Annual Financial Report

as at 31 December 2017

Pursuant to article 4 of L. 3556/2007

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.
G.C.Registry.: 303401000
SA Registry No:2836/06/B/86/48
SEAT: Athens Tower, Building B, 2-4 Mesogeion Avenue

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The annual financial statements of the Company (in consolidated and non-consolidated basis), the report of the Chartered Accountant and the management report of the Board of Directors is currently in the Company's website (www.elvalhalcor.com) and the Athens Exchange website (www.helex.gr).

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to Article 4 par. 2 of Law 3556/2007)

The members of the Board of Directors of the company with the name ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A, trading as ELVALHALCOR S.A., whose registered offices are in Athens, at 2-4 Mesogeion Avenue:

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors

2. Dimitrios Kyriakopoulos, Vice Chairman of the Board of Directors,

3. Nikolaos Koudounis, Board of Directors Member,

in our said capacity, do hereby declare and confirm that as far as we know:

(a) the attached annual company and consolidated financial statements for the company ELVALHALCOR S.A. for the period from 1 January to 31 December 2017, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2017 for ELVALHALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4, paragraphs 3 to 5, of Law 3556/2007; and

(b) the attached annual report of the Board of Directors of ELVALHALCOR S.A. contains the true information required by Article 4, paragraphs 6 to 8, of Law 3556/2007.

Athens, 12th of March 2018

Confirmed by

The Chairman of the Board	The Board-appointed Member	The Board-appointed Member
THEODOSIOS PAPAGEORGOPOULOS	DIMITRIOS KYRIAKOPOULOS	NIKOLAOS KOUDOUNIS
ID Card No. AE 135393	ID Card No. AK 695653	ID Card No. AE 012572

BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2017 (1 January – 31 December 2017). This report was prepared in line with the relevant provisions of Codified Law 2190/1920, as revised by Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91A/30.4.2007) and of L.4374/2016 (Government Gazette 50A/01.04.2016) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A (hereinafter referred to for the purpose of brevity as "Company" or "ELVALHALCOR") for year 2017, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties which Group companies were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper, aluminium and their alloys, zinc rolling products and cables of all types.

1. Financials - Business report - Major events

Throughout 2017 the recovery in Eurozone trended slightly upwards, a fact which affected positively the sales of the Group. The average price of Copper reached Euro 5,453 per ton for the fiscal year 2017 versus Euro 4,398 per ton in 2016. The average price of aluminium amounted to Euro 1,742 per ton for the fiscal year 2017 versus 1,451 per ton for the fiscal year 2016.

On 30.11.2017 with the decision 131569/30-11-2017 of the Ministry of Economy and Development the merger by absorption (hereinaftert "the Merger") of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." BY "HALCOR METAL WORKS S.A." was finalized. The board of Directors was informed about the financial figures of the Group and the Company for the twelve month period as well as the period after the acquisition.

Amounts in thousands EURO	**31/12/2017 As published (1)**	**31/12/2016 As published (1)**	**31/12/2017 For the twelve months**	**31/12/2016 For the twelve months**
Sales	**1,150,369**	**842,699**	**1,863,319**	**1,534,127**
Cost of Sales	**103,566**	**74,182**	**156,871**	**114,056**
EBITDA	**113.206**	**89.412**	**160.521**	**124.701**
π-EBITDA	**89,319**	**88,120**	**129,437**	**118,047**
EBIT	**69,616**	**48,915**	**101,967**	**68,471**
Profit before tax	**50,674**	**33,346**	**63,924**	**32,282**

(1) As published refers to the data as included in the financial statements

The consolidated turnover from continued operations amounted in 2017 to Euro 1,836 mil. versus Euro 1,534 mil. in 2016 marking an increase of 21.4%. The turnover was positively affected by the increase in prices of metals and positively from the increased volume of sales for the copper as well as the aluminium sector.

In terms of volumes in 2017, the sales of the copper sector were increased significantly, by 15,4% versus 2016. In addition the increase of the price of copper by 24% and of zinc by 35% contributed to further increase in the turnover. Copper tube sales continued to increase, in spite of the imposition of anti-dumping duties in the Turkish market at the end of the year. The rolling products of copper and copper alloys for industrial uses marked significant increases, as a result of the increasing global demand as well as the continuous improvement achieved in quality and other factors of the subsidiary Sofia Med. On the other hand, a declined was marked for the rolling copper products for roofing applications, as a result of the continuous substitution of copper as a material for such applications, which now constitutes a small percentage of our sales. The sector achieved significant amounts in the zinc tubes, as a competitor in Italy seized production in this sector. Our subsidiary Fitco gained those sales and focused on added value products, maintaining brass rods sales at the same levels. The copper tubes consisted of the 44% of sales volumes, rolling products the 31% in an uptrend versus the prior year, bus bars and rods at 15% at prior year levels and brass rods and tubes at 10%.

In regards to the sales volumes of the aluminium sector, in 2017 they rose to 292.0 thousand tons marking an increase of 3.4%, almost reaching the production capacity of the sector. Apart from the increased sales volumes, the significant increase of the aluminium price led to the 13.5% increase of the turnover of the sector which rose to Euro 959 mil. It is noted that the 88% of the sales volumes is directed to the international markets with Europe contributing the 63% and the US the 6%. The 44% of our sales were directed to the food packing industry (rigid and flexible), the 24% to the transportation industry and the 26% to the construction and industrial applications industry. In 2017, by utilizing the passivation line which operated in the prior year, the company increased it's share in the bottle caps and closures market following the increasing trend for the usage of aluminium caps in the wine and spirit bottles.

For 2017, the consolidated Gross profit marked an increase by 37.4% and rose to Euro 156.9 mil. versus Euro 114.1 mil. in 2016. This increase by Euro 42.8 mil. is attributed to the improvement of the operational result as the gross profit was highly affected by the positive metal result of Euro 33.1 mil. versus metal gain of Euro 6.9 mil. in 2016. The consolidated earnings before taxes, interest and depreciation (EBITDA) rose in 2017 to profit of Euro 160.5 mil. versus profit of Euro 124.7 mil. the prior year. The consolidated results from continued operations (profit/loss before taxes) for the twelve month period, amounted in 2017 to profit of Euro 63.9 mil. versus profit of Euro 32.3 mil. in 2016.

As regards to the cost, the optimisation of procedures in production led to a further decrease in production cost and helped in strengthening the competitiveness of Group products abroad. However, the high cost of financing continued to negatively affect the profitability of the Group versus our main competitors.

In 2017 the ELVALHALCOR group as presented after the date of the merger materialized total investments of Euro 44.8 mil. for the fiscal year 2017, out of which the amount of Euro 38.5 mill. were dedicated to the upgrade of the parent company facilities in Oinofyta, at the adjacent facilities of the merging companies. From 01.01.2017 the total investments in annualized basis reached the amount of Euro 60.8 mil. focusing on the adjacent facilities in Oinofyta distributed in Euro 41.2 mil. for the aluminium industry and Euro 6.0 mil. for the copper industry. Finally, the subsidiaries of the copper sector invested Euro 7.4 mil. and the aluminium subsidiaries invested Euro 6.2 mil. aiming at the improvement of the production as well as the the production of high-added-value products.

