Annual Financial Report 31.12.2017

S.A. REG. NO. 7365/06/B/86/32 – GEMI NO. 121572960000

"ELASTRON S.A. – STEEL SERVICE CENTERS"

According to article 4 of L. 3556/2007 and the executive Decisions issued by the Board of Directors of the Hellenic Capital Market Commission

April 2018

ELASTRON
STEEL SERVICE CENTERS

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NOTES ON THE FINANCIAL STATEMENTS

ELASTRON STEEL SERVICE CENTERS

STATEMENT BY REPRESENTATIVES OF THE BOARD OF DIRECTORS
(Pursuant to article 4 Law 3556/2007)

We hereby certify and declare that, to the best of our knowledge, the annual financial statements of the S.A. company 'ELASTRON S.A. – STEEL SERVICE CENTERS' for the period 01.01.2017 – 31.12.2017, which were prepared in accordance with the applicable International Financial Reporting Standards, truly reflect the assets and liabilities, the equity and the Company's results, as well as those of companies included in the consolidation, which are considered aggregately as a whole, according to the provisions of paragraphs 3 to 5 of article 4, Law 3556/2007 and the authorized decisions issued by the Hellenic Capital Market Commission's Board of Directors.

In addition, it is hereby certified and declared that, to the best of our knowledge, the Annual Management Report of the Board of Directors truly reflects the information required according to paragraph 6, article 4 of Law 3556/2007 and the authorized decisions issued by the Hellenic Capital Market Commission's Board of Directors.

Aspropyrgos, 19 April 2018

The signatories

Simos Panagiotis	Kalpinis Athanasios	Koutsothanassis Stilianos
Chairman of the Board	Chief Executive Officer	Deputy Chief Executive Officer

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS of ELASTRON S.A. for the period from January 1st to December 31st 2017

The annual Financial Report of the fiscal year 2017 was prepared according to article 4 of L. 3556/2007 and the executive Decisions issued by the Board of Directors of the Hellenic Capital Market Commission.

The companies which are included in the consolidation, besides the parent company, are as follows:

COMPANY	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
NORTHERN GREECE METAL PRODUCTS S.A.	Thessaloniki	Commerce and processing of steel products	100.00%	5,368,000.00	Full
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Commerce and processing of steel products	33.33% (Joint venture)	800,000.00	Equity
KALPINIS SIMOS BULGARIA EOOD	Sofia, Bulgaria	Commerce and processing of steel products	100.00%	10,000.00	Full
PHOTODEVELOPMENT SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTODIODOS SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.3%	265,533.70	Full
PHOTOENERGY SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
ILIOSKOPIO SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOKYPSELI SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropyrgos	Production of electric energy from Photovoltaic stations	100.00%	80,000	Full
THRACE GREENHOUSES S.A.	Xanthi	Production of agricultural products from glasshouse cultivations	49,09%	2,700,000	Equity

* The participation cost does not include any impairment.

1. FINANCIAL DEVELOPMENTS & PERFORMANCE

The Group's turnover posted significant improvement reaching € 90.4 million from € 75.2 million in the previous year posting an increase of 20%. Gross profit stood at € 13.3 million or 14.7% of total sales, versus € 11.6 million or 15.4% of total sales in 2016, whereas results before interest and taxes (EBIT) amounted to € 6.9 million versus € 5.0 million. The results before interest, taxes, depreciation and amortization (EBITDA) also increased to earnings of € 9.4 million versus earnings of € 7.4 million, whereas results before taxes settled at earnings of € 3.1 million versus earnings of € 2.3 million in the previous year.

It is noted that the results of the Group were affected by the non-recurring profit of € 1.2 million following the acquisition of the participation of the company BRITISH STEEL NEDERLAND INTERNATIONAL B.V. in the company NORTHERN GREECE METAL PRODUCTS S.A. as well as by the non-recurring profit amounting to € 1.6 million due to the measurement of the same company's fixed assets at their fair value.

It is noted that due to the change of the consolidation method of certain companies of the Group, as result of the corporate restructuring that took place, the consolidated financial statements of the Group are not directly comparable with the ones of the previous fiscal year.

On the parent company level, the turnover settled at € 89.1 million versus € 70.1 million in the previous year posting an increase of 27%, whereas gross profit amounted to € 12.4 million or 13.9% of total sales, compared to € 10.2 million or 14.5% of total sales in 2016. The results before interest, taxes, depreciation and amortization (EBITDA) increased and amounted to € 5.2 million versus € 3.8 million, whereas the results before taxes settled at earnings of € 0.03 million compared to earnings of € 0.2 million in 2016.

It is noted that the results of the parent company have been affected by a loss of € 740 thousand concerning the devaluation of the business interest in NORTHERN GREECE METAL PRODUCTS SA.

The increase in the turnover of the Group reflects the stronger business activity of the steel unit resulting from the higher market share in the Greek market and the stronger penetration of the international markets, as well as from the higher raw material prices which prevailed during the year compared to the previous one. It is also worth noting that the exports represented 29% of turnover compared to 14% in the previous year. With regard to Group's plan calling for economies of scale through the aggregation of business activities, the Group completed in the beginning of the 3rd quarter 2017 the acquisition of Tata Steel's participation stake in the company METALPRO SA, in which ELASTRON now holds the majority stake. At the same time within the year, the Group implemented investments in new machinery equipment targeting the upgrading of its products' quality as well as its entrance into new product categories with significant growth prospects.

In the Group's agricultural unit, the merger between the companies ELASTRON AGRICULTURAL SA and THRACE GREENHOUSES SA through the absorption of the former by the latter was approved in the beginning of the second half of 2017. Through the merger, the aim of the new company in which ELASTRON participates with an equity stake of 49% is to further strengthen its results via higher production capacity, the reduction of its operating costs and more efficient organization.

Finally, the results in the Group's energy unit posted an improvement due to the reduction of the operating and financial cost thus contributing notably to the consolidated financial results.

Following and in order to provide further information, we present the Group's and the Company's financial ratios for 2017:

	Group		Company	
(a) FINANCIAL STRUCTURE	**2017**	**2016**	**2017**	**2016**
Noncurrent assets / Total assets	52%	54%	48%	55%
Current assets / Total assets	48%	46%	52%	45%
Equity / Total Liabilities	110%	164%	136%	199%
Current assets / Short-term liabilities	194%	239%	262%	271%
(b) EFFICIENCY AND PERFORMANCE				
Net earnings before taxes / Sales	3.5%	3.1%	0.8%	1.0%
Net earnings before taxes / Equity	4.6%	3.6%	1.0%	1.0%

Sales / Equity	134%	115%	129%	101%
(c) CAPITAL STRUCTURE				
Net liabilities / Equity	91%	61%	73%	50%
Net bank liabilities / Equity	58%	36%	46%	31%
Net bank liabilities / EBITDA	4.0	3.2	6.2	5.5
(d) TURNOVER RATIOS				
Trade receivables (DSO)	83	80	83	85
Inventories (DSI)	122	115	123	122
Suppliers (DPO)	20	14	20	13

2. ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA) issued guidance with regard to the application of the Alternative Performance Measures. The aim of the guidance is to promote the usefulness and transparency of the financial ratios included in the published financial statements as well as in other reports referring to the figures of the financial statements. Alternative Performance Measures (henceforth APM) are financial ratios and indicators which are used for the measurement of the performance and financial position of the company, ratios which however are not analyzed in the provisions of the International Financial Reporting Standards.

The Management of the Company and the Group use APM in the context of monitoring their financial performance, decision making and compliance with the terms of the financing agreements. Some of the APM used by the Management are the following:

Results before interest, taxes, depreciation and amortization (EBITDA). It depicts the operating results of the company and the group that derive from their business activity as well as the ability to repay their debt and tax obligations. It is calculated as follows: Turnover plus operating income minus operating expenses with the exception of the depreciation of fixed assets, the amortization of grants and the impairments. EBITDA margin (%) derives from the division of EBITDA by the turnover.

Net Debt. It depicts the total bank debt obligation of the company and the group. It is calculated as follows: Total (short-term and long-term) debt minus total cash and cash equivalents. When the calculation extracts a negative result, it means that the company and the Group are able to fulfill in excess their debt obligations.

3. INFORMATION ON ENVIRONMENTAL AND LABOR ISSUES

a) Information on Environmental Issues

The environmental policy of the Company demonstrates the Management’s commitment to operate with absolute respect to the environment whereas it promotes the environmental conscience and also aims at promoting the environmental responsibility in both its human resources and the other stakeholders.

ELASTRON SA has been certified accordingly and thus applies a total environmental management system as it is specified in accordance with the international environmental management system EN ISO 14001 targeting the protection of the environment and the savings in natural resources.

b) Information on Labor Issues

The respect to the human being and safety constitute an indispensable part of the Group’s policy. For this reason the minimization of the probability of accidents and the creation of a work environment that respects the health, the integrity and the personality of the employees constitute fundamental values and principles for the Group. The Group complies fully with the effective legislation and regulations whereas at the same time it applies a detailed framework of rules, safety, professional behavior, prevention and management of accidents, which is constantly being revised and reviewed so that it responds to its current operating needs and is aligned with the international best practices of the sector which it activates in. At the same time, the Group places strong emphasis on the training of personnel in the issues of hygiene, safety and prevention, whereas systematic audits and inspections take place in order to ensure the application and compliance of the relevant safety rules.

4. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2017

Developments in the Group's Sectors

In the beginning of the second half 2017, the parent company ELASTRON SA implemented the acquisition of the participation of the company BRITISH STEEL NEDERLAND INTERNATIONAL BV in the affiliated company TATA ELASTRON SA. The particular acquisition resulted from the strategic decision of BRITISH STEEL NEDERLAND INTERNATIONAL BV to exit the Greek market and was decided and approved according to the criteria of the ability to further utilize the company's production facilities, the fairness of the acquisition price given the company's current value and the conditions prevailing in the Greek market. TATA ELASTRON SA which was renamed into NORTHERN GREECE METAL PRODUCTS SA according to the decision no. 5558-13/07/2017 of the Governor of the Region of Central Macedonia was established in 2007 and constituted the second joint venture (50-50) between ELASTRON and BRITISH STEEL NEDERLAND BV.

The company possesses modern facilities in the area of Sindos in Thessaloniki whereas its business objective is the production, processing and distribution of steel products with application in the areas of construction, industry, energy and marine shipping. The consideration of the acquisition settled at € 368 thousand. With the completion of the acquisition, ELASTRON controls 100% of the share capital of the company which is undergoing a restructuring phase.

In the agricultural division of the Group, the Board of Directors of ELASTRON AGRICULTURAL SA, based on the decision of 28/12/2016, approved the merger of the company with the company THRACE GREENHOUSES SA. Specifically, it was decided the absorption of the company from the company THRACE GREENHOUSES SA according to the provisions of articles 68-77a of P.L. 2190/1920 as it is in effect, in combination with the provisions of Law 2166/1993 (articles 1-5). The transformation balance sheet date was set on 31.12.2016.

The above merger was approved pursuant to the decision under the protocol number Γ/ΕΞ/2118-1/26-7-2017 of the Deputy Governor of Xanthi Region, which was registered in the GEMI (General Electronic Commercial Registry) on 28/07/2017 with Registration Code Number 1126741 according to the provisions of articles 68, paragraph 2 and 69-77 of P.L. 2190/1920 and of articles 1-5 of Law 2166/1993, as they are currently in effect.

The share capital of the new company amounts to 5,500,000 Euros and is divided into 550,000 shares with nominal value of 10.00 euro per share. ELASTRON SA participates in the share capital of the company with a percentage of 49.09%.

Implementation of Investment Plans

The decision no. 10392/29/01/2018 of the Deputy Minister of Finance and Development approved the completion of the business plan of ELASTRON SA which was submitted and accepted according to the inclusion decision no. 16985/ΔΒΕ 2029/22-12-2006/v.3299/2004 (Gov. Gaz. 421/Β'/27-03-2007) as it is currently in effect in the framework of Law 3299/2007 (Article 3, paragraph 1, case e, sub-case xi). The amount of the investment accounted for 12.8 million Euros and the corresponding grant settled at 4.5 million Euros, with the full amount being received.

The investment plan included the following:

1. Construction of building and special facilities amounting to € 2.3 mil.
2. Mechanical equipment for processing steel products amounting to € 7.1 mil.
3. Technical equipment amounting to € 2.0 mil.
4. Other investments amounting to € 1.4 mil.

The aforementioned investments were implemented at the company's facilities in Aspropyrgos and Skaramagkas, Attica.

The parent Company submitted in June 2013 to the Ministry of Development and Competitiveness a new subsidized investment program under the auspices of L. 3908/2011 for the modernization of the mechanical and building machinery, amounting to € 3.4 million. The rate of subsidy in this program is set at 15%. In May 2014, the parent Company's investment plan was approved and included in the category of General Entrepreneurship of the General Business Plans of article 6 of Law 3908/2011. In November 2017, the Company filled an audit request with regard to the completion and certification of the commencement of the production activity in relation to the particular investment, whereas in February 2018, the Company collected an amount of 146.7 thousand Euros which corresponds to 2/7 of the respective grant.

The affiliated company THRACE GREENHOUSES (as it emerged from the merger of the companies ELASTRON AGRICULTURAL SA and THRACE GREENHOUSES SA) is implementing an investment which concerns the expansion of the existing unit of hydroponic cultivation of glasshouse agricultural products, amounting to 12.2 million Euros in total. The particular investment plans (one plan per company) have been classified under the provisions of the investment Law 3908/2011 which provides for a 40% grant of the total investment cost. Until today, the Company has collected the amount of 589 thousand Euros via the use of a letter of guarantee covering the amount of the grant increased by 10%. In March 2018, the Company filed an interim audit request for the certification of the completion of 50% of the investment's financial and physical objective. At the same time it submitted a request for the collection of the corresponding grant amounting to 361 thousand Euros.
The completion percentage of the investment is currently above 70%.

Annual Ordinary General Meeting

On 15.06.2017, the Ordinary General Shareholders' Meeting took place at the Company's registered offices. 20 shareholders attended the General Meeting (either in person or through a legal representative), who own 11,525,153 shares or 62.6% of the paid up share capital. The General Meeting proceeded with the following resolutions:

1. Approval of the reports of the Board of Directors and Certified Auditor on the Parent and Consolidated Financial Statements for financial year 2016.
2. Approval of the Parent and Consolidated Financial Statements for financial year 2016, and the decision was made to not distribute dividend.
3. Approval of the release of members of the Board of Directors and the Certified Auditor from all liabilities for compensation regarding the management and audit of financial year 2016.
4. Approval of the election of Mr. St. Pappas as Ordinary Certified Auditor and Mr. Est. Karalis as Deputy Certified Auditor from the audit firm SOL S.A. for the financial year 2017 and approval of their fees.
5. Approval of the fees-remuneration of members of the Board of Directors for financial year 2016 and pre-approval of their remuneration for fiscal year 2017.
6. Granting of permission, based on article 23, paragraph 1 of P.L. 2190/1920, to the members of the Board of Directors and the Company's directors to participate in the Management of the Group's companies and of affiliated entities.

No other announcement was made. All the issues on the daily agenda were approved unanimously, namely with a percentage of 100% of those present.

Treasury shares

The Ordinary General Meeting of 12/06/2014 decided the purchase of up to 1,651,800 treasury shares of the Company which represent 8.96% of the current paid in share capital. The range of the price per share was set from twenty (20) cents up to one Euro and fifty cents (1.50) and was approved to be implemented in a time period of twenty four (24) months, beginning from the day following the approval by the General Meeting.

According to the above decision, the Company proceeded until 09/06/2016, date of the Ordinary General Meeting of the Shareholders, with the purchase of 13,484 treasury shares of total value 7,156.37 Euros (average price without expenses and transactions' commissions at € 0.5307 per share), which were then cancelled according to the clauses of article 16 of PL 2190/1920. As result the Company's share capital was reduced by the amount of thirteen thousand four hundred and eighty four Euros (€ 13,484) via the corresponding amendment of the article 5 of the Articles of Association. Following the above, the Company's share capital amounts to € 18,421,516 divided by 18,421,516 shares with nominal value of € 1.0 per share.

At the same time with the decision of the same Ordinary General Meeting it was decided the purchase of up to 1,830,016 shares of the Company which represent 9.94% of the current share capital. The purchase price range was approved between twenty (20) cents and one Euro and fifty cents (1.50) per share. The above proposed stock repurchase plan was decided to be implemented through a period of twenty four (24) months beginning from the day following the approval by the General Meeting.

	Shares	Value
Year 2012	184,350	107,441.43
Year 2013	27,130	17,758.82
Year 2014 (up to the G.M.)	1,520	1,277.36
Year 2014 (up to the G.M.)	6,070	3,624.10
Year 2015	6,115	3,182.75
Year 2016	11,976	7,569.25
Year 2017	0.00	0.00
Total	**237,161**	**140,853.71**
Cancellation of treasury shares via share capital decrease	-226,484	-133,791.23
Balance 31.12.2017	**10,677**	**7,062.48**

Tax audit

Since the fiscal year 2011, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS SIMOS SA, and also since the year 2014 all Group companies, have been included in the tax audit of the Certified Auditors as it is provided by the clauses of article 65A of Law 4174/2013, as they were amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not included in the tax audit of the Certified Auditors, it is estimated that there is no reason for the formation of any provision. As result, on 31.12.2017 the company and the group have formed no provisions regarding tax-unaudited fiscal years.

ELASTRON SA and the other Group companies have assigned a Certified Auditor the tax audit of the fiscal year 2017. The particular audit is under progress and the relevant tax certificate is expected to be granted after the release of the financial statements of year 2017. If until the completion of the tax audit certain additional tax liabilities emerge, then it is estimated that these will not have any material impact on the financial statements.

5. RISKS AND UNCERTAINTIES

According to the Act of Legislative Content (Gov. Gaz. 65 A'/28-06-2015) the Greek banking system entered into a bank holiday whereas capital controls were imposed in the country concerning the free transfer of capital domestically as well as abroad. Specifically, special authorization processes concerning the payments toward suppliers abroad were imposed which in turn generated significant delays in the processing of transactions, whereas the financial results of the companies were affected by additional operating and administrative costs.
In the above context, ELASTRON Group, thanks to its long-term relations with major suppliers abroad and also due to the significant dispersion of its liquidity in Greece and abroad, managed to maintain a steady flow of raw material supplies and continued on uninterrupted manner its operations although

under especially unfavorable market conditions. It should be noted however, that with the passage of time, the regulatory framework of capital controls has significantly improved and as result the measure does not materially affect the ordinary activities of the Company and the Group.

In the context of its ordinary business activities, the Group is exposed to the following financial risks within the scope of its basic activity:

- Credit risk
- Liquidity risk
- Market risk

The risk management policy is focused on the volatility of financial markets with the objective of minimizing the factors that may negatively affect its financial performance.

The risk management policies are applied in order to recognize and analyze risks which the Group faces, to set limits on risks assumed and to apply controls to such limits. The systems and policies applied are periodically reviewed to incorporate changes observed in market conditions and the Group's activities.

The risk management is performed by the Company's Finance Department, in cooperation with the Group's other departments and according to the guidelines and approvals of the Company's Board of Directors.

Adherence to risk management policies and procedures is controlled by the Internal Audit Department, which performs ordinary and extraordinary audits on the application of procedures, the findings of which are disclosed to the Board of Directors.

1) Credit risk

Due to the great dispersion of its clientele (no client exceeds 10% of total sales), the Group does not have a significant concentration of credit risk. Based on the credit policy approved by the Group companies' Board of Directors, all new clients are examined on an individual basis in terms of their creditworthiness prior to the proposal of the standard payment terms. Credit limits are set for each client; these are reviewed depending on ongoing conditions and, if necessary, the sales and collection terms are adjusted. As a rule, customer credit limits are determined on the basis of the insurance limits set for them by the insurance companies. While monitoring credit risk of customers, such are grouped according to their credit profile, the maturity of their receivables and any prior collection problems that may have emerged. Customer receivables mainly include the Group's wholesale clients.

Clients characterized as "high risk" are placed in a special client list and future sales are to be pre-collected and approved by the Board of Directors. At the same time, the Group makes impairment provisions which reflect its estimation on losses related to clients and other receivables. This provision mainly consists of impairment loss of specific receivables which are estimated on the basis of given conditions that such will be collected, but have not yet been finalized.

The amount of the impairment loss is estimated as the difference between the book value of receivables and the present value of estimated future cash flows, discounted by the initial effective interest rate. The impairment loss amount is accounted for as an expense in the results. Receivables which are assessed as bad debts are written off.

The credit risk is limited to 20% of the total trade receivables, on the basis of the Group's insurance policies. The margin of this risk is limited even further as tangible or other guarantees (such as letters of guarantee) are requested wherever deemed necessary.

Maturity of Trade Receivables	Group	Company
Up to 30 days	8,782,731.85	8,723,128.76
31 to 90 days	9,285,853.35	9,107,991.00
91 to 180 days	2,976,184.66	2,668,971.00
Over 180 days	4,202,861.35	4,019,802.00

Intra-group transactions	-374,360.11	0.00
Total	**24,873,271.10**	**24,519,892.76**
Provisions for doubtful receivables	-3,080,467.88	-2,916,667.88
Total	**21,792,803.22**	**21,603,224.88**

2) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its financial liabilities when these become due. The approach adopted by the Group to manage liquidity is to secure the necessary cash and sufficient credit limits from the banks with which it cooperates, so that there is the appropriate liquidity for the fulfillment of the financial liabilities, under standard as well as unfavorable conditions without incurring unacceptable loss or risking its reputation. In order to minimize the liquidity risks, the finance division of the Group makes an annual provision for cash flows for the fiscal year when preparing its annual budget and a monthly rolling three-month provision so as to secure that it has sufficient cash to meet its operating needs, including its financial liabilities. This policy does not take into account the impact of extreme conditions, which cannot be foreseen. For this reason, the Management of the Group, by assessing the market conditions each time, maintains a certain amount of cash reserves for defensive purposes, in order to face any extreme or extraordinary situations.

It is noted that for the entire debt obligations of the Group no tangible asset has been placed as collateral in favor of the banks, an element which indicates the especially high creditworthiness of the Group.

The following table presents an analysis of the Company's and Group's liabilities, based on their expiration and remaining duration as at 31.12.2017.

Group	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	984,800.00	663,225.03	43,607,361.54	**45,255,386.57**
Suppliers and other liabilities	6,957,720.11	161,487.82	4,027,098.17	**11,146,306.10**
Grants (deferred income)	0.00	171,300.31	4,935,493.80	**5,278,094.42**
Total	**7,942,520.11**	**824,712.85**	**52,912,554.13**	**61,679,787.09**

Group	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	984,800.00	663,225.05	35,485,133.00	**37,133,158.05**
Suppliers and other liabilities	6,778,491.14	161,487.82	3,212,098.74	**10,152,077.70**
Grants (deferred income)	119,243.48	119,243.48	3,220,506.85	**3,458,993.81**
Total	**7,882,534.62**	**943,956.35**	**41,917,738.59**	**50,744,229.56**

On 31.12.2017, the Company and the Group possessed cash and cash equivalents of € 5.4 and 5.9 million respectively.

3) Market risk

Market risk is the risk of change in prices of raw materials procured by the Group, the risk of change in the foreign exchange rates that the Group conducts transactions in and the risk of change in interest rates that the Group borrows at and which can affect the Group's results. The purpose of risk management against market conditions is to determine and control the Group's exposure to those risks, within the context of acceptable parameters while at the same time optimizing its performance.

- **Metal (iron, steel, etc.) Raw Material Price Volatility Risk**

The Group conducts its purchases mainly in the global steel market under normal market terms. Each change in the market price of raw materials is discounted for in the sales price, resulting in changes in the Group's profit margin during periods of big price fluctuations for raw materials in the world market. More specifically, in periods during which prices follow an upward trend, the Group's profit margins improve, as the upward trend is transferred to the sales prices. Accordingly, when raw material prices follow a declining trend, the Group's profit margins decrease.

The Group does not apply hedging to cover its basic operating reserve, which means that any increase/decrease of metal prices may affect its results accordingly through depreciation or appreciation of inventories.

- **Foreign exchange risk**

The Group is exposed to foreign exchange risk from the purchase of inventories it makes in $ (US Dollar), from the deposits denominated in $ (US Dollar) as well as from the joint venture BALKAN IRON GROUP SRL, based in Romania, whose operating currency unit is the RON.

The Group's borrowings are euro denominated in their entirety while there are no receivables denominated in foreign currency.

Foreign currency is purchased in advance in order for the Company to limit its foreign exchange risk emerging from inventory purchase. The total liabilities of the Group as of 31.12.2017 are covered by equivalent purchases in advance of foreign currency and as a result there is no foreign exchange risk associated with the fluctuations of the US Dollar.

