estimated on the basis of the conditions that they will be realized but not yet finalized, as well as from the provision for the expected credit losses according to the Company's study adopted for the application of IFRS 9.

Cash and cash equivalents are also considered to be items of high credit risk, as current macroeconomic conditions in Greece exercise significant pressure on domestic banks.

VII. Evolution of Activities for 2019

The completion of the investment of the new induction oven at the company's plant in Thessaloniki is expected to generate significant cost benefit in the following years just as in 2018.

The macroeconomic and financial environment in the country remains volatile and the return to economic stability depends to a large extent on the actions and decisions of the institutions in the country and abroad.

The economic uncertainty of the country's economic environment constitutes a major risk factor where any adverse developments may negatively affect primarily domestic activities and their financial situation. The management of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY SA, as a member of the SIDENOR Group, taking into account its export character, strengthened by its modern production facilities in Greece, continuously assesses the situation and takes all necessary and possible measures to minimize any impact.

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

Athens, 19 June 2019

The Vice-Chairman of the BoD

Athanasios I. Athanasopoulos
ID No X 556803

II. Independent Chartered Auditor Accountant’s Report

INDEPENDET CHARTERED AUDITOR ACCOUNTANT’S REPORT

To the Shareholders of “SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A.”

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S. A. which comprise the statement of financial position as of 31 December 2018 and the statement of 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and comply with the regulatory requirements of Cod. Law 2190/1920.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA), which have been incorporated into the Greek Legislation. Our responsibilities, according to these standards, are further described in the section of our report "Auditor's Responsibilities for the Financial Statements’ Audit". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence of the Auditor

Throughout our appointment we remain independent of the Company in accordance with the Code of Conduct for Professional Auditors of the Board of International Standards on Auditors' Ethics (Code of Ethics and Standards) incorporated into the Greek Legislation and the ethical requirements of Law 4449 / 2017, relating to the audit of the financial statements in Greece. We have fulfilled our ethical obligations in accordance with Law 4449/2017 and the requirements of the Code of Ethics.

Other Information

Members of the Board of Directors are responsible for Other Information. Other Information is the Management Report of the Board of Directors (but does not include the financial statements and the audit report thereon) that we received before the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and, in addition to what is expressly stated in this paragraph of our Report, we do not express an audit opinion or other assurance on it.

With respect to our audit of the financial statements, it is our responsibility to read the Other Information and thus to examine whether the other information is materially inconsistent with the financial statements or the knowledge we acquired during the audit or otherwise appears to be fundamentally incorrect.

We have examined whether the Management Report of the Board of Directors includes the disclosures required by the Cod. Law 2190/1920.

Based on the work we performed during our review, in our opinion:

- The information included in the Management Report of the Board of Directors for the year ended 31 December 2018 corresponds to the financial statements.

- The Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of article 43a of Cod. Law 2190/1920.

In addition, based on the knowledge and understanding we have acquired during our audit, for SIDENOR STEEL PRODUCTS MANUFACTURING SA and its environment, we are obliged to report whether we have identified material inaccuracies in the Management Report of the Board of Directors. We have nothing to say about this issue.

Responsibilities of the Board of Directors and the Management for the governance of the financial statements

The Board of Directors 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, the requirements of Cod. Law 2190/1920 and for such internal control as management determines is necessary in order to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue its operations, disclosing where relevant the matters relating to the continuing activity and the use of the accounting basis of the continuing activity, and if the Board of Directors either intends to liquidate the Company or to discontinue its activities or has no other realistic option than to proceed to these actions.

Those responsible for governance are responsible for the supervision of the Company's financial reporting process.

Auditor's responsibilities for auditing financial statements

Our goals are to obtain reasonable assurance that the financial statements as a whole are free from material error, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The reasonable assurance is a high level of assurance but it is not a guarantee that the audit carried out in accordance with the IAS, incorporated into the Greek Legislation, will always detect a material error when it exists. Errors may result from fraud or error and are considered essential when individually or collectively could reasonably be expected to affect the economic decisions of users made on the basis of those financial statements.

As a duty of control, according to the IAS incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement in financial statements, whether due to fraud or error, by designing and performing audit procedures that respond to those risks, and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material error due to fraud is higher than that due to error, as fraud may involve collusion, forgery, deliberate omissions, false assurances, or bypassing internal controls.

- We understand control-related internal controls in order to design audit procedures that are appropriate to the circumstances, but not in order to express an opinion on the effectiveness of the Company's internal control.

- We assess the appropriateness of the accounting policies and methods used and the reasonableness of accounting estimates and disclosures made by the Board of Directors.

- We decide on the appropriateness of the Board of Directors' use of the going concern basis and based on the audit evidence obtained about whether there is material uncertainty about events or circumstances that may indicate significant uncertainty as to the Company's ability to continue its activity. If we conclude that there is material uncertainty, we are required to draw the attention of the auditor's report to the relevant disclosures of the financial statements or if these disclosures are insufficient to differentiate our opinion. Our findings are based on audit evidence obtained until the date of the auditor's report. However, future events or conditions may cause the Company to cease to operate as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that is reasonably priced.

Among other issues, we report to those responsible for the governance, the scope and timing of the audit, as well as the important audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The work we performed on the Management Report of the Board of Directors is mentioned in the "Other Information" section above.

Athens, 24 June 2019

The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Societe Anonyme
Certified Auditor Accountant
268 Kifissias Avenue
152 32 Halandri
AM SOEL 113

Dimitrios Sourbis
AM SOEΛ 16891

Annual Financial Statements for the year from 1st of January 2018 until 31st of December 2018

In Accordance with the International Financial Reporting Standards ("IFRS")

SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY SA
Societe Anonyme Reg. No.:7497/01/B/86/164(02) 2-4 Mesogion Ave, Athens

III. Annual Financial Statements

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Statement of Financial Position

	Note	31-Dec-18	31-Dec-17
ASSETS			
Land & buildings	6	25,408,173	26,134,465
Machinery equipment	6	43,662,192	47,438,927
Other Fixed Assets	6	2,421,797	3,610,453
Intangible Assets	6	152,556	204,745
Participations in associates	7	8,403,368	7,854,303
Participations in subsidiaries	8	108,661,520	110,768,720
Financial Assets Available for Sale	9	1,436,521	1,436,521
Deferred Tax Assets	12	5,464,604	6,630,697
Other non-current receivables	12	15,640,166	15,643,672
Total non-current assets		**211,250,895**	**219,722,502**
Inventory	11	41,781,337	44,158,644
Trade and other receivables	12	149,349,209	120,725,988
Conventional assets	7	418,752	-
Cash and cash equivalents	13	2,636,347	4,265,046
Total current assets		**194,185,645**	**169,149,679**
Total assets		**405,436,540**	**388,872,181**
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	14	7,337,589	7,337,589
Share premium	14	40,100,692	40,100,692
Other reserves	15	7,914,566	7,914,566
Retained Earnings/(losses)		(33,782,566)	(37,432,697)
Total Equity		**21,570,281**	**17,920,150**
LIABILITIES			
Loans	16	167,800,000	146,426,343
Liabilities for staff indemnities	17	2,811,217	2,337,305
Subsidies	18	125,497	125,497
Other non-current liabilities	19	831,183	3,151,433
Total non-current liabilities		**171,567,897**	**152,040,579**
Current liabilities			
Suppliers and other liabilities	19	135,281,397	113,411,401
Loans	16	75,370,725	105,500,052
Advances from customers	19	1,646,241	-
Total current liabilities		**212,298,362**	**218,911,452**
Total liabilities		**383,866,259**	**370,952,031**
Total equity and liabilities		**405,436,540**	**388,872,181**

The notes on pages 29 to 73 are an integral part of these financial statements.

Income Statement

Amounts in Euro	Note	2018	2017
Turnover	5	**389,065,935**	**269,365,150**
Cost of Goods Sold	21	(354,822,798)	(240,018,204)
Gross Profit		**34,243,137**	**29,346,946**
Distribution expenses	21	(16,078,274)	(13,577,004)
Administration expenses	21	(12,032,340)	(10,995,036)
Other operating expenses	25	13,310,433	3,668,323
Operating expenses		**19,442,957**	**8,443,230**
Financial income	23	16,390	325,186
Financial expenses	23	(10,868,861)	(12,852,370)
Income from dividends	30	60,364	44,973
Net financial result	8	**(10,792,107)**	**(12,482,211)**
Profit (losses) before tax		**8,650,849**	**(4,038,981)**
Income tax	24	(1,277,758)	17,404,165
Profit (losses) after taxes		**7,373,091**	**13,365,184**

Statement of Comprehensive Income

	2018	2017
Profit (losses) after taxes	**7,373,091**	**13,365,184**
Recognised actuarial gain / losses	(334,994)	694
Total comprehensive income after taxes	**(334,994)**	**694**
Aggregate total comprehensive income after taxes	**7,038,097**	**13,365,878**

The notes on pages 29 to 73 are an integral part of these financial statements.

Statement of Changes in Shareholders' Equity

Amounts in Euro	Share Capital& Share Premium	Other reserves	Retained Earnings	Total Equity
Balance as of 1st of January 2017	**47,438,281**	**7,914,566**	**(50,798,576)**	**4,554,271**
Profit/(loss) that was recognized directly in equity	-	-	694	**694**
Net profit/(loss) of the period			13,365,184	**13,365,184**
Total aggregate comprehensive income	**-**	**-**	**13,365,878**	**13,365,878**
Issuance of share capital / (reduction)	-	-	-	**-**
Balance as of 31st of December 2017	**47,438,281**	**7,914,566**	**(37,432,698)**	**17,920,149**
Balance as of 1st of January 2018	**47,438,281**	**7,914,566**	**(37,432,698)**	**17,920,149**
Amendment in accounting policy (IFRS 9)	-	-	(3,387,965)	**(3,387,965)**
Adjusted balance on 1st of January 2018	**47,438,281**	**7,914,566**	**(40,820,663)**	**14,532,184**
Profit/(loss) that was recognized directly in equity	-	-	(334,994)	**(334,994)**
Net profit of the period			7,373,091	**7,373,091**
Aggregate total comprehensive income	**-**	**-**	**7,038,097**	**7,038,097**
Balance as of 31st of December 2018	**47,438,281**	**7,914,566**	**(33,782,566)**	**21,570,281**

The notes on pages 29 to 73 are an integral part of these financial statements.