2. Financial standing

ElvalHalcor's management has adopted, measures and reports internally and externally Ratios and Alternative Performance Measure. These measures provide a comparative outlook of the performance of the Company and the Group and constitute the framework for making decisions for the management.

Liquidity: Is the measure of coverage of the current liabilities by the current assets and can be calculated by the ratio of the current assets to current liabilities. The amounts are drawn from Statement of Financial Position. For the Group and the Company for the closing year and the comparative prior year are as follows:

GROUP €'000

		31/12/2017		31/12/2016	
Liquidity =	Current Assets / Current Liabilities	678,720 / 464,287	1.46	445,084 / 414,399	1.07

COMPANY €'000

		31/12/2017		31/12/2016	
Liquidity =	Current Assets / Current Liabilities	507,157 / 308,643	1.64	346,456 / 196,243	1.77

Leverage: Is an indication of the leverage and can be calculated by the ratio of Equity to Debt. The amounts are used as presented in the statement of financial position. For 2017 and 2016 were as follows:

GROUP €'000

		31/12/2017		31/12/2016	
Leverage =	Equity / Loans & Borrowings	668,416 / 568,241	1.18	453,703 / 217,088	2.09

COMPANY €'000

		31/12/2017		31/12/2016	
Leverage =	Equity / Loans & Borrowings	660,919 / 452,894	1.46	443,413 / 217,088	2.04

Return on Invested Capital: It is an indication of the returns of the equity and the loans invested and is measured by the ratio of the result before financial and tax to equity plus loans and borrowings. The amounts are used as presented in the statement of profit and loss and the statement of financial position. For the fiscal year 2017 as the prior year the calculation for the Group and the Company was as follows:

GROUP €'000

		31/12/2017		31/12/2016	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	69,616 / 1,236,657	5.6%	48,915 / 670,791	7.3%

COMPANY €'000

		31/12/2017		31/12/2016	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	59,067 / 1,113,812	5.3%	39,677 / 631,773	6.3%

Return on Equity: It is as measure of return on equity of the entity and is measured by the net profit / (loss) to the total equity. The amounts are used as presented in the Statement of Profit and Loss and the Statement of Financial Position. For the closing year 2017 and 2016 were as follows:

GROUP €'000

		31/12/2017		31/12/2016	
Return on Equity =	Net Profit / (Loss) / Equity	33,264 / 668,416	5.0%	21,907 / 453,703	4.8%

COMPANY €'000

		31/12/2017		31/12/2016	
Return on Equity =	Net Profit / (Loss) / Equity	33,324 / 660,919	5.0%	18,585 / 443,413	4.2%

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss. For the period including the results of the absorbed after the transaction date it was calculated as follows:

€ '000		GROUP		COMPANY	
From Continued operations		2017	2016	2017	2016
Operating profit / (loss)		**69,616**	**48,915**	**59,067**	**39,677**
	Adjustments for:				
	+ Depreciation	44,805	42,031	35,516	34,154
	+ Amortization	578	246	301	221
	- Amortization of Grants	(1,793)	(1,780)	(1,180)	(1,299)
EBITDA		**113,206**	**89,412**	**93,704**	**72,753**

For the period including the financial standing of the merging groups in an annual basis, as if the merger had happened on 01.01.2016:

For the 12 months

€ '000		GROUP	
From Continued operations		2017	2016
Operating profit / (loss)		**101,967**	**68,531**
	Adjustments for:		
	+ Depreciation	59,333	57,199
	+ Amortization	1,108	966
	- Amortization of Grants	(1,888)	(1,995)
EBITDA		**160,521**	**124,701**

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets, investments if included in the operational results
- Other impairment

€ '000		GROUP		COMPANY	
From Continued operations		2017	2016	2017	2016
EBITDA		**113,206**	**89,412**	**93,704**	**72,753**
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	(24,048)	(1,292)	(22,132)	(3,678)
	+ Restructuring Expenses	162	-	-	-
a - EBITDA		**89,319**	**88,120**	**71,572**	**69,075**

For the period including the financial standing of the merging groups in an annual basis, the a-EBITDA was as follows:

€ '000		GROUP	
From Continued operations		2017	2016
EBITDA		**160,521**	**124,701**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(33,135)	(6,886)
	+ Restructuring Expenses	162	232
	+ Valuation of Fixed Assets	1,890	-
a - EBITDA		**129,437**	**118,047**

The metal results stems from:

1. The time period that runs between the invoicing of the purchase, holding time and metal processing versus the invoicing of sales.
2. The effect of the beginning inventory (which is affected by the metal prices of prior periods) in the cost of sales, from the valuation method which is the weighted average.
3. Specific contracts with customers with closed prices that end in exposure to metal prices fluctuations between the period that the price was closed and the date the that the sale took place.

ELVALHALCOR and its subsidiaries use derivatives to reduce the effect of the fluctuation of metal prices. However, there will always be positive or negative effect in the result due to safety stock that is held. The calculation of the metal price lag as derived from the financial statements after the acquisition date can be analyzed as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
(A) Value of Metal in Sales	733,663	446,211	497,068	380,115
(B) Value of Metal in Cost of Sales	(710,408)	(442,403)	(475,403)	(374,587)
(C) Result of Hedging Instrunments	794	(2,516)	467	(1,849)
(A+B+C) Metal Result in Gross Profit	24,048	1,292	22,132	3,678

For the comparable twelve month period and the prior year respective the amounts were as follows:

	GROUP	
	2017	2016
	€ '000	€ '000
(A) Value of Metal in Sales	1,397,111	1,066,510
(B) Value of Metal in Cost of Sales	(1,361,933)	(1,053,997)
(C) Hedging	(2,043)	(5,627)
(A+B+C) Metal Result in Gross Profit	33,135	6,886

3. Corporate Social Responsibility and Sustainable Development

Analytical information can be found on the section "Non-financial information" and ELVHALHALCOR's website: www.elvalhalcor.com

Environment

ElvalHalcor, considering the environment where it operates, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and by minimizing its environmental footprint.

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

Human Resources

ElvalHalcor considers training and development of the human resources as an investment and a prerequisite for sustainable development. More information of the actions of the Group and the Company in the section «Non-Financial Information» of the present document.

Health and Safety

ElvalHalcor cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. More information of the actions of the Group and the Company in the section «Non-Financial Information» of the present document.

Research and Development

The Group and the Company recognize research and development as one of the basic aspects of its operation and sustainability. To that end, ElvalHalcor participate in the Hellenic Centre for Metallurgical Research, where at its facilities the evolution of production techniques, the fortification and improvement of the final product as well as the discovery of pioneering techniques is studied.

4. Main risks and uncertainties

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

Credit risk

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

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

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

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

Investments

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

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

Guarantees

The Group's policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The guarantees provided by the Group do not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. The average maturity of loans stands at three years while the cash and cash equivalents on 31 December 2016, amounted to Euro 23.8 million at consolidated level and Euro 8.4 million at company level.