An increase by 10% of the Euro versus the US$ and of the Euro versus the RON on 31 December would affect the equity and the results by negligible amounts for the Company.

- **Interest rate risk**

Interest rate risk arises mainly from long-term and short-term bank loans in € at the floating rate of Euribor.

The Group finances its investments, as well as its need for working capital, through equity, short-term bank loans, long-term and bond loans and as a result is burdened by interest expenses. Increasing trends in interest rates shall negatively affect results, as the Group incurs the additional borrowing cost.

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rates of loans (Euribor) would be 1% higher/lower on average during the financial year 2017:

Amounts in € million	Loans 31.12.2017	Effect on results before tax (+ / -)
Group	45.3	0.45
Company	37.1	0.37

This would occur due to the higher/lower financial cost of bank borrowing with a floating rate in euro.

A smaller effect results from interest related income, from term deposits in euro.

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rate on term deposits would be 1% higher/lower on average during financial year 2017:

Amounts in € million	Sight and term deposits 31.12.2017	Effect on results before tax (+ / -)
Group	5.9	0.06
Company	5.4	0.05

This would occur due to the higher/lower financial income from term deposits.

- **Risk of Capital**

The purpose of the management in relation to capital management is to ensure the smooth and uninterrupted operation of activities with the objective of providing satisfactory returns to shareholders, and to maintain as much as possible an ideal capital structure, thus reducing the cost of capital. For this reason, the management, according to the prevailing conditions, may adjust its dividend policy, increase its share capital or sell assets in order to reduce debt.

Company Data	2017	2016
Total debt	37,133,158.05	25,578,124.13
Minus: Cash and cash equivalents	5,410,747.70	4,224,181.36
Net debt	**31,722,410.35**	**21,353,942.77**
Total equity	69,248,172.69	69,324,061.10
EBITDA	5,153,241.37	3,843,561.38
Equity / Net debt	**2.18**	**3.25**
Net debt / EBITDA	**6.16**	**5.56**

Group Data	2017	2016
Total debt	45,255,386.57	28,280,845.82
Minus: Cash and cash equivalents	5,930,121.94	4,717,349.16
Net debt	**39,325,264.63**	**23,563,496.22**
Total equity	67,648,703.51	65,348,297.62
EBITDA	9,404,350.92	7,415,983.25
Equity / Net debt	**1.72**	**2.77**
Net debt / EBITDA	**4.18**	**3.18**

4. FUTURE OUTLOOK

The Group's business course in the following year is expected to depend significantly on the potential maintenance of a stable environment in the Greek economy, the improvement of the business regulatory framework, as well as the immediate implementation of investments in the areas of infrastructure, energy, logistics, tourism and agricultural production. At the same time, the uncertainty with regard to the geopolitical developments and the risk of a trade war between the USA and China through the imposition of tariffs on various products creates uncertainty with regard to the development of raw materials prices and consequently with regard to the course of the sector and the evolution of the Group's results.

Under the above developments, once again the objective of the Company for the year 2018 is to further increase exports, penetrate the Greek market as well as produce and distribute new products of higher added value. At the same time, the Management continues its efforts towards the contraction of the operating and financial cost as well as the further improvement of the Group's financial structure.

5. TRANSACTIONS WITH RELATED PARTIES

The amounts of the Group's and Company's sales and purchases, from and towards related parties, as well as the balances of receivables and liabilities, are analyzed as follows:

ELASTRON STEEL SERVICE CENTERS

(a) Intra-company sales / purchases on 31.12.2017 and 31.12.2016 respectively:

	SALES / REVENUES			
PURCHASES / EXPENSES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	1,304,490.32	**1,304,490.32**
THRACE GREENHOUSES S.A.	5,021.71	0.00	0.00	**5,021.71**
PHOTOENERGY S.A.	52,040.41	0.00	0.00	**52,040.41**
PHOTODEVELOPMENT S.A.	116,482.09	0.00	0.00	**116,482.09**
PHOTODIODOS S.A.	102,160.41	0.00	0.00	**102,160.41**
PHOTOKYPSELI S.A.	35,157.09	0.00	0.00	**35,157.09**
ILIOSKOPIO S.A.	48,423.75	0.00	0.00	**48,423.75**
PHOTOISHIS LTD	13,687.50	0.00	0.00	**13,687.50**
NORTHERN GREECE METAL PRODUCTS S.A.	32,133.36	0.00	0.00	**32,133.36**
TOTAL	**405,106.32**	**0.00**	**1,304,490.32**	**1,709,596.64**

	SALES / REVENUES				
PURCHASES / EXPENSES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**CORUS KALPINIS SIMOS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	101,354.94	316,520.66	**417,875.60**
THRACE GREENHOUSES S.A.	2,495.61	0.00	0.00	5,778.65	**8,274.26**
PHOTOENERGY S.A.	52,074.49	0.00	0.00	0.00	**52,074.49**
PHOTODEVELOPMENT S.A.	116,564.51	0.00	0.00	0.00	**116,564.51**
PHOTODIODOS S.A.	102,234.49	0.00	0.00	0.00	**102,234.49**
PHOTOKYPSELI S.A.	35,174.51	0.00	0.00	0.00	**35,174.51**
ILIOSKOPIO S.A.	48,454.50	0.00	0.00	0.00	**48,454.50**
PHOTOISHIS LTD	13,725.00	0.00	0.00	0.00	**13,725.00**
NORTHERN GREECE METAL PRODUCTS S.A.	1,120,185.29	0.00	0.00	8,236.05	**1,128,421.34**
CORUS KALPINIS SIMOS S.A.	576,016.54	0.00	3,611.99	0.00	**579,628.53**
TOTAL	**2,066,924.95**	**0.00**	**104,966.92**	**330,535.36**	**2,502,427.24**

(b) Intra-company receivables / liabilities on 31.12.2017 and 31.12.2016 respectively:

	RECEIVABLES			
LIABILITIES	ELASTRON S.A.	NORTHERN GREECE METAL PRODUCTS S.A.	COMPANIES OF PHOTOVOLTAIC STATIONS	TOTAL
ELASTRON S.A.	0.00	1,166.00	61,568.86	**62,734.86**
THRACE GREENHOUSES S.A.	1,609,102.01	0.00	0.00	**1,609,102.01**
PHOTOENERGY S.A.	204,500.00	0.00	0.00	**204,500.00**
PHOTODEVELOPMENT S.A.	495,304.06	0.00	0.00	**495,304.06**
PHOTODIODOS S.A.	444,500.00	0.00	0.00	**444,500.00**
PHOTOKYPSELI S.A.	104,500.00	0.00	0.00	**104,500.00**
ILIOSKOPIO S.A.	184,500.00	0.00	0.00	**184,500.00**
PHOTOISHIS LTD	597,390.04	0.00	0.00	**597,390.04**
NORTHERN GREECE METAL PRODUCTS S.A.	2,025,277.77	0.00	0.00	**2,025,277.77**
BALKAN IRON GROUP SRL	155,700.00	0.00	0.00	**155,700.00**
KALPINIS SIMOS BULGARIA EOOD	780,000.00	0.00	0.00	**780,000.00**
TOTAL	**6,600,773.88**	**1,126.66**	**61,568.86**	**6,663,508.74**

	RECEIVABLES			
LIABILITIES	ELASTRON S.A.	NORTHERN GREECE METAL PRODUCTS S.A.	CORUS KALPINIS SIMOS S.A.	TOTAL
ELASTRON S.A.	0.00	0.00	0.00	**0.00**
ELASTRON AGRICULTURAL S.A.	2,875.09	0.00	0.00	**2,875.09**
PHOTOENERGY S.A.	228,299.48	0.00	0.00	**228,299.48**
PHOTODEVELOPMENT S.A.	584,898.86	0.00	0.00	**584,898.86**
PHOTODIODOS S.A.	520,089.56	0.00	0.00	**520,089.56**
PHOTOKYPSELI S.A.	110,864.10	0.00	0.00	**110,864.10**
ILIOSKOPIO S.A.	204,563.81	0.00	0.00	**204,563.81**
PHOTOISHIS LTD	853,374.04	0.00	0.00	**853,374.04**
NORTHERN GREECE METAL PRODUCTS S.A.	1,118,443.46	0.00	0.00	**1,118,443.46**
BALKAN IRON GROUP SRL	150,700.00	0.00	0.00	**150,700.00**
KALPINIS SIMOS BULGARIA EOOD	770,000.00	0.00	0.00	**770,000.00**
TOTAL	**4,544,108.40**	**0.00**	**0.00**	**4,544,108.40**

	GROUP		COMPANY	
	1.1-31.12		1.1-31.12	
	2017	2016	2017	2016
c) Transactions and remuneration of Board Members & senior executives				
Transactions and remuneration of Board Members	303,958.35	304,000.00	303,958.35	304,000.00
Transactions and remuneration of senior executives	150,189.75	240,280.66	84,000.00	84,000.00
Transactions and remuneration of other related entities	19,110.00	19,110.00	19,110.00	19,110.00
Receivables from senior executives and Board members	0.00	0.00	0.00	0.00
Liabilities to senior executives and Board members	0.00	0.00	0.00	0.00

Senior executives according to IAS 24 are those individuals that have the authority and responsibility for the planning, management and control of the entity's activities, directly or indirectly, and include all members of the Board of Directors (executive and non-executive) of the entity, as well as all other senior executives according to the above definition.

6. EXPLANATORY REPORT (Article 4, par. 7 L.3556/2007)

a) Structure of the Company's share capital

On 31.12.2017 the Company's share capital amounted to 18,421,516 Euro and was divided into 18,421,516 common registered shares with a nominal value of 1.00 euro each.

The total shares are listed and traded freely on the Athens Exchange.

Based on the 10th subject of the General Meeting on 09.06.2016, it was approved the repurchase of up to 1,830,016 own shares which represent 9.93% of the Company's outstanding and paid in cash share capital. The range of the purchase price per share will be from twenty (20) cents to one euro and fifty cents (1.50) and will be implemented in a time period of twenty four (24) months beginning on the day following the approval by the General Meeting. Until the publication date of the annual financial report 2017, the Company proceeded with the purchase of 10,677 treasury shares with an average acquisition price of € 0.6582 per share.

Each Company share incorporates all the rights and obligations stipulated by Law and the Company's Memorandum of Association, which however does not include provisions that limit those provided by the Law. Ownership of a share implies ipso jure acceptance by the owner of such of the Company's Memorandum of Association and the legal decisions made by the General Meeting of shareholders.

The responsibility of shareholders is limited to the nominal value of shares owned. Shareholders participate in the Company management and earnings according to the Law and provisions of the Memorandum of Association. The rights and obligations that emanate from each share follow such to any universal or special beneficiary of the shareholders.

Shareholders exercise their rights in relation to the Company's Management only through the General Meetings. Shareholders have a pre-emptive right to each future increase of the Company's Share Capital, according to their participation in the existing share capital, as stipulated by the provisions of law 2190/1920.

Lenders of shareholders and their beneficiaries cannot in any case cause confiscation or sealing of any asset or the books of the Company, nor can they request the sale or liquidation of the Company, or be involved in any way in the Company's management or administration.

All shareholders, regardless of where such reside, are considered to have the Company's domicile as their legal residence and are subject to Greek Law, as regards to their relationship with the Company. Any difference between the Company on the one hand and shareholders or any third party on the other, is subject to the exclusive jurisdiction of ordinary courts, while the Company can be prosecuted only before courts of its domicile.

Each share provides one voting right. Co-owners of a share, in order to exercise their voting right, must submit to the Company in written one joint representative for the share, which will represent them in the General Meeting, while the exercise of their right is postponed until such a representative is assigned.

Each shareholder is entitled to participate in the General Meeting of the Company's shareholders, either in person or through a representative. All shareholders have the right to participate and vote in the General Meeting. The exercise of such rights does not require the blockage of the beneficiary's shares nor any other corresponding procedure, which limits the ability to sell and transfer shares during the period from the record date of beneficiaries and the date of the General Meeting. On the other hand, those entitled to participate in the General Meeting are those that appear as shareholders on the records of the authority where the company's securities are kept. The shareholder capacity is evidenced by submitting the relevant written certification by the aforementioned authority, or alternatively with the online connection of the company with the latter's records. The shareholder capacity must be in effect during the beginning of the fifth (5^{th}) day prior to the General Meeting date (record date) and the relevant written certification or electronic certification of the shareholder capacity must be submitted to the company at least the third (3^{rd}) day prior to the General Meeting date.

Only those who carry the shareholder capacity during the record date are considered from the Company to have the right to participate and vote in the General Meeting. In case of non-compliance with the above, a shareholder can participate in the General Meeting only with the permission of such.

From the date the invitation to convene the General Meeting is released and until the General Meeting date, at least the following information is posted on the company's website:

- The invitation to convene the General Meeting.
- The total number of shares outstanding and voting rights during the date of the invitation, including subtotals per category of shares, if the company's share capital is allocated into more than one share category.
- The documents to be submitted to the General Meeting.
- The draft resolution on each issue on the daily agenda that is proposed or, if no decision is proposed for approval, then a commentary by the Board of Directors on each issue of the agenda and possible draft resolution proposed by shareholders, immediately following the receipt of such by the company.
- The documents that must be used to exercise voting rights by mail, unless such documents are sent directly to each shareholder.

The method, location as well as payment date of dividends are announced by the Company through the Press, as defined by Law 3556/2007 and the relevant decisions issued by the Hellenic Capital Market Commission. The right to receive dividend is cancelled in favor of the Greek State after five (5) years from the end of the year during which the General Meeting approved its distribution.

b) Limits on transfer of Company shares

There are no limitations on the transfer of Company shares.

c) Significant direct or indirect holdings according to the definition of L. 3556/2007

The following table presents the Company's shareholders with significant holdings of its share capital, according to data from the last General Meeting of 15.06.2017 and the most recently published data:

SHAREHOLDER	TOTAL NUMBER OF SHARES 18,421,516	PERCENTAGE OF SHARE CAPITAL
KALPINIS ATHANASIOS	3,104,250	16.85%
KALPINI ELVIRA	2,070,500	11.24%
SIMOS N. PANAGIOTIS	1,583,687	8.60%
SIMOS P. NIKOLAOS	900,000	4.89%
SIMOU DOMINIKI	900,000	4.89%
SAKELLARIOU NIKOLAOS	900,000	4.89%
SAKELLARIOU CHRISTOS	900,000	4.89%
SARMAS PANAGIOTIS	913,831	4.96%

d) Shares providing special control rights

There are not such shares.

e) Limitations on voting rights

There are no limitations on voting rights.

f) Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

g) Rules for the appointment and replacement of members of the Board of Directors and the amendment of the Memorandum of Association

There are no relevant rules that other than those stated by Codified Law 2190/20.

h) Responsibility of the Board of Directors or its members a) for the issue of new shares or b) the acquisition of treasury shares

a) According to article of C.L. 2190/1920, with the limitations of paragraph 4, the Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the disclosure requirements of C.L. 2190/1920, to increase the Company's share capital with the issue of new shares, through a decision by the Board of Directors that is made with a majority of at least 2/3 of its total members. In this case, the Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors has a 5-year effect and may be renewed.
There is currently no such decision in effect.
According to article 13, par. 13, by means of a decision by the General Meeting, a stock option plan can be issued to members of the Board of Directors and to staff, with the form of stock options according to the specific terms of such a decision. The General Meeting decision defines the maximum number of shares that may be issued, which according to law cannot exceed 1/10 of existing shares. Also, the price and sale terms towards beneficiaries are set as well as the maximum number of shares that can be acquired if beneficiaries exercise their rights. The Board of Directors, by means of a relevant decision, defines any other relevant detail not provided for by the General Meeting. There is currently no such decision in effect.

b) According to article 16 of C.L. 2190/1920, the Board of Directors may convene a General Meeting of shareholders, with the objective to decide on the purchase of treasury shares. In case of any relevant decision approved, the General Meeting will proceed to the respective authorizations in accordance with the clauses of the legislation currently in effect.

The General Meeting on 09.06.2016 approved the repurchase of up to 1,830,016 own shares which represent 9.93% of the Company's outstanding and paid in cash share capital. The range of the purchase price per share will be from twenty (20) cents to one euro and fifty cents (1.50) and will be implemented in a time period of twenty four (24) months beginning on the day following the approval by the General Meeting. Until the publication date of the annual financial report 2016, the Company proceeded with the purchase of 10,677 treasury shares with an average acquisition price of € 0.6582 per share.

i) Important agreements which are put into effect, amended or terminated in case of a change in the Company's control following a public offer

There are no such agreements.

j) Agreements with members of the Board of Directors or employees of the Company

There are no agreements made between the Company and members of its Board of Directors or its employees, which define the payment of indemnity in the case of resignation or dismissal without reasonable cause or termination of their period of office or employment due to a public offer.

CORPORATE GOVERNANCE STATEMENT

Introduction

Corporate governance includes the manner in which companies are managed and controlled. Specifically it is a system of relations between the Company's Management, the Board of Directors, shareholders and other interested parties. Essentially it constitutes the structure through which the Company's objectives are approached and set out, the basic risks the Company faces during its operation are identified, the means to achieve the company objectives are defined, the risk management system is organized and the monitoring of Management's performance while implementing the above is rendered possible.
In Greece, the corporate governance framework is defined through applying and adhering to mandatory regulations, such as:

- Law 3016/2002, which imposes the participation of non-executive and independent non-executive members in the Board of Directors of Greek listed companies, the establishment and operation of an internal control service, as well as the adoption of internal operation regulations.
- Law 3884/2010 with reference to the shareholders' rights and additional corporate responsibilities for disclosures towards the shareholders in the context of the preparation of the General Meeting.
- Law 3873/2010, which incorporate the EU Directive 2206/46/EC in Greek law and operates as a reminder for the need to establish the Code and constitutes its "founding base".
- Law 4449/2017 (which replaced Law 3693/2008) which adjusted the Greek legislation according to the provisions of Directive 2014/56/EU of the European Parliament and the Council of 16th April 2014, regarding the establishment of the Audit Committee and its duties and responsibilities.

ELASTRON S.A. fully complies with the provisions and stipulations of the above laws, which constitute the minimum content of any Corporate Governance Code. However, apart from the provisions of the above laws, the Company has compiled its own Corporate Governance Code taking into consideration the principles defined by the Corporate Governance Code prepared by the Hellenic Federation of Enterprises (SEV), as it was amended from the Hellenic Corporate Governance Council on 28 June 2013. The Company's code is available on the website: http://www.elastron.gr.

Information of article 10, par. 1, items c), d), f), h), i) of EU directive 2004/25/EC

c) The significant direct or indirect holdings of the company are the following:

- NORTHERN GREECE METAL PRODUCTS S.A. (joint venture). The Company participates by 100%.
- TATA ELASTRON S.A. (joint venture). The company participates by 50% up until 06.04.2016. On 07.04.2016 the company acquired the remainder 50% from the company TATA STEEL

NEDERLAND B.V, whereas on 30.06.2016 the subsidiary was absorbed by the parent company ELASTRON SA – STEEL SERVICE CENTERS.
- BALKAN IRON GROUP SRL (joint venture). The company participates by 33.3%.
- KALPINIS – SIMOS BULGARIA EOOD (100% subsidiary).
- PHOTODEVELOPMENT SA (subsidiary). The company participates by 98.6%
- PHOTODIODOS SA (subsidiary). The company participates by 98.3%
- PHOTOENERGY SA (subsidiary). The company participates by 97.5%
- ILIOSKOPIO SA (subsidiary). The company participates by 97.5%
- PHOTOKYPSELI SA (subsidiary). The company participates by 97.5%
- PHOTOISXIS MEPE (subsidiary). The company participates by 100.00%
- THRACE GREENHOUSES SA (joint venture). The company participates by 49.09%

Moreover, according to article 4 par. 7 of L. 3556/2007 the direct or indirect participations in the company's share capital (number of shares at 18,421,516 according to the decision of 15.06.2017 by the Ordinary General Meeting of shareholders) are the following:

- Athanasios Kalpinis of Andreas with 3,104,250 shares (16.85% - direct participation)
- Elvira Kalpini of Andreas with 2,070,500 shares (11.24% - direct participation)
- Panagiotis Simos of Nikolaos with 1,583,687 shares (8.60% - direct participation)
- Nikolaos Simos of Panagiotis with 900,000 shares (4.89% - direct participation)
- Dominiki Simou of Panagiotis with 900,000 shares (4.89% - direct participation)
- Sakellariou Nikolaos with 900,000 shares (4.89% - direct participation)
- Sakellariou Christos with 900,000 shares (4.89% - direct participation)
- Sarmas Panagiotis with 913,831 shares (4.96% - direct participation)

There are no significant indirect participations.

d) There are no securities and therefore owners that provide special control rights.

f) There are no limitations on voting rights or systems through which with the cooperation of the company, financial rights emanating from securities are distinguished from the ownership of the securities. The time-frames for exercise of voting rights are mentioned in detail in the section "Shareholders' rights and their exercise".

h) The rules for appointment and replacement of Board members are those mentioned in C.L. 2190/1920 and are described in detail in the following section.

i) There are no authorities of Board members regarding the ability to issue of buy back shares.

General Meeting of Shareholders

The General Meeting of shareholders is the highest-level body of the Company and is entitled to decide on any corporate affair. Its legal decision also binds shareholders that are not present or who disagree. The General Meeting is the only one responsible to also decide on issues of article 34 of C.L. 2190/1920.
The General Meeting of shareholders is convened by the Board of Directors and meets regularly at least once each financial year and always until the 10th day of the 9th month, at the latest, from the end of each financial year and as an Extraordinary meeting whenever deemed necessary by company needs. The Meeting takes place at the company's domicile or at any other location within the Attica prefecture.
The General Meeting may convene through teleconference as well as with a long-distance participation of shareholders, under the conditions defined each time by the relevant legislation.
The Chairman of the Board temporarily acts a Chairman of the General Meeting, or if he is unavailable his deputy or an individual appointed by such. Whoever is appointed by the temporary Chairman serves as secretary temporarily.
After the list of shareholders' that have a voting right in the meeting is approved, then the General Meeting proceeds with electing the formal Chairman and formal secretary of the meeting.

Shareholders with the right to participate in the General Meeting may be represented in such by a proxy.
The General Meeting, with the exception of the repeated General Meetings and equivalent to the latter meetings, is convened at least twenty days prior to the general meeting date, without counting the release date of the invitation and the day of the meeting. The invitation includes at least the location with the exact address, date and time of the meeting, the daily agenda issues clearly, the shareholders that have the right to participate, as well as exact information on the manner in which shareholders will be able to participate in the meeting and information on the manner in which shareholders will be able to participate in the meeting and exercise their rights. However, the option to publish a summary of the invitation is provided, and such a summary includes at least the location with the exact address, the date and time of the meeting, the shareholders who have the right to participate, as well as explicit reference to the website where the full invitation is available.
The General Meeting is at quorum and meets validly on the daily agenda issues when shareholders that represent at least 1/5 of the paid up share capital are present or represented at the meeting.
If this quorum is not achieved during the first meeting, then a repeated meeting is convened in twenty (20) days from the day of the cancelled meeting, with a release of the invitation at least (10) days prior to the new meeting, unless the initial invitation states the location and time of the repeated meetings according to law, for the case quorum is not achieved. The repeated meeting is at quorum and meets validly on the issues of the initial daily agenda regardless of the portion of paid up share capital represented in such.
The decisions of the General Meeting are made with absolute majority of the votes represented in such.
Exceptionally, the General Meeting is at quorum and meets validly on the issues of the daily agenda if shareholders representing (2/3) of the paid up share capital are present or represented, when referring to decisions defined in article 29 par. 3 of C.L. 2190/1920.

If the quorum of the previous paragraph is not achieved during the first meeting, then the first repeated meeting is convened in twenty (20) days from the day of the cancelled meeting, with a release of the invitation at least (10) days prior to the new meeting, while the repeated meeting is at quorum and meets validly on the issues of the initial daily agenda when at least (1/2) of the paid up share capital is represented in such.
If the above quorum is also not achieved, then the a second repeated meeting convenes again within twenty (20) days, with the release of the relevant invitation at least ten (10) days earlier, whereas the second repeated meeting is at quorum and meets validly on the issues of the initial daily agenda when at least (1/5) of the paid up share capital is represented in such.
A new invitation is not required if the initial invitation states the location and time of the repeated meetings according to law, for the case quorum is not achieved.