Cash Flows Statement

Amounts in Euro	Note	2018	2017
Cash flows from operating activities			
Cash flows from operating activities	26	9,833,638	18,300,340
Interest paid		(11,367,271)	(12,016,703)
Income tax paid		-	(30,649)
Net Cash flows from operating activities		**(1,533,634)**	**6,252,989**
Cash flows from investing activities			
Purchase of tangible assets	6	(1,707,051)	(2,448,414)
Purchases of intangible assets	6	(7,373)	-
Sales of tangible and intangible assets	6	399,120	28,831
Sales of participations		9,215,180	-
Dividends received		60,364	44,879
Purchase of participations		(10,558)	(1,800,000)
Interest received		16,390	325,186
Purchase of financial assets available for sale	7	-	(5,125)
Net cash flows from investing activities		**7,966,072**	**(3,854,641)**
Cash flows from financing activities			
Loans received		1,514,184	0
Debt repayment		(9,575,322)	(6,544,235)
Net cash flows from financing activities		**(8,061,138)**	**(6,544,235)**
Net (decrease)/ increase in cash and cash equivalents		**(1,628,699)**	**(4,145,888)**
Cash and cash equivalents at the beginning of period	13	4,265,046	8,410,934
Cash and cash equivalents at the end of period		**2,636,347**	**4,265,046**

The notes on pages 29 to 73 are an integral part of these financial statements.

1 General Information

These current financial statements include the annual financial statements of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (the "Company").

The main activities of the Company are the industrial manufacturing and trade of iron and steel products.

The Company operates in Greece and in the broader region of the Balkans and Europe. 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 that reason, based on IAS. 27, is not required to prepare consolidated financial statements.

The Company is registered in the Prefecture of Attiki, in the Municipality of Athens, 2-4 Mesogeion Street. The Company's website address is ***http://sidenorsteelindustry.vionet.gr***.

The financial statements have been approved for publication by the Board of Directors on 19 of June 2019 and are subject to approval by the Regular General Assembly which will convene on 24 of June 2019.

2 Summary of significant accounting principles

The main accounting principles applied by the Company in the preparation of these annual, financial statements are set out below. These principles have been consistently applied to all the years presented.

2.1 Basis of preparation of the financial statement

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 principle, as amended by the revaluation at fair value of available-for-sale investments and financial assets and liabilities through results including derivatives.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and exercise of judgment by the Management in the process of applying the Company's accounting principles. 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).

The Company's major priorities are:

- the preservation and further increase of its market share, based on the distribution network it has already established.
- the permanent and continuous enhancement of its presence in the Central Europe, the Balkans and the Eastern Mediterranean markets offsetting the considerable decline in the Greek construction market.
- the reduction of its production costs
- the efficient management of its working capital.

Within this framework, innovative investments have been almost completed at SIDENOR's premises, in order to reduce both the consumption of energy and the factory's carbon foot-print (Co2).

Consequently, the Company continues to adopt the "principle of going concern" in preparing its financial statements for the year ended 31st of December, 2018.

2.2 New standards, interpretations and amendments to International Accounting Standards

More specifically, there have been issued new standards and amendments of standards and interpretations that are mandatory for periods beginning on 01.01.2018 or later. 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

IFRS 9 "Financial instruments"

IFRS 9 replaces the provisions of IAS 39 on classification and measurement of financial assets and financial liabilities, and also includes a model of expected credit losses that replaces the model of realized credit losses under IAS 39. In addition, IFRS 9 establishes an approach based on principles of hedge accounting based on principles and addresses inconsistencies and weaknesses in the previous IAS 39 model. The effect from the application of the standard to the Company as of January 1, 2018 was a decrease in the Retained Earnings of € 3.4 million, as reflected in the Statement of Changes in Equity and a decrease in Trade and other receivables by the same amount.
The Company chose not to adjust the comparative figures and to recognize any differences between the previous book value and the new book value at the opening balance of retained earnings at 1 January 2018. Therefore, the adjustments arising from the new provisions for impairment are not included in the statement of financial position at 31 December 2017 and are recognized in the opening balance sheet as at 1 January 2018.
The table below presents the adjustments identified separately for each item on 1 January 2018. The items that were not affected by the requirements of IFRS 9 are not included. As a result, the totals and sub-totals presented cannot be recalculated on the basis of the amounts provided.

	31-Dec-2017 As published	Effect IFRS 9	01-Jan-2018 Opening balance re-drafted
ASSETS			
Current Assets			
Trade and Other receivables	120,725,988	(3,387,965)	117,338,023
Total current assets	169,149,679	(3,387,965)	165,761,714
Total Assets	388,872,181	(3,387,965)	385,484,216
EQUITY			
Retained (losses)/earnings	(37,432,697)	(3,387,965)	(40,820,662)
Total Equity	17,920,150	(3,387,965)	14,532,185
Total Equity and Liabilities	388,872,181	(3,387,965)	385,484,216

IFRS 15 " Revenue from Contracts with Customers"

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 among companies within same industries, across industries, and across capital markets. It contains principles that an entity should apply in order to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity recognizes revenue in a way so as 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 application of IFRS 15 did not have any effect on the Company.

IFRIC 22 "Foreign currency transactions and advance consideration"

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

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

The amendments provide clarifications that when venture capital organizations, mutual funds, and entities with similar activities use the option to measure their investments in associates or joint ventures at fair value through income statement, this selection should be made separately for each associate or joint venture at initial recognition.

Standards and Interpretations are mandatory for subsequent periods

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

IFRS 16 has been issued in January 2016 and replaces IAS 17. The objective of the standard is to ensure that the lessees and lessors provide useful information in a manner reasonably presenting the substance of the transactions relating to leases. IFRS 16 introduces a single model for the accounting treatment on the part of the lessee which requires from the lessee to recognize assets and liabilities for all lease contracts with a maturity of more than 12 months unless the underlying asset is of non-significant value. Regarding accounting treatment from the side of the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize lease contracts in operating and finance leases and to follow different accounting treatment for each type of contract. The application of the new standard is expected to create a right-of-use (ROU) and lease obligations of approximately € 5m. on the transition date. The expected increase relates mainly to the Company's cars and machinery and results from the recognition of ROU asset in non-current assets and lease liabilities (from discounting future leases).

The effect on the Income Statement is not expected to be significant as the operating lease payments will be replaced by the depreciation of the ROU assets that will be recognized in the operating activity. The annual interest to be recognized in the lease obligations is not expected to be significant. The EBITDA indicator, which shows the Company's operating and financial performance, is expected to increase by approximately € 1m.

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

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

IFRIC 23 " Uncertainty regarding Income Tax Treatments" (effective for annual periods beginning on or after 1 January 2019)

The Interpretation provides explanations regarding the recognition and measurement of current and deferred income taxes when there is uncertainty about the tax treatment of certain items. IFRIC 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profit / loss, the tax base of assets and liabilities, tax profits and tax losses and tax rates.

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

The amendments specify how entities should determine the retirement costs when changes are made to defined benefit pension plans. The amendments have not yet been adopted by the European Union.

IFRS 3 (Amendments) "Definition of Business Combination" (effective for annual periods beginning on or after 1 January 2020)

The new definition focuses on the concept of performance of an enterprise in the form of providing goods and services to customers, as opposed to the previous definition that focused on returns in the form of dividends, lower costs or other economic benefits to investors and other parties. The amendments have not yet been adopted by the European Union.

IAS 1 and IAS 8 (Amendments) "Definition of material " (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be used, supplementing the definition with instructions that have been provided so far in other parts of the IFRS. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistently applied to all IFRSs. The amendments have not yet been adopted by the European Union.

Annual Improvements to IFRSs (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments listed below include changes in four IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 3 "Business combinations"

The amendments clarify that an entity remeasures its previously held share in a jointly controlled activity when it acquires control of that entity

IFRS 11 "Joint Arrangements"

The amendments clarify that an entity does not remeasure its previously held share in a jointly controlled activity when it acquires joint control of that entity.

IAS 12 "Income taxes"

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

IAS 23 "Borrowing costs"

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

2.3 Investments in Subsidiaries and Associates

(a) Subsidiary companies

Subsidiaries are all entities over which the Company exercises control. The Company exercises control on an entity when the Company is exposed to, or has rights to, variable returns from its participation in the entity and has the ability to affect those returns through its power exercised over the entity. 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 that reason, based on IAS 27, it is not required to prepare consolidated financial statements.

Control may also exist in cases where the participation in the share capital with voting rights is less than 50%, but the Company is in a position to exercise control over financial and business policies, de facto. De facto control exists when the number of voting rights of the Company in relation to the number and distribution of the voting rights of the other shareholders allow the Company to control the financial and business policies.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition also includes the fair value of all assets or liabilities that result from any possible price agreement. Expenditure related to the acquisition is expensed. If the business combination is progressively achieved, the fair value of the Company's holding in the acquired company is remeasured at its fair value of the participation held by the Company in the acquired entity at the date of the acquisition. The gain or loss arising from remeasurement is recognized in the income statement in recognizable assets and liabilities and contingent liabilities obtained in a business combination are measured initially at the acquisition date at fair value. By acquisition case, the Company recognizes any non-controlling interest in the subsidiary either at fair value or in the value of the non-controlling interest in the subsidiary's equity.

Any possible consideration transferred by the acquirer is recognized at fair value at the acquisition date. Any subsequent changes in the fair value of the possible consideration that is presumed to be an asset or liability are recognized in accordance with IAS 39 either in the income statement or as a change in other comprehensive income. If the possible consideration is classified as a component of Equity, it is not re-measured until it is finally settled through Equity.

The Company records the investments in subsidiaries in its separate financial statements at cost less impairment.

In addition, the cost of acquisition is adjusted to reflect changes in the cost arising from any adjustments to the potential consideration.

(b) Disposal of Subsidiaries

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value, while any differences arising are recognized in income statement. This asset is then recognized as an associate, joint venture or financial asset at that fair value. In addition, relevant amounts that were previously recognized directly in equity are accounted for in the same way as when those assets and liabilities are sold, namely are transferred to the income statement.

(c) Associates

Associates are all entities over which the Company has significant influence but not control, which generally applies when the participation interest is between 20% and 50% of the voting rights. The investment in associates is accounted by applying the equity method and is initially recognised at acquisition cost. The account of investments in associates includes goodwill arising on acquisition (less any impairment losses). Investments in associates are accounted for using the equity method and are initially recognized at cost, which is increased or decreased by recognizing the Company's share of the profits or losses of associates after the 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 recognized in Equity is recorded in income statement.

The Company's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition changes in other comprehensive income is recognized in other comprehensive income. The cumulative changes after acquisition affect the book value of the investments in associates with a corresponding adjustment in the carrying amount of the investment. When the Company's share of losses in an associate exceeds the investment in the associate, the Company does not recognize further losses, unless payments have been conducted or further commitments have been undertaken on behalf of the associate.

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

2.4 Reporting per Segment

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 the Company are recorded and presented using the currency of the primary economic environment in which the Company operates ('the functional currency').

(b) Transactions and balances

Gain and losses stemming from foreign exchange differences resulting from the settlement of such transactions during the fiscal year and from the translation of monetary assets and liabilities denominated in foreign currencies under effective exchange rates at the date of the financial statements' preparation are recorded in the income statement, except when deferred in other comprehensive income as they have been qualified as items of cash flow hedges.