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

Market risk

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

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

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

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

Exchange rate risk

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

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

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

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

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

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

Capital management

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

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

The Group does not have a specific plan for own shares purchase.

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

Macro-economic environment

In the context of the said analysis, the Group and the Company have evaluated any impacts that may be realized in the management of financial risks due to macroeconomic conditions in the markets that they operate.

Considering, however, the following:

1. The nature of the ElvalHalcor Group's operations, as exporting by the greater part, indicatively at Group level at Group level for the fiscal year and at an annualized basis the 92.6% of the turnover was exported,
2. The financial standing of the Company as well as the Group,
3. The production capacity of the units

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

In regards to the situation of the United Kingdom exiting the European Union, we don't see our position to be marginalized by the result of the Brexit. Most of our competitors in the Copper market operate within the Eurozone and will react to the fluctuations of the currency. Moreover, in regards to the imposition of import tariffs on the imports of aluminium products, the Group and the Company management follows the developments closely and is evaluating the parameters. The sales of aluminium directed to the United States for 2017 rose to €54 mil. which constitutes the 6% of the Group sales in an annualized basis.

In spite of that, the Management constantly evaluates the situation and its possible ramifications, in order to secure that all necessary measures and actions have been taken for the minimization of any impact to the Group's and the Company's activities.

5. Outlook and prospects for 2018

For 2018 the Group and the Company considering the international economic developments maintain their optimism, as demand for industrial products is forecasted to move upwards, it is expected to be throughout 2018 the pillar for the Group's development. Furthermore, the Group has already started to reap the rewards of the investments of last three years and there is considerable optimism based on the prospects that are provided for exports within and outside the European Union due to the resumption of the activity in the energy sector, as well as the initiatives of the European Union for reduction of the emissions, which will increase the demand for the Company's products.

In overall, for 2018, given the difficult conditions still prevailing in the domestic market, the Group will continue to have the primary strategic objective of increasing market share in industrial products and high added-value products and strengthen their activity in new markets. In addition, in the current fiscal year the use of the optimal management of the working capital and net debt reduction are our main priority.

More specifically the Aluminium sector after the signing of the agreement with the European Investment Bank on 20 December 2017 amounting of Euro 70 mil., will focus of the materialization of the five-year investment plan. As a consequence, the sector signed a contract with SMS group GmbH, based in Germany for the procurement of a four-stand tandem aluminium hot finishing mill for the production unit in Oinofuta, Viotia. This action is included in the broader investment program of Euro 150 mil. for machinery and infrastructure, which has been announced by the sector and the Company. This investment will double the core production capacity of the aluminium sector of the parent company, and directly increase by 20% the capacity of finished products, as well as improving the cost and quality. To further increase the final production further investments will be needed, which will be decided at a later stage. In regards to the commercial targets of the aluminium sector, new prospects open for the market shares increase in new products by facilitating the recent investments introduced in the production units, the cooperation with UACJ Corp. More specifically, there is planning for the introducing innovative alloys for the demanding market of heat exchangers, further penetration in the market of multilayer tubes and the production of thicker aluminium sheets (especially for the shipping industry)

In regards to the Copper sector after the signing of the agreement for the acquisition of 50% of the share capital of Nedzink B.V. based in the Netherlands, according to which ElvalHalcor will contribute Euro 15 mil., the company aims at creating a joint-venture with the goal to develop the production in the field of titanium zinc, by increasing the production capacity of the lines in combination with Nedzink, and by combining the long standing experience of Nedzink in zinc rolling with that of ElvalHalcor in continuous melting, casting and rolling of zinc and other metals.

6. Important transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows:

Transactions of the parent company with subsidiaries (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
SOFIA MED	22,871	401	20,074	-
FITCO	1,558	120	14,840	2,984
SYMETAL	132,937	15,061	14,301	1
ANOXAL	467	6,302	499	152
VIOMAL	6,383	113	2,378	45
VEPAL	752	24,893	-	7,565
ELVAL COLOUR	15,980	981	10,663	-
TECHOR	-	16	4	455
TOTAL	**180,949**	**47,887**	**62,759**	**11,201**

SofiaMed SA buys from ElvalHalcor raw materials and semi-finished products of copper and copper alloys, depending on its needs, as well as finished products which distributes to the Bulgarian market. In addition, ElvalHalcor provides technical, administrative and commercial support services to Sofia Med. Respectively, ElvalHalcor buys from SofiaMed raw materials, semi-finished products according to its needs, as well as finished products which distributes to the Greek market.

Fitco SA buys from Halcor raw materials. ElvalHalcor processes Fitco's materials and deliver back semi-finished products. It also provides Fitco with administrative support services.

ElvalHalcor purchases aluminium scrap from the production process of Symetal which is re-used as raw material (re-casting). ElvalHalcor, occasionally sells spare parts and other materials to Symetal and provides other supportive services.

ElvalHalcor S.A. sell final aluminum products to Viomal which constitute the raw material and Viomal sells back to ElvalHalcor the returns for it's production process..

Elval Colour S.A. buys final products from ElvalHalcor, which are used as raw material and ElvalHalcor processes Elval Colour materials.

Vepal S.A. processes ElvalHalcor products and delivers semi-finished products. ElvalHalcor sells raw materials to Vepal and Vepal provides supporting administrative services.

Anoxal S.A. processes ElvalHalcor's raw materials and ElvalHalcor provides administrative services. Furthermore, Anoxal purchases from ElvalHalcor materials (spare parts and other consumables) for its production process.

Transactions of the parent company with other affiliated companies (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	3,710	1,453	543	331
STEELMET GROUP	34	5,198	840	1,601
INTERNATIONAL TRADE	217,175	28	15,852	28
REYNOLDS CUIVRE	1,609	14	2,840	63
STEELMET ROMANIA	1,367	219	50	2,321
METAL AGENCIES	8,626	85	5,070	58
TEPRO METALL	14,987	2,695	956	637
MKC	4,304	28	6,026	43
VIENER	69	769	28	123
METALVALIUS	-	-	-	-
HC ISITMA	1	-	153	171
TEKA SYSTEMS	5	7,585	34	2,449
VIEXAL	0	1,892	0	109
VIOHALCO	62	65	262	127
ELKEME	170	701	72	376
UACJ ELVAL ΣΥΜΒΟΥΛΕΥΤΙΚΗ	-	-	-	-
ANAMET	300	5,855	1,721	-
UEHEM Gmbh	34,304	90	7,705	4
ETEM BULGARIA	44,766	11,051	20,709	680
ETEM S.C.G d.o.o	257	5	50	0
METALVALIUS LTD (Bulgaria)	-	1,370	10	539
ETEM COMMERCIAL	139	283	12	-
ETEM ALBANIA	-	-	50	-
GENECOS	3,059	624	685	151
BRIDGNORTH LTD	83	-	60	1
ALURAME SpA	725	734	113	360
BASE METALS	-	573	-	260
SOVEL	155	22	4,112	-
ETIL	4	305	84	-
SIDMA	9	319	14	199
SIDENOR SA	238	167	4,810	259
OTHER	288	649	2,204	61
TOTAL	**336,448**	**42,778**	**74,989**	**10,875**

The Cenergy Group buys raw materials from ElvalHalcor according to their needs. In its turn, it sells copper scrap to ElvalHalcor from the products returned during its production process.