Shareholders' rights and their exercise

Any shareholder has the right to participate and vote at the company's General Meeting. The exercise of such rights does not require the blockage of the beneficiary's shares or any other process, which limits the ability to sell and transfer shares during the period between the record date of beneficiaries and the date of the General Meeting. On the other hand, beneficiaries that participate in the General Meeting are those who appear as shareholders in the records of the relevant authority where the company's securities are held. The shareholder capacity is evidenced by submitting the relevant written certification of the above authority, or alternatively with the online connection of the company with the latter's records. The shareholder's capacity must be active during the fifth (5th) day prior to the date of the General Meeting (record date) and the relevant written or electronic certification of the shareholder's capacity must be received by the company at least the third (3rd) day prior to the date of the General Meeting.
Only those that have the shareholder capacity during the respective record date are considered by the Company to have the right of participation and voting at the General Meeting. In the cases of non-compliance with the above, the said shareholder participates in the General Meeting only after the latter's permission.
The shareholder participates in the General Meeting and votes either in person or through a proxy. Proxies that act on behalf of more than one shareholders may vote separately for each shareholder. Shareholders may appoint a proxy either for one or for as many meetings that may take place within a defined time period. Legal entities participate in the General Meeting by appointing up to three (3) persons as representatives. The shareholder proxy is obliged to disclose to the Company, prior to the

beginning of the General Meeting, any specific event that may be useful to shareholders in assessing the risk of the proxy serving other interests than those of the represented shareholder. According to the definition of the present paragraph, there might be conflict of interests specifically when the proxy:

a) is a shareholder that exercises control on the Company or is another legal entity controlled by the shareholder,
b) is a member of the Board of Directors or generally the management of the Company or of a shareholder that exercises control on the Company, or another legal entity that is controlled by a shareholder who exercises control on the Company,
c) is an employee or certified public accountant of the Company or shareholder that exercises control on the Company, or another legal entity controlled by the shareholder who exercises control on the Company,
d) is a spouse or first degree relative with one of the persons mentioned above in cases (a) through (c).
The appointment and revocation of a proxy is applied in written or through electronic means and disclosed to the Company at least three (3) days prior to the date of the General Meeting.
Ten (10) days prior to the Ordinary General Meeting, any shareholder can obtain copies of the annual financial statements and reports by the Board of Directors and auditor from the Company.
With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to convene an Extraordinary General Meeting of shareholders, setting the date of such, which cannot be more than forty five (45) days from the day the request was delivered to the Chairman of the Board. If a General Meeting is not convened by the Board of Directors within twenty (20) days from the delivery of the relevant request, then the meeting takes place by the requesting shareholders, at the expense of the Company, by means of a decision by the court of first instance of the Company's domicile, which is issued during the injunction process. This decision states the place and time of the meeting, as well as the daily agenda.
With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to list additional issues on the daily agenda of the General Meeting that has already been set, if the relevant request is received by the Board at least fifteen (15) days prior to the General Meeting. This request must be accompanied by a justification or by a draft resolution to be approved by the General Meeting and the revised daily agenda is published thirteen (13) days prior to the date of the General Meeting and at the same time provided to shareholders electronically on the company's website, together with the justification or draft resolution submitted by the shareholders, according to those stated in article 27 par. 3 of C.L. 2190/1920.
With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors provides shareholders, according to those stated by article 27 par. 3 of C.L. 2190/1920, at least six (6) days prior to the date of the General Meeting, access to the draft resolutions on issues that have been included in the initial or revised daily agenda, if the relevant request is received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.
The Board of Directors is not obliged to enlist the issues on the daily agenda or publish or disclose such together with the justification and draft resolutions submitted by shareholders according to the above paragraphs, if the content of such is against the law and moral ethics.
With the request of a shareholder or shareholders that represent one twentieth (1/20) of the paid up share capital, the Chairman of the General Meeting is obliged to postpone the decision making process only once, for all or specific issues, by General Meeting, defining the day when the meeting will re-convene for decision making that is stated on the shareholders' request, which however cannot be more than thirty (30) days from the day of the postponement. The General Meeting that follows the postponement is considered a continuance of the previous and thus the disclosure requirements of the shareholders' invitation are not repeated and new shareholders cannot take part in the Meeting, according to the provisions of articles 27 par.2 and 28a of C.L. 2190/1920.
Following a request of any shareholder that is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting the specifically required information on the Company's affairs, to the extent that such are useful for the real assessment of the daily agenda issues. The Board of Directors may respond collectively to shareholders' requests that include the same content.
There is no obligation to provide information when the relevant information is available on the company's website, especially in the form of questions and answers. Also, with the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors is obliged to announce to the Ordinary General Meeting the amounts paid during the past two-years for any cause by the Company to Board Members or Managers or other employees, as well as any other

benefits paid towards such individuals for any cause or for any contract of between the company and such. In all the above cases, The Board of Directors may decline the provision of such information for reasonable cause, stating the relevant justification in the minutes. Such a reasonable cause may consist according to the circumstances the representation of requesting shareholders in the Board of Directors, according to par. 3 or 6 of article 18 of C.L. 2190/1920.
Following a request by shareholders that represent one fifth (1/5) of the paid up share capital, which is submitted to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide to the General Meeting information on the development of corporate affairs and the financial position of the Company. The Board of Directors may decline the provision of such information for reasonable cause, which is stated in the minutes. Such a reasonable cause may consist according to the circumstances the representation of requesting shareholders in the Board of Directors, according to par. 3 or 6 of article 18 of C.L. 2190/1920, given that the respective Board members have received the relevant information in an adequate manner.
Following a request by shareholders that represent one twentieth (1/20) of the paid of share capital, the decision making on any issue of the daily agenda of the General Meeting is conducted by open voting.
Company Shareholders, that represent one twentieth (1/20) of the paid up share capital, have the right to request an audit of the Company by the Unilateral Court of First Instance of the district of the Company's domicile, which holds the relevant jurisdiction. The audit is ordered if actions that violate the provisions of law or the Articles of Association or decisions by the General Meeting, are assumed. In any case, the audit request must be submitted within three (3) years from the approval of the financial statements of the year when the alleged actions took place.

Company Shareholders, that represent one fifth (1/5) of the paid up share capital, have the right to request audit of the Company by the relevant court, according to the previous paragraph, given that the overall developments of corporate affairs indicate that Management of corporate affairs is not conducted as according to proper and prudent management. The Articles of Association may define the reduction, but not more than half, of the percentage of the paid up share capital required to exercise the right of the present paragraph.

Composition and operation of the Board of Directors

The Board of Directors consists of 3 to 15 members. The exact number of members is defined by the General Meeting.
The term of Board members is three-years (without excluding their re-election) and is extended automatically until the end of the term, during which the immediately next Ordinary General Meeting must convene, which however cannot exceed four years.
Following its election, the Board of Directors convenes and is formed into a body by electing the Chairman, one or two Vice- Chairmen and one or two Chief Executive Officers of the company. The Chairman is substituted, when absent or unable, for all his responsibilities by the A' Vice-Chairman and the latter is substituted, when absent or unable, by a member that is appointed as such by a Board decision.
In case of resignation, death or in any other way loss of the capacity of Board member or members, the remaining Board members may continue the management and representation of the company without replacing the members absent, with the condition that the number of the remaining members is at least three (3) and is over half of total members, as such were numbered before the realization of the above events.
The remaining Board members, given that such are at least three (3), may elect members in replacement of those resigned, deceased or who lost their member capacity in any other way. The above election is effective for the remaining period of the term of the member that is replaced, while the decision of the election is submitted to the legal disclosure requirements and is announced by the Board of Directors at the immediately forthcoming General Meeting, which can replace the elected members, even if the issue has not been listed on the daily agenda.
In any case, the remaining Board members, regardless of their number, may convene a General Meeting with the exclusive objective of electing a new Board of Directors.

The Board of Directors meets at the company's domicile whenever deemed necessary by the company's needs, following an invitation from the Board's Chairman. During 2016, the company's Board of Directors convened 20 times. The executive Board members participated in the majority of meetings, while the non-executive members in about 1/3 of the meetings.

The Board of Directors is at quorum and convenes validly, when half plus one member are present or represented at the meeting, however the total number of members present cannot be less than three (3). To establish quorum possible fractions are omitted.

A member that is absent may be represented by another member. Each member can represent only one member absent.
The decisions by the Board of Directors are made validly with absolute majority of the present and represented members, excluding the case of article 5 par. 2 of the company's Articles of Association, but also the cases when stated otherwise by law.
The members of the company's Board of Directors that participate in any way in the management of the company, as well as its managers, are not permitted to act without the permission of the General Meeting on their own behalf or on behalf of third parties, on actions that are subject to one of the objectives aimed by the company and to participate as general partners in companies that aim at such objectives. Exceptionally, the company's Board members that participate in any way in the management of the company, as well as its managers are permitted to participate in the board of directors and management of companies that are related to the company, according to the definition of article 42 e par. 5 of C.L. 2190/20. In case of violation of the above limitation, the provisions of par. 2 and 3 of article 23 of C.L. 2190/20, as currently in effect, apply.

Information about the Members of the Board of Directors

According to the decision of the Ordinary General Meeting of shareholders on 09.06.2016, a new ten-member Board of Directors was elected consisting of the following members:

1) Panagiotis Simos, Chairman of the Board
2) Athanasios Kalpinis, Chief Executive Officer
3) Elvira Kalpini, Vice-Chairman of the Board
4) Andreas Kalpinis, Executive Board Member
5) Stilianos Koutsothanassis, Deputy Chief Executive Officer
6) Anastasios Mpinioris, Executive Board Member
7) Christos Sakellariou, non-Executive Board Member
8) Konstantinos Gianniris, Independent non-Executive Board Member
9) Georgios Kouvaris, Independent non-Executive Board Member
10) Dimitrios Paparisteidis, Independent non-Executive Board Member

The term of the BOD commenced on 09.06.2016, is a three-year one, whereas it is automatically extended until the end of the deadline, during which the next Ordinary General Meeting must convene. The above deadline cannot however exceed the period of four years.

Condensed CVs of Board members

Andreas Kalpinis

Andreas Kalpinis is one of the two founders of the company. He has extensive experience and knowledge of the international and domestic steel products market.

Athanasios Kalpinis

A graduate of the Economic Department of University of Piraeus. He has served as plant manager and head of the supervision and coordination of the production process, while from 2000 he holds the position of Chief Executive Officer.

Panagiotis Simos

He has served as commercial director of the Group, responsible for the planning and implementation of the commercial policy. From 2000 he is Chairman of the Board of Directors.

Elvira Kalpini

She is head of the company's Public Relations and Administrative Services, why she also serves as Vice-Chairman of the Board of Directors.

Stilianos Koutsothanassis

A graduate of the Business Administration department of the University of Piraeus, graduate of the Management Institute of the Economic University of Athens and graduate of the Athens University Law School. Mr. Koutsothanassis has been with the company since 1966 and currently holds the position of Deputy Chief Executive Officer.

Anastasios Mpinioris

An executive with many years experience and knowledge of the steel product market. He is a graduate of the University of Piraeus with a masters in Business Administration. He has served as head of Sales and Marketing Divisions and as an advisor on Commercial and Administration organization issues for various companies.

Konstantinos Gianniris

A graduate of Business Administration from the University of Piraeus and the Athens University Law School. He has served as Chief Executive Officer, General Manager or Senior Management Executive at many Greek private sector companies (Iaso Group, Athens Euroclinic Group, Izola, Selman, A.G. Petzetakis, Soulis etc.). He has founded the Institute of Internal Auditors, at which he served as Chairman for seven years. He has also established the Association of Greek Clinics, for which he served as Chairman for 2 years. Finally he participates in the Board of Directors of the company THRACE PLASTICS S.A..

Georgios Kouvaris

Chemical engineer with over 30 years of experience in managerial positions of corporations belonging to the energy sector in Greece and abroad.

Dimitrios Paparisteidis

A graduate of the Athens Economic University with a Masters Degree from Glasgow University. He has served as manager in a large number of companies in the financial industry.

Christos Sakellariou

He is a graduate of the Political & Economics department of Athens University.

The following table includes the external professional commitments of Board members:

NAME	PARTICIPATION IN NON-GROUP COMPANIES	POSITION IN THE COMPANY
PANAGIOTIS SIMOS	KALPINIS SIMOS BULGARIA EOOD	MANAGER
ATHANASIOS KALPINIS	KALPINIS SIMOS BULGARIA EOOD	MANAGER
STYLIANOS KOUTSOTHANASIS	ELASTRON AGRICULTURAL SA	BOD CHAIRMAN
	PHOTOISXYS MEPE	MANAGER
	KALPINIS SIMOS BULGARIA EOOD	MANAGER
ANASTASIOS MPINIORIS	BALKAN IRON GROUP SRL	MANAGER
	TATA ELASTRON S.A.	VICE-CHAIRMAN & CEO
KONSTANTINOS GIANNIRIS	THRACE PLASTICS S.A.	INDEPENDENT NON-EXECUTIVE BOARD MEMBER

Audit Committee

The Company's Audit Committee has been revised and currently operates according to the regulatory frameworks stipulated by Law 4449/2017 and by the Circular 1302/2017 of the Hellenic Capital Market Commission.

The Audit Committee is formed following a decision of the General Meeting and aims at supporting the Board of Directors in fulfilling its mission concerning the financial information system, the internal control and the ordinary audit.

The Audit Committee consists of at least three members and constitutes an independent Committee or a Committee of the company's Board of Directors. The members of the Committee may all be non-executive members of the Board or non-executive members of the Board and elected members by the General Meeting which fulfill the requirements of independence of Law 3016/2002 without being at the same time members of the Board. The Committee may consist of executive Board members but also of non executive board members even if they are not independent. In any case though, the majority of the members of the Committee must be independent members.

The entire number of the members of the Audit Committee possesses sufficient knowledge in the field of the company's activities whereas at least one member possesses sufficient knowledge in auditing and accounting, either being a retired Certified Auditor Accountant or pensioner. The Chairman of the Audit Committee is elected by the General Meeting or is appointed by its members and is independent.

The head of the Internal Control Service exercises the duties of the secretary of the Audit Committee. According to the decision of the Ordinary General Meeting of the shareholders on 09/06/2016, the Audit Committee consists of the following members:

1) Mr. Konstantinos Gianniris, independent non-executive Board member, with extensive experience on accounting and auditing issues, as chairman of the committee.
2) Mr. Dimitrios Paparisteidis, independent non-executive Board member, as member of the committee.
3) Mr. Christos Sakellariou, non-executive Board member, as member of the committee.

Duties and Responsibilities of the Audit Committee

- Assesses the completeness and consistency of the financial statements, the compliance with the law, the regulations, the Corporate Governance Code and the Internal Regulation of Operation, and informs accordingly the Board of Directors.
- Informs the Board of Directors about the findings of the mandatory audit and analyzes its contribution to the integrity of the company's financial information.
- Reviews, assesses and examines the preparation process of the financial information, namely the mechanisms, the production systems, the flow and dissemination of the financial information as well as of the other information published via any available mean (for example stock exchange releases, press releases) and presents proposals and recommendations in order to ensure its integrity.
- Reviews the most important issues and risks which may affect the company's financial statements as well as the significant judgments and estimates of the management during their preparation.
- Assesses the performance and the independence of the ordinary auditors and receives from the ordinary auditor a report with the relevant audit findings. It calls for meetings with the regular auditor of the Company without the presence of the members of the Management at least twice a year. It submits proposals to the Board of Directors regarding the appointment of the Certified Auditors Accountants, the approval of their remuneration and monitors their selection process. It ensures the independence of the ordinary auditor according to the articles 21, 22, 23, 26, 27, as well as the article 6 of the EU Regulation no. 537/2014 and the objectivity and effectiveness of the audit procedure.
- Examines the ability of provision of non-audit services from the Certified Auditors Accountants according to the article 5 of the EU Regulation, no. 537/2014.

- Assesses the performance of the Internal Control Department and receives every quarter a report with the results of the conducted audits which it then presents to the Board of Directors. It approves the annual audit plan which is submitted from the Internal Control Service and proposes the implementation of extraordinary audits. It guides the Internal Control Service so that the latter operates according to the international audit standards and also it ensures the independence and effectiveness of its operation.
- Reviews in periodical basis the internal control, risk management and quality assurance systems and also it monitors their effectiveness.
- Examines and informs the Board of Directors about conflicts of interest.
- Reviews the financial reports prior to their approval by the Board of Directors in order to assess the completeness and the consistency of these in relation to the information that has been submitted, as well as in relation to the accounting principles applied by the company and informs accordingly the Board of Directors.
- Convenes regularly, at least four times per annum, or even extraordinarily, keeps the minutes of the meetings and presents quarterly reports of the Internal Control Service to the Board.
- Monitors the audit reports of the tax and supervisory authorities and reviews the sufficiency of the measures which are taken for the compliance with the recommendations of the above authorities.
- During its meetings, invites and discusses with any person whose contribution is viewed as important in the fulfillment of the Committee's mission.

During 2017, the Audit Committee convened 4 times, during which all members were present.

Remuneration Committee of executive Board members and senior executives and for Election of Nominee Board Members

The above committee convenes following an invitation by its chairman, and consists of the following members:

1) Mr. Konstantinos Gianniris, independent non-executive Board member, with substantial experience in accounting and auditing issues, as chairman of the committee
2) Mr. Stilianos Koutsothanassis, executive Board member, as member of the committee
3) Mr. Anastasios Mpinioris, executive Board member, as member of the committee.

The responsibilities and tasks of the committee are described in detail in the Company's Internal Operation Regulation, and in summary include the following:

- The definition of criteria and the planning of policy for the election of nominee Board members and Senior Executives.
- Defining the remuneration and any kind of benefits towards Board members and Senior Executives.
- The frequent review of remuneration, both of Board members and of Senior Executives, in combination with their professional qualifications, the conditions of the market and the company and their employment time.

During 2017, the Committee convened twice, during which all members were present.

Other management or supervisory bodies or committees of the company

There are no other management and supervisory bodies.

Internal control and risk management systems

Particularly large emphasis is given by the Board of Directors to the internal control system. Through the latter, the Board ensures the protection of the company's assets, reliability of financial statements and reports, handling of significant risks, as well as the adherence to laws and policies applied by the company.

The company's internal control system is based on processes and policies that are described in detail in the Internal Operation Regulation. Such processes and policies refer to monitoring deviations from the corporate policy, the correctness and completeness of financial statements, as well as maintaining financial and in general corporate data as confidential.

In this context, the Board of Directors implements regular audits and reviews on the internal control systems with the objective:

- to audit and evaluate the strategy, both on the company level as well as on the level of individual departments, in the context of the approval of the company's annual budget.
- to identify, assess, measure and manage risks to which the company is exposed.
- to monitor the company's financial performance and analyze, interpret and clarify deviations from the annual budget.
- to evaluate and improve the Internal Operation Regulation, which also constitutes the basis for applying internal control systems.

At the same time, with the objective of ensuring the correctness and accuracy of financial data, based on which the financial statements are prepared, the company develops the appropriate systems and safety nets. Such include:

- The use of specialized, accounting and financial software and applications, which ensure the prompt and accurate provision of information relating to the company's financial data. A limited and authorized number of users have access to such systems.
- The regular review of accounting policies and procedures and ensuring that such are applied fully.
- The existence of closing processes for the financial statements and informing the relevant individuals as regards to the obligations of the company that emanate from tax, labor, commercial and stock exchange legislation.
- The existence and adherence to policies on any significant corporate process, such as supplies, sales, payments, receipts, inventory etc.
- Applying reconciliation and audits on a regular basis as regards to customer, supplier, bank, cash balances, taxes etc.
- Monitoring and ensuring that the group's subsidiaries apply the same accounting policies and procedures as the parent company.
- Ensuring the correctness and accuracy of the financial statements of subsidiaries, as well as their prompt submission for purposes of preparing and publishing consolidated financial reports and statements.
- The monthly evaluation of deviations between real, comparative and estimated results, with the objective of providing management with information relating to possible extraordinary and unusual expenses and the development of results.

To achieve and apply the above, the company uses, ensures and maintains computer and IT systems that are customized to its needs and to the modern organization, administration and IT requirements> to protect both the systems and the data kept in such, the company applies strict audit processes, which are described in detail in the Internal Operation Regulation. Specifically:

- On a daily basis, the IT service creates back-ups of all computer files and software in the central computer system and peripheral computers, thus ensuring that business data is kept classified as well as the smooth operation of the company.
- Back-up files are kept in a specially formed space, covering thus the case of theft and natural disaster.
- Access to the area where the central computer system is located is provided only to authorized individuals from the IT service.
- The IT service audits and prints interventions – changes on the central computer and informs the head of the service as well as the internal auditor.
- Both the central and the peripheral computers are secured from external threats by using several modern methods, such as antivirus software, e-mail security and firewall.

The present Corporate Governance Statement forms an integral part of the Annual Management Report by the Board of Directors.

Aspropyrgos, 19 April 2018

THE CHAIRMAN OF BOD
PANAGIOTIS SIMOS

Report by Independent Certified Auditor/Accountant

Towards the Shareholders of the Company

“ELASTRON S.A. – STEEL SERVICE CENTERS”

Audit Report on the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the Company **“ELASTRON S.A. – STEEL SERVICE CENTERS”** (the Company), which consist of the separate and consolidated statement of financial position of 31 December 2017, the separate and consolidated statements of comprehensive income, statements of changes in equity and cash flow statements for the year ended on the aforementioned date, as well as the summary of significant accounting principles and methods and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company “ELASTRON S.A. – STEEL SERVICE CENTERS” and its subsidiaries (the Group) as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as such have been adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the separate and consolidated Financial Statements” section of our report. We are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the associated risks of material inaccuracy were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**Treatment of Audit Issue**
Inventory Valuation	
The Group's inventory on 31 December 2017 and 31 December 2016 amounted to 28,954 thous. Euros and 22,559 thous. Euros respectively representing over 22% of total assets. The Group values the inventories at the lowest value between the acquisition cost or the production cost and their net liquidation value. The net liquidation value is estimated according to the current sale prices of inventories. The Group does not utilize any hedging strategies with regard to its main operating inventory. As result, any changes in the prices of metals may correspondingly affect the results via the depreciation or appreciation of inventories. The Group's disclosures with regard to its accounting policy applied for the valuation of inventories are included in note 2.14 of the financial statements.	Our auditing approach include among others the following audit procedures: - Assessment of the policies, the methodology and internal controls which support the inventory management policy adopted by the Group. - Monitoring of the inventory accounting process in the Company's storage facilities and sample-based auditing of the materials - Analytical procedures with regard to the movement of inventories and reconciliation of the accounting balance with the analytical warehouse balance - Review of an inventory sample in order to confirm the correct calculation of the acquisition cost based on the invoices of purchases and audit of the proper allocation of the production expenses - Based on the current selling prices, it was calculated the net liquidation value on a large sample basis and a comparison against the cost of the final inventory was made - Confirmation of the adequacy and appropriateness of the disclosures in note 2.14 of the financial statements
Business Interests (Valuation / Acquisitions / Mergers)	**Treatment of Audit Issue**

In year 2017, the parent company acquired an additional 50% of the company TATA ELASTRON SA which was until then held by the company BRITISH STEEL NEDERLAND B.V.. Following the above acquisition, the final participation of the parent company in the share capital of TATA ELASTRON SA reached 100%. In addition, during the year the absorption of the subsidiary company ELASTRON AGRICULTURAL SA from the company THRACE GREENHOUSES SA was completed according to the provisions of articles 68-77 of PL 2190/1920 and articles 1-5 of Law 2166/1993. Following the above merger, the Parent Company jointly exercises control on THRACE GREENHOUSES SA which now form a joint venture. The entire value of the participations of the Parent company on 31/12/2017 amounts to € 8,876 thousand approximately. Due to the significance of the amounts and subjectivity in the judgments of the management we view the assessment of the potential impairment of the above non-current assets as one of the key issues. 3. The disclosures of the Company and the Group regarding the accounting policy applied for the impairment test and the recognition of the investments are presented in notes 2.3 of the financial statements.	Our audit focused among others to the following auditing procedures: - We audited the valuation of the fair value of the participations in TATA ELASTRON SA made by the company, we assessed the accounting estimates – assumptions and projections, and we reviewed the result of the acquisition of the participation - We audited the valuation of the company's business interests in comparison with its estimates - We reviewed the application of the conditions set by the law provisions according to which the absorption of the company ELASTRON AGRICULTURAL SA from the company THRACE GREENHOUSES SA was implemented - Assessment of the adequacy and appropriateness of the disclosures in note 2.3 of the financial statements

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on Other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

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

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

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company’s and the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

● Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and the Group’s internal control.

● Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

● Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

● Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

● Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the company and of its subsidiary audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of Board of Directors

Taking into consideration that the Management is responsible for the preparation of the Management Report of the Board of Directors [as well as of the Corporate Governance Statement included in this report (provided that it concerns a company of public interest)], in application with the clauses of paragraph 5 of article 2 of Law 4336/2015 (part B), we note the following:

a) The Board of Directors' Management Report includes the corporate governance statement, which provides the information stipulated by the article 43bb of C.L. 2190/1920.

b) In our opinion the Management Report of the Board of Directors has been compiled according to the effective legal requirements of articles 43a and 107A and of the paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920, whereas its contents correspond to the attached [separate and consolidated] financial statements for the year ended on 31/12/2017.

c) Based on the knowledge we acquired during our audit for the Company **"ELASTRON SA – STEEL SERVICE CENTERS"** and its environment, we have not detected any material inconsistencies in the Management Report of its Board of Directors.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiary the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014 or other prohibited non-audit services.

4. Auditor's Appointment

We have been appointed for the first time statutory auditors of the Company by the dated 30/06/1993 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of 25 years based on the annual decisions of the Annual General Meetings of the Company Shareholders.

Athens, 19 April 2018

STERGIOS V. PAPPAS

Certified Auditor

Reg. Number 16701

ΣΟΛ Crowe SOL

ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ

Chartered Auditors Accountants S.A. (SOL S.A.)
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3 Fokionos Negri Str., 11257 Athens Greece
Certified Auditors Association Reg. No. 125

ELASTRON
STEEL SERVICE CENTERS

1. *Statement of Financial Position*

(Amounts in €)		GROUP		COMPANY	
	Note	31.12.2017	31.12.2016	31.12.2017	31.12.2016
ASSETS					
Non Current Assets					
Self-used tangible assets	6	60,710,059.19	51,172,562.24	41,949,547.54	41,045,478.72
Investment property	6.7	3,183,622.15	3,288,753.33	3,183,622.15	3,288,753.33
Intangible assets	6	95,496.02	117,686.74	95,495.89	112,828.94
Investment in associates, subsidiaries and joint ventures	2,3	3,014,829.54	1,149,360.76	8,775,533.70	9,147,533.70
Long term receivables	8	203,385.32	1,162,238.68	3,585,316.51	3,538,370.71
Total Non Current Assets		**67,207,392.22**	**56,890,601.75**	**57,589,515.79**	**57,132,965.40**
Current Assets					
Inventories	9	29,026,896.44	22,558,804.92	29,023,084.82	22,521,128.84
Customers	8	21,792,803.22	19,404,264.70	21,603,224.88	19,029,931.93
Other receivables	8	5,343,976.78	1,379,623.97	6,338,529.06	1,179,470.81
Securities	10	27,300.00	113,400.00	27,300.00	113,400.00
Cash and cash equivalents	12	5,930,121.94	4,717,349.16	5,410,747.70	4,224,181.36
Derivatives	11	0.00	43,430.61	0.00	43,430.61
Total Current Assets		**62,121,098.38**	**48,216,873.36**	**62,402,886.46**	**47,111,543.55**
Total Assets		**129,328,490.60**	**105,107,475.11**	**119,992,402.25**	**104,244,508.95**
EQUITY					
Shareholders' equity					
Share capital	13	18,421,516.00	18,421,516.00	18,421,516.00	18,421,516.00
Share premium	13	11,171,177.70	11,171,177.70	11,171,177.70	11,171,177.70
Other reserves	13	21,310,724.79	21,307,493.57	21,295,815.78	21,295,815.78
Treasury shares	13	-7,062.48	-7,062.48	-7,062.48	-7,062.48
Retained earnings	13	16,724,436.57	14,430,779.75	18,366,725.69	18,442,614.10
Total shareholders' equity		**67,620,792.58**	**65,323,904.54**	**69,248,172.69**	**69,324,061.10**
Minority interest	13	27,910.93	24,393.08		
Total Equity		**67,648,703.51**	**65,348,297.62**	**69,248,172.69**	**69,324,061.10**
LIABILITIES					
Long-Term liabilities					
Loans	15	20,300,000.00	12,390,250.00	20,300,000.00	12,170,250.00
Provisions for employee benefits	17	544,977.55	507,791.12	542,634.62	502,679.62
Grants (deferred income)	26	5,278,094.42	5,060,626.81	3,458,993.81	3,697,480.76
Deferred income tax	16	2,586,982.68	1,608,579.32	1,816,326.15	1,174,068.24
Liabilities from financial leases	27	853,137.94	0.00	853,137.97	0.00
Provisions		42,000.00	0.00	0.00	0.00
Total Long-term Liabilities		**29,605,192.59**	**19,567,247.25**	**26,971,092.55**	**17,544,478.62**
Short-Term Liabilities					
Suppliers	14	5,638,116.83	2,970,087.62	5,606,595.76	2,817,405.85
Other liabilities	14	1,072,413.12	1,331,246.80	924,705.22	1,150,689.25
Liabilities from financial leases	27	322,975.64	0.00	322,975.64	0.00
Derivatives	11	85,702.34	0.00	85,702.34	0.00
Short-Term Loans	15	24,955,386.57	15,890,595.82	16,833,158.05	13,407,874.13
Total Short-Term Liabilities		**32,074,594.50**	**20,191,930.24**	**23,773,137.01**	**17,375,969.23**
Total Liabilities		**61,679,787.09**	**39,759,177.49**	**50,744,229.56**	**34,920,447.85**
Total Equity and Liabilities		**129,328,490.60**	**105,107,475.11**	**119,992,402.25**	**104,244,508.95**

ELASTRON
STEEL SERVICE CENTERS

2. Statement of Comprehensive Income

		GROUP		COMPANY	
(Amounts in €)	**Note**	**1.1 – 31.12.17**	**1.1 – 31.12.16**	**1.1 – 31.12.17**	**1.1 – 31.12.16**
Sales	19	90,428,224.54	75,228,990.50	89,077,882.55	70,088,069.71
Cost of sales	20	-77,173,772.44	-63,660,467.65	-76,665,853.52	-59,935,506.29
Gross profit / (loss)		**13,254,452.10**	**11,568,522.86**	**12,412,029.03**	**10,152,563.42**
Other income	20	4,290,559.26	2,234,659.01	1,801,370.29	1,630,223.75
Distribution expenses	20	-7,468,979.45	-6,122,398.96	-7,468,979.45	-5,697,437.90
Administration expenses	20	-2,672,872.05	-2,282,868.37	-2,524,254.50	-2,135,142.14
Other expenses	20	-479,376.09	-365,454.11	-976,902.81	-1,901,645.49
Earnings / (losses) before interest and taxes (EBIT)		**6,923,783.77**	**5,032,460.43**	**3,243,262.56**	**2,048,561.64**
Financial income	20	97,233.78	409,786.84	226,636.76	508,798.25
Financial cost	20	-3,116,489.87	-2,204,350.83	-2,802,580.87	-1,859,827.28
Income/(expenses) of companies consolidated with the equity method	20	-773,591.57	-917,666.50	0.00	0.00
Earnings / (losses) before taxes (EBT)		**3,130,936.11**	**2,320,229.94**	**667,318.45**	**697,532.61**
Income Tax	20	-730,872.53	-720,095.31	-642,257.91	-502,297.44
Earnings / (losses) after taxes (EAT) (a)		**2,400,063.58**	**1,600,134.63**	**25,060.54**	**195,235.17**
Attributed to:					
Shareholders of the parent		2,396,545.74	1,598,408.16	25,060.54	195,235.17
Minority interest		3,517.84	1,726.47		
Other comprehensive income / (expenses) after taxes (b)	20	-99,657.69	81,157.25	-100,948.95	80,674.61
Total comprehensive income/ expenses after taxes (a) + (b)		**2,300,405.89**	**1,681,291.88**	**-75,888.41**	**275,909.78**
Attributed to:					
Shareholders of the parent		2,296,888.04	1,679,565.41	-75,888.41	275,909.78
Minority interest		3,517.85	1,726.47		
Earnings / (losses) after taxes per share – basic (in €)	21	0.1301	0.0868	0.0014	0.0106
Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)		**9,404,350.92**	**7,415,983.25**	**5,153,241.37**	**3,843,561.38**

3. *Statement of Changes in Equity*

(A) STATEMENT OF CHANGES IN GROUP'S EQUITY

		Corresponding to shareholders of the parent			Minority interest	Total Equity
		Share Capital	Share Premium	Reserves & Retained earnings		
Balance on 1.1.2016		**18.435.000,00**	**11.171.177,70**	**34.051.901,06**	**22.666,61**	**63.680.745,37**
Net Profit / (Loss) for the period recorded in total		0,00	0,00	1.679.565,41	1.726,47	1.681.291,88
Share capital decrease via cancellation of treasury shares		0,00	0,00	0,00		
Purchase of treasury shares		0,00	0,00	-7.569,25	0,00	-7.569,25
Cancellation of treasury shares		-13.484,00	0,00	7.313,62	0,00	-6.170,38
Balance on 31.12.2016		**18.421.516,00**	**11.171.177,70**	**35.731.210,84**	**24.393,08**	**65.348.297,62**
Total comprehensive income / (expenses) for the period		0,00	0,00	2.296.888,04	3.517,85	2.300.405,89
Reserve of revaluation at fair		0,00	0,00	0,00	0,00	0,00
Purchase of treasury shares		0,00	0,00	0,00	0,00	0,00
Cancellation of treasury shares		0,00	0,00	0,00	0,00	0,00
Balance on 31.12.2017		**18.421.516,00**	**11.171.177,70**	**38.028.098,88**	**27.910,93**	**67.648.703,51**

(B) STATEMENT OF CHANGES IN COMPANY'S EQUITY

		Corresponding to shareholders of the parent			Total Equity
		Share Capital	Share Premium	Reserves & Retained earnings	
Balance on 1.1.2016		**18.435.000,00**	**11.171.177,70**	**39.455.713,25**	**69.061.890,95**
Net Profit / (Loss) for the period recorded in total		0,00	0,00	275.909,78	275.909,78
Purchase of treasury shares		0,00	0,00	-7.569,25	-7.569,25
Cancellation of treasury shares		-13.484,00	0,00	7.313,62	-6.170,38
Balance on 31.12.2016		**18.421.516,00**	**11.171.177,70**	**39.731.367,40**	**69.324.061,10**
Total comprehensive income / (expenses) for the period		0,00	0,00	-75.888,41	-75.888,41
Purchase of treasury shares		0,00	0,00	0,00	0,00
Cancellation of treasury shares		0,00	0,00	0,00	0,00
Balance on 31.12.2017		**18.421.516,00**	**11.171.177,70**	**39.655.478,99**	**69.248.172,69**

ELASTRON STEEL SERVICE CENTERS

4. Statement of Cash Flows

(Amounts in €)	GROUP		COMPANY	
	1.1-31.12.2017	1.1-31.12.2016	1.1-31.12.2017	1.1-31.12.2016
Operating Activities				
Earnings before Tax (EBT)	3.130.936,11	2.320.229,94	667.318,45	697.532,61
Plus / minus adjustments for:				
Depreciation & amortization	2.769.870,72	2.652.785,25	2.148.465,76	1.995.848,35
Depreciation of grants	-289.303,57	-269.262,43	-238.486,95	-200.848,61
Provisions	23.942,13	2.901,74	39.955,00	9.896,83
Impairment of assets	59.300,00	206.630,00	799.300,00	1.751.456,85
Results (income, expenses, profit and loss) from investment activity	-1.895.563,87	24.740,66	5.230,02	-39.850,83
Debit interest and related expenses	3.117.542,12	2.204.350,83	2.871.141,10	1.859.827,28
	6.916.723,64	7.142.375,99	6.292.923,38	6.073.862,48
Plus/minus adjustments for changes in working capital accounts or those related to operating activities				
Decrease / (increase) of inventories	-6.498.152,10	-1.760.388,47	-6.501.955,98	-2.076.604,38
Decrease / (increase) of receivables	-8.397.831,40	-3.290.121,75	-7.855.433,86	-3.337.767,46
(Decrease) / increase of liabilities (apart from banks)	4.294.335,56	1.958.291,45	3.041.888,04	1.151.668,53
Minus:				
Debit interest and related expenses paid	-2.705.678,38	-2.238.303,41	-2.445.218,48	-1.846.441,89
Taxes paid	16.580,99	48.834,48	16.136,86	27.482,65
Total inflows/(outflows) from operating activities (a)	**-6.374.021,69**	**1.860.688,29**	**-7.451.660,04**	**-7.800,07**
Investment Activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	44.538,63	-700.000,00	-368.000,00	-1.841.170,00
Purchase – Sale of Securities	105.297,50	-7.569,25	105.297,50	-7.569,25
Purchase of tangible and intangible fixed assets	-1.778.234,31	-1.784.223,30	-1.777.943,99	-678.079,88
Proceeds from sales of tangible and intangible assets	23.726,89	15.000,00	22.000,00	0,00
Change in consolidation method	-303.731,26	0,00	0,00	0,00
Interest received	6.659,87	26.937,49	6.443,72	26.314,15
Dividends received	0,00	0,00	0,00	0,00
Total cash inflows/(outflows) from investment activities (b)	**-1.901.742,68**	**-2.449.855,06**	**-2.012.202,77**	**-2.500.504,98**
Financial Activities				
Proceeds from share capital increase	0,00	0,00	0,00	0,00
Amounts collected from issued / received Loans	71.910.000,00	73.557.485,04	71.910.000,00	73.357.485,04
Loan repayments	-61.942.780,70	-75.207.658,55	-60.780.888,70	-74.084.820,55
Repayment of liabilities from financial leases	-478.682,15	0,00	-478.682,15	0,00
Total cash inflows/(outflows) from financial activities (c)	**9.488.537,15**	**-1.650.173,51**	**10.650.429,15**	**-727.335,51**
FX differences on cash flows	0,00	0,00	0,00	0,00
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**1.212.772,78**	**-2.239.340,28**	**1.186.566,34**	**-3.235.640,56**
Cash and cash equivalents at the beginning of the period	4.717.349,16	6.956.689,44	4.224.181,36	7.459.821,92
Cash and cash equivalents at the end of the period	**5.930.121,94**	**4.717.349,16**	**5.410.747,70**	**4.224.181,36**

Notes on the Financial Statements

1. General information

The Company "ELASTRON S.A.- STEEL SERVICE CENTERS" was founded in 1958 as a Limited Liability Company and in 1965 was converted to an S.A. Company. It has its headquarters in Aspropyrgos Municipality (Ag. Ioannou venue, Stefani) and it is registered with the Ministry of Development, General Secretariat of Commerce, Corporations and Credit Directorate, under S.A. Company Registration Number 7365/06/B/86/32.

The Company's main activity is the import, processing, and trade of steel, steel plates, iron and metal goods, and similar goods.

The Company's shares are listed and traded on the Athens Exchange since 1990.

The Company has no disputes in litigation or in arbitration, nor are there any decisions by judicial or arbitration bodies that may have a significant impact on its financial position situation or operation.

The Company's website is **http://www.elastron.gr.**

The Annual Financial Statements of 31.12.2017 was approved by the Company's Board of Directors on 19.04.2018.

2. Significant accounting principles used by the Group

2.1 New standards, interpretations and amendments to existing standard

The accounting policies which were adopted are in line with those adopted in the previous financial year apart from the following standards which the Group and the Company have adopted on 1st January 2017.

IAS 12 Income Taxes (Amendments) Recognition of deferred tax asset for unrealized losses
The aim of the amendments is to clarify the accounting treatment of the deferred tax assets for unrealized losses from debit instruments which are valued at fair. For example, the amendments clarify the accounting treatment of the deferred tax assets when the economic entity is not allowed to treat the unrealized losses as tax deductible ones or when it intends and has the ability to hold the debit instruments until the reversal of the unrealized losses.

IAS 7 Statement of Cash Flows (Amendment) "Disclosures"
The amendments aim to enable the users of financial statements to evaluate the changes in liabilities arising from financing activities. The amendments shall require entities to provide disclosures that permit investors to evaluate changes in liabilities arising from financial activities, including changes arising from cash flows and non-cash changes.

The **IASB released a new cycle of annual improvements on IFRS 2014 – 2016,**
Which is a series of amendments of IFRS. The following improvements have not been yet adopted by the European Union. The improvement had no significant effect on the consolidated financial statements of the Group.

IFRS 12 Disclosure of Interests in Other Entities
The amendments clarify that the requirements of disclosures of IFRS 12, apart from the disclosures for condensed financial information in relation to subsidiaries, joint ventures and associates are applied for the participation of an economic entity in a subsidiary, joint venture or associate company which is classified as held for sale, as held for distribution or as discontinued activity according to the IFRS 5.

Standards that have been issued but are not applicable in the present accounting period and have not been early adopted by the Group

IFRS 9 Financial Instruments – Classification and Measurement

The standard is applied for accounting periods beginning on or after 1st January 2018 whereas earlier adoption is permissible. The final release of the IFRS aggregates the phases of the project of financial instruments and supersedes IFRS 39 Financial Instruments: Recognition and measurement as well as all previous releases of the Annual Financial Report 1/1/2017 to 31/12/2017 IFRS 9. The standard introduces new requirements for the classification and measurement, impairment and hedge accounting. During 2017, the Management assessed the effect of the adoption of IFRS 9 and according to this estimate, the effects of the new standard are expected to be the following:

- The financial assets which the Group holds today, will be still measured on the same basis as in the case of IFRS 9 and as result no significant effect is anticipated in the classification and measurement of the financial assets due to the application of the new IFRS.
- In addition, no effect will exist with regard to the financial liabilities of the Group given that the guidance of the new IFRS affects only the accounting treatment of the financial liabilities which are determined at fair value through the results whereas the Group has no such obligations.
- With regard to the new impairment model which requires the recognition of provisions for impairment based on the expected credit losses, the Group and the Company are not expected to be especially affected by the new impairment model since the largest part of the receivables is insured.

IFRS 15 Revenue from Contracts with Customers

The standard is applied for the annual accounting periods beginning on or after 1st January 2018. IFRS 15 establishes a 5-step model which will be applied for revenues deriving from a contract with customer (with limited exceptions), regardless of the type of the revenue transaction or the sector. The standard is based on the principle that the revenue is recognized when the control of a good or service is transferred to the customer.

The Group and the Company will adopt the new standard from 1 January 2018 when it becomes compulsory. The Group and the Company intends to adopt the standard by using the modified retrospective approach which means that the cumulative effect will be recognized in the results carried forward on 1st January 2018 and the comparative data will not be adjusted.

No significant effect is expected from the new rules that will align the accounting policy applied by the Group and the Company with the provisions of the new standard.

IFRS 16 Leases

The standard is applied for annual accounting periods beginning on or after 1st January 2019. The IFRS 16 defines the principles for the recognition, measurement, presentation and disclosure of the leases for both parties of the contract, namely for the customer ("lessee") and the supplier ("lessor"). The new standard requires that the lessee recognizes the majority of leases in the financial statements. The lessee will maintain a unified accounting framework for leases with certain exceptions. The accounting on behalf of the lessor is maintained essentially unchanged. The standard will mainly affect the accounting treatment of the operating leases of the Group.

The Group and the Company are in the process of the recognition of parameters required for the adoption of the standard.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Amendment: Sales or contributions of assets between an investor and its associate/joint venture

The amendments deal with a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28, in order to account for the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is the fact that a full profit or loss is recognized when the transaction includes a company (either hosted in a subsidiary or not). A partial profit or loss is recognized when the transaction includes asset items which do not constitute a business entity, even if these items are hosted in a subsidiary. In December 2015, the IASB postponed for indefinite period the application date of this amendment, as it anticipated the result of the project of equity method. The amendments have not been yet adopted by the European Union. The Management of the Group and the Company estimate that the particular amendments will not affect its financial statements.

IFRS 2 — Classification and measurement of share based payment transactions (Amendments)

The amendments are applicable for annual accounting periods beginning on or after 1st January 2018 whereas an earlier adoption is permitted. The amendments essentially provide requirements concerning the accounting treatment of (a) the effect of the vesting conditions and the non-vesting conditions in the measurement of the share based payments settled in cash, and (b) the share based payments settled net of tax withholdings and (c) the accounting treatment of the amendments of the terms and conditions of share based payments, which differentiate the classification of a transaction from cash settled to equity settled. The amendments have not yet been adopted by the European Union. The Management in is the process of assessing the effect of the amendment on the financial statements.

IAS 40 Transfers of Investment Property (Amendments)

The amendments are applicable for annual accounting periods beginning on or after 1st January 2018 whereas earlier adoption is permitted. The amendments clarify the cases when an entity transfers a property, including a property under construction or utilization, to or from the investment property. The amendments state that the change in the use of a property is performed when the property fulfills or ceases to fulfill the definition of the investment property and there is clear indication of this particular change. In other words, simply the change in the intention of the management with regard to use of the property does not indicate any actual change in its use. The Management is in the process of evaluating the effect of the amendment on the Group's companies.

IFRS 9 Prepayment Features with Negative Compensation (Amendment)

The amendment is applicable for annual accounting periods beginning on or after 1st January 2019 whereas earlier adoption is permissible. The amendment clarifies that the financial assets with prepayment features which allow or require from a counterparty to either pay or receive fair compensation for the premature expiration of the contract (in the sense that from the side of the owner of the asset it is likely that a charge will arise due to premature payment), can be measured at the amortized cost or the fair value via the statement of total comprehensive income. The amendments have not been yet adopted by the European Union. The Management of the Group and the Company estimate that the particular amendment will not affect its financial statements.

IAS 28 Investments in Associates and Joint Ventures (Amendments)

The amendments are applicable for annual accounting periods beginning on or after 1st January 2019 whereas earlier adoption is permissible. The amendments define the extent to which the measurement (and mainly the impairment) of long-term participations in associate companies and joint ventures, which in practice comprise part of the net investment in the associate company or joint venture, are governed by the IFRS 9, IAS 28 or a combination of both standards. The amendments clarify that an economic entity applies the IFRS 9 prior to the application of IAS in those long-term participations for which the equity method is not applicable. During the application of the IFRS 9, the economic entity does not take into consideration any adjustments or modifications in the book value of the long-term participations which arise from the application of IAS 28. The amendments have not been yet adopted by the European Union. The Management of the Group and the Company estimate that the particular amendment will not affect its financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Considerations

The amendment is applicable for annual accounting periods beginning on or after 1st January 2019 whereas earlier adoption is permissible. The interpretation clarifies the accounting treatment of transactions which include advance considerations in foreign currency. The interpretation examines the transactions in foreign currency in which the economic entity recognizes a non-financial asset or a non-financial liability that derives from an advance consideration, prior to the initial recognition of the respective asset, expense or income. The interpretation states that the transaction date for the determination of the exchange rate is the date of the initial recognition of a non-monetary item of prepayment or of a deferred income. If there are multiple payments or receipts of advance considerations, then the economic entity must determine the transaction date for each of the above payments or receipts. The interpretation has not been yet adopted from the European Union. The Management is in the process of evaluating the effect on the Group's companies.

The **IASB released a new cycle of annual improvements on IFRS 2014 – 2016**

It is a series of amendments of IFRS. The amendments are effective for annual accounting periods beginning on or after 1st January 2018 for the IFRS First-time adoption of International Financial Reporting Standards and the IAS 28 Investments in Associates and Joint Ventures for which earlier adoption is allowed. These improvements have not been yet adopted by the European Union. The Management is in the process of assessing their effect on the financial statements of the Group and the Company.

IFRS 1 First-time Adoption of International Financial Reporting Standards
This improvement eliminates the short-term exceptions concerning the disclosures of financial instruments, employee benefits and investment entities, during the first-time adoption of the international financial reporting standards.

IAS 28 Investments in Associates and Joint Ventures:
The amendments clarify that the selection of the measurement at fair value through the results of an investment in an associate company or joint venture which is held by an entity which constitutes a management organization of collective investments or a similar economic entity, may be performed separately for each investment in associate company or joint venture during the initial recognition.

INTERPRETATION IFRIC 23 Uncertainty over Income Tax Treatments
The interpretation is applied for annual accounting periods beginning on or after 1st January 2019 whereas earlier adoption is permitted. The interpretation provides guidance in encountering the uncertainty that exists in tax treatments during the accounting treatment of the income taxes. The interpretation provides additional clarifications with regard to the examination of uncertain tax considerations, separately or jointly, the examination of tax considerations from the tax authorities, the appropriate method so that the uncertainty over the acceptance of the consideration from the tax authorities will be sufficiently reflected, as well as the examination of the effect of the changes on the actual facts and circumstances. The interpretation has not been yet adopted from the European Union. The Management is in the process of evaluating the effect on the Group's companies.