2.6 Tangible assets

Tangible assets are presented at cost less subsequent depreciation and impairment. Acquisition cost may also include expenditure that is directly attributable to the acquisition of the items.

Cost of acquisition also includes any transfer from the net profit / loss from cash flow hedges for purchases of tangible assets in foreign currency.

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

Land is not depreciated. Depreciation of other tangible assets is calculated using the straight-line method with equal interim charges during the term of the items' useful life so as to delete their cost at their residual values as follows:

- Buildings	10-33	Years
- Mechanical equipment	5-25	Years
- Vehicles	6-7	Years
- Other equipment	3-8	Years

Tangible assets' residual values and useful lives are subject to review, if appropriate, at each balance sheet date.

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

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

General borrowing costs and borrowing costs incurred specifically for the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset for the period of time required for that asset to be ready for use or sale. A qualifying asset is an asset that requires an extended period of time to be ready for the use for which it is designated or the sale.

Interest income from the temporary placement of borrowing that is specifically incurred for the acquisition, construction or production of an asset is deducted from the borrowing costs that may be capitalized.

All other borrowing costs are recognized in the income statement as incurred.

2.7 Intangible assets

Computer Software

Acquired computer software licenses are valued at the acquisition cost less any accumulated amortization, less any accumulated impairment. Amortization expenses are conducted based on the straight-line method over their estimated useful lives, which is three to five years.

Costs associated with developing or maintaining computer software programs are recognized as an expense in the Income Statement as incurred.

Goodwill

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

Brands and Licenses

Licenses are carried at cost less amortization. The amortization is conducted using the straight-line method and it is calculated from the date of the right until the expiration date of license.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and when certain events imply that their book value may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever indications incur that their carrying amount may not be recoverable. Recoverable amount is the higher among that of an asset's fair value less costs to sell and that of value in use. (current cash flow value that is expected to be created based on the management's estimation for the future financial and operational conditions). Impairment loss is recognized in income statement in the year it incurred. For the purposes of assessing impairment, assets are grouped at the lowest possible units of cash flow generation. Impairments recognized in non-financial assets (other than goodwill) are reviewed at each reporting date for potential reversal.

2.9 Financial assets

Initial recognition and measurement

The classification of financial assets is conducted in the following categories:

- Financial assets measured at fair value (either in other comprehensive income or in profit or loss) and
- Financial assets measured at amortized cost.

The classification depends on the Company's business model for the management of financial assets and the contractual characteristics of the financial asset's cash flows.

The Company measures financial assets initially at their fair value by adding transaction costs if a financial asset is not measured at fair value through profit or loss. A financial asset to be classified and measured at amortized cost or at fair value through aggregate comprehensive income there must result cash flows that are only capital and interest payments (SPPIs) on the original principal.

The Company's business model for managing financial assets refers to how they are managed to generate cash flows. It also determines whether cash flows arise from the sale of financial assets, collection of cash flows or from both.

For the purposes of subsequent measurement, financial assets are classified in the following categories

- **Financial assets at amortized cost**
  They are acquired within the framework of a business model that aims to maintain them in order to collect the conventional cash flows while meeting the SPPI criterion. Interest income of these items is included in financial income and is recognized using the effective interest rate method. Any gain or loss resulting from the write-off is recognized immediately in the income statement.

- **Financial assets at fair value through other comprehensive income**

  Upon initial recognition, the Company may choose to classify its equity investments as equity instruments that are designated at fair value through total comprehensive income when the purpose of ownership is not their trading.
  Profits and losses from these financial assets are never recycled in profits or losses. Dividends are recognized as other income in the income statement. Equity instruments designated at fair value through total comprehensive income are not subject to an impairment test.

- **Financial assets at fair value through income statement**

This includes financial assets that the Company holds for trading, financial assets that are measured at fair value through profit or loss, or which are classified at initial recognition. This category also includes securities whose cash flows do not meet the SPPI criterion or the Company does not own them within the framework of a business model for the purpose of collecting contractual cash flows or collecting contractual cash flows and selling them. The gain or loss on financial assets at fair value through profit or loss is recognized in the income statement.

Offsetting of financial instruments

Financial assets and liabilities are offset and presented at net basis in the statement of financial position if there is a legal right to offset the amounts recognized and, in addition, it is intended to clear the net amount, ie assets and liabilities to be settled in parallel.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is the legal enforceable right to offset the amounts recognized and there is an intention to clear the net amount.

Impairment of financial assets

The Company recognizes impairment provisions for expected credit losses for all financial assets other than those measured at fair value through profit or loss.

For trade receivables, the Company applied a simplified approach of the standard and calculated the expected credit losses on the basis of Country Risk Premium of the customer's country.

2.10 Derivative Financial Instruments

Cash Flow Hedging

The part of changes in the fair value of financial derivatives that are designated and classified as "cash flow hedges" and relates to effective hedge is recognized in other comprehensive income. The gain / loss of the ineffective portion of these is recognized immediately in the income statement.

Amounts accumulated in equity are recycled through the income statement when the hedged item affects the profit or loss for the period. The gain / loss attributable to the effective portion of the interest rate risk hedging derivatives is recognized in the Income Statement in the financial cost.

At the time a financial derivative expires, is sold or is judged to be ineffective, hedging then any cumulative loss / gain remains in equity and is recognized in the income statement when the transaction to which it relates is recognized in profit or loss. When an expected transaction ceases to be expected that it will occur, cumulative gains / losses that are recognized in other comprehensive income are transferred directly to the Income Statement.

The Company records in detail at the initial recognition of the transaction the hedging relationship between the hedging instrument and the hedged item, as well as the purpose and risk management strategy in which the Company carries out the hedge transactions. The Company also documents the effectiveness of the hedging relationship both at the beginning of the hedge and throughout its duration.

2.11 Inventory

Inventories 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 balances due from customers from the sale of goods or the provision of services to them from the ordinary activity of the Company. If the collection of these balances is expected to take place within a year or less (or more if this is part of the normal business cycle) then the receivables are classified as current assets. If not, they are classified as non-current assets.

Trade receivables are initially recognized at fair value and then measured at amortized cost using the effective interest rate method, net of impairment losses.

2.13 Cash and cash and equivalents

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

2.14 Share capital

Ordinary shares are classified as equity.

Direct expenses attributable to the issuance of new shares appear following the subtraction of the relevant in-come tax, as a deduction in Equity.

Treasury share acquisition cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Any gain or loss on the sale of treasury shares net of other expenses and taxes directly attributable to the transaction, appears as a reserve in equity.

2.15 Suppliers

The trade payables are accounted for initially at fair value and later on are evaluated at amortized cost using the effective interest rate method. Trade payables are classified as current liabilities if payment is due within the following year. If the payment can be conducted after the one-year period, then they are presented as non-current liabilities.

2.16 Borrowings

Loans are initially recognized at their fair value, less any direct expense for the completion of the transaction. Subsequently, they are measured at amortized cost using the effective interest rate method. Any difference between the amount received (net of related costs) and the redemption value is recognized in the income statement on the basis of the effective interest rate method.

Loans are classified as current liabilities unless the Company has the right to postpone the payment of the liability for at least 12 months from the date of preparation of the financial statements. In this case, they are classified as non-current liabilities.

2.17 Deferred Income Tax

Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of the assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss. Deferred tax is determined using the tax rates at the date of preparation of the financial statements that will be effective when the temporary differences are reversed.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the use of the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for temporary differences arising from investments in subsidiaries and associates, unless the reversal of the temporary differences is controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities and receivables may be offset only if they relate to a joint tax authority and there is a right to be offset.

Tax is recognized in profit or loss unless it relates to items recognized in other comprehensive income or directly to equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.18 Taxation

Income tax is calculated on the basis of the tax laws and tax rates in force in the countries where the Company operates and is recognized as an expense in the period in which the income arises.

Management periodically evaluates positions in tax returns for situations where tax legislation is subject to interpretation. It prepares forecasts where necessary in relation to the amounts expected to be paid to the tax authorities.

2.19 Employee benefits

(a) Pension Obligations

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

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

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of the plan's 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 discount rates of 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 plan.

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

Past-service cost is recognized immediately in income statement.

(b) Termination benefits

Termination benefits are considered as payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes 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 in 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 accrued.

2.20 Subsidies

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 tangible assets 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 Company 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 of the items 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 interest 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 recognized as interest expense.

2.22 Revenue recognition

Revenue is the amount that an entity expects to be entitled of as an exchange for the goods or services it has transferred to a client.

Revenue from contracts with clients

An entity recognizes revenue when (or as) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if it is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations and applies to all revenue arising from contracts with customers, unless such contracts fall within the scope of other standards. The new standard establishes a five-step model to measure revenues from customer contracts:

1. Determination of the contract (s) with the customer.

2. Determination of execution obligations.

3. Determine the transaction price.

4. Allocation of the transaction price to the execution obligations of the contract.

5. Revenue recognition when (or until) an entity fulfils the execution of the obligation.

The underlying principle is that an entity recognizes revenue in a manner that reflects the transfer of the goods or services to customers to the amount it expects to be entitled to in exchange for those goods or services. It also includes the principles that an entity must apply to determine the measurement of revenue and the timing of its recognition. In accordance with IFRS 15, revenue is recognized when the customer acquires control of the goods or services by specifying the time of the transfer of control - either at a given time or over time.

Interest income

They are recognized using the effective interest rate. When there is impairment of loans or receivables, their carrying amount is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted at the original effective interest rate. Interest income at the same interest rate (original effective interest rate) is then accounted for on the discounted (new book) value.

Income from dividends

They are recognized in the income statement when their right to receive is established.

2.23 Leases

Leases of assets where the Company substantially retains all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower among the fair value of the leased tangible asset and the present value of the minimum lease payments. The corresponding payables, net of financial charges, are shown in liabilities. The part of the financial expense relating to finance leases is recognized in the income statement during the lease term. Tangible assets acquired under finance leases are depreciated over the shorter period among the useful life of the assets and the duration of their lease.

Leases where the lessor retains substantially all the risks and benefits of ownership are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the period of the lease.

2.24 Profits allocation, dividend distribution

The allocation of the profits for the year and the recognition of dividends' distribution obligation are recognized in the financial statements upon receipt of the final approval by the General Assembly of Shareholders.

2.25 Rounding of Numbers

The numbers contained in these financial statements have been rounded to Euro. Due to this fact, differences that may exist, are due to these rounding.

2.26 Changes in accounting policies

- The application of IFRS 15 "Revenue from contracts with customers" (paragraph 2.21) had no impact on the Company.
- The application of IFRS 9 "Financial Assets" (paragraph 2.9) had an effect on the company. The effect of applying the standard to the Company as at 1 January 2018 was a reduction in the Retained Earnings of € 3.4 million as reflected in the Statement of Changes in Equity and a decrease in Trade and other receivables by the same amount. The Company chose not to adjust the comparative figures and to recognize any differences between the previous carrying amount and the new carrying amount at the opening balance of retained earnings at 1 January 2018. Therefore, the adjustments arising from the new clauses for impairment are not included in the statement of financial position at 31 December 2017 and are recognized in the opening balance sheet as at 1 January 2018.