Steelmet S.A. provides ElvalHalcor with administration and organization services.

International Trade trades ElvalHalcor's Group products in Belgium and other countries of Central European countries.

Metal Agencies LTD acts as merchant - central distributor of ElvalHalcor Group in Great Britain.

MKC GMBH trades ElvalHalcor products in the German market.

Steelmet Romania trades ElvalHalcor products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for Halcor and provides consulting services in IT issues and SAP support and upgrade.

Anamet S.A. provides ElvalHalcor with considerable quantities of copper and brass scrap.

Viexal SA provides ElvalHalcor with travelling services.

CPW America CO trades ElvalHalcor products in the American market.

Viohalco S.A. rents buildings - industrial premises to ElvalHalcor .

Tepro Metall AG trades (through its subsidiary MKC) ElvalHalcor products and represents the latter in the German market.

Genecos, as well as its subsidiary Reynolds Cuivre sell ElvalHalcor's products and represent Halcor in the French market.

Metalvalius SA buys from Halcor or the market significant quantities of copper and brass scrap and which after assortment and cleaning sells to Sofia Med, to ElvalHalcor or the free market.

ETEM BG purchases from ElvalHalcor aluminium billets and in return sells aluminium scrap from it's production process to ElvalHalcor.

UACJ ELVAL HEAT EXCHANGER MATERIALS purhases from ElvaHalcor finished aluminium products and distributes them in the international markets.

Transactions of ElvalHalcor Group with other affiliated companies (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	4,187	2,473	967	438
STEELMET GROUP	61	5,926	842	1,760
INTERNATIONAL TRADE	245,741	68	18,154	68
REYNOLDS CUIVRE	10,295	28	4,981	40
STEELMET ROMANIA	4,356	322	423	2,402
METAL AGENCIES	30,040	116	10,904	74
TEPRO METALL	19,067	3,495	1,120	940
MKC	15,460	65	6,531	56
VIENER	69	2,884	29	194
METALVALIUS	0	39	6	-
HC ISITMA	1	-	153	171
TEKA SYSTEMS	7	8,194	34	2,757
VIEXAL	0	2,785	1	150
VIOHALCO	62	246	262	132
ELKEME	170	1,023	72	517
UACJ ELVAL ΣΥΜΒΟΥΛΕΥΤΙΚΗ	-	-	-	-
ANAMET	467	5,959	2,052	196
UEHEM Gmbh	34,304	90	7,705	4
ETEM BULGARIA	45,924	11,816	20,801	816
ETEM S.C.G d.o.o	309	46	58	1
METALVALIUS LTD (Bulgaria)	323	25,318	22	8,049
ETEM COMMERCIAL	156	514	16	63
ETEM ALBANIA	-	-	50	-
GENECOS	6,178	792	1,294	310
BRIDGNORTH LTD	85	35	60	1
ALURAME SpA	743	916	113	537
BASE METALS	3,048	946	214	409
SOVEL	155	22	4,113	-
ETIL	4	348	7	-71
SIDMA	9	547	14	272
SIDENOR SA	238	167	4,811	259
OTHER	446	1,592	872	345
TOTAL	**421,908**	**76,771**	**86,680**	**20,888**

Fees of Executives and Board members (amounts in thousands Euro)

The table below sets out the fees paid to executives and members of the Board of Directors:

	Group	Company
Total fees of management executives & Board members	2,367	1,879

7. Subsequent events

1. On 03.01.2018 ElvalHalcor signed an agreement for the acquisition of 50% of the share capital of Nedzink B.V. which is based in the Netherlands. According to the agreement ElvalHalcor will contribute about Euro 15 mil.

2. On 01.02.2018, 273,961,959 common, dematerialized, anonymous shares with voting rights were introduced to the Athens Stock Exchange. The shares were created after the merger by absorption

of “ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.” by “HALCOR METAL WORKS S.A.”, which was completed within 2017 with the 22.11.2017 decisions of the General Assemblies and the 131569/30-11-2017 decision of the Ministry of Economy and Development..

3. ElvalHalcor signed an agreement with SMS group GmbH based in Germany for , the sector signed a contract with SMS group GmbH, based in Germany for the procurement of a four-stand tandem aluminium hot finishing mill for the production unit in Oinofuta, Viotia. This action is included in the broader investment program of Euro 150 mil. for machinery and infrastructure, which has been announced by the sector and the Company in the context of the agreement with the European Investment Bank on 20 December 2017 for funding.

ElvalHalcor – Non financial reporting

Business model

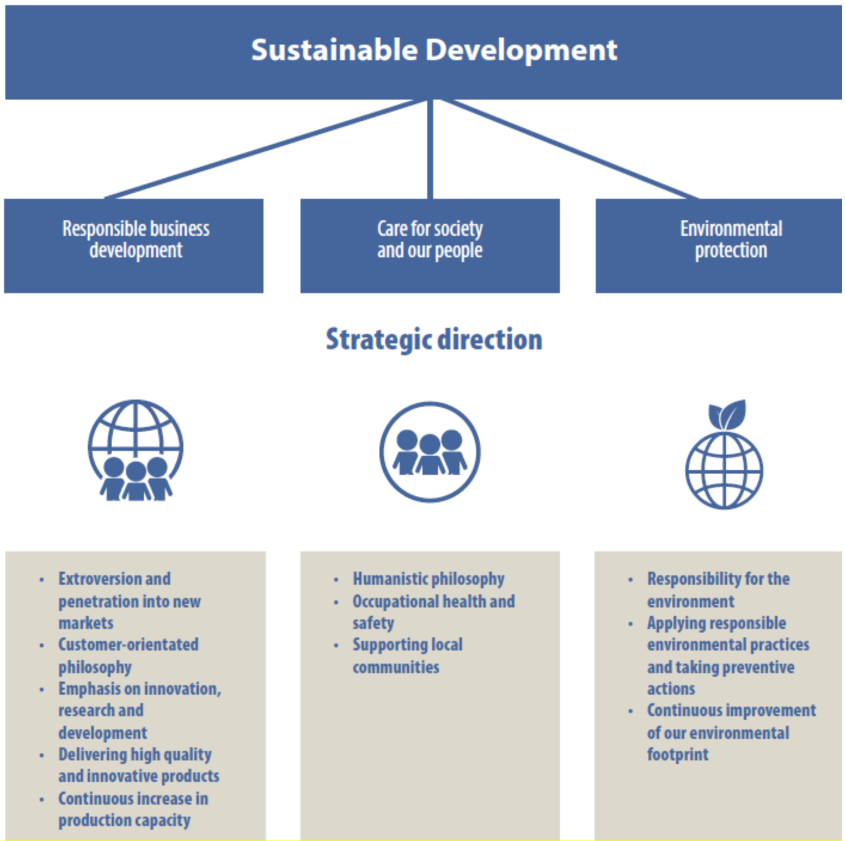
The business model of ELVALHALCOR Hellenic Copper and Aluminium Industry S.A. (ElvalHalcor) aims to create value for all stakeholders, shareholders, customers, employees, suppliers and generally local communities.