The **IASB issued a new cycle of annual improvements of IFRS 2015 – 2017** which is a collection of amendments made to IFRS. The amendments are applied for annual accounting periods beginning on or after 1st January 2019, whereas earlier adoption is applied. These improvements have not been yet adopted by the European Union. The Management is currently in the assessment process concerning their effect on the financial statements of the Group and the Company.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: the amendments to IFRS 3 clarify that when an economic entity acquires the control of a company which constitutes a joint entity, then the economic entity re-measures and assesses the participation it previously held in this company. The amendments to IFRS 11 clarify that when an economic entity acquires jointly the control of a company which comprises a joint entity, then the economic entity is not required to re-measure and assess the participation it previously held in this company.

IAS 12 Income taxes: the amendments clarify that the tax consequences of the payments for financial instruments which are classified as items of equity, shall be recognized depending on the manner with which the transactions or the past events which created the distributable earnings have been recognized.

IAS 23 Borrowing costs: the amendments clarify the paragraph 14 of the standard stating that when an asset which fulfils the requirements is ready for its intended use or for sale, and part of the loan which was received specifically for this asset remains outstanding at that point in time, then this cost of debt should be included in the capital which has derived from general borrowing.

2.2 Basis for preparation of the financial statements

ELASTRON S.A Company and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations, as such have been adopted by the European Union. The transition date of the Group to IFRS was set as January 1st 2004, during which the Opening Balance Sheet was prepared.

The above statements are based on the financial statements prepared by the Company and Group in accordance with Greek Trade Law and the tax legislation as it is in effect, with the appropriate off-balance sheet adjustments made in order to comply with the IFRS, and they have been prepared according to the historic cost principle (tangible assets, land-plots, buildings – building facilities were valued at fair value during the transition date) except for financial derivatives that are valued at fair value.

The preparation of the financial statements in accordance with generally accepted accounting principles requires the use of evaluations and assumptions that affect the balances of asset and liabilities accounts, the disclosure of contingent receivables and payables on the preparation date of the financial statements, as well as the reported income during the financial periods in question. Even though these specific evaluations are based on the Management's best knowledge, the actual results may eventually differ from such estimates.

2.3 Consolidation

The consolidated financial statements consist of the financial statements of the parent Company ELASTRON S.A. and the other Group companies, which are the following:

COMPANY	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
NORTHERN GREECE METAL PRODUCTS S.A.	Thessaloniki	Commerce and processing of steel products	100.00%	5,368,000.00	Full
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Commerce and processing of steel products	33.33% (Joint venture)	800,000.00	Equity
KALPINIS SIMOS BULGARIA EOOD	Sofia, Bulgaria	Commerce and processing of steel products	100.00%	10,000.00	Full
PHOTODEVELOPMENT SA	Aspropygros	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTODIODOS SA	Aspropygros	Production of electric energy from Photovoltaic stations	98.3%	265,533.70	Full
PHOTOENERGY SA	Aspropygros	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
ILIOSKOPIO SA	Aspropygros	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOKYPSELI SA	Aspropygros	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropygros	Production of electric energy from Photovoltaic stations	100.00%	80,000	Full
THRACE GREENHOUSES S.A.	Xanthi	Production of agricultural products from glasshouse cultivations	49,09%	2,700,000	Equity

* The participation cost does not include any impairment.

In the beginning of the second half 2017, the parent company implemented the acquisition of the additional percentage of 50% of TATA ELASTRON SA which was until then held by the company BRITISH STEEL NEDERLAND INTERNATIONAL B.V. Following the above acquisition, the final participation of the parent company in the share capital of TATA ELASTRON SA, which was renamed into NORTHERN GREECE METAL PRODUCTS S.A., has reached 100%. The purchase price settled at € 368 thousand.

TATA ELASTRON was established in 2007 and comprised the 2nd joint venture (50-50) between ELASTRON and BRITISH STEEL NEDERLAND BV. The company possesses modern facilities in the area of Sindos in Thessaloniki whereas its business objective is the production, processing and distribution of steel products with application in the areas of construction, industry, energy and marine shipping.

ELASTRON SA valued the assets and liabilities of TATA ELASTRON SA at fair value according to the provisions and requirements of IFRS 3.

The measurements of the fair value of the fixed assets are conducted by independent certified appraisers with the appropriate experience and knowledge in the field of the valuation of properties and mechanical equipment.

The effect on the assets and liabilities of the Group at the date of the acquisition is depicted in the following table:

Acquisition of participation 50% (METAL-PRO S.A.)	Fair Value 30.06.2017
Fair value of tangible fixed assets	13,283,525.84
Other fixed assets	607,195.65
Cash and cash equivalents	825,077.26
Debt liabilities	-9,118,713.51
Other liabilities	-662,813.01
Deferred income (grant of Law 3299/04)	-1,869,917.23
Total	**3,064,355.00**
Value of participation 50%	1,532,177.50
Investment cost	368,000.00
Positive acquisition difference in the results	**1,164,177.50**

In the agricultural division of the Group, the Board of Directors of ELASTRON AGRICULTURAL SA, based on the decision of 28/12/2016, approved the merger of the company with the company THRACE GREENHOUSES SA. Specifically, it was decided the absorption of the company from the company THRACE GREENHOUSES SA according to the provisions of articles 68-77a of P.L. 2190/1920 as it is in effect, in combination with the provisions of Law 2166/1993 (articles 1-5). The transformation balance sheet date was set on 31.12.2016.

The above merger was approved pursuant to the decision under the protocol number Γ/ΕΞ/2118-1/26-7-2017 of the Deputy Governor of Xanthi Region, which was registered in the GEMI (General Electronic Commercial Registry) on 28/07/2017 with Registration Code Number 1126741 according to the provisions of articles 68, paragraph 2 and 69-77 of P.L. 2190/1920 and of articles 1-5 of Law 2166/1993, as they are currently in effect.

The share capital of the new company amounts to 5,500,000 Euros and is divided into 550,000 shares with nominal value of 10.00 euro per share. ELASTRON SA participates in the share capital of the company with a percentage of 49.09%.

The particular merger is expected to generate significant economies of scale, reduce operating costs and achieve greater and more effective management and organization results. It is also expected that it will lead to the further expansion of the new company's activities and generate greater shareholder value.

The company NORTHERN GREECE METAL PRODUCTS SA up until 30/06/2017 was included in the consolidated financial statements with the equity method, whereas from the second half of 2017 it is consolidated according to the full consolidation method. The company BALKAN IRON GROUP SRL and THRACE GREENHOUSES SA in year 2017 are included in the consolidated financial statements with the equity method, whereas in year 2016 the absorbed ELASTRON AGRICULTURAL SA was consolidated according to the full consolidation method. The interests in the companies which were consolidated according to the equity method in the financial statements of the Group on 31.12.2017 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
NORTHERN GREECE METAL PRODUCTS SA	0.00	657,171.78	0.00	4,440,000.00
BALKAN IRON GROUP SRL	415,182.59	492,188.98	800,000.00	800,000.00
THRACE GREENHOUSES SA	2,599,646.95	0.00	2,700,000.00	0.00
Total	**3,014,829.54**	**1,149,360.76**	**3,500,000.00**	**5,240,000.00**

The summary financial data of the joint venture THRACE GREENHOUSES for the fiscal year 2017 are presented. The financial data refer to the entire (100%) company:

Noncurrent assets	6,968,066.62
Current assets	2,885,280.63
Total	**9,853,347.25**
Equity	5,008,101.04
Liabilities	4,845,246.21
Total	**9,853,347.25**
Sales	4,083,469.98
Gross profit	95,618.64
Earnings before interest and taxes	204,142.12
Result after taxes (losses)	-126,741.29

Cross-company transactions, balances and unrealized profit from transactions between the companies of the Group are written-off. The unrealized losses are also written-off, unless the transaction provides indications of impairment of the transferred asset. During the acquisition of a company, the assets, liabilities as well as contingent obligations acquired are estimated at fair value on the acquisition date.

The acquisition cost, by the amount that exceeds the fair value of the acquired net assets (assets – liabilities – contingent obligations), is recorded as goodwill in the financial year when the acquisition took place.

In the event that the acquisition cost is less than the above fair value, the difference is recorded in the results of the financial year when the acquisition took place. Minority interest is recorded according to its proportion on fair value. In subsequent financial years, any losses are proportionally distributed to the minority, in addition to minority interest.

The results of the acquired or sold subsidiaries within the financial year are included in the consolidated statement of results from or until the date of acquisition or sale, respectively. The accounting principles of the Group's companies have been amended so as to conform to those adopted by the Group. The participation of the above companies in the ELASTRON S.A. Company financial statements is measured at acquisition cost, minus any provision for impairment of their value.

2.4 Foreign Exchange translations

The reference currency of the Group is the Euro and therefore the financial statements are presented in Euro (€). Transactions in foreign currency are translated to Euro using the applicable exchange rates on the date of the transactions. Receivables and liabilities in foreign currency on the date the financial statements were prepared are adjusted so as to reflect the exchange rates prevailing during the preparation date. The profits and losses that arise from such transactions are recorded in the results.

The operating currency of foreign subsidiaries is the official currency of the country where each respective company operates. As regards to foreign subsidiaries which operate in a country with a currency other than the Euro, all balance sheet figures of such during the preparation of the Financial Statements, are translated to Euro using the spot exchange rate as at the financial statements date, while the revenues and expenses are translated using the average exchange rate during the reporting period. The cumulative difference that results from the aforementioned conversion is registered directly in equity until the sale, write-off or de-recognition of a subsidiary, in which case such are transferred to the results.

2.5 Consolidated Financial Statements

(a) Subsidiaries

Subsidiaries are companies over which the parent Company exercises control. The subsidiaries are fully consolidated using the full consolidation method from the date whereupon control over them is acquired and they stop being consolidated from the date upon which such control ceases to exist. The inter-company balances between the Group's companies, transactions between the Group's companies, as well as the unrealized profits are fully written-off in the consolidated financial statements. The consolidated financial statements are prepared using the same accounting principles, while necessary adjustments are made whenever deemed necessary. Investments in subsidiaries are registered at acquisition cost minus any impairment.

(b) Related – Associate Companies

Associated companies are those over which the parent Company exercises substantial influence and which are not considered subsidiaries or joint ventures. In general, ownership of 20% to 50% of voting rights indicates the existence of substantial influence. Investments in related companies are accounted for using the net equity method and are initially registered at acquisition cost.

(c) Joint Ventures (Entities under joint control)

The entity under joint control is a joint venture that consists of the incorporation of a Company in which each participant receives a share. It operates like any other entity except that there is a contractual arrangement between the participants that determines the joint control of the entity's financial activities. From 01.01.2013, the Company consolidates its stake in joint ventures using the equity consolidation method.

2.6 Tangible Fixed Assets

Tangible assets are recorded in the financial statements at their acquisition cost (historical cost) minus accumulated depreciation and any impairment in value. The acquisition cost of land plots and buildings/ building installations was determined on the transition date to market value. The Group assigned the appraisal of its properties to an independent appraiser in order to record such at fair value on the transition date. The acquisition cost includes all the expenses directly attributable to the acquisition of the assets. Subsequent additions and improvements are recorded as an increase in the cost of related assets, given that such increase the useful life or production capacity of the asset or decrease its operating cost. Repairs and maintenance are recorded as expenses in the period during which such were carried out.

Depreciation of tangible assets (apart from land plots, which are not depreciated) is calculated based on the straight-line method over their estimated useful life. The economic life is reviewed on annual basis. The estimated useful life per class of fixed assets is as follows:

Fixed asset category	**Economic Life**
Buildings/ Building Installations etc.	10 - 30 years
Mechanical Equipment etc.	10 - 30 years
Vehicles	10 - 20 years
Other Equipment	3.3 - 15 years

When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is recorded as an expense in the results. The related cost and accumulated depreciations of assets that are sold or withdrawn are written off from the corresponding accounts at the time of withdrawal or sale, and corresponding profits or losses are recorded in the period's results.

2.7 Intangible Assets

Intangible assets include software, which is valued at acquisition cost minus amortization. The amortization is estimated using the straight line method throughout the useful life of such assets, which is approximately 3.3 years. Expenses generated from the development and maintenance of software are acknowledged as expenses when they are incurred. The economic life is reviewed on annual basis.

2.8 Investment property

Investments property corresponds to property (land plots or buildings or part of a building or both) that are owned (by the owner or by the lessee with financial leasing) in order to yield rents or an increase in their value or both, and not for:

- Use in production (plants) or procurement of goods (warehouses) or for administrative purposes (office buildings);
- Sale in the regular course of the Company's business.

Investments property is valued according to the acquisition cost method (in the exact manner as operational property) and are recorded in the balance sheet at acquisition cost minus accumulated amortization and accumulated impairment losses.

2.9 Non-current assets held for sale and discontinued operations

The aim of the present IFRS 5 is to determine the accounting treatment of the assets being held for sale and the presentation and disclosure of discontinued operations. Specifically, the present IFRS requires:

a) assets that fulfill the classification criteria of being held for sale should be valued at the lowest value between the book value and the fair market value minus the sales cost, while the amortization of these assets should cease, and

b) the assets that fulfill the classification criteria of being held for sale should be separately presented in the statement of financial position and the results of the discontinued operations should be separately presented in the results.

A discontinued activity comprises part of an economic entity that has been either allocated or classified as held for sale and:

a) Represents a separate and significant part of business activities or a geographic area of business operations,
b) Comprises part of a unified and coordinated program in the liquidation (sale) of a large part of activities or a geographic area of operations or

c) It is a subsidiary which was acquired exclusively with the prospect to be resold.

2.10 Impairment review of tangible and intangible assets

Assets that are depreciated are subject to an impairment review when there are indications that their book value is not recoverable. Recoverable value is the larger value between the net sale value (selling price less selling expenses) and value in use. Loss due to impairment of assets is recognized when the book value of these items or the cash-flow generating units is greater than their recoverable amount.

2.11 Segment reporting

IFRS 8 which replaces IAS 14, adopts the approach of presenting segment information, based on the manner in which such is presented internally to those that make decisions for the allocation of resources and the audit of the effectiveness of the company's operations. The segments constitute parts of an entity that are reviewed regularly by the entity's CEO / Board of Directors and are presented in the financial statements according to this internal categorization.
A business segment is defined as a group of assets and operations which include products and services that are subject to different risks and returns than those of other business segments. A geographic segment is defined as a geographic area where products and services are provided and which is subject to different risks and returns than other areas.

2.12 Borrowing Cost

The underwriting, legal, and other direct costs incurred related to the issue of a loan, readjust the borrowing amount recorded in the Results based on the effective interest rate method for the duration of the loan agreement. The borrowing costs are recorded in the results on the date they are incurred. The amount of the borrowing cost that corresponds to the construction period of tangible fixed assets is recognized as an increase to the latter's value.

2.13 Financial Assets

A financial instrument constitutes any contract which generates a financial asset in a company and a financial liability or an equity participation in another company.
The financial assets of the Group are being classified during the initial recognition in the following categories based on the essence of the contract and the objective for which they were acquired:

i) Financial assets at fair value through results:

Such concern financial assets that meet any of the following criteria:

- Financial assets held for trading purposes (including financial instruments, excluding those that are specified and effective as hedging instruments), assets acquired or created with the intent of sale or re- purchase, and finally assets that are part of a portfolio of recognized financial instruments.
- Upon initial recognition, the company specifies the asset as measured at fair value by recording the changes in the Statement of Comprehensive Income. The financial assets at fair value through results are being valued at fair value and the arising profit or loss is recorded in the Statement of Comprehensive Income.

ii) Loans and receivables

They comprise non-derivative financial assets with fixed or predetermined payments, which are being traded in active markets. This category (Loans and receivables) does not include the following:

- Receivables from prepayment for the purchase of goods or services,
- Receivables which concern tax payments which are imposed by the state according to legislation,
- Any items which is not covered by contract that would provide the company with the right to receive cash or other financial fixed assets.

Loans and Receivables are included in the current assets apart from those with maturities greater than twelve (12) months from the date of the Statement of Financial Position. The latter are included in the non-current assets. These assets are being valued at the amortized cost according to the effective (real) interest rate method, minus impairment losses. Profit or losses are recorded in the results of the year when the relevant items are written-off or being impaired, as well as through the amortization process.

iii) Investments held until maturity

They include non-derivative financial assets with fixed or determined payments and certain maturity, with the Group having the intention as well as the ability to hold these assets until expiration. These assets are being valued after their initial recognition at the amortized cost according to the effective (real) interest rate method minus impairment losses. Profit or losses are recorded in the results of the year when the relevant items are written-off or being impaired, as well as through the amortization process.

iv) Financial assets available for sale

They include non-derivative financial assets which are either classified in this category or they are not eligible to be classified in any of the above categories. In a following stage, the financial assets available for sale are being valued at fair and the respective profit or loss is recorded in an equity reserve until these items are being sold or characterized as impaired. During the sale or when the assets are designated as impaired, the profit or loss is transferred to the results. Impairment losses which have been recognized in the results and concern investments in equity participations are not being reversed through results.

The purchase and sales of financial assets are recorded on the date of the transaction, which is the date that the Group commits itself to purchase or sell the asset. The investments are initially accounted for at fair value increased by the direct expenses ascribed to the transaction, with the exception as regards to the direct expenses ascribed to the transaction, for those assets that are measured at fair value through results. The investments are being written-off when the right to the cash flows from the investments expires or is transferred and the Group has essentially transferred all risks and benefits emanating from their ownership.

The fair values of the financial assets that are traded on active markets are determined by their market prices based on demand. For the non-traded assets, the fair values are determined using valuation techniques, such as analysis of recent transactions, comparable traded assets and discounted cash flows models.

2.14 Inventories

Inventories are measured at the lower value between acquisition or production cost and their net liquidation value.

The cost is determined by the weighted average cost method and includes expenses for acquiring the inventories or expenses for their production and the expenses for transporting them to their storage location. Borrowing cost is not included in the acquisition cost of inventories.

The net liquidation value is estimated based on the current selling price of inventories in the context of normal activity, minus the given distribution cost, where applicable.

2.15 Trade receivables

The trade receivables are initially recognized at fair value and then are being valued at the net cost minus provisions from impairments, by utilizing the effective (real) interest rate method.
When there is evidence of impairment of trade receivables, then their book value is reduced to their recoverable amount which is equivalent to the present value of the expected future cash flows discounted with the initial effective interest rate. In a later stage, interest charges based on the same interest rate on the impaired (new book) value are also recorded.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand as well as sight and term deposits.

2.17 Share capital and reserves

Share capital includes common registered shares of the company and reserves from the issue of shares above par (share premium). Expenses that were made for the issue of shares are recorded following the deduction of the relevant income tax, minus the issue product, in the share premium. The costs realized on the issue of shares, appear after deducting the related income tax in reduction of the issue proceeds, in the share premium. Each profit or loss from the sale of treasury shares, net of any transaction related costs and income tax, if provided by such a case, is recorded as reserve in the equity.

2.18 Loans

Loans are initially recorded at fair value minus by any direct costs for the implementation of the transaction. They are subsequently measured at the net book cost, using the effective interest rate method. Loans for which the Company is entitled to defer repayment for more than 12 months are considered long term.

2.19 Income Tax – Deferred Income Tax

The burden of the financial year with income tax includes current taxes and deferred taxes, namely taxes or tax deductions related to the economic benefits arising in the current period but which have already been accounted for or will be accounted for by the tax authorities in different periods.

Deferred tax is calculated upon all the temporary differences of the balance sheet (the difference between the book value of each asset and its corresponding recognized tax value).

Concerning readjustment for non-depreciated fixed assets (sports fields, etc.) at their fair value, the deferred tax is calculated upon their liquidation (selling) value.

The cost of deferred taxes burdens the results of the financial year in which such are accounted. However, in the event that the temporary differences have been recorded in equity, the corresponding deferred tax is directly recorded in equity.

Deferred tax is not recorded for a tax liability that may be created solely pursuant to a decision made by the Company.

Deferred tax assets and liabilities are valued based on the expected tax rates to be applied during the fiscal period when the asset or liability will be settled, after considering the tax rates (and tax laws) in effect up to the Balance Sheet date. In case where the reversal time of the temporary differences cannot be determined, the tax rate to be applied is the tax rate in effect as of the date following the Balance Sheet date.

The recording of an asset for deferred income tax occurs only when there is certainty that the Company will achieve profits in the future, in order to offset the present asset with the future tax liability.

The loss during a financial year (or period) that is carried forward to the next financial year (or period) in order to offset the taxable profits of a following financial year (or period) contains a tax asset equal to the income tax that will be to the benefit of the Company in the next financial year (or period) in which the offsetting will occur. This asset is recorded when it is deemed certain that the Company will achieve profits in the future in order for it to be possible to offset the liability.

When there is a change in tax legislation, the tax liabilities and assets recorded in the books are adjusted accordingly. The adjustment differences are accounted for in the financial year results.

The tax rates in the countries where the Group activates are the following:

Country	Tax Rates / Deferred Tax Rates
Greece	29.00%
Romania	16.00%
Bulgaria	10.00%

2.20 Employee benefits

(a) Short-Term Benefits:

Short-term employee benefits in cash and in goods are recorded as expenses when such become accrued.

(b) Post-employment benefits

According to the clauses of L. 2112/1920, as it was amended by the article 74, paragraph 2, Law 3863/2010 and complemented by Law 3899/17–12–10, article 17, paragraph 5a and Law 4093/2012, the Greek companies of the Group pay indemnities to the pensioners, whereas the respective amount of these indemnities depends on the years of prior service and the level of remuneration. The program is viewed as a defined benefit plan. Post-employment benefits include both defined contribution plans as well as defined benefit plans.

The accrued cost of the defined contribution plans is recorded as expense in the period it refers to.
The liabilities emerging from the defined benefit plans to employees are calculated in the discounted value of the future benefits granted to the personnel and have been defined as accrued at the balance sheet date. The commitment for the defined benefit is calculated annually from independent actuarial professional with the use of the projected unit credit method.

The actuarial gains and losses emerging from empirical adjustments and from changes in the actuarial assumptions, are recognized in the other comprehensive income of the period they refer to.
The prior service cost is directly recognized in the results.

(c) Benefits of service termination

The benefits of service termination are payable when the Group either terminates the employment of employees prior to retirement, or following a decision made by employees to accept the benefits offered from the Group in exchange for their employment termination. The Group recognizes the benefits for employment termination as liability and expense during the earliest of the following dates: a) when the economic entity is not able any longer to withdraw the offer of these benefits and b) when the economic entity recognizes the restructuring cost which relates to the field of IAS 37 and results into the payment of benefits for service termination. Benefits for service termination which are due for 12 months after the balance sheet date are discounted.

(d) State Pension Plans

The human resources of the Group's Greek companies are mainly covered by the primary State Pension Fund which concerns the private sector (IKA) and grants pension and healthcare benefits. Each employee is obliged to contribute part of the monthly salary into the state pension fund, whereas another part of the insurance contribution is covered by the employer. At the time of retirement, the pension fund is responsible for granting the pension benefits to the employees. As result, the Group has no legal or implied obligation for the payment of the future benefits based on this program. The accrued cost of the contributions is recorded as an expense in the corresponding period. This program is considered and is accounted for as a defined contribution plan.

2.21 Provisions

Conditions for recording provisions:

- Legal Commitment

Contract, Legislation, or other application of the Law.

- or Constructive Obligation

This is an obligation that arises from past Company practice, published practices or a specific public statement.

- Reliable estimate of the amount
- Arises from past events (present obligation)
- Possible outflow of economic resources is possible from the settlement of the obligation.

The conditions for registration of provisions must apply cumulatively. A provision shall only be registered where the obligation exists, regardless of future Company actions. Where the Company can avoid the expense, no obligation exists and no provision is registered. A Board decision does not suffice for the registration of a provision, since the Board may revoke its decision. A provision may also represent future expenses necessary for the acquisition of future economic benefits. In these cases, the amount of the provision is capitalized as an asset.

Provisions are reviewed at the end of each period and are adjusted in order to reflect the best possible estimates and, where necessary, are discounted at a pre-tax discount rate.

2.22 De-recognition of financial assets and liabilities

Financial assets

The financial assets (or depending on the case, the part of a financial asset or the part of a group of financial assets) are being de-recognized when:

- The rights for the cash inflows have expired,
- The Group and the Company have transferred the right for the cash inflows emanating from the particular asset or they have undertaken at the same time a liability towards third parties to fully repay and without significant delay in the form of a transfer contract, while at the same time (a) they have either transferred essentially all related risks and benefits or (b) they have not transferred essentially all the risks and benefits but they have transferred to control of the particular asset.

Whenever the Group or the Company has transferred the rights for the cash inflows from the particular asset but at the same time has not essentially transferred all risks and benefits or the control of the particular asset, then this asset is recognized to the degree of the Group's or Company's continuing participation in the particular asset. The continuing participation which has the form of a guarantee on the transferred asset is being valued at the lowest value between the initial balance of the asset and the maximum amount which the Group or Company may be called to pay.