The table below presents the adjustments identified separately for each item on 1 January 2018. Funds not affected by the requirements of IFRS 9 are not included. As a result, the totals and sub-totals presented cannot be recalculated on the basis of the amounts provided.

	31-Dec-2017 As published	Effect IFRS 9	01 Jan 2018 Opening balance re-drafted
ASSETS			
Current Assets			
Trade and Other receivables	120,725,988	(3,387,965)	117,338,023
Total current assets	169,149,679	(3,387,965)	165,761,714
Total Assets	388,872,181	(3,387,965)	385,484,216
EQUITY			
Retained (losses)/earnings	(37,432,697)	(3,387,965)	(40,820,662)
Total Equity	17,920,150	(3,387,965)	14,532,185
Total Equity and Liabilities	388,872,181	(3,387,965)	385,484,216

3 Financial Risk Management

The Company from the use of its financial instruments is exposed to credit risk, liquidity risk and market risk. This note provides information on the Company's exposure to each of the above risks, the Company's objectives, its policies and procedures for risk measurement and management, and the management of the Company's capital. More figures for these disclosures are included in the full range of the consolidated financial statements.

The Company's risk management policies are applied to identify and analyze the risks faced by the Company and to set risk-taking limits and to apply controls to them. Risk management policies and related systems are reviewed periodically so as to incorporate changes observed in market conditions and Company activities.

The supervision of risk management policies and procedures implementation is entrusted to the Internal Audit Department, which carries out regular and extraordinary audits on the implementation of procedures, the findings of which 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 Euro. 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 Euro.

3.2 Risk of products’ price fluctuation

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

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

3.3 Investments

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

Management decides on the suitable classification of the investment at the time of acquisition. It also estimates that there will be no effect of default on these investments.

3.4 Interest rate risk

The Company finances its investments and its cash flow requirements through bank and bond loans, which result in interest expense that encumbers 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 mitigated, as part of the Company's loans is subject to fixed interest rates, either directly or indirectly through the use of financial instruments (interest rates Swaps).

If, as of 31/12/2018, interest rates were increased (decreased) by 0.25% / (-0.25%), the effect on the Company's profits before taxes would be (loss) / profit equal to (-€608 thousand) / euro €608 thousand. The Equity of the Company would be affected proportionally.

Respectively, if, as of 31/12/2017, interest rates were increased (decreased) by 0.25% / (-0.25%), the effect on the Company's profits before taxes would be (loss) / profit equal to (-€630 thousand) / €630 thousand. The Equity of the Company would be affected proportionally.

3.5 Guarantees

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

3.6 Risks of macroeconomic environment

After the country's official exit from the economic adjustment program on 20 August 2018, the macroeconomic and financial environment in Greece is showing signs of stabilization, but there is still uncertainty and the economy is still vulnerable to fluctuations in the external environment. Capital controls initially imposed on the country on 28 June 2015 continue to exist, but since then they have been partially relaxed mainly for businesses. Assuming that the agreed conditions regarding the achieving of primary surplus, the capital controls will be further relaxed and in the short or medium term will be eliminated, no significant negative impact on the Company's activities is expected.

Management continuously assesses the likely impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken to minimize any impact on the Company's activities. Management is not in a position to accurately predict possible developments in the Greek economy, but based on its assessment, it has concluded that no significant additional impairment provisions are required for the Company's financial and non-financial assets as at 31 December 2018.

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

The UK's exit from the European Union will not affect the Company as it does not sell or buy to or from the United Kingdom. Therefore, the currency fluctuations due to Brexit will not affect the operation of the Company.

With regard to the imposition of duties on US steel imports, the Company's Management is closely following developments. US steel sales for 2018 amounted to 0.65% of the total sales volume of the Company and therefore it is not estimated that the Company will be affected.

Regarding the devaluation of the Turkish lira, the Company keeps track of developments as it strengthens the export competitiveness of Turkish companies due to reduced production costs. The Company does not sell to Turkey.

SIDENOR closely and continuously monitors developments both internationally and domestically and adapts its business strategies and risk management policies in a timely manner to minimize the impact of macroeconomic conditions on its operations

3.7 Liquidity risk

The above developments as well as the instability of the Greek banking sector create 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 4 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, by 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 and difficult conditions without incurring unacceptable damage or jeopardizing its reputation. At the same time, in order to avoid liquidity risks, the Company carries out a provision for cash flows 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 assets to meet its operational needs.

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

During the financial year 2018, the Bondholders of the Syndicated Bond Loan amounting to € 179,800,000, accepted the Company's request to amend its terms. In particular, an extension of the repayment was approved until December 2023 and a fixed interest rate (4.25%) until its maturity.

The Company continues to maintain the "going concern principle" in the preparation of the financial statements for the year ended 31 December 2018.

Credit rating at cash and cash equivalents		
	COMPANY DATA	
	31/12/2018	31/12/2017
Aa3	29,836	30,322
Caa1	2,601,157	0
Caa2	0	4,224,873
Total	**2,630,993**	**4,255,195**

3.8 Operational risks

The Company's sales in Greece amounted to 45% of its total turnover for the period ended December 31, 2018. The operations of the Company in Greece depend to a large extent on foreign suppliers. Assuming that capital controls currently in place will remain in place, the company should continue to seek approval from the competent authorities to use cash and cash equivalents held in Greece in order to service payments to suppliers outside Greece. This could cause a delay in imports of raw materials. However, this can be considered as distant as the Company properly makes payments from cash held abroad, and considers that this regularity will continue to occur 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 forecast or foresee any potential impact thereof. Nevertheless, the Company's management, taking into account its export character, which is strengthened by the modern production facilities it holds in Greece, constantly assesses the situation and its possible consequences and takes all the necessary and effective measures and actions on time minimizing any impact on its activities.

3.9 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 financial derivative contracts.

The Company's exposure to credit risk is mainly affected 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. None of the customers exceeds 10% of sales and therefore commercial risk is distributed to a large number of customers.

The Board of Directors has set a credit policy based on which each new client is examined on an individual basis for its creditworthiness before the usual payment terms are proposed. Credit limits are defined for each customer, which are reviewed according to current conditions and adjusted, if necessary, the terms of sales and receipts. Customer credit limits are generally determined on the basis of the insurance limits received for them by insurance companies, and then claims 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 issues that they have occurred. Customers and other receivables include mainly wholesalers of the Company. Clients classified as "high risk" are placed in a special customer account and future sales must be pre-paid. Depending on the client's background and status, the Company seeks, where possible, interest or other collateral (eg letters of guarantee) to secure its claims.

The Company recognizes an impairment provision that represents the measurement of losses and expected losses for losses in relation to customers, other receivables and investments in debt securities. This provision mainly consists of impairment losses on specific receivables and is estimated on the basis of the conditions that they will be realized but not yet finalized, as well as from the provision for the expected credit losses according to the Company's study adopted for the application of IFRS 9.

Cash and cash equivalents are also considered to be items of high credit risk, as current macroeconomic conditions in Greece exercise significant pressure on domestic banks.

3.10 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. 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.

		31-Dec-18	31-Dec-17
Debt Ratio	Non-current Liabilities / Non-Current Liabilities +Total Equity	0.89	0.89

		31-Dec-18	31-Dec-17
Index of Assets' Financing	Total Equity / Total non-current asset	10.21%	8.16%

The leverage rates as of 31 December 2018 and 2017 respectively have as follows:

	Note	31-Dec-2018	31-Dec-2017
Total Debt	16	243,170,725	251,926,395
Minus			
Cash and cash equivalents	13	(2,636,347)	(4,265,046)
Net Debt		**240,534,378**	**247,661,349**
Total Equity		21,570,281	17,920,150
Total Employed Capital		**262,104,658**	**265,581,499**
Leverage rate		**92%**	**93%**

The Company does not have a specific own share buyback plan.

No changes occurred insofar at the approach adopted by the Company in relation to capital management during the fiscal period reported.

3.11 Fair value estimation

The fair value of financial instruments traded in active markets (stock exchanges) (such as derivatives, shares, bonds and mutual funds) is based on quoted market prices at the balance sheet date. The offer price is used for financial assets, while the bid price is used for financial liabilities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on market conditions existing at each balance sheet date.

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.

The following table presents the financial assets valued at fair value at the date of preparation of the Company's financial statements, depending on how the fair value is determined:

The different levels have been identified as follows:

First Level: Includes prices of imported products quoted on an active market for that particular receivable and obligation.

Second Level: It includes the valuation collection, other than quoted prices belonging to the first level and considered directly or indirectly as objective.

Third Level: It includes the collection of valuations that are not based on objective market data.

The different levels are defined as follows:

2018	First level	Second level	Third level	Total
Financial assets available for sale	5,150	0	1,431,371	1,436,521
	5,150	**0**	**1,431,371**	**1,436,521**

2017	First level	Second level	Third level	Total
Financial assets available for sale	5,150	0	1,431,371	1,436,521
	5,150	**0**	**1,431,371**	**1,436,521**

Valuation Techniques of Fair Values 2nd Level

Level 2 derivatives are composed of forward contracts in foreign currency.

The fair value of the above contracts is determined by the use of forward exchange rates at the date of preparation of financial statements, discounted to present values.

Valuation of Fair Values 3rd Level

Available-for-sale financial instruments at level 3 are securities that are not quoted on a traded market and therefore it is not possible to reliably measure their fair value and are valued at their acquisition cost.

Measurement procedure

The financial management assumes the measurement of the financial items and fair value of the third level required for financial reporting. The process is carried out once a year according to the dates of the annual reports of the company.

Fair Value of Financial Assets and Liabilities measured at amortized cost

The book value of short-term loans approximates fair value as the effect of discounting is not significant.

The fair value of the following financial assets and liabilities approximates their carrying amount:
-Trade and Other Receivables
- Cash and cash equivalents
-Trade and Payables
-Other current liabilities of financial nature

4 Accounting estimates and Management's judgments

Management's estimates and judgments are continually being reviewed and are based on historical data and expectations for future events that are judged to be reasonable under the current circumstances

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions about the evolution of future events. Estimates and assumptions that contain a significant risk of causing material adjustments to the carrying amounts of assets and liabilities over the next 12 months are as follows:

a) Significant judgment is required by the Company in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. If the final tax is different from the amounts that were initially recorded, the difference will impact the income tax and deferred tax provisions of the fiscal year.

b) The Company estimates the future tax profits that will be available to offset losses that have been recognized as deferred tax. The Company makes assumptions as to whether these deferred tax assets can be recovered using the estimated future taxable income in accordance with the approved five-year business plan.

c) The Company recognizes provisions for contractual obligations to its customers, which are calculated on the basis of historical data and statistics from the settlement of similar cases in the past

d)The Company makes estimates for any impairment of investments in Subsidiaries and Associates that are not measured at fair value.

e) The Company recognizes provisions for contractual obligations to its customers, which are calculated on the basis of historical data and statistics from the settlement of similar cases in the past. If the resulting final amount is different from the initially recognized one, the difference will affect the results of the year that the event will take place.

f) Employee benefits

The present value of the employee benefit obligations 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 book value of the obligation.