ElvalHalcor operates in the aluminium and copper segments, boasting experience and know-how spanning 80 years and offering innovative solutions of high added value perfectly suited to the modern requirements of its international customers. ElvalHalcor's success is derived from its commercial export orientation, customer-focused philosophy and innovation which comes through continuous investments in research and technology, driven by its customer-oriented philosophy. Following its continuous strategic investments in research and development of new technologies, the Company currently owns state-of-the-art production facilities and is capable of creating new and innovative products, thus accomplishing its goal for continuous innovation at both domestic and international level.

Inputs ⟶ **Value creation** ⟶ **Output**

Inputs:

- Financial resources
- Industrial resources
- Human resources
- Natural resources
- Social resources



Output:

- Social product
- Strengthen the national economy
- Innovative products and services
- Employment
- Employee development
- Support local communities

Management of Sustainability matters

The Company has put in place mechanisms and procedures to highlight and manage sustainability issues focusing on occupational safety, respect for the environment and society as well as its financial and economically viable operations. Management commitment and the management framework of responsible operation matters are reflected on the Sustainability Policy established and implemented by ElvalHalcor. Seeking to ensure its continuous improvement in relevant matters, the Company sets specific goals and monitors their progress on an annual basis, based on the relevant key performance indicators it has developed. To attain these ratios and goals, the Company prepares and implements adequate plans and actions of responsible operation.

Policies and Systems
Wishing to reinforce its sound operation driven by Sustainable Development, ElvalHalcor has established specific policies and puts into practice adequate management systems and procedures that uphold responsible operation and define the way in which the Company's goals are achieved. More specifically, the Company has established and implements, among others, the following policies and codes:

- Internal Operational Regulation
- Sustainability Policy
- Health and Safety Policy
- Environmental Policy
- Business Ethics and Anti-Corruption Policy
- Labour and Human Rights Policy
- Quality Policy
- Code of Conduct and Business Ethics
- Supplier Code of Conduct.

Integrated management of ElvalHalcor's important matters is ensured through the Management Systems implemented by the Company. More specifically, ElvalHalcor implements the following certified systems:

- Quality Management System (in accordance with the ISO 9001 international standard).
- Environmental Management System (ISO 14001).
- Energy Management System (ISO 50001).
- Occupational Health and Safety Management System (OHSAS 18001).

All production facilities of the Company have put in place the above certified Management Systems.

This Non-Financial Reporting includes respective update on the main production subsidiaries that are consolidated. Specifically with respect to the production subsidiaries of the aluminium segment: Symetal S.A., Vepal S.A., Elval Colour S.A. and the copper segment: Fitco S.A. and Sofia Med S.A. Subsidiaries are considered the most important companies as they account for more than 1% of the consolidated turnover of ElvalHalcor and are also presented in the Sustainability Report in compliance with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards).

ElvalHalcor subsidiaries have established and put in place respective policies which strictly abide by the principles of the Company's policies, with the Management of each subsidiary being responsible for their implementation. Meanwhile, ElvalHalcor subsidiaries have their own internal controls, procedures and management systems with respect to sustainable development matters and monitor their respective performance through the relevant indicators, the results of which are presented in this report. Specifically, all the above subsidiaries have put in place independent certified Quality Management (ISO 9001), Environmental Management (ISO 14001) and Occupational Health and Safety Systems (OHSAS 18001).

The sections below present the results of the policies and procedures implemented by ElvalHalcor, setting forth relevant references to the environmental and social performance (presentation of corresponding non-financial indicators) of the Company and its main production subsidiaries.

Labour and social issues

ElvalHalcor recognises the determined contribution of their people in Company’s successful business performance and future growth. In recognition of this, the Company invests materially and systematically in their people. ElvalHalcor’s management places particular emphasis on human resources development and strives to maintain a working environment based on an equal opportunities that respects each employee and rewards hard work. ElvalHalcor’s human resources practices and policies aim to attract, develop and retain capable executives and employees. Steadily oriented to human values, the Company strives to implement responsible management practices with regard to human resources. The Company focus on material issues such as:

- ensuring of the health and safety of their employees and associates

- creating a rewarding work environment, respecting human rights and diversity
- providing equal opportunities for all employees
- safeguarding jobs
- providing equal opportunities for all employees
- applying objective evaluation systems
- employee ongoing training and development
- providing additional benefits.

In 2017, ElvalHalcor managed not only to maintain but also to increase jobs by 5.1% in relation to the previous year. In addition, the subsidiaries of the aluminium and copper segments recorded a 5.1% and 4.3% increase in jobs, respectively.

Labour KPI's (key performance indicators)

(ElvalHalcor S.A.)	2016	2017
Turnover rate	7.5%	8.2%
Percentage of women in total workforce	7.8%	8.3%

Aluminium segment processing main subsidiaries

(Symetal S.A., Elval Colour A.E., Vepal S.A.)	2016	2017
Turnover rate	6.7%	6,2%
Percentage of women in total workforce	9.8%	10.4%

Copper segment processing main subsidiaries

(Fitco S.A., Sofia Med S.A.)	2016	2017
Turnover rate	16.9%	17.5%
Percentage of women in total workforce	18.8%	18.3%

Turnover rate: Percentage of employees who left the company (due to resignation, dismissal, retirement, etc.) in total Company's workforce.

On average, Company employees are 44 years old. The age range of the Company's employees is a key advantage as the majority of ElvalHalcor human resources (more than 68%) is less than 50 years old.

The ratio between male and female workers is approximately 92% to 8% respectively. The representation of women in human resources seems low in theory and is mainly due to the fact that employment in industry is not a choice often made by female professionals and to the distance of ElvalHalcor production operations from major urban centres. However, it is worth mentioning that the representation of women in administrative posts is satisfactory.

We believe that the training and development of our people is an investment in the long-term sustainable development of the Company. In 2017, overall 20,246 training man-hours were provided at ElvalHalcor.

	Total training hours	
	2016	2016
ElvalHalcor S.A.	12,812	12,812
Aluminium segment processing subsidiaries	2,984	2,984
Copper and copper alloy segment processing subsidiaries	6,915	6,915

Remuneration and benefits policy and systems have been developed with a view to recruiting, employing and retaining experienced personnel with the necessary capabilities and skills which lead to optimisation of individual and, by extension, overall performance. The remuneration of each employee reflects the educational background, experience, responsibility as well as the value/ importance of the post in the labour market. In addition, as part of its employee reward and satisfaction system, the Company provides a number of additional benefits.

Equal opportunities and respect for human rights

Showing respect for human rights and acting responsibly toward its people, the Company puts in place a human resources management policy based on equal opportunities without any discrimination on the basis of gender, nationality, religious belief, age or educational background. ElvalHalcor opposes child labour and condemns all forms of forced and compulsory labour. In addition, the Company condemns and does not tolerate any behaviours that could lead to discrimination, unequal treatment, bullying or moral harassment, gestures and verbal or physical threats.