Financial liabilities

The financial liabilities are being de-recognized when the liability is being suspended, cancelled or expired. In the case of an existing liability being replaced by another one from the same lender but in essence with different terms, or in the case of material changes in the terms of an existing liability, then the initial liability is being de-recognized and a new liability is recognized, whereas the difference that may arise in the balances is recognized in the results.

2.23 Recognition of income

Income includes the fair value of sales of goods and the provision of services, net of VAT, discounts and refunds and are accounted for only when the economic benefits associated with the transaction shall be received by the Company.

Inter-Company income within the Group is written-off entirely.

Income recognition is carried out as follows:

(a) Income from sale of goods

Sales of goods are recognized when the Group has transferred the material risks and benefits arising from ownership of the goods to the buyer and the receivable amount can be reliably valued and its collection is reasonably assured.

(b) Income from provision of services

Income from the provision of services is calculated based on the service's completion stage with regard to its estimated total cost.

(c) Interest income

Interest income is recorded based on the time proportion (accrual principle) and by employing the effective interest rate.

(d) Income from dividends

Dividends are recognized as income when the shareholders' right to collect them has been established (that is, after their approval by the General Meeting).

2.24 Leases

Leases where risks and benefits of ownership are transferred from the lessor to the lessee are classified as financial leases, regardless of whether the ownership is eventually transferred or not. In this case, the fixed asset and liability are recorded at the lowest of the present value of minimum benefits guaranteed by the lessor or the fair value of the asset. Financial lease payments include the amount of principal and the financial expense. The financial expense should be allocated in the results so as to provide a fixed rate on the balance of the liability.

A lease is classified as financial or operating based on the essence of the transaction and not the type of contract.

If it arises from the lease agreement that all the benefits and risks derived from the ownership of the asset substantially remain with the lessor, then it is classified as an operating lease. The lease payments of an operating lease are registered as an expense in the results on a regular basis during the lease period.

2.25 Dividend distribution

Distribution of dividends to the parent Company's shareholders is recorded as a liability in the financial statements when distribution is approved by the shareholders' General Meeting.

2.26 Government Grants

Government grants are initially recognized in the Balance Sheet as deferred income, when the collection of the grant is fairly certain and the Group is expected to comply with all required conditions. Grants that concern the Group's expenses are recognized as other operating income on a regular base in periods when the respective expenses are recognized. Grants that concern the acquisition cost of the Group's assets are recognized as other operating income on a regular base according to the useful life of the corresponding assets.

2.27 Earnings per share

Basic earnings per share are calculated by dividing the net earnings after taxes with the weighted average number of shares during each financial year.

2.28 Long-term Receivables / Liabilities

Long term receivables and liabilities, which are without interest or bear an interest lower than the given market rates, appear at their net present value. The discount differences are presented as financial income / expenses in the Results of the given year in which they occur.

2.29 Related parties

Transactions and balances with related parties appear separately in the financial statements Such related parties basically concern the major shareholders and the management of a business and/or its subsidiary companies, companies with a joint ownership status and/or management with the business and the consolidated subsidiaries or subsidiaries of these companies.

2.30 Capital management

It is the Group's policy to maintain a strong capital base in order to retain investors' and creditors' confidence and so that its future development will be supported. Management monitors equity, which it considers aggregately, with the exception of minority interest, so that the debt equity ratio (except for Company deposits) will amount to less than between 2 and 2.5 to 1.
In accordance with Codified Law 2190/1920, regarding société anonymes (SAs), limitations are imposed in relation to equity, as follows:
The acquisition of treasury shares, with the exception of acquisition with the intent of distribution to employees, cannot exceed 10% of the paid share capital and cannot result in the decrease of equity to an amount less than the amount of the share capital augmented by the reserves for which distribution is prohibited by Law.
In the event where the company's total equity amounts to less than ½ of share capital, the Board of Directors is obligated to convene a General Meeting, within a period of six months from the end of the financial year, which will decide on the dissolution of the Company or the adoption of another measure.
When the Company's total equity reaches below 1/10 of the share capital and the General Meeting does not take the appropriate measures, the Company may be dissolved by a court decision following a claim by anyone with a lawful interest.
At least 1/20 of net earnings are deducted annually in order to form a statutory reserve, which is used exclusively to counterbalance, before any dividend distribution, any debit balance of the retained earnings account. The formation of this reserve is rendered optional when its amount reaches 1/3 of share capital. The payment of annual dividends to shareholders in cash, to an amount at least 35% of net earnings, after the deduction of the statutory reserve and the net result from the measurement of assets and liabilities at fair value, is mandatory. This is not applicable id decided by a General Shareholders' Meeting by a majority of at least 65% of the fully paid share capital.

In this case, the non-distributed dividend of up to at least 35% of the above net earnings is recorded in a special reserve for capitalization account, within four years with the issue of new shares that are offered at no charge to the entitled shareholders.

Finally, with a majority of at least 70% of the fully paid share capital, the General Meeting of shareholders may decide on the non-distribution of dividend.

The company complies fully with the relevant provisions imposed by law in relation to equity.

3. Financial risk management

C. RISKS AND UNCERTAINTIES

According to the Act of Legislative Content (Gov. Gaz. 65 A'/28-06-2015) the Greek banking system entered into a bank holiday whereas capital controls were imposed in the country concerning the free

transfer of capital domestically as well as abroad. Specifically, special authorization processes concerning the payments toward suppliers abroad were imposed which in turn generated significant delays in the processing of transactions, whereas the financial results of the companies were affected by additional operating and administrative costs.
In the above context, ELASTRON Group, thanks to its long-term relations with major suppliers abroad and also due to the significant dispersion of its liquidity in Greece and abroad, managed to maintain a steady flow of raw material supplies and continued on uninterrupted manner its operations although under especially unfavorable market conditions. It should be noted however, that with the passage of time, the regulatory framework of capital controls has significantly improved and as result the measure does not materially affect the ordinary activities of the Company and the Group.

In the context of its ordinary business activities, the Group is exposed to the following financial risks within the scope of its basic activity:

1) Credit risk
2) Liquidity risk
3) Market risk

The risk management policy of the Group is focused on the volatility of financial markets with the objective of minimizing the factors that may negatively affect its financial performance.

The risk management policy is applied in order to recognize and analyze risks which the Group faces, to set limits on risks assumed and to apply controls to such limits. The systems and policies applied are periodically reviewed to incorporate changes observed in market conditions and the Group's activities.

The risk management is performed by the Company's Finance Department, in cooperation with the Group's other departments and according to the guidelines and approvals of the Company's Board of Directors.

Adherence to risk management policies and procedures is controlled by the Internal Audit Department, which performs ordinary and extraordinary audits on the application of procedures, the findings of which are disclosed to the Board of Directors.

1) Credit risk

Due to the great dispersion of its clientele (no client exceeds 10% of total sales), the Group does not have a significant concentration of credit risk. Based on the credit policy approved by the Group companies' Board of Directors, all new clients are examined on an individual basis in terms of their creditworthiness prior to the proposal of the standard payment terms. Credit limits are set for each client; these are reviewed depending on ongoing conditions and, if necessary, the sales and collection terms are adjusted. As a rule, customer credit limits are determined on the basis of the insurance limits set for them by the insurance companies. While monitoring credit risk of customers, such are grouped according to their credit profile, the maturity of their receivables and any prior collection problems that may have emerged. Customer receivables mainly include the Group's wholesale clients.

Clients characterized as "high risk" are placed in a special client list and future sales are to be pre-collected and approved by the Board of Directors. At the same time, the Group makes impairment provisions which reflect its estimation on losses related to clients and other receivables. This provision mainly consists of impairment loss of specific receivables which are estimated on the basis of given conditions that such will be collected, but have not yet been finalized.

The amount of the impairment loss is estimated as the difference between the book value of receivables and the present value of estimated future cash flows, discounted by the initial effective interest rate. The impairment loss amount is accounted for as an expense in the results. Receivables which are assessed as bad debts are written off.

The credit risk is limited to 20% of the total trade receivables, on the basis of the Group's insurance policies. The margin of this risk is limited even further as tangible or other guarantees (such as letters of guarantee) are requested wherever deemed necessary.

Maturity of Trade Receivables	Group	Company
Up to 30 days	8,782,731.85	8,723,128.76
31 to 90 days	9,285,853.35	9,107,991.00
91 to 180 days	2,976,184.66	2,668,971.00
Over 180 days	4,202,861.35	4,019,802.00
Intra-group transactions	-374,360.11	0.00
Total	**24,873,271.10**	**24,519,892.76**
Provisions for doubtful receivables	-3,080,467.88	-2,916,667.88
Total	**21,792,803.22**	**21,603,224.88**

2) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its financial liabilities when these become due. The approach adopted by the Group to manage liquidity is to secure the necessary cash and sufficient credit limits from the banks with which it cooperates, so that there is the appropriate liquidity for the fulfillment of the financial liabilities, under standard as well as unfavorable conditions without incurring unacceptable loss or risking its reputation. In order to minimize the liquidity risks, the finance division of the Group makes an annual provision for cash flows for the fiscal year when preparing its annual budget and a monthly rolling three-month provision so as to secure that it has sufficient cash to meet its operating needs, including its financial liabilities. This policy does not take into account the impact of extreme conditions, which cannot be foreseen. For this reason, the Management of the Group, by assessing the market conditions each time, maintains a certain amount of cash reserves for defensive purposes, in order to face any extreme or extraordinary situations.
It is noted that for the entire debt obligations of the Group no tangible asset has been placed as collateral in favor of the banks, an element which indicates the especially high creditworthiness of the Group.

The following table presents an analysis of the Company's and Group's liabilities, based on their expiration and remaining duration as at 31.12.2017.

Group	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	984,800.00	663,225.03	43,607,361.54	**45,255,386.57**
Suppliers and other liabilities	6,957,720.11	161,487.82	4,027,098.17	**11,146,306.10**
Grants (deferred income)	0.00	171,300.31	4,935,493.80	**5,278,094.42**
Total	**7,942,520.11**	**824,712.85**	**52,912,554.13**	**61,679,787.09**

Group	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	984,800.00	663,225.05	35,485,133.00	**37,133,158.05**
Suppliers and other liabilities	6,778,491.14	161,487.82	3,212,098.74	**10,152,077.70**
Grants (deferred income)	119,243.48	119,243.48	3,220,506.85	**3,458,993.81**
Total	**7,882,534.62**	**943,956.35**	**41,917,738.59**	**50,744,229.56**

On 31.12.2017, the Company and the Group possessed cash and cash equivalents of € 5.4 and 5.9 million respectively.

3) Market risk

Market risk is the risk of change in prices of raw materials procured by the Group, the risk of change in the foreign exchange rates that the Group conducts transactions in and the risk of change in interest rates that the Group borrows at and which can affect the Group's results. The purpose of risk management against market conditions is to determine and control the Group's exposure to those risks, within the context of acceptable parameters while at the same time optimizing its performance.

- **Metal (iron, steel, etc.) Raw Material Price Volatility Risk**

The Group conducts its purchases mainly in the global steel market under normal market terms. Each change in the market price of raw materials is discounted for in the sales price, resulting in changes in the Group's profit margin during periods of big price fluctuations for raw materials in the world market. More specifically, in periods during which prices follow an upward trend, the Group's profit margins improve, as the upward trend is transferred to the sales prices. Accordingly, when raw material prices follow a declining trend, the Group's profit margins decrease.

The Group does not apply hedging to cover its basic operating reserve, which means that any increase/decrease of metal prices may affect its results accordingly through depreciation or appreciation of inventories.

- **Foreign exchange risk**

The Group is exposed to foreign exchange risk from the purchase of inventories it makes in $ (US Dollar), from the deposits denominated in $ (US Dollar) as well as from the joint venture BALKAN IRON GROUP SRL, based in Romania, whose operating currency unit is the RON.

The Group's borrowings are euro denominated in their entirety while there are no receivables denominated in foreign currency.

Foreign currency is purchased in advance in order for the Company to limit its foreign exchange risk emerging from inventory purchase. The total liabilities of the Group as of 31.12.2017 are covered by equivalent purchases in advance of foreign currency and as a result there is no foreign exchange risk associated with the fluctuations of the US Dollar.

An increase by 10% of the Euro versus the US$ and of the Euro versus the RON on 31 December would affect the equity and the results by negligible amounts for the Company.

- **Interest rate risk**

Interest rate risk arises mainly from long-term and short-term bank loans in € at the floating rate of Euribor.

The Group finances its investments, as well as its need for working capital, through equity, short-term bank loans, long-term loans and bond loans and as a result is burdened by interest expenses. Increasing trends in interest rates shall negatively affect results, which will be burdened by the additional borrowing cost.

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rates of loans (Euribor) would be 1% higher/lower on average during the financial year 2017:

Amounts in € million	Loans 31.12.2017	Effect on results before tax (+ / -)
Group	45.3	0.45
Company	37.1	0.37

This would occur due to the higher/lower financial cost of bank borrowing with a floating rate in euro.

A smaller effect results from interest income related to time deposits in euro.

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rate on term deposits would be 1% higher/lower on average during financial year 2017:

Amounts in € million	Sight and term deposits 31.12.2017	Effect on results before tax (+ / -)
Group	5.9	0.06
Company	5.4	0.05

This would occur due to the higher/lower financial income from term deposits.

- **Risk of capital**

The purpose of the management in relation to capital management is to ensure the smooth and uninterrupted operation of activities with the objective of providing satisfactory returns to shareholders, and to maintain as much as possible an ideal capital structure, thus reducing the cost of capital. For this reason, the management, according to the prevailing conditions, may adjust its dividend policy, increase its share capital or sell assets in order to reduce debt.

Company Data	2017	2016
Total debt	37,133,158.05	25,578,124.13
Minus: Cash and cash equivalents	5,410,747.70	4,224,181.36
Net debt	**31,722,410.35**	**21,353,942.77**
Total equity	69,248,172.69	69,324,061.10
EBITDA	5,153,241.37	3,843,561.38
Equity / Net debt	**2.18**	**3.25**
Net debt / EBITDA	**6.16**	**5.56**

Group Data	2017	2016
Total debt	45,255,386.57	28,280,845.82
Minus: Cash and cash equivalents	5,930,121.94	4,717,349.16
Net debt	**39,325,264.63**	**23,563,496.22**
Total equity	67,648,703.51	65,348,297.62
EBITDA	9,404,350.92	7,415,983.25
Equity / Net debt	**1.72**	**2.77**
Net debt / EBITDA	**4.18**	**3.18**

4. Fair value of financial assets

There is no difference between the fair values and the respective book values of the financial items of assets and liabilities, namely the trade and other receivables, the cash equivalents, the suppliers and other liabilities, the derivatives financial products and the loans.

Fair value of a financial item is the amount which is received from the sale of a financial item or paid for the settlement of an obligation in a transaction under normal conditions between two trading parties at the date of its valuation. The fair value of the financial items on 31.12.2017 was based on the best possible estimate on behalf of the Company's Management.

The ranking levels of fair value are the following:

a) official stock exchange prices (without adjustment) in markets with significant trading volumes for similar assets or liabilities (Level 1)
b) inflows, other than stock exchange prices which are included in Level 1, which can be observed for the financial asset or the liability, either directly (for example prices) or indirectly (as derivative of prices) (Level 2), and
c) inflows for the financial asset or the liability which are not based on observable market data (non observable inflows) (Level 3).
The levels in the ranking scale of fair value, within which the measurement of fair value is fully classified, is defined by the inflow of the lowest level which is deemed as significant for the measurement of the entire fair value.

The methods and assumptions which were utilized for the estimation of the fair value are the following:

Cash and cash equivalents, trade and other receivables, suppliers and other liabilities: The accounting value is especially close to the fair value as the maturity of these financial items is in short-term and because there is no foreign exchange risk affecting the fair value.

Loans: The book value is the same with the fair value as these loans are in local currency and with the Euribor as floating interest rate.

5. Significant accounting estimations and judgments by management

The Group's management proceeds with estimates and assumptions regarding the progress of future events. Estimates and assumptions that entail significant risk of causing material adjustments to the book values of assets and liabilities within the coming 12 months are as follows:

Tax unaudited years

Since the fiscal year 2011, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS SIMOS SA, and also since the year 2014 all Group companies, have been included in the tax audit of the Certified Auditors as it is provided by the clauses of article 65A of Law 4174/2013, as they were amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not included in the tax audit of the Certified Auditors, it is estimated that there is no reason for the formation of any provision. As result, on 31.12.2017 the company and the group have formed no provisions regarding tax-unaudited fiscal years.

ELASTRON SA and the other Group companies have assigned a Certified Auditor the tax audit of the fiscal year 2017. The particular audit is under progress and the relevant tax certificate is expected to be granted after the release of the financial statements of year 2017. If until the completion of the tax audit certain additional tax liabilities emerge, then it is estimated that these will not have any material impact on the financial statements.

6. Analysis of tangible fixed assets and intangible assets

The **Group's** fixed assets are analyzed as follows:

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value	31,483,127.25	43,321,156.55	1,230,051.59	687,411.02	498,801.56	4,842,627.67	82,063,175.64
Accumulated depreciation/amortization and impairment	-7,011,591.58	-17,608,803.28	-928,789.33	0.00	-381,114.82	-1,553,874.34	-27,484,173.35
Net book value 31.12.16	**24,471,535.67**	**25,712,353.27**	**301,262.26**	**687,411.02**	**117,686.74**	**3,288,753.33**	**54,579,002.29**

Book value	41,221,751.19	48,988,501.71	1,513,373.67	1,208,623.97	615,989.72	4,842,627.67	98,390,867.93
Accumulated depreciation/amortization and impairment	-9,933,128.90	-21,060,949.23	-1,228,113.21	0.00	-520,493.70	-1,659,005.52	-34,401,690.56
Net book value 31/12/17	**31,288,622.29**	**27,927,552.48**	**285,260.46**	**1,208,623.97**	**95,496.02**	**3,183,622.15**	**63,989,177.36**

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value 1.1.2016	**24,043,389.94**	**23,273,508.54**	**198,924.03**	**1,385,990.52**	**45,367.19**	**3,416,088.85**	**52,363,269.07**
Additions	872,422.34	1,165,377.46	117,253.35	-698,579.50	2,774.53	0.00	1,459,248.18
Depreciations	-677,303.86	-1,762,321.95	-66,490.86	0.00	-19,393.09	-127,275.52	-2,652,785.28
Sales - write-offs	0.00	-15,000.00	-87,104.52	0.00	-93,170.07	0.00	-195,274.59
Depreciation of assets sold/written-off	0.00	800.00	83,820.61	0.00	93,169.39	0.00	177,790.00
Absorption of associate company 30.06.16	233,027.25	3,049,989.22	54,859.65	0.00	88,938.79	-60.00	**3,426,754.91**
Transfer to fixed assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net book value 31.12.16	**24,471,535.67**	**25,712,353.27**	**301,262.26**	**687,411.02**	**117,686.74**	**3,288,753.33**	**54,579,002.29**
Additions	0,00	1,998,568.39	47,965.93	878,531.57	0.00	0.00	2,925,065.89
Depreciations	-747,116.99	-1,818,658.18	-81,569.28	0.00	-17,395.08	-105,131.18	-2,769,870.72
Sales - write-offs	0.00	-40,470.65	-59,547.11	0.00	0.00	0.00	-100,017.76
Depreciation of assets sold/written-off	0.00	14,756.64	59,546.99	0.00	0.00	0.00	74,303.63
Change of consolidation method	7,564,203.61	2,061,003.01	17,601.67	-357,318.62	-4,795.64	0.00	9,280,694.03
Net book value 31.12.17	**31,288,622.29**	**27,927,552.48**	**285,260.46**	**1,208,623.97**	**95,496.02**	**3,183,622.15**	**63,989,177.36**

The **Company's** fixed assets are analyzed as follows:

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value	28,638,288.82	34,375,520.69	1,184,847.69	330,092.40	484,749.56	4,842,627.67	69,856,126.83
Accumulated depreciation/amortization and impairment	-6,796,154.74	-15,782,512.48	-904,603.66	0.00	-371,920.62	-1,553,874.34	-25,409,065.84
Net book value 31.12.16	**21,842,134.08**	**18,593,008.21**	**280,244.03**	**330,092.40**	**112,828.94**	**3,288,753.33**	**44,447,060.99**
Book value	28,638,288.82	36,340,618.53	1,261,805.32	1,208,623.97	484,749.56	4,842,627.67	**72,776,713.87**

Accumulated depreciation/amortization and impairment	-7,384,384.26	-17,134,128.70	-981,276.14	0.00	-389,253.67	-1,659,005.52	**-27,548,048.29**
Net book value 31.12.17	**21,253,904.56**	**19,206,489.83**	**280,529.18**	**1,208,623.97**	**95,495.89**	**3,183,622.15**	**45,228,665.58**

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value 1.1.2016	**22,162,766.95**	**16,555,445.95**	**170,763.57**	**0.00**	**36,293.79**	**3,416,088.85**	**42,341,359.11**
Additions	28,240.03	206,297.44	113,450.04	330,092.40	0.00	0.00	**678,079.91**
Depreciations	-581,900.15	-1,218,724.40	-55,545.32	0.00	-12,402.96	-127,275.52	**-1,995,848.35**
Sales - write-offs	0.00	0.00	-87,104.52	0.00	-93,170.07	0.00	**-180,274.59**
Depreciation of assets sold/written-off	0.00	0.00	83,820.61	0.00	93,169.39	0.00	**176,990.00**
Absorption of associate company	233,027.25	3,049,989.22	54,859.65	0.00	88,938.79	-60.00	**3,426,754.91**
Net book value 31.12.16	**21,842,134.08**	**18,593,008.21**	**280,244.03**	**330,092.40**	**112,828.94**	**3,288,753.33**	**44,447,060.99**
Additions	0.00	1,998,568.39	76,957.63	878,531.57	0.00	0.00	**2,954,057.59**
Depreciations	-588,229.52	-1,361,099.53	-76,672.48	0.00	-17,333.05	-105,131.18	**-2,148,465.76**
Sales - write-offs	0.00	-33,470.55	0.00	0.00	0.00	0.00	**-33,470.55**
Depreciation of assets sold/written-off	0.00	9,483.31	0.00	0.00	0.00	0.00	**9,483.31**
Net book value 31.12.17	**21,253,904.56**	**19,206,489.83**	**280,529.18**	**1,208,623.97**	**95,495.89**	**3,183,622.15**	**45,228,665.58**

There are no liens, collateral or other commitments on fixed assets of the Company and the Group's companies. Intangible assets mainly include acquired software and licenses for use of software.

ELASTRON
STEEL SERVICE CENTERS

7. Investment property

	COMPANY	
	31.12.2017	31.12.2016
Land plot and building facilities at Skaramagkas	4.813.153,99	4.813.153,99
Apartment at Filippiados Str.	29.473,68	29.473,68
Total Value	**4.842.627,67**	**4.842.627,67**
Amortized	-1.659.005,52	-1.553.874,34
Net book value	**3.183.622,15**	**3.288.753,33**

8. Analysis of receivables

The Group's and Company's trade receivables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Customers	13,971,740.13	15,350,280.08	13,554,061.29	14,977,655.31
Notes	2,933.11	8,208.00	0.00	6,500.00
Post-dated cheques	10,898,597.86	7,009,962.92	10,965,831.47	7,009,962.92
Provisions for bad debt	(3,080,467.88)	(2,964,186.30)	(2,916,667.88)	(2,964,186.30)
Total trade receivables	**21,792,803.22**	**19,404,264.70**	**21,603,224.88**	**19,029,931.93**

The movement of the provision for doubtful trade receivables is analyzed in the following table:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Initial balance	2,964,186.30	1,326,512.06	2,964,186.30	1,326,512.06
Additional provision (results)	100,000.00	200,000.00	60,000.00	200,000.00
Absorption of associate	0.00	1,437,674.24	0.00	1,437,674.24
Change of consolidation method	123,800.00	0.00	0.00	0.00
Utilization of provision	(107,518.42)	0.00	(107,518.42)	0.00
Total	**3,080,467.88**	**2,964,186.30**	**2,916,667.88**	**2,964,186.30**

The maturity of the trade receivables of the Company and the Group on 31/12//2017 is analyzed as follows:

Maturity of Trade Receivables	Group	Company
Up to 30 days	8,782,731.85	8,723,128.76
31 to 90 days	9,285,853.35	9,107,991.00
91 to 180 days	2,976,184.66	2,668,971.00
Over 180 days	4,202,861.35	4,019,802.00
Intra-group transactions	-374,360.11	0.00
Total	**24,873,271.10**	**24,519,892.76**
Provisions for doubtful receivables	-3,080,467.88	-2,916,667.88
Total	**21,792,803.22**	**21,603,224.88**

			Overdue Trade Receivables of Company			
Years	Total receivables before impairments	Non overdue trade receivables	Receivables before impairment	Receivable from insurance company	Provisions for impairment	Balance of overdue receivables
2016	21,994,118.23	18,326,056.86	3,668,061.37	88,836.05	2,964,186.30	615,039.02
2017	24,873,271.10	21,040,731.27	3,832,539.83	3,573.95	3,080,467.88	748,498.00

There is no concentration of credit risk in relation to trade receivables, as such are dispersed amongst a large number of customers. All the above receivables are short-term and there is no need to discount such to present value during the balance sheet date. Also, the largest part (about 80%) of the Company's trade receivables are insured against credit risk, whereas whenever it is required, there is utilization of guarantees and tangible insurance. In addition, the Group proceeds with the formation of the necessary provisions for the coverage of the impaired trade receivables.