The present value of the defined benefits is calculated based on the appropriate discount rate (1.5%) plus increases in staff salaries. The assumptions used are further illustrated in Note 17.

4.2 Critical judgments of the Management in applying the accounting principles

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

5 Sales

Sales	31-Dec-18	31-Dec-17
Greece	174,039,084	155,352,606
European Union apart Greece	121,886,791	46,679,992

Other European countries	86,531,033	52,515,792
Asia	4,079,275	8,500,026
U.S.A.	2,529,752	-
Oceania	-	6,316,734
Total	**389,065,935**	**269,365,150**

Amounts in euro	**31-Dec-18**	**31-Dec-17**
Sales of goods (at certain point in time)	379,314,782	262,817,244
Revenues from services	7,196,843	6,547,906
Sales of Scrap and raw materials	2,517,121	-
Other	37,190	-
Total	**389,065,935**	**269,365,150**

6 Tangible Assets

Tangible Assets

Amounts in Euro	Land Plots	Buildings	Mech. Equipment	Transportation vehicles	Furniture and other equipment	Assets under construction	Total
Cost							
Balance as of 1st of January 2017	**11,482,891**	**31,415,668**	**141,179,359**	**473,175**	**7,005,137**	**2,652,059**	**194,208,290**
Additions	-	95,584	1,407,762	12,000	120,842	1,203,557	**2,839,745**
Sales	-	-	(33,318)	-	(10,257)	-	**(43,575)**
Destructions	-	-	(128,731)	(21,191)	-	-	**(149,922)**
Reclassifications	-	16,032	415,131	-	238,376	(718,290)	**(48,750)**
Balance as of 31st of December 2017	**11,482,891**	**31,527,285**	**142,840,203**	**463,983**	**7,354,098**	**3,137,327**	**196,805,787**
Accumulated depreciation							
Balance as of 1st of January 2017	**-**	**(15,677,838)**	**(89,728,442)**	**(442,362)**	**(6,748,539)**	**-**	**(112,597,181)**
Depreciation expense for the year	-	(1,197,872)	(5,702,534)	(8,099)	(176,912)	-	**(7,085,418)**
Sales	-	-	-	-	9,766	-	**9,766**
Destructions	-	-	29,701	21,191	-	-	**50,892**
Balance as of 31st of December 2017	-	**(16,875,711)**	**(95,401,276)**	**(429,270)**	**(6,915,685)**	**-**	**(119,621,942)**
Book Value as of 31st of December 2017	**11,482,891**	**14,651,574**	**47,438,927**	**34,713**	**438,413**	**3,137,327**	**77,183,845**

Amounts in Euro	Land Plots	Buildings	Mech. Equipment	Transportation vehicles	Furniture and other equipment	Assets under construction	Total
Cost							
Balance as of 1st of January 2018	**11,482,891**	**31,527,285**	**142,840,203**	**463,983**	**7,354,098**	**3,137,327**	**196,805,787**
Additions	-	129,747	925,905	-	260,245	391,154	**1,707,051**
Sales	-	-	(152,593)	-	(10,009)	-	**(162,602)**
Destructions	-	-	(204,378)	-	-	-	**(204,378)**
Reclassifications	-	367,006	1,258,996	-	30,624	(1,656,625)	**-**
Balance as of 31st of December 2018	**11,482,891**	**32,024,038**	**144,668,133**	**463,983**	**7,634,958**	**1,871,855**	**198,145,858**
Accumulated depreciation							
Balance as of 1st of January 2018	-	**(16,875,711)**	**(95,401,276)**	**(429,270)**	**(6,915,685)**	-	**(119,621,942)**
Depreciation expense for the year	-	(1,223,045)	(5,769,535)	(5,805)	(207,400)	-	**(7,205,786)**
Sales	-	-	56,540	-	9,161	-	**65,701**
Destructions	-	-	108,330	-	-	-	**108,330**
Balance as of 31st of December 2018	**-**	**(18,098,756)**	**(101,005,941)**	**(435,075)**	**(7,113,925)**	**-**	**(126,653,697)**
Book Value as of 31st of December 2018	**11,482,891**	**13,925,282**	**43,662,192**	**28,908**	**521,034**	**1,871,855**	**71,492,161**

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 balance of € 174,800 thousand.

The above amount of assets under construction (€ 1,872 thousand) concerns 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 of the existing machinery equipment of the factories.

Intangible Assets

Amounts in Euro	Software	Other	Total
Cost			
Balance as of 1st of January 2017	**592,194**	**-**	**592,194**
Reclassifications	48,750	-	48,750
Balance as of 31st of December 2017	**640,944**	**-**	**640,944**
Accumulated amortization			
Balance as of 1st of January 2017	**(386,950)**	**-**	**(386,950)**
Amortization of the period	(49,249)	-	**(49,249)**
Reclassifications	(5)	5	-
Balance as of 31st of December 2017	**(436,204)**	**5**	**(436,199)**
Book value as of 31st of December 2017	**204,740**	**5**	**204,745**

Amounts in Euro	Software	Other	Total
Cost			
Balance 1 January 2018	**640,944**	**-**	**640,944**
Additions	7,373	-	7,373
Balance 31 December 2018	**648,316**	**-**	**648,316**
Accumulated amortization			
Balance as of 1st of January 2018	**(436,204)**	**5**	**(436,199)**
Amortization of the period	(59,561)	-	**(59,561)**
Balance as of 31st of December 2018	**(495,766)**	**5**	**(495,761)**
Book value as of 31st of December 2018	**152,551**	**5**	**152,556**

7 Investments in Associates

Amounts in Euro	31/12/2018	31/12/2017
Balance at the beginning of the period	**7,854,303**	**7,854,303**
Additions	10,558	-
Reclassification	538,507	-
Balance at the end	**8,403,368**	**7,854,303**

The associates companies are the following:

Company Name	31-Dec-18	31-Dec-17
SIDMA SA	6.75%	6.46%
VIENER SA	20.67%	20.67%
METALOURGIA ATTIKIS SA	50.00%	50.00%
DOMOPLEX LTD	45.00%	45.00%
AWM SPA	34.00%	34.00%
AEIFOROS SA	23.00%	0.00%

8 Investments in Subsidiaries

Amounts in Euro	31-Dec-2018	31-Dec-2017
Opening Balance	**110,768,720**	**108,968,771**
Additions	-	1,800,000
Sales	(1,568,693)	-
Reclassifications	(538,507)	(51)
Closing Balance	**108,661,520**	**110,768,720**

The subsidiaries companies are:

Company name	Country of Establishment	Direct Participation Percentage	Operating Segment
31/12/2017			
SOVEL SA	Greece	64.01%	Steel
ELRICON WIRE PROCESSING SA	Greece	98.86%	Steel
AEIFOROS SA	Greece	90.00%	Steel
VEMET SA	Greece	100.00%	Steel
ETIL SA	Greece	100.00%	Steel
DOJRAN STEEL	Skopje	100.00%	Steel
PRAKSYS	Greece	61.00%	Steel
SIDERAL	Albania	99.45%	Steel
SIDEROM STEEL SLR-PART.	Romania	100.00%	Steel
PROSAL TUBES	Bulgaria	100.00%	Steel
SIGMA IS SA	Bulgaria	1.00%	Steel

Company name	Country of Establishment	Direct Participation Percentage	Operating Segment
31/12/2018			
SOVEL SA	Greece	64.01%	Steel
ELRICON WIRE PROCESSING SA	Greece	98.86%	Steel
VEMET SA	Greece	100.00%	Steel
ETIL SA	Greece	100.00%	Steel
DOJRAN STEEL	Skopje	100.00%	Steel
PRAKSYS	Greece	61.00%	Steel
SIDERAL	Albania	99,45%	Steel
SIDEROM STEEL SLR-PART	Romania	100.00%	Steel
PROSAL TUBES	Bulgaria	100.00%	Steel
SIGMA IS SA	Bulgaria	1.00%	Steel

9 Financial Items Available for Sale

Amounts in Euro	31-Dec-2018	31-Dec-2017
Listed shares		
- Companies listed in domestic stock exchange	5,150	5,150
Non-listed shares		
- Companies based domestically	151,302	151,302
- Companies based abroad	1,280,069	1,280,069
	1,436,521	**1,436,521**

Amounts in Euro	31-Dec-2018	31-Dec-2017
Opening Balance	**1,436,521**	**1,431,345**
Additions	-	5,176
Closing Balance	**1,436,521**	**1,436,521**
Non-current assets	**1,436,521**	**1,436,521**

All the equity titles are denominated in euro.

The respective financial items are reviewed at each date of financial statement preparation 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 taxation

Amounts in Euro	31-Dec-2018	31-Dec-2017
Deferred tax liabilities:		
Tax assets before offset	12,664,911	16,960,038
Tax liabilities before offset	(7,200,308)	(10,329,341)
Total	**5,464,604**	**6,630,697**

The overall change in deferred income tax is as follows:

Amounts in Euro	31-Dec-2018	31-Dec-2017
Opening balance	**6,630,697**	**(10,773,184)**
(Debit) / credit in income statement	(1,277,758)	17,404,165
Tax (debit)/ credit in other comprehensive income	111,665	(283)
Closing balance	**5,464,604**	**6,630,697**

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

	Depreciation Difference	Difference in provisions	Loans and borrowings	Employee benefits	Sub-Funding	Transferable Taxes for offsetting	Other items	Total
Amounts in Euro								
Balance as of 1 January 2017	**(11,491,495)**	**53,048**	(161,172)	**683,392**	-	-	**143,043**	**(10,773,184)**
(Debit) / credit in income statement	1,188,329	4,208	605,656	(5,574)	13,633,944	1,977,601		**17,404,165**
In Total Comprehensive Income	-	-	-	(283)	-	-	-	**(283)**
Balance as of 31 December 2017	**(10,303,166)**	**57,256**	**444,484**	**677,535**	**13,633,944**	**1,977,601**	**143,043**	**6,630,697**
Balance as of 1 January 2018	**(10,303,166)**	**57,256**	**444,484**	**677,535**	**13,633,944**	**1,977,601**	**143,043**	**6,630,697**
(Debit) / credit in income statement	3,237,541	(94,576)	(506,970)	-	(3,001,807)	(892,216)	(19,730)	(1,277,758)
In Total Comprehensive Income	-	-	-	111,665	-	-	-	111,665
Balance as of 31 December 2018	**(7,065,624)**	**(37,320)**	**(62,486)**	**789,200**	**10,632,137**	**1,085,385**	**123,313**	**5,464,604**

The rate at which the deferred tax is calculated is equal to that estimated to apply when the temporary tax differences are reversed.