As a result of the control policies, procedures and mechanisms put in place, during 2017 like also in previous years, no incident of child or forced labour was identified and no incident related to violation of human rights has taken place.

Occupational Health and Safety

Ensuring the Health and Safety (H&S) of our employees, our partners and third parties is a firm priority and commitment of ElvalHalcor. This view is certified through the H&S Policy established and implemented by the Company, thus clearly reflecting Management commitment in this field.

Company Management is instantly notified of any issue relating to H&S and takes steps to ensure seamless implementation of the policy. This policy is defined by Management, is based on cooperation and involvement of all personnel and is binding on each employee and partner. The Company fully complies with the relevant laws and regulations with respect to working conditions and occupational H&S, and focuses on the implementation of preventive measures and actions to avoid any incidents at work.

The goal of "Zero accidents" remains the Company's top priority. For this reason, the Company makes substantial and systematic investments in measures aiming at the continuous improvement of working conditions, and focusing on prevention and infrastructures reinforcing occupational safety. The Company's approach to the management of occupational H&S matters includes:

- Implementation of a H&S Management System (OHSAS 18001:2007) in all its premises with the involvement of all employees and administration.
- Continuous investments in infrastructure projects to reinforce safety at work (zero access).
- Behavioural audits in order to create a "Safety Climate".
- In-depth investigation and recording of all incidents, as well as near misses by implementing improvement measures aiming to reduce accidents.
- Employee targeted training and awareness raising so as to create a safety culture.
- Continuous improvement of fire safety at work.
- Medical monitoring of employees by the occupational physician.

The Company implements internationally applicable and measurable indicators to monitor and evaluate performance in the field of occupational H&S.

Health and safety KPI's

	Lost time incident rate (LTIR)		Severity rate (SR)		Fatalities	
	2016	**2017**	**2016**	**2017**	**2016**	**2017**
ElvalHalcor S.A.	4.28	4.87	90.6	112	0	0
Aluminium segment processing subsidiaries	15.24	10.11	201	226	0	0
Copper and copper segment alloy processing subsidiaries	6.84	7.02	241	300	0	0

LTIR: Lost time incident rate (number of LTI incidents per 10^6 working hours)
SR: Severity rate (number of lost work days per 10^6 working hours)

Social matters

The Company wishes to have its business activities interact in a positive and constructive manner with the communities in which it operates, contribute to the overall economic development of Greece and benefit local communities by creating jobs and offering business opportunities. It is worth indicating that 55% of ElvalHalcor total workforce come from local communities (broader region of Viotia and Evia). In addition, the Company boasts a long tradition in boosting local entrepreneurship as it seeks to cooperate, when possible, with local suppliers.

As a Company operating responsibly, ElvalHalcor provides its support on an annual basis to a number of bodies, organisations and associations through various sponsorships while also supporting and promoting the voluntary activities of its employees.

Through its operations, ElvalHalcor generates multiple benefits for the society. In addition to the payment of salaries and other benefits to its employees, the Company pays the State the corresponding taxes and levies, and makes continuous investments and payments to the collaborating suppliers of materials and services. Thus, the overall positive impact of the Company on both local and broader communities is important.

Anti-corruption and bribery-related issues

ElvalHalcor implements an integrated framework of corporate governance (relevant details are given in the section "Corporate Governance Declaration" of this report), which aims to ensure transparent, proper and effective management of the Company which leads to business and economic development in the long run. In addition, ElvalHalcor's Code of Conduct and Business Ethics and Supplier Code of Conduct reflect the Company's commitment and views on transparency, anti-corruption and anti-bribery issues. Business Ethics and Anti-Corruption Policy is another policy of the Company which was issued recently.

The Company is fully opposed to any type of corruption and it is committed to operate in an ethical and responsible manner. Even though the risk of corruption is low, the Company takes all necessary preventive measures and implements procedures and controls in order to ensure the combating of corruption cases. Furthermore, seminars on anti-corruption issues have been implemented where executives and employees of the Company have received relevant training. As a result of the Company's practices and policies, during 2017, as in previous years, no incident of corruption or bribery was recorded or reported.

Environmental matters

Environmental protection is at the top of the Company's list of priorities. ElvalHalcor cultivates environmental responsibility as an integral part of its corporate philosophy, having integrated in its strategy the responsible management of all environmental matters associated with its activities. Management's strong commitment in this field is reflected on the Environmental Policy (www.elvalhalcor.com, section "Sustainable Development/Environment). Management takes steps to implement good practices aiming at environmental protection and management of any environmental impacts arising from the Company's operation. The Company operates in accordance with the applicable environmental laws (applicable national and European laws). Wishing to reduce its environmental footprint on an ongoing basis with concrete actions, ElvalHalcor:

- implements an Environmental Management System (ISO 14001) in all its production facilities aiming at the integrated management of its environmental matters;
- implements targeted environmental management plans (e.g. energy saving plans, actions and initiatives to reduce air emissions, etc.);
- seeks the rational use of natural resources and operates in accordance with the principles of circular economy, when possible;
- implements an integrated waste management system (which focuses primarily on waste management according to the appropriate hierarchy and on the adoption of good practices aiming to prevent their generation);
- makes continuous investments in environmental protection infrastructure;

- focuses on continuous training and awareness raising of its employees and partners in environmental matters.

With respect to energy consumption, its main pursuit is to reduce its energy footprint, whenever possible, and ensure its increasingly efficient use. Concurrently, through the certified Energy Management System (ISO 50001:2015), the Company aims at the integrated management of energy matters and seeks to develop a continuous improvement culture.

	Specific energy consumption (GJ/t of product)	
	2016	2017
ElvalHalcor S.A.	8.12	8.26
Aluminium segment processing subsidiaries	3.92	4.12
Copper and copper alloy processing segment subsidiaries	8.23	7.44

To meet the needs of its production process, ElvalHalcor must use water. The Company takes all necessary steps to ensure its efficient use and limit its consumption in compliance with its environmental policy. At the same time, whenever possible, reuse practices are applied while special emphasis is laid on minimisation of waste water disposal.

	Specific water consumption (m^3/t of product)	
	2016	2017
ElvalHalcor A.E.	1.75	1.73
Aluminium segment processing subsidiaries	0.43	0.47
Copper and copper alloy segment processing subsidiaries	9.49	8.10

Responsible management of the supply chain

ElvalHalcor selects and treats its suppliers in a responsible manner. Having built long-standing partnerships and trust in its relationships with its customers and partners, the Company seeks to collaborate with suppliers showing respect for the environment and implementing responsible practices. Seeking to promote the principles of sustainable development across the supply chain, ElvalHalcor prepared a "Supplier Code of Conduct ".

The Code describes everything the Company expects from its supply chain (suppliers and partners) in terms of responsible operation (environmental protection, occupational health and safety, labour practices, ethics and integrity, respect for competitiveness, merit-based advancement, equal opportunities, safeguard of human rights, etc.). ElvalHalcor communicates this Code to its suppliers and contractors (existing and new ones) who should be familiar with the responsible practices implemented by the Company, and adopt these values and principles in the context of Sustainable Development.