The amortized receivables are monitored in transitory accounts and the probability for collection is reviewed.

The Group's and Company's other receivables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Receivables from employees	16,890.00	15,398.78	17,052.75	15,398.78
Receivables from other partners - third parties	2,678,790.97	216,683.27	988,845.85	154,579.93
Greek State– income tax receivable	163,005.22	53,821.57	35,896.83	51,451.11
Greek State – receivable of other taxes	2,095,353.49	612,389.07	2,199,086.12	561,203.89
Receivables from related companies	0.00	0.00	2,700,810.41	0.00
Grants receivable	512,837.10	597,331.28	512,837.10	512,837.10
Provision for doubtful receivables	(122,900.00)	(116,000.00)	(116,000.00)	(116,000.00)
Total	**5,343,976.78**	**1,379,623.97**	**6,338,529.06**	**1,179,470.81**

The movement of the provision for doubtful receivables is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Initial balance	116,000.00	71,000.00	116,000.00	71,000.00
Absorption of related	0.00	45,000.00	0.00	45,000.00
Change in consolidation method	6,900.00	0.00	0.00	0.00
Utilization of provision	0.00	0.00	0.00	0.00
Total	**122,900.00**	**116,000.00**	**116,000.00**	**116,000.00**

			Overdue Trade Receivables			
Years	Total	Non overdue trade receivables	Receivables before impairment	Receivable from insurance company	Provisions for impairment	Balance of overdue receivables
2016	1,388,092.48	1,225,988.54	162,103.94	0.00	116,000.00	46,103.94
2017	4,609,426.05	4,375,948.79	233,477.26	0.00	122,900.00	110,577.26

The long-term receivables of the Group and Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Given guarantees	55,999.06	51,553.75	42,079.06	41,300.63
Receivables from associates	147,386.26	1,110,684.93	3,543,237.45	3,497,070.08
Total	**203,385.32**	**1,162,238.68**	**3,585,316.51**	**3,538,370.71**

The given guarantees presented in long-term receivables concern guarantees and receivables that will be received in a period over twelve (12) months from the end of the reporting period. The fair value of such receivables does not differ substantially from that presented in the financial statements and is subject to a review annually. The given guarantees that will be received in the next year, are presented in other short-term receivables.

9. Analysis of inventories

The Group's and Company's inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Merchandise	18,365,609.49	17,189,025.85	18,365,609.49	17,176,775.34
Products	4,134,726.46	3,503,514.98	4,134,726.46	3,503,514.98
Orders	5,822,046.23	1,090,869.80	5,822,046.23	1,090,869.80
Raw materials – consumables	704,514.26	775,394.29	700,702.64	749,968.72
Production in progress	0.00	0.00	0.00	0.00
Total	**29,026,896.44**	**22,558,804.92**	**29,023,084.82**	**22,521,128.84**

The risk due to loss of inventory from natural disasters, theft etc., is extremely low due to the nature of inventories. There is however risk of impairment due to the volatility of prices globally. The Management of the Group continuously reviews the net liquidation value of inventories and makes the appropriate provisions in order to ensure that the value of inventory in the financial statements coincides with the real value. In the current and the previous fiscal year there was no issue concerning any inventory impairment. The Group's inventory cost which was recorded as expense in the cost of sales amounts to 71,766,369.57 Euros (57,783,646.31 Euros in 2016).

10. Securities

The securities consist of portfolio of shares of companies listed and traded on the Athens Exchange and have been purchased with the objective to realize capital gains from the short-term price fluctuations of their prices. According to IAS 39, the value of these securities has been impaired.

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Value of securities	51,450.00	156,450.00	51,450.00	156,450.00
Revaluation difference in the results	(24,150.00)	(43,050.00)	(24,150.00)	(43,050.00)
Balance 31.12.2017	**27,300.00**	**113,400.00**	**27,300.00**	**113,400.00**

11. Derivatives

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Forward foreign exchange contracts Current assets / (short-term liabilities)	(85,702.34)	43,430.61	(85,702.34)	43,430.61
Amounts registered in the results	(100,948.95)	0.00	(100,948.95)	0.00

12. Analysis of cash reserves

The Group's and Company's cash & cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Cash in hand	12,828.16	13,902.46	4,718.44	4,206.93
Sight & term deposits	5,917,293.78	4,703,446.70	5,406,029.26	4,219,974.43
Total	**5,930,121.94**	**4,717,349.16**	**5,410,747.70**	**4,224,181.36**

Term (or time) deposits refer to short-term placements, usually 3-month and monthly, at the banks which the Company and the Group co-operate with.

13. Analysis of all equity accounts

The Group's and Company's equity are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Share Capital	**18,421,516.00**	**18,421,516.00**	**18,421,516.00**	**18,421,516.00**
Share premium	**11,171,177.70**	**11,171,177.70**	**11,171,177.70**	**11,171,177.70**
Statutory reserve	3,549,983.05	3,546,751.83	3,535,074.04	3,535,074.04
Extraordinary reserves	802,993.02	802,993.02	802,993.02	802,993.02
Tax-exempt reserves subject to special legal provisions	12,086,025.87	12,086,025.87	12,086,025.87	12,086,025.87
Reserves of tax-exempt income	404,315.87	404,315.87	404,315.87	404,315.87
Special reserves	4,467,406.98	4,467,406.98	4,467,406.98	4,467,406.98
Total Reserves	**21,310,724.79**	**21,307,493.57**	**21,295,815.78**	**21,295,815.78**

Treasury shares	**-7,062.48**	**-7,062.48**	**-7,062.48**	**-7,062.48**
Retained earnings	14,430,779.75	12,762,892.12	18,442,614.10	18,166,704.32
Transfer in the reserves	-3,231.22	-11,677.78	0.00	0.00
Results for the period	2,296,888.04	1,679,565.41	-75,888.41	275,909.78
Accumulated Earnings	**16,724,436.57**	**14,430,779.75**	**18,366,725.69**	**18,442,614.10**
	.			
Total equity without minority interest	**67,620,792.58**	**65,323,904.54**	**69,248,172.69**	**69,324,061.10**
Minority interest	27,910.93	24,393.08		
Total Equity	**67,648,703.51**	**65,348,297.62**	**69,248,172.69**	**69,324,061.10**

The Ordinary General Meeting on 12.06.2014 approved the purchase of up to 1,651,800 own shares which represent 8.96% of the Company's outstanding and paid in cash share capital. The range of the purchase price per share was set from twenty (20) cents to one euro and fifty cents (1.50) and was to be implemented in a time period of twenty four (24) months beginning on the day following the approval by the General Meeting.

Based on the above decision, the Company proceeded up until 09.06.2016, date of the Ordinary General Meeting of Shareholders, with the purchase of 13,484 own shares for a total value of € 7,156.37 (average price prior to expenses and transactions' commissions at € 0.5307 per share), which were subsequently cancelled according to the provisions of article 16 of C.L. 2190/1920. As a result, the share capital of the company was reduced by an amount of thirteen thousand four hundred eighty four Euros (€ 13,484) via the corresponding amendment of the article 5 of the Articles of Association. Following the above reduction, the Company's share capital amounts to € 18,421,516 divided by 18,421,516 shares of nominal value € 1.0 per share.

Also, the same Ordinary General Meeting approved the purchase of up to 1,830,016 of the Company's own shares, representing 9.94% of the current paid up capital. The range of the price per share was set from twenty (20) cents up to one euro and fifty cents (1.50). The above proposed purchase of own shares was to be implemented in a time period of twenty four (24) months beginning from the day following the approval by the General Meeting.

	Purchase of Treasury Shares	
	Shares	Value
Year 2012	184,350	107,441.43
Year 2013	27,130	17,758.82
Year 2014 (until GM)	1,520	1,277.36
Year 2014 (after GM)	6,070	3,624.10
Year 2015	6,115	3,182.75
Year 2016	11,976	7,569.25
Total	**237,161**	**140,853.71**
Cancellation of treasury shares via share capital decrease	-226,484	-133,791.23
Balance on 31.12.2017	**10,677**	**7,062.48**

The Company according to the Greek tax law, proceeded into the creation of tax exempt reserves in the past, with the objective to achieve tax reliefs.

The Company has not recognized any provision for potential income tax obligation in case of future distribution of such reserves to the shareholders, since such obligation is recognized at the same time with the dividend obligation corresponding to such distributions.

The accumulated earnings of the Group and the Company have increased by amounts of grants, € 3,063,848.63 and € 1,997,445.20 respectively, which according to the provisions of L. 3299/2004 & L. 3908/2011 are not being distributed.

The purpose of the Company's and Group's management in relation to capital management is to ensure the smooth operation of activities with the objective of providing satisfactory returns to shareholders, and to maintain as much as possible an ideal capital structure, thus reducing the cost of capital. For this reason, the management, according to the prevailing conditions, may adjust its dividend policy, increase its capital by cash or sell assets in order to reduce debt.

The monitoring of the above is performed on the basis of the ratio "Net bank debt to operating earnings (EBITDA)".

Company Data	2017	2016
Total debt	37,133,158.05	25,578,124.13
Minus: Cash and cash equivalents	5,410,747.70	4,224,181.36
Net debt	**31,722,410.35**	**21,353,942.77**
Total equity	69,248,172.69	69,324,061.10
EBITDA	5,153,241.37	3,843,561.38
Equity / Net debt	**2.18**	**3.25**
Net debt / EBITDA	**6.16**	**5.56**

Group Data	2017	2016
Total debt	45,255,386.57	28,280,845.82
Minus: Cash and cash equivalents	5,930,121.94	4,717,349.16
Net debt	**39,325,264.63**	**23,563,496.22**
Total equity	67,648,703.51	65,348,297.62
EBITDA	9,404,350.92	7,415,983.25
Equity / Net debt	**1.72**	**2.77**
Net debt / EBITDA	**4.18**	**3.18**

14. Analysis of suppliers and other liabilities

The Group's and Company's other liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Insurance accounts & other taxes	461,312.83	493,210.00	438,582.33	416,986.63
Customer prepayments	498,447.57	700,619.36	484,978.42	700,619.36
Other liabilities / provisions	112,652.72	137,417.44	1,144.47	33,083.26
Total other liabilities	**1,072,413.12**	**1,331,246.80**	**924,705.22**	**1,150,689.25**
Suppliers	**5,638,116.83**	**2,970,087.62**	**5,606,595.76**	**2,817,405.85**

All the above liabilities are of short-term nature and there is no need to discount such to present value during the balance sheet date.

15. Analysis of loans

The Group's and Company's loan liabilities are analyzed as follows:

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Long-term loans

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Bank loans	20,300,000.00	12,390,250.00	20,300,000.00	12,170,250.00

Short-term loans

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Bank loans	23,307,361.54	13,457,328.12	15,185,133.00	11,284,606.43
Short-term part of bond loans	1,648,025.03	2,433,267.70	1,648,025.05	2,123,267.70
Total	**24,955,386.57**	**15,890,595.82**	**16,833,158.05**	**13,407,874.13**
TOTAL LOANS	**45,255,386.57**	**28,280,845.82**	**37,133,158.05**	**25,578,124.13**

	GROUP		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.17	1,648,025.03	20,300,000.00	23,307,361.54

	GROUP		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.16	2,433,267.70	12,390,250.00	13,457,328.12

	COMPANY		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31,12.17	1,648,025.05	20,300,000.00	15,185,133.00

	COMPANY		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.16	2,123,267.70	12,170,250.00	11,284,606.43

The changes in the Company's and Group's loans are analyzed in the following table:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Loans outstanding at beginning of the period	**28,280,845.82**	**23,436,471.37**	**25,578,124.13**	**19,809,450.01**
Subsidiaries' loans during the acquisition	0.00	6,528,500.54	0.00	6,482,624.20
Loans received	71,910,000.00	73,557,485.04	71,910,000.00	73,357,485.04

Interest	6,595,457.74	0.00	0.00	0.00
	2,009,648.85	1,647,562.40	1,692,799.18	1,362,251.48
Loans repaid	**108,795,952.41**	**105,170,019.35**	**99,180,923.31**	**101,011,810.73**
Interest paid	(61,942,780.73)	(75,207,658.55)	(60,780,888.70)	(74,084,820.55)
Balance of Loans	(1,597,785.11)	(1,681,514.98)	(1,266,876.56)	(1,348,866.05)
Loans outstanding at beginning of the period	**45,255,386.57**	**28,280,845.82**	**37,133,158.05**	**25,578,124.13**

16. Analysis of deferred taxes

Deferred tax assets and liabilities are calculated at the level of each individual Company of the Group. If both assets and liabilities arise, such are offset against one another at the individual Company level.

The deferred tax assets (DTA) and liabilities (DTL) are offset when there is an applicable legal right for the current tax assets to be offset against current tax liabilities and when the deferred income taxes concern the same tax authority.

Deferred taxes are as follows:

a) For the Group

		Changes			Changes	
	01.01.2016	1.1 – 31.12.16	31.12.2016	Change of subsidiary's consolidation method	1.1 – 31.12.17	31.12.2017
Intangible assets	-38,948.74	13,004.84	-25,943.90	1,390.73	17,958.16	-6,595.01
Tangible assets	-4,565,734.73	-141,567.77	-4,707,302.50	-833,080.45	-758,728.68	-6,299,111.63
Installation expenses	98,793.25	-26,142.06	72,651.19	-7,449.13	-29,622.18	35,579.88
Inventories	61,417.64	-47,891.88	13,525.76	-4,120.35	331.08	9,736.49
Impairment of interest	0.00	162,400.00	162,400.00	0.00	216,035.50	378,435.50
Long-term receivables	585,391.66	20,629.02	606,020.68	10,759.00	-10,672.66	606,107.02
Employee benefits	157,813.12	-10,553.69	147,259.43	208.84	-8,071.78	139,396.49
Suppliers and other liabilities	0.00	0.00	0.00	-9,495.83	5,183.64	-4,312.19
Extraordinary levy	61,966.49	-39,502.45	22,464.04	0.00	-22,464.04	0.00
Tax loss offset by taxable earnings of subsequent years	2,772,400.00	-684,400.00	2,088,000.00	0.00	457,766.72	2,545,766.72
From unrealized profit of intercompany transactions	229.24	-229.24	0.00	0.00	0.00	0.00
Other	9,162.03	3,183.95	12,345.98		-4,331.93	8,014.05
Total	**-857,510.04**	**-751,069.28**	**-1,608,579.32**	**-841,787.19**	**-136,616.17**	**-2,586,982.68**
Directly to equity		8,678.73			-594,256.36	
In the results		**-742,390.55**			**-730,872.53**	

The deferred tax liabilities of the Group are classified and analyzed as short-term and long-term as follows:

b) For the Company

	Changes				Changes	
	01.01.2016	1.1 – 31.12.16	01.01.2016	1.1 – 31.12.16	01.01.2016	1.1 – 31.12.16
Intangible assets	-10,525.20	-25,792.25	11,782.31	-24,535.14	17,940.17	-6,594.97
Tangible assets	-3,308,221.04	-852,451.95	-30,565.86	-4,191,238.85	-64,403.77	-4,255,642.62
Installation expenses	10,267.54	20,096.38	-12,607.33	17,756.59	-17,756.50	0.09
Inventories	63,447.64	-2,030.00	-52,012.23	9,405.41	331.08	9,736.49
Impairment of interest	0.00	0.00	162,400.00	162,400.00	216,035.50	378,435.50
Long-term receivables	23,155.21	333.45	-23,488.66	0.00	0.00	0.00
Trade & other receivables	218,370.00	343,533.00	44,117.68	606,020.68	-44,736.70	561,283.98
Employee benefits	134,515.27	21,847.85	-10,586.03	145,777.09	-7,060.05	138,717.04
Tax loss offset by taxable earnings of subsequent years	1,798,000.00	893,200.00	-603,200.00	2,088,000.00	-745,300.00	1,342,700.00
Other	9,162.03	0.00	3,183.95	12,345.98	2,692.36	15,038.34
Total	**-1,061,828.55**	**398,736.48**	**-510,976.17**	**-1,174,068.24**	**-642,257.91**	**-1,816,326.15**
Directly to equity			8,678.73		0.00	
In the results			**-502,297.44**		**-642,257.91**	

The deferred tax liabilities of the Company are classified and analyzed as short-term and long-term as follows:

The tax loss creates a tax receivable equal to the income tax that will, from which the Company will benefit in the next years when it will be offset against the respective taxable earnings. The recording of the receivable for deferred tax took place as the Management of the Company and the Group's companies considers that there is reasonable certainty for the realization of earnings in future years, whereas such earnings will be capable to offset the present receivable with the future tax liability.

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets against current tax liabilities and when deferred income tax refers to the same tax authority.

17. Analysis of post-employment benefits

The Group has assigned an actuary to conduct a study in order to investigate and calculate the actuarial figures, based on the specifications set by International Accounting Standards (IAS 19), which must be recorded on the balance sheet and the statement of comprehensive income. When performing the actuarial estimate, all economic and population parameters related to the employees of the Group were taken into account.

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Balance Sheet liabilities	**544,977.55**	**507,791.12**	**542,634.62**	**502,679.62**
Charges to the Results	**51,049.23**	**129,618.11**	**51,048.78**	**107,667.80**

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Actuarial gains / (losses	**0.00**	**0.00**	**0.00**	**0.00**
Present value of financed liabilities	0.00	0.00	0.00	0.00
Present value of non-financed liabilities	544,977.55	507,791.12	542,634.62	502,679.62
Balance Sheet Liability	**544,977.55**	**507,791.12**	**542,634.62**	**502,679.62**
Changes in the net liability recognized in the Balance Sheet				
Net liability at beginning of year	507,791.12	468,845.77	502,679.62	463,845.77
Benefits paid	(11,093.78)	(99,991.08)	(11,093.78)	(98,020.58)
Total expense recognized in the results	51,049.23	129,618.11	51,048.78	107,667.80
Change of consolidation method	(950.33)	0.00	0.00	0.00
From absorption of subsidiary	0.00	50,117.31	0.00	69,985.62
Actuarial gains / (losses)	(1,818.69)	(40,798.99)	0.00	(40,798.99)
Net liability at end of year	**544,977.55**	**507,791.12**	**542,634.62**	**502,679.62**
Analysis of expenses recognized in the results				
Cost of current employment	39,108.60	26,408.31	39,108.60	25,508.31
Financial cost	7,540.18	9,276.92	7,540.18	9,276.92
Prior service cost	4,400.45	74,064.57	4,400.00	72,882.57
From acquisition of subsidiary	0.00	19,868.31	0.00	0.00
Total expense recognized in the results	**51,049.23**	**129,618.11**	**51,048.78**	**107,667.80**
Allocation of Expense				
Cost of sales	20,538.09	37,811.63	20,538.09	32,116.36
Distribution expenses	19,919.83	48,132.51	19,919.83	45,002.52
Administrative expenses	10,591.31	43,673.97	10,590.86	30,548.92
Total	**51,049.23**	**129,618.11**	**51,048.78**	**107,667.80**

	31.12.2017				
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years	Total
Expected average expiration of the liability for employee benefits of company	0.00	0.00	0.00	**542,634.62**	**542,634.62**
Expected average expiration of the liability for employee benefits of group	0.00	0.00	0.00	**544,977.55**	**544,977.55**

	31.12.2016				
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years	Total
Expected average expiration of the liability for employee benefits of company	0.00	0.00	0.00	502,679.62	**502,679.62**
Expected average expiration of the liability for employee benefits of group	0.00	0.00	0.00	507,791.12	**507,791.12**

18. Analysis of tax liabilities

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Income tax liability	0.00	0.00	0.00	0.00
Credit balance of tax statements to be refunded	(37,813.56)	(53,821.57)	(35,896.83)	(51,451.11)
Tax duties from previous years	0.00	0.00	0.00	0.00
Total	**(37,813.56)**	**(53,821.57)**	**(35,896.83)**	**(51,451.11)**

19. Segment reporting

The Group is organized in three business segments, according to the manner in which such are presented internally to those that make decisions for the allocation of resources and the audit of the effectiveness of the group's operations.

The three business segments are as follows:

- Segment of steel products
- Segment of production & trade of electric energy from Photovoltaic stations
- Segment of production & trade of agricultural products from glasshouse cultivations

a) Statement of Financial Position per segment on 31.12.2017 and 31.12.2016 respectively

(Amounts in €)	31.12.2017			
	STEEL PRODUCTS	ENERGY SEGMENT	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ASSETS				
Tangible and intangible fixed assets	58,246,969.19	5,088,393.76	653,814.41	63,989,177.36
Trade and other receivables	31,565,891.83	706,180.94	-4,931,907.45	27,340,165.32
Other assets	43,543,412.67	211,199.61	-5,755,464.36	37,999,147.92
Total Assets	**133,356,273.69**	**6,005,774.31**	**-10,033,557.40**	**129,328,490.60**
EQUITY & LIABILITIES				
Equity	71,863,769.86	1,624,934.79	-5,840,001.14	67,648,703.51
Other liabilities	61,492,503.83	4,380,839.52	-4,193,556.26	61,679,787.09
Total Equity & Liabilities	**133,356,273.69**	**6,005,774.31**	**-10,033,557.40**	**129,328,490.60**

b) Statement of Comprehensive Income per segment on 01.01-31.12.2017 and 01.01-31.12.2016 respectively

	01.01 – 31.12.2017			
(Amounts in €)	STEEL PRODUCTS	ENERGY SEGMENT	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Sales	89,077,882.55	1,357,304.03	-6,962.04	90,428,224.54

Gross profit / (loss)	12,412,029.03	582,023.07	260,400.00	13,254,452.10
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	5,182,221.95	898,710.91	3,323,418.06	9,404,350.92
Earnings / (losses) before interest and taxes (EBIT)	3,008,685.65	540,863.44	3,374,234.68	6,923,783.77
Earnings / (losses) before taxes (EBT)	207,863.39	322,334.10	2,600,738.62	3,130,936.11
Earnings / (losses) after taxes	-424,988.57	224,313.53	2,600,738.62	2,400,063.58

(Amounts in €)	31.12.2016				
	STEEL PRODUCTS	ENERGY SEGMENT	AGRICULTURAL PRODUCTS	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ASSETS					
Tangible and intangible fixed assets	57,692,965.40	5,453,870.92	4,005,227.09	-10,261,461.66	56,890,601.75
Trade and other receivables	20,209,402.74	942,409.39	462,917.40	-830,840.86	20,783,888.67
Other assets	26,902,140.81	199,943.20	341,407.34	-10,506.66	27,432,984.69
Total Assets	**104,804,508.95**	**6,596,223.51**	**4,809,551.83**	**-11,102,809.18**	**105,107,475.11**
EQUITY & LIABILITIES					
Equity	69,721,661.10	1,400,621.27	2,661,459.49	-8,459,837.33	65,323,904.53
Other liabilities	35,082,847.85	5,195,602.24	2,148,092.34	-2,642,971.85	39,783,570.58
Total Equity & Liabilities	**104,804,508.95**	**6,596,223.51**	**4,809,551.83**	**-11,102,809.18**	**105,107,475.11**

(Amounts in €)	01.01 – 31.12.2016				
	STEEL PRODUCTS	ENERGY SEGMENT	AGRICULTURAL PRODUCTS	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Sales	75,517,772.12	1,347,527.50	1,899,522.13	(3,535,831.25)	75,228,990.50
Gross profit / (loss)	10,097,953.64	561,526.79	592,992.43	316,050.00	11,568,522.86
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	4,325,454.71	864,386.49	415,080.18	1,811,061.87	7,415,983.25
Earnings / (losses) before interest and taxes (EBIT)	2,409,915.21	506,365.58	305,117.77	1,811,061.87	5,032,460.43
Earnings / (losses) before taxes (EBT)	787,497.68	247,315.97	234,631.23	1,050,785.06	2,320,229.94
Earnings / (losses) after taxes	144,866.24	109,927.46	132,155.87	1,213,185.06	1,600,134.63