The current tax rate of income tax for companies operating in Greece is 29%. Deferred tax has been calculated taking into account the change in the tax rate from 29% to 25% by 2022 (reference to paragraph 24).

Deferred tax recognized in the Income Statement relates to deferred tax arising from the recognition of actuarial loss / gain in the retirement benefit obligation.

Deferred tax asset arise from unused tax losses for offsetting in future periods.

Deferred tax assets that arise from unused tax losses for offsetting in future periods are recognized only if it is probable that future tax profits will be offset against. Deferred tax asset recognized for unused tax losses amounted decreased by € 892 th. at 31 December 2018.

In 2014, the provisions of Art. 49 of Law 4172 on sub-funding were applied for the first time, according to which the limit for the deduction of excess interest expense is defined as a percentage of the tax EBITDA of the respective company (60% in 2014, 50% in 2015 and 40% 2016 and future). The impact on the deferred tax amount of the Company was € 11 million (asset) at 31 December 2018. This amount can be offset against future tax profits without a time limit.

11 Inventories

Amounts in Euro	31-Dec-2018	31-Dec-2017
Merchandize	4,888,423	2,787,587
Finished goods	8,907,628	20,087,423
Semi-finished goods	1,059,141	594,245
Sub-products& scrap	12,438	174,706
A & B raw materials consumables-spare parts & packaging material	26,913,707	20,514,683
Total	**41,781,337**	**44,158,644**

The cost of inventories recognized as an expense in cost of sales amounted to € 326 million (2017: € 215 million).

Under the provisions of IAS 2 inventories are measured at the lower price among that of acquisition cost and net realizable value.

12 Trade & Other Receivable

Amounts in Euro	31-Dec-18	31-Dec-17
Accounts Receivables	40,947,549	41,784,078
Minus: Provisions for bad debt	(10,983,965)	(7,595,999)
Net accounts receivables	**29,963,583**	**34,188,079**
Other Advances	263,222	300,950
Notes-Cheques receivables.& stamped	13,068,898	11,697,029
Receivables from related parties	97,887,120	66,364,890
Current tax receivables	4,414,134	6,035,979
Other debtors	5,509,224	3,896,032
Receivables from dividends of related companies	580,378	580,378
Minus: Impairment provisions	(2,337,351)	(2,337,351)
Total	**149,349,209**	**120,725,988**
Non-Current Assets		
Non-current receivables from related companies	15,000,000	15,000,000
Other non-current receivables	640,166	643,672
Total	**15,640,166**	**15,643,672**
Total receivables	**164,989,375**	**136,369,660**

Trade receivables (only for receivables expired and no provision has been conducted for bad debt expense)

	31-Dec-18	31-Dec-17
Trade receivables maturities		
Customer receivables		
0-3 months	1,485,680	4,024,887
3-6 months	1,789,053	667,134
> 6 months	5,795,108	8,444,673
Total	**9,069,841**	**13,136,694**

Trade receivables and other receivables (per currency)

	31-Dec-18	31-Dec-17
Euro	164,848,011	136,373,699
Dollar	141,364	(4,039)
Total	**164,989,375**	**136,369,660**

Other non-current receivables included in non-current assets refer to guarantees given to third parties in the context of the company's activity and do not have a specific expiration date. The Company estimates that the balances of receivables are approximately equal to their fair values.

Financial items per category

Balance on 31 December 2017

Assets	Loans and receivables	Available for sale
Non-current Financial Items Available for Sale	-	1,436,521
Trade and Other receivables	132,557,109	-
Cash and cash equivalents	4,265,046	-
Total	**136,822,155**	**1,436,521**

Balance on 31 December 2018

Amounts in Euro

Assets	Loans and receivables	Available for sale
Non-current Financial Items Available for Sale	-	1,436,521
Trade and Other receivables	168,179,697	-
Cash and cash equivalents	2,636,347	-
Total	**170,816,044**	**1,436,521**

13 Cash and cash equivalents

Amounts in Euro	31-Dec-2018	31-Dec-2017
Cash in banks and in hand	5,354	9,851
Short-term bank deposits	2,630,993	4,255,195
Total	**2,636,347**	**4,265,046**

Credit rating at cash and cash equivalents

	31-Dec-2018	31-Dec-2017
Aa3	29,836	30,322
Caa1	2,601,157	0
Caa2	0	4,224,873
Total	**2,630,993**	**4,255,195**

14 Share Capital

Amounts in Euro	Number of Shares	Common Shares	Share Premium	Total
1st of January 2017	1,094,740	7,337,589	40,100,692	47,438,281
31st of December 2017	1,094,740	7,337,589	40,100,692	47,438,281
1st of January 2018	1,094,740	7,337,589	40,100,692	47,438,281
31st of December 2018	1,094,740	7,337,589	40,100,692	47,438,281

. The shares of the company are nominal and their value amounts to € 6.70.

15 Other Reserves

Amounts in Euro	Statutory Reserves	Special Reserves	Extraordinary Reserves	Tax exempt reserves	Total
1 January 2017	**243,820**	**-**	**503,595**	**7,167,150**	**7,914,566**
Transfer to income statement	-	503,595	(503,595)	-	-
31 December 2017	**243,820**	**503,595**		**7,167,150**	**7,914,566**
1 January 2018	**243,820**	**503,595**		**7,167,150**	**7,914,566**
Reclassifications	-	63,002	-	(63,002)	-
31 December 2018	**243,820**	**566,597**	-	**7,104,148**	**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.

Pursuant to Law 4172, paragraph 12, and in respect of the non-distributed or non-capitalised reserves of the legal persons referred to in Article 45 of the Code of Civil Procedure as they were formed up to 31 December 2015 and which arose as a result of their exemption pursuant to of the provisions of Law 2238/94 from 1 January 2015 unless they are distributed or capitalized, they shall be offset at the end of each tax year with taxable losses of any kind and if they have been incurred during the last 5 years until they have been exhausted.

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

16 Borrowings

Amounts in Euro	31-Dec-18	31-Dec-17
Non-current		
Secured bond loans	167,800,000	146,426,343
Total	**167,800,000**	**146,426,343**

Current		
Secured Bank loans	22,345	2,325,681
Non-secured Bank loans	58,365,631	61,345,081
Secured bond loans	7,097,111	33,965,316
Factoring with a right of recourse	9,885,638	7,863,973
Total	**75,370,725**	**105,500,052**
Total borrowings	**243,170,725**	**251,926,395**
Total cash and cash equivalents	2,636,347	4,265,046
Net Debt	**240,534,378**	**247,661,349**

The maturity dates of non-current loans are as follows:

Amounts in Euro	**31-Dec-18**	**31-Dec-17**
Between 1 and 2 years	10,000,000	46,344,449
Between 2 and 5 years	157,800,000	100,081,894
Total	**167,800,000**	**146,426,343**

The actual weighted average interest rates at the date of the Financial Statements are as follows:

	31-Dec-18	**31-Dec-17**
Bank Debt (current) - EUR	4.94%	5.68%
Bonds- EUR	4.00%	4.00%

The maturities for all loans are as follows:

Amounts in Euro	**31-Dec-18**	**31-Dec-17**
Up to 1 year	75,370,725	105,500,052
Between 1 and 2 years	10,000,000	46,344,449
Between 2 and 5 years	157,800,000	100,081,894
Total	**243,170,725**	**251,926,395**

All loans are in Euro.

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 Company has given guarantees for the bonds (Note 29).

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

Some of the Company's loan agreements include financial terms, the most important of which are the maintenance of specific ratios, calculated as follows: "Net Debt / Profit before Tax, Interest and Depreciation", "Earnings Before Interest, Taxes and Depreciation / Net Interest"; and "Net Borrowing / Net Equity". The Company's Management monitors its performance to ensure and comply with the above financial terms.

During the fiscal year 2018, the Bondholders of the Syndicated Bond Loan amounting to € 179,800,000, accepted the Company's request for amendment of its terms. More specifically, the following amendments were approved:

- The margin is changed to 4.25% throughout the loan, i.e. until 27/12/2023.
- A new term "Cash Sweep" is added, with a 40% prepayment of the Net Cash Advance, except when this is due to: i) an increase in the Non-current Loan, ii) an increase in other Non-current Liabilities, iii) income from subsidies (iv) the changes in Equity, with a date of first application from 2020 (based on the pro - forma consolidated financial statements of the company, i.e. based on the financial statements for the year ending 31/12/2019).
- Extension of the Syndicated Bond Loan by three (3) years, until December 2023, with the following repayment schedule:

Year	Amount
2018	5,000,000
2019	7,000,000
2020	10,000,000
2021	22,000,000
2022	26,000,000
2023	109,800,000

17 Employee Retirement Obligations

Amounts in €	31-Dec-18	31-Dec-17
Amounts recognised in the Statement of Financial Position		
Present value of obligations	2,811,217	2,337,305
Net liability recognised in the Statement of Financial Position	**2,811,217**	**2,337,305**
Amounts recognised in the Income Statement		
Current service cost	69,645	73,605
Net interest on liability /(asset)	34,745	36,979
Settlement/curtailment/termination cost	252,485	313,520
Total expense in the Income Statement	**356,874**	**424,104**

The breakdown of changes in the retirement benefit obligations for the years 2018 and 2017 is as follows:

Change in the present value of the obligation	31-Dec-18	31-Dec-17
Present value of the obligation at the beginning of the period	2,337,305	2,332,191
Current service cost	69,645	73,605
Interest cost	34,745	36,979
Settlement/curtailment/termination cost	252,485	313,520
Benefits paid by the employer	(329,622)	(418,013)
Adjustment to the obligation (through Equity)	132,490	(25,651)
Actuarial loss / (gain) - economic assumptions	199,283	33,091
Actuarial loss / (gain) – period's service experience	114,886	(8,418)
Present value of the obligation at the end of the period	**2,811,217**	**2,337,305**

Amounts recognized in equity through other comprehensive income are:

Adjustments to the obligation	31-Dec-18	31-Dec-17
Adjustment to the obligation due to change of assumptions	199,283	33,091
Empirical adjustments to obligations	(114,886)	8,418
Total actuarial gain / (loss) in Equity	**84,397**	**41,509**

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

Changes in the net liability recognised in the Statement of Financial Position	31-Dec-18	31-Dec-17
Net liability at the beginning of the year	2,337,305	2,332,191
Benefits paid by the employer	(329,622)	(418,013)
Total cost recognised in the income statement	356,874	424,104
Total amount recognised in Equity	446,659	(977)
Net liability at the end of the year	**2,811,217**	**2,337,305**

The main actuarial assumptions used are as follows:

Actuarial Assumptions	31-Dec-18	31-Dec-17
Discount rate	1.61%	1.50%
Inflation	1.50%	1.50%
Rate of compensation increase	1.00%	0.50%
Liability maturity	13.71	14.39

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

Sensitivity analysis	31-Dec-18	31-Dec-17
Discount rate	1.61%	1.50%
Rate of salary increase	1.00%	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 7%
3. If the rate of voluntary retirements were zero, then the DBO would be higher by 0.5% approximately

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 type of assumptions used for the calculation of sensitivity analysis have not changed compared with the previous year.