The Company's procurement policy applies a strategy aiming to boost local economy, offering business opportunities and employment to local suppliers. When evaluating and selecting suppliers, local origins are a criterion factored in.

Non-financial risks and dealing with such risks

The Company operates in an economic and social environment characterised by various risks, financial and others (all financial risks are laid down in the section "Risks and Uncertainties" of this report). In this context, the Company has established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the Company are environmental risks and risks related to occupational H&S. Managing these risks is considered a very important task by Company Management provided that they pose a threat of having a direct or indirect impact on the Company's smooth operation.

ElvalHalcor's by-laws (approved by the BoD) clearly describe the areas of risk and include specific procedures that have been developed on the basis of the Prevention Principle in H&S and Environment management.

In addition, in the context of the certified Management Systems implemented by the Company, the relevant risks are assessed on an annual basis. Aiming to reduce the likelihood and the importance of risks occurring in certain segments, the Company takes preventive steps, designs and implements specific plans and actions, and monitors their performance through the relevant indicators (quality, environment, occupational health and safety) it has set. Moreover, the Company has carried out all hazard studies prescribed by law, implements operation and safety criteria which are compliant with national and European laws, develops an emergency plan and cooperates closely with local authorities and the Fire Brigade in order to address any eventual incidents quickly and effectively.

NOTE:
The non-financial ratios for 2017 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards). These ratios were chosen strictly on the basis of their relevance to the Company's business (according to the materiality analysis conducted by the Company).
Details on the performance in terms of sustainable development, and the actions of the Company's responsible operation will be set forth in the 2017 Sustainability Report of ElvalHalcor (May 2018). The Sustainable Development Report is an important tool as it reflects the way in which the Company responds to major issues and to the expectations of all its stakeholders.
All Sustainability Reports (according to the GRI Guidelines) which have been published by both Elval and Halcor during the period 2008-2016 are available on the Company's website (http://www.elvalhalcor.com/sustainability).

BOARD OF DIRECTORS' EXPLANATORY REPORT

(Article 4(7) and (8) of Law 3556/2007)

a) Structure of share capital

The Company's share capital after the completion of the merger by absorption of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." by the listed "HALCOR METAL WORKS S.A.", which was completed within 2017 with the 22.11.2017 decisions of the General Assemblies and the 131569/30-11-2017 decision of the Ministry of Economy and Development, amounts to Euro 146,344,218.54 divided in 375,241,586 common, dematerialized, anonymous share with nominal value of Euro 0.39 each. All the shares are listed in the Athens Stock Exchange. The shares of the Company are dematerialized, anonymous with voting rights.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a divided shall be deleted after the elapse of 5 years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible and the Company only recognises one owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership are represented in the General Meeting by a single person that is appointed by the same following agreement. In case of disagreement the share of the aforementioned owners is not represented.
- Shareholder liability is limited to the nominal value of each share they hold.

b) Restrictions on the transfer of Company shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

c) Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2017 were as follows:

- VIOHALCO SA/NV: 91,44 % of voting rights

d) Shares granting special rights of control

There are no shares in the Company granting their holders special rights of control.

e) Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 24 of the Articles of Association.

f) Agreements between Company shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

g) Rules on the appointment and replacement of Board members and amendment of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in Codified Law (C.L.) 2190/1920.

h) Powers of the Board of Directors to issue new shares or purchase own shares

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.
- In pursuance of Article 13(9) of C.L. 2190/1920 and a decision of the General shareholders Meeting made on 20 June 2002, during the month of December of years 2006-2013 the Board of Directors of the Company shall increase the Company's share capital without amending its Articles of Association by issuing new shares in the context of implementation of an approved Stock Option Plan, details of which are laid down in Note 26 of the Financial Statements.

i) Major agreements which take effect have been amended or expire in the case of change in control

The bank loans of both the Company and HALCOR Group, taken out fully by Banks and set out in Note 22 of the Annual Financial Report include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

j) Agreements with Board of Directors members or Company staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Code

The Company has adopted the practices of Corporate Governance on its management practices and operation, as these are specified under the applicable institutional framework of L. 3016/2002, of L. 4449/2017, of Decision 5/204/2000 of the Hellenic Capital Markets Committee and of art. 43ββ of c.l. 2190/1920 and the Corporate Governance Code recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter the “code”) and is available on the following website:

http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf

In the context of preparation of the Board of Directors’ Annual Management Report, the Company reviewed the Code. From this review, the Company concluded that it applies all special practices for listed companies and are described in the Code of Corporate Governance of HCGC with the exception the following practices with the corresponding explanations:

- **Part A.II (2.2, 2.3 & 2.5): Size and composition of the BoD**. The independent non-executive members of the current Board of Directors are two (2) out of twelve (12) and therefore, their number is less by one third, in contrast to what is indicated in the Code. An independent non-executive member has served on the Board for more than 12 years from the date of the first election. It was judged, at this juncture, that the enhancement of the number of independent members or the limitation of the service of a member would not improve the efficiency of the company’s operation.

- PartA.III(3.3): Role and qualities required from the Chairman of the Board. The Vice Chairman of this Board has not the status of independent non-executive member, although the Chairman is an executive member. It was judged, at this juncture, that the status of an independent member in the position of Vice Chairman beyond the aforementioned status as non-executive, would not provide more guarantees regarding the efficient operation of the company.

- **Part A.V(5.4, 5.8): Nomination of Board members.** Until the time of the current statement’s compilation, it has not been established a committee regarding the nomination of the members for the same reasons as above.

- **Part A.V (7.1. – 7.3): Evaluation of Board of Directors and its Committees.** Until the time this Statement was drafted, the Company had not chosen any specific method to evaluate the effectiveness of the Board of Directors and its Committees.

- **Part C.I (1.6- 1.11):** Level and structure of remuneration. Until the time that this Statement was compiled, there has not been established a Remuneration Committee as well as the remuneration policy of the executive members of the Board and the method of evaluation of the Board’s members are not published. The matter will be reviewed shortly.

The Issuer does not implement any other corporate governance practices other than the special practices of the Corporate Governance Code of HCGC and the provisions of Law 3873/2010.

The Issuer complies with the Corporate Governance as in effect. In regards to the Corporate Governance Code, the Issuer implements the aforementioned Code with the deviations as published and justified until this day as ELVALHALCOR. The Issuer will examine periodically on whether the deviations continue to serve the corporate interest and will proceed to the necessary adjustments.

Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports.

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department audits the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the generation of reliable financial statements.

Regarding the preparation of financial statements, the Company reports that the financial reporting system of the Issuer uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of revenue, cost/expenses and operating profits as well as other data and indexes. All reports towards the Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, along with the data of the respective period of the previous year.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, are reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Audit controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and responsibilities of executives; e) year closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc.) and f) safeguarding the data provided by information systems.