The geographic segment may be considered as the secondary reporting segment, and includes the following reporting sectors:

- Domestic Sales (approximately 71%)
- Foreign Sales (approximately 29%)

The Group's and Company's sales are analyzed as follows:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Sales of Merchandise	33,711,910.05	27,385,690.40	33,711,910.05	27,302,558.24
Sales of Products	56,704,090.31	47,794,718.71	55,353,748.32	42,783,141.93
Other Sales	12,224.18	48,581.39	12,224.18	2,369.54
Total Sales	**90,428,224.54**	**75,228,990.50**	**89,077,882.55**	**70,088,069.71**

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Domestic Sales	64,444,198.05	63,432,166.40	63,158,320.64	58,307,213.15
Foreign Sales	25,984,026.49	11,796,824.10	25,919,561.91	11,780,856.56
Total Sales	**90,428,224.54**	**75,228,990.50**	**89,077,882.55**	**70,088,069.71**

20. Analysis of other results

(a) Other income

The Group's and Company's other income are analyzed as follows:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Income from transport & delivery expenses	1,203,483.87	927,698.68	1,203,483.37	898,388.16
Rental Income	600.00	85,750.00	267,720.00	437,920.00
Income from provision of services	33,317.83	2,160.00	33,317.83	2,160.00
Income from Grants	300,782.57	269,262.43	238,486.95	200,848.61
Profit from sale of fixed assets	0.00	800.00	0.00	0.00
Income from previous years	2,836.09	37,350.53	2,836.09	31,101.28
Valuation of initial participation in subsidiary, at fair (IFRS 3)	1,509,778.37	0.00	0.00	0.00
Profit from acquisition of share of subsidiary (IFRS 3)	1,164,177.50	851,651.67	0.00	0.00
Other income	75,583.03	59,985.70	55,526.05	59,805.70
Total	**4,290,559.26**	**2,234,659.01**	**1,801,370.29**	**1,630,223.75**

(b) Other expenses

The Group's and Company's other expenses are analyzed as follows:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016

Bad debts	60,000.00	185,000.00	60,000.00	200,000.00
Losses from sale of fixed assets	0.00	0.00	0.00	0.00
Previous years' expenses	33,541.69	7,291.67	33,541.69	4,783.82
Other expenses	144,438.37	173,162.44	143,361.12	167,034.82
Impairment of investments	0.00	0.00	740,000.00	560,000.00
Absorption of subsidiary	0.00	0.00	0.00	969,826.85
Amortization	241,396.03	0.00	0.00	0.00
Total	**479,376.09**	**365,454.11**	**976,902.81**	**1,901,645.49**

(c) Expenses

The Group's and Company's expenses are analyzed as follows:

	GROUP		
	01.01-31.12.17		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,689,254.26	1,790,988.73	648,281.68
Third party fees & expenses	562,179.36	799,082.31	1,130,611.61
Third party benefits	836,390.75	494,937.51	414,200.72
Taxes - duties	122,943.87	76,195.74	31,147.38
Sundry expenses	576,671.82	3,639,076.86	200,664.64
Depreciation	1,619,962.81	668,698.30	247,966.02
Cost of inventories	71,766,369.57	0.00	0.00
Total	**77,173,772.44**	**7,468,979.45**	**2,672,872.05**

	GROUP		
	01.01-31.12.16		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	2,104,093.67	1,665,601.76	685,279.34
Third party fees & expenses	518,456.37	593,582.67	881,297.68
Third party benefits	900,769.72	462,923.61	349,224.47
Taxes - duties	128,681.72	84,998.79	39,683.28
Sundry expenses	436,037.40	2,618,231.49	160,441.44
Depreciation	1,788,782.46	697,060.64	166,942.16
Cost of inventories	57,783,646.31	0.00	0.00
Total	**63,660,467.65**	**6,122,398.96**	**2,282,868.37**

	COMPANY		
	01.01-31.12.17		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,689,254.26	1,790,988.73	630,459.89

Third party fees & expenses	525,549.36	799,082.31	1,085,757.36
Third party benefits	509,095.44	494,937.51	399,236.07
Taxes - duties	69,020.38	76,195.74	4,574.95
Sundry expenses	576,671.82	3,639,076.86	186,989.42
Depreciation	1,262,530.65	668,698.30	217,236.81
Cost of inventories	72,033,731.61	0.00	0.00
Total	**76,665,853.52**	**7,468,979.45**	**2,524,254.50**

	COMPANY		
	01.01-31.12.16		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,485,429.06	1,633,077.56	644,298.38
Third party fees & expenses	405,853.27	512,593.62	796,940.90
Third party benefits	383,080.29	458,374.67	359,645.70
Taxes - duties	64,636.47	84,663.06	5,184.44
Sundry expenses	199,690.98	2,334,393.89	175,083.37
Depreciation	1,167,523.90	674,335.10	153,989.35
Cost of inventories	56,229,292.32	0.00	0.00
Total	**59,935,506.29**	**5,697,437.90**	**2,135,142.14**

(d) Financial expenses – income

The Group's and Company's financial expenses are analyzed as follows:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Debit interest	1,969,511.14	1,713,610.93	1,702,195.20	1,367,444.64
Other bank expenses and fees	429,057.95	414,272.00	381,852.32	424,608.26
Foreign exchange differences	689,736.78	76,467.90	690,349.35	67,774.38
Losses from derivatives	28,184.00	0.00	28,184.00	0.00
Total	**3,116,489.87**	**2,204,350.83**	**2,802,580.87**	**1,859,827.28**

The Group's and Company's financial income is analyzed as follows:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Credit interest	6,650.96	28,409.29	6,443.32	26,314.15
Income / profit from securities	19,197.50	504.00	19,197.50	504.00
Interest receivable from third parties	38,273.58	124,596.21	167,852.89	225,703.72
Foreign exchange	33,111.74	245,626.45	33,143.05	245,625.49

differences				
Profit from derivatives	0.00	10,650.89	0.00	10,650.89
Total	**97,233.78**	**409,786.84**	**226,636.76**	**508,798.25**

(e) Income / expenses of companies consolidated via the equity method

	01.01-31.12.2017		
	Results for the period	Other	Total
THRACE GREENHOUSES SA	-61,812.54	0.00	-61,812.54
NORTHERN GREECE METAL PRODUCTS SA	-634,772.64	0.00	-634,772.64
BALKAN IRON GROUP SRL	-77,006.39	0.00	-77,006.39
Total	**-773,591.57**	**0.00**	**-773,591.57**

	01.01-31.12.2016		
	Results for the period	Other	Total
THRACE GREENHOUSES SA	-156,588.75	0.00	-156,588.75
NORTHERN GREECE METAL PRODUCTS SA	-742,863.86	-150.97	-743,014.83
BALKAN IRON GROUP SRL	-18,213.89	633.60	-17,580.29
Total	**-917,666.50**	**482.63**	**-917,183.87**

(f) Income tax expense

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Income tax of current year / provision	0.00	0.00	0.00	0.00
Deferred taxation	730,872.53	720,095.31	642,257.91	502,297.44
Tax audit differences	0.00	0.00	0.00	0.00
Provision for possible tax differences	0.00	0.00	0.00	0.00
Total	**730,872.53**	**720,095.31**	**642,257.91**	**502,297.44**

(g) Other comprehensive income / expenses after taxes

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Actuarial gains / losses	1,291.26	37,570.72	0.00	37,721.67
Result from cash flow hedging minus the corresponding tax	-100,948.95	42,952.94	-100,948.95	42,952.94
Other	0.00	633.59	0.00	0.00

Total	**-99,657.69**	**81,157.25**	**-100,948.95**	**80,674.61**

21. Analysis of earnings per share

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Net earnings corresponding to shareholders	2,396,545,74	1,598,408.16	25,060.54	195,235.17
Number of shares (W. Avg)	18,421,780	18,420,016	18,421,780	18,420,016
Earnings / (losses) per share (€)	**0.1301**	**0.0868**	**0.0014**	**0.0106**

22. Transactions with related parties

The amounts of the Group's and Company's sales and purchases, from and towards related parties, as well as the balances of receivables and liabilities, are analyzed as follows:

(a) Intra-company sales / purchases on 31.12.2017and 31.12.2016 respectively:

	SALES / REVENUES			
PURCHASES / EXPENSES	ELASTRON S.A.	THRACE GREENHOUSES SA	NORTHERN GREECE METAL PRODUCTS S.A.	TOTAL
ELASTRON S.A.	0.00	0.00	1,304,490.32	**1,304,490.32**
THRACE GREENHOUSES S.A.	5,021.71	0.00	0.00	**5,021.71**
PHOTOENERGY S.A.	52,040.41	0.00	0.00	**52,040.41**
PHOTODEVELOPMENT S.A.	116,482.09	0.00	0.00	**116,482.09**
PHOTODIODOS S.A.	102,160.41	0.00	0.00	**102,160.41**
PHOTOKYPSELI S.A.	35,157.09	0.00	0.00	**35,157.09**
ILIOSKOPIO S.A.	48,423.75	0.00	0.00	**48,423.75**
PHOTOISHIS LTD	13,687.50	0.00	0.00	**13,687.50**
NORTHERN GREECE METAL PRODUCTS S.A.	32,133.36	0.00	0.00	**32,133.36**
TOTAL	**405,106.32**	**0.00**	**1,304,490.32**	**1,709,596.64**

	SALES / REVENUES				
PURCHASES / EXPENSES	ELASTRON S.A.	THRACE GREENHOUSES SA	NORTHERN GREECE METAL PRODUCTS S.A.	CORUS KALPINIS SIMOS S.A.	TOTAL
ELASTRON S.A.	0.00	0.00	101,354.94	316,520.66	**417,875.60**
THRACE GREENHOUSES S.A.	2,495.61	0.00	0.00	5,778.65	**8,274.26**

PHOTOENERGY S.A.	52,074.49	0.00	0.00	0.00	**52,074.49**
PHOTODEVELOPMENT S.A.	116,564.51	0.00	0.00	0.00	**116,564.51**
PHOTODIODOS S.A.	102,234.49	0.00	0.00	0.00	**102,234.49**
PHOTOKYPSELI S.A.	35,174.51	0.00	0.00	0.00	**35,174.51**
ILIOSKOPIO S.A.	48,454.50	0.00	0.00	0.00	**48,454.50**
PHOTOISHIS LTD	13,725.00	0.00	0.00	0.00	**13,725.00**
NORTHERN GREECE METAL PRODUCTS S.A.	1,120,185.29	0.00	0.00	8,236.05	**1,128,421.34**
CORUS KALPINIS SIMOS S.A.	576,016.54	0.00	3,611.99	0.00	**579,628.53**
TOTAL	**2,066,924.94**	**0.00**	**104,966.93**	**330,535.36**	**2,502,427.23**

(b) Intra-company receivables / liabilities on 31.12.2017 and 31.12.2016 respectively

	RECEIVABLES			
LIABILITIES	**ELASTRON S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**COMPANIES OF PHOTOVOLTAIC STATIONS**	**TOTAL**
ELASTRON S.A.	0.00	1,166.00	61,568.86	**62,734.86**
THRACE GREENHOUSES S.A.	1,609,102.01	0.00	0.00	**1,609,102.01**
PHOTOENERGY S.A.	204,500.00	0.00	0.00	**204,500.00**
PHOTODEVELOPMENT S.A.	495,304.06	0.00	0.00	**495,304.06**
PHOTODIODOS S.A.	444,500.00	0.00	0.00	**444,500.00**
PHOTOKYPSELI S.A.	104,500.00	0.00	0.00	**104,500.00**
ILIOSKOPIO S.A.	184,500.00	0.00	0.00	**184,500.00**
PHOTOISHIS LTD	597,390.04	0.00	0.00	**597,390.04**
NORTHERN GREECE METAL PRODUCTS S.A.	2,025,277.77	0.00	0.00	**2,025,277.77**
BALKAN IRON GROUP SRL	155,700.00	0.00	0.00	**155,700.00**
KALPINIS SIMOS BULGARIA EOOD	780,000.00	0.00	0.00	**780,000.00**
TOTAL	**6,600,773.88**	**1,166.00**	**61,568.86**	**6,663,508.74**

	RECEIVABLES			
LIABILITIES	**ELASTRON S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**CORUS KALPINIS SIMOS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	0.00	**0.00**
ELASTRON AGRICULTURAL S.A.	2,875.09	0.00	0.00	**2,875.09**
PHOTOENERGY S.A.	228,299.48	0.00	0.00	**228,299.48**
PHOTODEVELOPMENT S.A.	584,898.86	0.00	0.00	**584,898.86**
PHOTODIODOS S.A.	520,089.56	0.00	0.00	**520,089.56**
PHOTOKYPSELI S.A.	110,864.10	0.00	0.00	**110,864.10**
ILIOSKOPIO S.A.	204,563.81	0.00	0.00	**204,563.81**

PHOTOISHIS LTD	853,374.04	0.00	0.00	**853,374.04**
NORTHERN GREECE METAL PRODUCTS S.A.	1,118,443.46	0.00	0.00	**1,118,443.46**
BALKAN IRON GROUP SRL	150,700.00	0.00	0.00	**150,700.00**
KALPINIS SIMOS BULGARIA EOOD	770,000.00	0.00	0.00	**770,000.00**
TOTAL	**4,544,108.40**	**0.00**	**0.00**	**4,544,108.40**

	GROUP		COMPANY	
	1.1-31.12		1.1-31.12	
	2017	2016	2017	2016
c) Transactions and remuneration of Board Members & senior executives				
Transactions and remuneration of Board Members	303,958.35	304,000.00	303,958.35	304,000.00
Transactions and remuneration of senior executives	150,189.75	240,280.66	84,000.00	84,000.00
Transactions and remuneration of other related entities	19,110.00	19,110.00	19,110.00	19,110.00
Receivables from senior executives and Board members	0.00	0.00	0.00	0.00
Liabilities to senior executives and Board members	0.00	0.00	0.00	0.00

Senior executives according to IAS 24 are those individuals that have the authority and responsibility for the planning, management and control of the entity's activities, directly or indirectly, and include all members of the Board of Directors (executive and non-executive) of the entity, as well as all other senior executives according to the above definition.

23. Contingent Liabilities - Receivables

Operating Leases

The Company and the Group have signed agreements of financial leasing. The future payable leases in total for other equipment are as follows:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Until 1 year	155,976.37	122,110.89	155,976.37	122,110.89
From 1-5 years	244,624.24	235,321.98	244,624.24	235,321.98
After 5 years	0.00	0.00	0.00	0.00
Total	**400,600.61**	**357,432.87**	**400,600.61**	**357,432.87**

Guarantees

The Group and the Company have contingent liabilities and receivables in relation to banks, suppliers, other guarantees and other issues which emerge from their ordinary activity as follows:

	31.12.2017	
	GROUP	COMPANY
Guarantees to secure obligations to suppliers	2,959,244.67	2,929,244.67
Guarantees to secure trade receivables	3,951,167.32	3,951,167.32
Other Guarantees to third parties	6,086,284.03	5,379,265.12
Total	**12,996,696.02**	**12,259,677.11**

Tax unaudited fiscal years

Since the fiscal year 2011, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS SIMOS SA, and also since the year 2014 all Group companies, have been included in the tax audit of the Certified Auditors as it is provided by the clauses of article 65A of Law 4174/2013, as they were amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not included in the tax audit of the Certified Auditors, it is estimated that there is no reason for the formation of any provision. As result, on 31.12.2017 the company and the group have formed no provisions regarding tax-unaudited fiscal years.

ELASTRON SA and the other Group companies have assigned a Certified Auditor the tax audit of the fiscal year 2017. The particular audit is under progress and the relevant tax certificate is expected to be granted after the release of the financial statements of year 2017. If until the completion of the tax audit certain additional tax liabilities emerge, then it is estimated that these will not have any material impact on the financial statements.

Legal cases

There are no disputes in court or in arbitration, nor are there any decisions by judicial or arbitration bodies that may have a significant impact on the Company's and Group's financial position or operation.

24. Dividends

According to Greek commercial law, companies are obligated to distribute at least 35% of earnings after the deduction of taxes and the statutory reserve, to shareholders. The Company intends to announce in the following Ordinary General Meeting of shareholders the non-distribution of dividend for the fiscal year 2017.

25. Personnel information

(a) Number of personnel

The number of employees working for the Group (including the employees of companies consolidated with the equity method) and the Company is presented in the following table:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Regular staff	81	103	69	64
Staff on day-wage basis	159	87	94	74
Total staff	**240**	**190**	**163**	**138**

(b) Personnel's remuneration

The remuneration of the Group's and Company's employees as recorded in the financial statements is presented in the following table:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2017	2016	2017	2016
Employee remuneration	3,172,897.50	3,418,319.31	3,160,928.93	2,874,677.66
Employer contributions	858,701.54	875,359.49	852,848.32	749,654.32
Other benefits	45,876.85	31,677.86	45,876.85	30,805.22
Total	**4,077,475.89**	**4,325,356.66**	**4,059,654.10**	**3,655,137.20**

26. Government Grants

	31.12.2017		31.12.2016	
	GROUP	COMPANY	GROUP	COMPANY
Grants on completed investments	8,342,556.91	5,456,439.01	6,951,376.34	5,456,439.01
Grants on the income of the year 2017 / 2016	(289,303.57)	(238,486.95)	(269,262.43)	(200,848.62)
Grants on revenue from previous financial years	(2,774,545.06)	(1,758,958.25)	(1,621,487.10)	(1,558,109.63)
Balance on deferred income	**5,278,094.42**	**3,458,993.81**	**5,060,626.81**	**3,697,480.76**
Short-term portion	343,214.48	238,486.96	274,504.04	210,575.30
Long-term portion	4,928,657.68	3,220,506.85	4,786,122.77	3,486,905.46
Received Prepayment	7,829,719.81	4,943,601.91	6,354,045.06	4,943,601.91
Receivable from Grant	512,837.10	512,837.10	597,331.28	512,837.10

The decision no. 10392/29/01/2018 of the Deputy Minister of Finance and Development approved the completion of the business plan of ELASTRON SA which was submitted and accepted according to the inclusion decision no. 16985/ΔΒΕ 2029/22-12-2006/v.3299/2004 (Gov. Gaz. 421/B'/27-03-2007) as it is currently in effect in the framework of Law 3299/2007 (Article 3, paragraph 1, case e, sub-case xi). The amount of the investment accounted for 12.8 million Euros and the corresponding grant settled at 4.5 million Euros, with the full amount being received.

The investment plan included the following:

1. Construction of building and special facilities amounting to € 2.3 mil.
2. Mechanical equipment for processing steel products amounting to € 7.1 mil.
3. Technical equipment amounting to € 2.0 mil.
4. Other investments amounting to € 1.4 mil.

The aforementioned investments were implemented at the company's facilities in Aspropyrgos and Skaramagkas, Attica.

The parent Company submitted in June 2013 to the Ministry of Development and Competitiveness a new subsidized investment program under the auspices of L. 3908/2011 for the modernization of the mechanical and building machinery, amounting to € 3.4 million. The rate of subsidy in this program is set at 15%. In May 2014, the parent Company's investment plan was approved and included in the category of General Entrepreneurship of the General Business Plans of article 6 of Law 3908/2011. In November 2017, the Company filled an audit request with regard to the completion and certification of the commencement of the production activity in relation to the particular investment, whereas in February 2018, the Company collected an amount of 146.7 thousand Euros which corresponds to 2/7 of the respective grant.

The no. 53135/07.12.11 decision of the Ministry of Development validated the completion of the investment plan under the auspices of Law 3299/04 of METAL-PRO SA for a total amount of 11,542,016.00 Euros and with an investment grant of 2,885,504.00 Euros.

The affiliated company THRACE GREENHOUSES (as it emerged from the merger of the companies ELASTRON AGRICULTURAL SA and THRACE GREENHOUSES SA) is implementing an investment which concerns the expansion of the existing unit of hydroponic cultivation of glasshouse agricultural products, amounting to 12.2 million Euros in total. The particular investment plans (one plan per company) have been classified under the provisions of the investment Law 3908/2011 which provides for a 40% grant of the total investment cost. Until today, the Company has collected the amount of 589 thousand Euros via the use of a letter of guarantee covering the amount of the grant increased by 10%. In March 2018, the Company filed an interim audit request for the certification of the completion of 50% of the investment's financial and physical objective. At the same time it submitted a request for the collection of the corresponding grant amounting to 361 thousand Euros.
The completion percentage of the investment is currently above 70%.

The investment cost grant is subject to limitations and conditions that are reasonably expected to be implemented in whole. For this reason the Company and Group account for grant receivables against completed investments. The government grants that refer to expenses are deferred and registered in the results when the granted expense is registered, in order to match the income with the expense.

27. Financial Leases

The Parent Company has entered into long-term leasing agreements concerning two steel production machineries, with a right to purchase these assets. Since the criteria of IAS 17 are being fulfilled, the agreements have been recognized as financial leases. The particular machineries are included in the fixed assets of the Company's financial statements. The total liability as it emanates from the relevant agreements amounts to € 1,176.11 thousand of which an amount of € 853.13 thousand is recorded in the long-term liabilities whereas the balance is recorded in the short-term ones. There were no liabilities from financial leases on 31/12/2016 and the time allocation of the financial leasing liabilities on 31/12/2017 for the Company and the Groups is as follows:

Amounts in € thous.	Liabilities of financial leases	Minus: Future financial debits of financial leases	Total
Within the following year	**369.30**	-46.32	322.98
From the 2nd until the 5th year	**903.13**	-50.00	853.13
After the 5th year	**0.00**	0.00	0.00
Total	**1,272.43**	**-96.32**	**1,176.11**

During the year 2017, the Group made a capital repayment of € 478.68 thousand for financial leases.

28. Exchange rates

The exchange rates used to translate the financial statements of the company "BALKAN IRON GROUP SRL", from foreign currency to € are the following:

<u>31.12.2017</u>

1 € = 4.5688 RON (Exchange rate used in the Statement of Financial Position)
1 € = 4.6585 RON (Exchange rate used in the Statement of Comprehensive Income)

<u>31.12.2016</u>

1 € = 4.5240 RON (Exchange rate used in the Statement of Financial Position)

1 € = 4.445414 RON (Exchange rate used in the Statement of Comprehensive Income)

29. Information of article 10 L. 3401/2005

SUBJECT	PUBLICATION	DATE
ANNOUNCEMENT OF COMMENCEMENT OF MARKET MAKING	www.elastron.gr & www.helex.gr	17 Feb 17
ANNOUNCEMENT OF MERGER VIA ABSORPTION	www.elastron.gr & www.helex.gr	29 Mar 17
ANNOUNCEMENT OF FINANCIAL CALENDAR	www.elastron.gr & www.helex.gr	25 Apr 17
ANNOUNCEMENT OF COMMENTARY ON FINANCIAL STATEMENTS / REPORTS	www.elastron.gr & www.helex.gr	28 Apr 17
PRE-ANNOUNCEMENT OF GENERAL MEETING	www.elastron.gr & www.helex.gr	15 May 17
ANNOUNCEMENT OF DECISIONS BY GENERAL MEETING	www.elastron.gr & www.helex.gr	15 Jun 17
ANNOUNCEMENT OF ACQUISITION OF PARTICIPATION	www.elastron.gr & www.helex.gr	10 Jul 17
ANNOUNCEMENT OF CHANGE OF SUBSIDIARY'S NAME	www.elastron.gr & www.helex.gr	11 Jul 17
ANNOUNCEMENT OF COMPLETION OF MERGER VIA ABSORPTION	www.elastron.gr & www.helex.gr	31 Jul 17
ANNOUNCEMENT OF COMMENTARY ON FINANCIAL STATEMENTS / REPORTS	www.elastron.gr & www.helex.gr	28 Sept 17

Apart from the above announcements, within the financial year 2017, the Company made 10 announcements that concerned the purchase of own shares.

30. Availability of Financial Statements

The annual Financial Report of ELASTRON Group, including the Management Report by the Board of Directors as an inseparable part of such, as well as the Audit Report by the Certified Auditor for the financial year ended on 31.12.2017, have been posted on the company's website http://www.elastron.gr.

31. Events after the end of the reporting period

Within the first quarter of 2018, the subsidiary company METAL-PRO SA proceeded with a share capital increase amounting to 1,000,000 Euros. There are no other events after 31/12/2017 which may materially and significantly affect the financial position and the results of the Group.

Aspropyrgos, 18 April 2018

THE CHAIRMAN OF THE BOARD	THE CEO	THE CHIEF FINANCIAL OFFICER
PANAGIOTIS SIMOS	ATHANASIOS KALPINIS	VASILIS MANESIS
ID No. AE 063856	ID No. AH 062852	ID No. AE 008927
		Prof. License No. 0072242