Regarding the risks associated with the above mentioned plan, this plan is not funded and therefore no assets exist for this plan. Hence asset volatility or similar risks (e.g. low returns, asset concentration etc.) do not exist. The risks associated with the existing plan 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 Subsidies

Amounts in Euro	**31-Dec-18**	**31-Dec-17**
Balance at the beginning of the period	125,497	125,497
Balance at the end of the period	**125,497**	**125,497**

Subsidies relate to investments conducted for the purchase of tangible assets (buildings, machines and transportation vehicles).

19 Trade and other liabilities

Amounts in Euro	**31-Dec-18**	**31-Dec-17**
Suppliers	28,657,154	19,779,759
Advances from customers	-	78,691
Social Security funds	717,277	762,549
Amounts due to related parties	99,428,722	85,423,226
Other debtors	4,412,824	4,782,501
Deferred Income	-	2,616
Accrued expenses	1,407,871	1,707,969
Other Transitional Liabilities Accounts	46,983	30,755
Other taxes and fees	610,567	843,335
Total	**135,281,397**	**113,411,401**
Non-current liabilities	831,183	3,151,433
Total liabilities	**136,112,579**	**116,562,834**

Financial items

31/12/2018

Liabilities	<1 year	1- 2 years	2-5 years
Debt	75,370,725	32,000,000	135,800,000
Trade and other payable	135,370,404	837,928	0
Total	**210,741,129**	**32,837,928**	**135,800,000**

31/12/2017

Liabilities	<1 year	1- 2 years	2-5 years
Debt	105,500,052	46,344,449	100,081,894
Trade and other payable	113,315,648	2,409,258	837,928
Total	**218,815,700**	**48,753,707**	**100,919,822**

The above amounts are reflected in the contractual, non-discounted cash flows and therefore do not agree with the respective amounts presented in the financial statements. They concern supplier funds and other liabilities and loans.

Financial items per category

Balance on 31 December 2018
Amounts in Euro

Liabilities	Other financial obligations
Non-current debt	167,800,000
Current debt	75,370,725
Total	**243,170,725**

Balance 31 December 2017
Amounts in Euro

Liabilities	Other financial obligations
Non-current debt	146,426,343
Current debt	105,500,052
Total	**251,926,395**

20 Provisions

Non-current provisions

Amounts in Euro	Other provisions
1 January 2017	648,000
Reversal of unused provisions	(648,000.0)
31 December 2017	**-**
31 December 2018	**-**

21 Expense per Category

31/12/2017

Amounts in Euro	Cost of goods sold	Distribution expenses	Administration expenses	Total
Cost of inventories recognized as an expense	(215,306,043)	(68,966)	(51,015)	**(215,426,024)**
Employee benefits	(5,915,476)	(2,838,026)	(4,233,956)	**(12,987,458)**
Energy	(7,188,174)	(199,525)	(342,606)	**(7,730,305)**
Depreciation and amortization	(6,136,338)	(420,502)	(499,336)	**(7,056,176)**
Taxes	(7,098)	(71,105)	(103,803)	**(182,007)**
Credit insurance	-	(393,004,5)	-	(393,004,5)
Other insurances	(252,243)	(207,803)	(118,555)	**(578,600)**
Rental fees	(63,588)	(258,019)	(552,162)	**(873,769)**
Transportation expenses	(579,027)	(4,767,700)	(849,245)	**(6,195,971)**
Advertising and promotion expenses	(2,848)	(70,367)	(73,259)	**(146,475)**
Third party fees	(2,136,942)	(1,151,843)	(2,606,958)	**(5,895,743)**
Provisions for Bad receivables	-	(600,000)	-	**(600,000)**
Commissions		(1,458,692)	(23,781)	**(1,482,472)**
Foreign exchange differences	-	(8,232,7)	(8,620,7)	(16,853,4)
Maintenance	(997,007,4)	(367,862,2)	(524,480,7)	(1,889,350,4)
Rights of use expenses	-	(26,451,5)	(15,850,5)	(42,302,1)
BoD Remuneration	-	(61,758,8)	(185,276,4)	(247,035,3)
Other expenses	(1,433,420)	(607,146)	(806,130)	**(2,846,697)**
Total	**(240,018,204)**	**(13,577,004)**	**(10,995,036)**	**(264,590,243)**

31/12/2018

Amounts in Euro	Cost of goods sold	Distribution expenses	Administration expenses	Total
Cost of inventories recognized as an expense	(326,204,118)	(92,746)	(66,208)	**(326,363,073)**
Employee benefits	(6,551,148)	(2,644,641)	(4,782,440)	**(13,978,230)**
Energy	(8,164,655)	(151,969)	(169,872)	**(8,486,496)**
Depreciation and amortization	(6,545,418)	(310,903)	(409,026)	**(7,265,347)**
Amortization expenses from contracts	-	-	-	
Taxes	(7,535)	(56,837)	(211,490)	**(275,862)**
Insurance	-	-	-	
Other insurance	(234,241)	(643,403)	(95,806)	**(973,449)**
Rental fee	(73,381)	(273,003)	(439,520)	**(785,905)**
Transportation expenses	(733,888)	(6,833,646)	(438,498)	**(8,006,032)**
Advertising and promotion expenses	(1,017)	(171,945)	(104,674)	**(277,635)**
Third party fees	(3,281,010)	(1,646,727)	(3,034,260)	**(7,961,997)**
Storage and packaging	-	(1,910)	(637)	(2,546)
Commission	-	(1,751,423)	(38,062)	**(1,789,485)**
Foreign exchange differences	(267,655)	-	-	**(267,655)**
Maintenance	(1,359,979)	(625,519)	(986,747)	**(2,972,245)**
Travel expenses	(17,347)	(114,832)	(194,418)	(326,598)
Rights of use expenses	(6,775)	(70,483)	(17,000)	**(94,258)**
BoD Remuneration	-	(69,425)	(208,276)	**(277,702)**
Communal Expenses	(459,639)	(40,838)	(182,906)	(683,382)
Other expenses	(914,992)	(578,024)	(652,499)	**(2,145,515)**
Total	**(354,822,798)**	**(16,078,274)**	**(12,032,340)**	**(382,933,411)**

The depreciation breakdown to the company's operations is as follows:

	31-Dec-2018	31-Dec-2017
Cost of goods sold	(6,545,418)	(6,136,338)
Distribution expenses	(310,903)	(420,502)
Administration expenses	(409,026)	(499,336)
Total	**(7,265,347)**	**(7,056,176)**

22 Employee Benefits

Amounts in Euro	31-Dec-2018	31-Dec-2017
Employee remuneration & expenses	11,044,090	10,082,219
Social security expenses	2,577,266	2,481,134
Pension cost of defined benefits plan	356,874	424,104
Total	**13,978,230**	**12,987,458**

The analysis of the above expenses to the Company’s operations is as follows:

	31-Dec-2018	31-Dec-2017
Cost of goods sold	6,551,148	5,915,476
Distribution expenses	2,644,641	2,838,026
Administration expenses	4,782,440	4,233,956
Total	**13,978,230**	**12,987,458**

23 Financial income /expenses

Amounts in Euro	31-Dec-2018	31-Dec-2017
Income		
Interest income	16,390	325,186
Total income	**16,390**	**325,186**
Expenses		
Interest expense and other related expenses	(10,180,891)	(12,040,295)
Letters of guarantee expenses	(19,515)	-
Other bank commissions	(133,105)	-
Interest on Factoring without recourse	(535,350)	(809,379)
Foreign exchange differences	-	(894)
Other	-	(1,802)
Total expenses	**(10,868,861)**	**(12,852,370)**
Financial cost (net)	**(10,852,471)**	**(12,527,184)**

Income from participations	31-Dec-2018	31-Dec-2017
Dividends	60,364	44,973
Total	**60,364**	**44,973**

24 Income Tax

	31-Dec-2018	31-Dec-2017
Accounting Profit / (loss) before tax	8,650,849	(4,038,981)
At statutory income tax rate of 29%	(2,508,746)	1,171,304
Non-deductible expenses for tax purposes	(2,069,640)	(145,000)
Tax-exempt income	181,448	-
Recognition of previously unrecognized tax losses,	3,143,940	16,452,728
Tax on permanent differences	-	(74,868)
Change of income tax rate – Introduction of new tax	(24,760)	-
Tax included in the Income Statement	**(1,277,758)**	**17,404,165**

The tax rate of income tax for companies operating in Greece is 29%. From 2019 the tax rate for the taxation of profits from business activity acquired by legal entities is redefined, as follows:

(i) twenty nine per cent (29%) for the income of the tax year 2018,

(ii) twenty eight per cent (28%), for the income of the tax year 2019,

(iii) twenty-seven percent (27%), for income for the tax year 2020,

(iv) twenty six percent (26%), for the income for the tax year 2021 and

(v) twenty five per cent (25%) for the income of the tax year 2022 and subsequent years. The tax expense / income for other comprehensive income is analyzed as follows:

	31-Dec-2018			31-Dec-2017		
	Before Taxes	Tax (expense)/Income	After taxes	Before Taxes	Tax (expense)/Income	After taxes
Recognized actuarial gain/losses	(446,659)	111,665	(334,994)	977	(283)	694
	(446,659)	**111,665**	**(334,994)**	**977**	**(283)**	**694**

The above amounts relate to deferred taxation.

25 Other income

Amounts in Euro	31-Dec-2018	31-Dec-2017
Other income		
Subsidies of the Year	20,967	8,898
Rental income	332,894	299,316
Profit from foreign exchange differences	-	37,442
Other operating income	168,274	2,736,083
Income from re-pricing of expenses	1,951,334	-
Gain from sales of assets	302,337	300
Income from reversal of other provisions	205,162	231,269
Other income	10,329,465	355,016
Total other income	**13,310,433**	**3,668,323**

Other operating income includes income from commissions and costs re-priced.

26 Operating Cash Flows

Amounts in Euro	Note	31/12/2018	31/12/2017
Profit / (loss) after income taxes		7,373,091	13,365,184
Plus/Minus: Adjustments for:			
Tax	24	1,277,758	(17,404,165)
Depreciation of tangible assets	6	7,205,786	7,085,418
Amortization of intangible assets	6	59,561	49,249
Loss from the destruction/impairment of assets		96,048	99,030
(Gain) / loss from sale of assets	6	(302,219)	4,978
(Gain) / loss from investment activities (income, expenses, gain, losses)		(76,754)	(370,159)
(Gain)/ losses from sale of participations		(7,646,487)	-
Interest expenses & related expenses	23	10,868,861	12,852,370
(Gain) / Losses from exchange differences		(130,531)	(19,695)
(Reduction) / Increase in employees benefits		27,253	-
Increase / (decrease) in provisions for doubtful receivables and other provisions		(205,162)	108,917
Changes in working capital			
Decrease/ (Increase) of inventories		2,377,307	(11,449,959)
Decrease/ (Increase) of receivables		(32,315,582)	(13,861,800)
Decrease/ (Increase) of liabilities (excluding bank debt)		21,224,707	27,840,971
Net cash flows from operating activities		**9,833,638**	**18,300,340**

27 Commitments

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

Amounts in Euro	31-Dec-18	31-Dec-17
Less than 1 year	291,480	205,419
Between 1 and 5 years	617,944	350,745
More than 5 years	112,669	-
	1,022,093	**556,164**

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:

Liabilities	31-Dec-18	31-Dec-17
Guarantees to secure liabilities to suppliers	2,985,908	2,573,700
Guarantees to secure good execution of contracts with customers	586,941	586,941
Assigned mortgages and prenotations - land plots & buildings	215,760,000	215,760,000
Guarantees to secure obligations to banks	18,514,667	16,703,837
Total	**237,847,515**	**235,624,478**

29 Existing Collateral

Tangible assets incorporate mortgages and prenotations in favor of the banks amounting to € 215,760 thousand for a current loan account balance of € 174,800 thousand.

30 Related Parties

Related party transactions mainly concern the purchase, sale and processing of steel products (finished and semi-finished). 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 2018 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:

Amounts in Euro	31-Dec-18	31-Dec-17
Sale of goods		
Subsidiaries	148,250,159	75,055,940
Associates	17,566,024	14,843,836
Other related parties	32,847,238	10,931,553
	198,663,421	**100,831,330**
Provision of services		
Subsidiaries	6,838,502	7,592,715
Associates	61,475	44,564
Other related parties	1,535,612	2,052,858
	8,435,588	**9,690,137**

Sale of tangible assets		
Subsidiaries	340,000	202
Other related parties	59,030	534
	399,030	**736**
Purchase of goods		
Subsidiaries	209,413,532	155,266,443
Associates	671,214	268,743
Other related parties	25,392,152	25,149,312
	235,476,897	**180,684,498**
Purchase of services		
Subsidiaries	3,442,634	3,281,240
Associates	1,390,468	991,508
Parent company	257,520	341,516
Other related parties	5,796,755	3,302,698
	10,887,376	**7,916,962**
Purchase of tangible assets		
Subsidiaries	241,439	250,605
Associates	1,485	-
Other related parties	19,689	62,769
	262,612	**313,374**

Benefits to the Management

Amounts in Euro	**31-Dec-18**	**31-Dec-17**
Fees to Management and BoD included in the employee cost	562,149	610,279
	562,149	**610,279**

	Sales of goods and provision of services	Purchases of goods and provision of services	Receivables	Liabilities	Sales of tangible assets	Purchases of tangible assets
Parent company	**-**	**257,520**	**-**	**451,896**	**-**	**-**
VIOHALCO SA	-	257,520	-	451,896	-	-
Subsidiaries	**155,088,660**	**212,856,165**	**76,502,405**	**75,675,790**	**340,000**	**241,439**
DOJRAN STEEL LLCOP	56,182,913	24,570,503	56,712,026	-	-	-
ERLIKON SA	11,670,017	97,000	8,160,982	21,335	-	-
ETIL SA	33,545	2,155,757	9,475	731,033	-	238,363
PRAKSIS	5,573	128,034	47,436	35,355	-	-
PROSAL TUBES SA	2,431	-	1,749	-	-	-
SIDERAL SHRK	6,006,702	1,586,587	908,416	-	-	-
SIDEROM STEEL SRL	66,659,631	-	10,344,086	-	-	-
SIGMA IS SA	7,788	-	6,195	21,164	-	-
SOVEL SA	14,520,061	184,318,285	312,039	74,866,902	340,000	3,076
Associates	**17,627,499**	**2,061,682**	**8,218,204**	**157,253**	**-**	**1,485**
VIENER SA	14,413	938,526	18,408	60,954	-	-
SIDMA SA (Associate)	15,737,260	1,123,155	8,035,475	96,299	-	1,485
DOMOPLEX (Associate)	1,875,826	-	164,322	-	-	-
Other related parties	**34,382,849**	**31,188,907**	**28,166,511**	**23,143,783**	**59,030**	**19,689**
AEIFOROS BULGARIA SA	2,471	-	5,806	-	-	-
AEIFOROS SA	502,589	1,985,318	-	1,596,603	-	-
ANAMET SA	941	10,505,652	-	4,625,770	-	-
ANTIMET SA	3,100	437,946	5,621,499	-	-	-
CENERGY HOLDINGS SA	8,197	-	62,389	16,287	-	-
CORINTH PIPEWORKS SA	723,699	5,049,526	47,357	10,461,628	-	1,076
DIA.VI.PE.THI.V SA	6,562	-	-	363	-	-
ELKEME SA	-	161,061	-	238,855	-	-
ELVALHALCOR - 1.Copper Segment	471,748	4,016	812,000	-	-	-
ELVALHALCOR - 2.Aluminium Segment	66,561	10,036	6,704	4,483,046	-	-
ERGOSTEEL SA	-	-	-	-	-	16,572
ETEM BULGARIA SA	383	-	-	-	-	-
ETEM COMMERCIAL SA	152	-	-	-	-	-
FITCO SA	3,005	-	3,726	-	-	-
FLOCOS SA	960	-	-	-	-	-
FULGOR SA	256,414	8,519	375,783	78,351	-	-
HELLENIC CABLES SA	20,934	48,817	134	2,628	-	-
INOS BALKAN DOO	6,538	-	6,538	-	-	-
LESCO OOD	-	11,290	-	6,446	-	-
METALIGN S.A.	-	253,766	21,227	-	-	-
NOVAL SA	-	273	720	203	-	-
NOVOMETAL DOO	2,033	-	8,201	53,463	-	-
SIDEBALK STEEL DOO	4,455,159	-	337,135	-	-	-
STEELMET PROPERTIES SA	-	169,535	-	21,284	-	-
STEELMET SA	294	1,575,396	-	542,332	1,110	-
STOMANA IDUSTRY SA	27,838,930	8,309,598	20,735,340	-	57,920	-
SYMETAL SA	-	242	-	-	-	-
TEKA SYSTEMS SA	-	1,374,936	-	678,601	-	170
TEPRO METAL AG	-	14,168	3,803	-	-	-
THERMOLITH SA	8,198	917,735	-	319,128	-	-
VET SA	381	-	-	-	-	-
VIEXAL SA	-	350,895	-	16,826	-	-
VITRUVIT SA	3,600	183	-	1,380	-	1,871
ICME ECAB SA	-	-	113,796	-	-	-
VIANATT SA	-	-	4,353	-	-	-
ANOXAL SA	-	-	-	589	-	-
Total	**207,099,009**	**246,364,273**	**112,887,120**	**99,428,722**	**399,030**	**262,612**

End-of-use balances arising from the sale-purchases of goods, services, tangible assets, etc. with the companies of the SIDENOR and VIOHALCO S.A. Group.

Receivables from related parties:	31-Dec-18	31-Dec-17
Subsidiaries	76.502.405	51.489.014
Associates	8.218.204	6.070.536
Other related parties	28.166.511	23.947.167
	112.887.120	**81.506.717**

Liabilities towards related parties:	31-Dec-18	31-Dec-17
Subsidiaries	75.675.790	62.323.786
Associates	157.253	997
Parent company	451.896	427.832
Other related parties	23.143.783	22.834.222
	99.428.722	**85.586.836**

Dividend income

SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. has income from dividends from its associate company METALLOURGIA ATTICA SA (€ 60 thousand).

The Company's trades with its related parties during the fiscal year have been made on market terms and in the ordinary course of business. There are no specific payment terms for the amounts due.

31 Unaudited Fiscal Years

The Company has not been audited by the competent tax authorities for the fiscal year 2010. On 18/11/2011 the Company received an audit order for the fiscal year 2010.

However, pursuant to the relevant tax provisions of: (a) paragraph 1 of article 84 of law 2238/1994 (unaudited income tax cases), b) paragraph 1 of article 57 of Law 2859/2000 (non-audited VAT cases and (c) of paragraph 5 of Article 9 of Law 2523/1997 (imposition of fines for income tax cases), the right of the State to impose the tax for the fiscal years up to 2011 is time-barred until 31/12/2018, subject to special or exceptional provisions which may provide for a longer limitation period and subject to conditions which they define.

Moreover, according to settled case-law of the Council of State and the Administrative Courts, in the absence of a limitation provision contained in the Code on Stamps Law, the State's claim for stamp duty is subject to the twenty-year limitation period laid down in Article 249 of the Civil Code.

The Company was audited for the years 2011-2017 and received a tax compliance certificate with unqualified opinion. For the fiscal year 2018, the tax audit is already carried out by the audit firm PricewaterhouseCoopers SA. From the conduct of this tax audit, the Company's management does not expect to incur significant tax liabilities other than those recorded and presented in the financial statements.

32 Number of Personnel

The number of employees at the end of the year end was 319 people. For the corresponding period of 2017 Company’s personnel amounted to 315 employees.

33 Rounding

Differences between the amounts in the Financial Statements and the corresponding amounts in the notes are due to rounding.

34 Events after the date of the Financial Statements

The most important events that occurred after the date of the Financial Statements are:

- Sale of the subsidiary company PROSAL TUBES to STOMANA SA in February 2019 for the amount of € 1,500,000.
- Sale of subsidiary VEMET to CABLEL in March 2019 for € 32,400.

35 Important Events

The most important events that took place during the financial year 2018 are as follows:

- During the financial year 2018, the Bondholders of the Syndicated Bond Loan amounting to € 179,800,000, accepted the Company's request for the amendment of its terms. In particular, an extension of the repayment was approved until December 2023 and fixed interest rate (4.25%) until its maturity.
- In July 2018 the Company proceeded with the sale of its subsidiary AEIFOROS SA to the company ANEMET SA The sale price was € 9,215,180.

Ordinary General Assembly Decisions
At the Ordinary General Assembly of the company's shareholders that took place in Athens on 24 June 2019, the following were decided:

1. Approval of the annual financial statements for the financial year ended 31.12.2018 with the reports of the Board of Directors and the auditors.
2. Discharge of the members of the Board of Directors and the auditors from any liability for the year 2018.
3. Election of auditors for the year 2019 and determination of their remuneration.
4. The approval of remuneration to members of the Board of Directors in accordance with article 24 par. 2190/1920.

Athens 24 June 2019

BoD Vice-Chairman	General Manager	The Financial Director
Athanasios I. Athanasopoulos ID No X 556803	Mariou Nicolaos ID No AE 083192	Karanicolas T. Nicolaos ID No AI 142104 License No 0113872, A' Class