The preparation of the internal reports towards the Management and the reports required under C.L. 2190/1920 and by the supervisory authorities is conducted by the Financial Services Division, which is staffed with adequate and experienced executives for this purpose. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures regarding the collection of the necessary data from its subsidiaries, and ensures the reconciliation of individual transactions and the implementation of the same accounting principles by the companies of the Group.

ii. Annual evaluation of corporate strategy, main business risks and Internal Control System

The Company's Board of Directors states that it has examined the main business risks that the Group faces as well as the Internal Control System. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control System.

iii. Provision of non-audit services to the Company by its statutory auditors and evaluation of the effect that this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008

The statutory auditors of the Company for the fiscal year 2017, "PriceWaterHouseCoopers Auditing Company SA" (AM SOEL 113) (268 Kifisias Av. PC:15232, Chalandri, tel: 2106874400), who have been elected by the Ordinary General Assembly of the Company's Shareholders on 26.05.2017, the Fees are analyzed as follows:

	GROUP € '000	COMPANY € '000
Fees for audits	172	162
Fees for tax compliance	46	43
Fees for assurance services	82	82
Other fees	25	25
Total	**325**	**312**

iv. Internal Auditor

The Issuer has awarded as Internal Auditor Mrs. Aikaterini Kapeleri. Mrs. Kapeleri is an Economist, holding a bachelors degree from the University of Piraues departmet of business management and holds a postgraduate degree from National Technical Univeristy and works for Halcor since 2000 in various positions.

Public takeover offers - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.

- There are no third-party public offers to take over the Company's share capital during the last and current year.

- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws.

General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company

Roles and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 14 members of whom:

- 58 are executive members (Chairman, Vice-Chairman& 3 Members)
- 4 are non-executive members (Other Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of HALCOR S.A.-METAL PROCESSING consists of the following:

- THEODOSSIOSPAPAGEORGOPOULOS, Chairman and executive member
- DIMITRIOS KIRIAKOPOULOS, Vice-chairman and executive member
- NIKOLAOS KOUDOUNIS, executive member
- PERIKLES SAPOUNTZIS, executive member and General Manager
- GEORGIOS KATSAMPAS, non-executive member
- IOANNIS PANAYIOTOPOULOS, non-executive member
- LAMBROS VAROUCHAS, executive member
- KONSTANTINOS KATSAROS, executive member
- STAVROS VOULOUDAKIS, executive member
- PATRICK KRON, non-executive member
- ILIAS STASINOPOULOS, non-executive member
- EFTIHIOS KOTSAMBASAKIS, executive member
- ANDREAS KIRIAZIS, Independent non-executive member
- NIKOLAS GALETAS, Independent non-executive member

The tenure of BoD's members in accordance with the Articles of Association of the Company is (1) one year and in accordance with article 11, par. 2 of the Company's Articles of Association, is extended automatically until the Ordinary General Assembly of the company's shareholders, that will convene, in 2019, until the tenth (10th) calendar day of the ninth (9th) month (September) of the same year.

The Board of Directors convened 66 times for Ελβάλ, 67 at Halcor and 31 as ElvalHalcor in 2017.

Audit Committee

By decision dated 22.11.2017 of the Extraordinary General Assembly of Halcor's shareholders, the Audit Committee was elected pursuant to article 44 par. 1 of Law 4449/2017 (Government

Gazette A 7 / 24.01.2017), which is a three-member and consists of two Independent members of the Company's new Board of Directors, namely Messrs. Andreas Kyriazis and Nikolaos Galetas as well as by the non-executive member of the Company's Board of Directors, Mr. Ioannis Panayiotopoulos.

All members of the Audit Committee have a proven knowledge of the sector in which the company is active, namely Mr. Andreas Kyriazis is a graduate of the Department of Chemistry of the Physics and Mathematics School of the University of Athens and has served as President of the Athens Chamber of Commerce and Industry, and Mr. Nikolaos Galetas is a graduate engineer by the School of Electrical Mechanics of the National Technical University of Athens and has taken over managerial positions at ETBA and ETEBA and Mr. I. Panayiotopoulos, a member of the Audit Committee, has proven sufficient knowledge in accounting and auditing (international standards) due to his service in executive positions of Viohalco companies.

i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and operates according to Law 4449/2017, consists of three non-executive members of the Board of Directors, two of which are independent, and their main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfill its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and the effective implementation of Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of their adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To audit periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management's instructions, Company policy and procedures, and that they are aligned with the Company's objectives and standards of the Management practice;
- To review internal audit reports and specifically:
  - to evaluate the adequacy of their scope;
  - to confirm the accuracy of reports;
  - to examine the adequacy of results' support.

The Audit Committee receives the following reports for the audit activity:

- Extraordinary reports
- Semi-annual financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports
- Stock exchange reports
- Inventory-counting reports
- Productivity Efficiency reports
- Audit Opinion

The Audit Committee examines and ensures the independence of the Company's external auditors and takes consideration of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Regulation of Operation, the Audit Committee consists of two independent and non-executive members of the Board of Directors and one non-executive member who have the necessary knowledge and experience for the Committee's work.

ii. Evaluation of effectiveness and performance of the Committee

Until the time of this Statement's compilation, no special procedures had been established to evaluate the effectiveness of the Board's Committee. Company's Management will establish such procedures in the future.

CURRICULUM VITAE OF THE BOARD MEMBERS

Theodossios Papageorgopoulos, Chairman and executive member
Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for the Viohalco's subsidiaries since 1962 and has served as General Manager in Halcor SA from 1973 to 2004. Between 2004 and this date he is the Chairman of the Board of Halcor SA.

Kiriakopoulos Dimitrios, Vice-Chairman, executive member
Mr. Kyriakopoulos studied Business Administration at AUEB and holds a Diploma in Business Studies from the City of London College and Marketing from the British Institute of Marketing. The starting point of his professional career was Procter and Gamble, and since 1975 he has started a long-term partnership with Warner Lambert assuming Managerial positions. In 1983, after spending two years at Warner Lambert headquarters in the US as Director of Consumer Products in Europe, he took over the Chairman, Chief Executive Officer and General Manager positions of the company in Greece. Since 1985 he has assumed the positions initially of Regional Director of Middle East / Africa and then as Regional President of Consumer Products of Italy / France / Germany. In the period 2000-2003 he was appointed CEO of Europe / Middle East / Africa of ADAMS (Confectionery Division of Pfizer). In 2004 he was appointed Deputy Managing Director of Duty Free SA. In 2006 he was appointed Vice Chairman of Non-Ferrous Metals at Steelmet SA and since June 2007 he is Vice-Chairman of the Board of Directors of Elval.

Nikolaos Koudounis, executive Member
Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for the Viohalco Group since 1968 and he has been the Financial Manager of Elval SA (1983), General Manager of Elval SA (2000) and Managing Director of Fitco SA (2004). He already participates as an executive director in the Boards of Elval SA, Halcor SA, DIA.VI.PE.THI.V SA (Chairman of BoD), Fitco SA (Chairman of BoD) and other Group companies. He is also the Chairman of the Board of Viotia Association of Industries.

Perikles Sapountzis, executive Member and General Manager
Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been working for the subsidiaries of Viohalco since 1995 when hired as a sales manager in Hellenic Cables SA. From 1997 to 2000 he was Commercial Director of Tepro Metall AG. In 2000 he became General Manager of ICME ECAB SA and in 2004 took the same position in the parent company Hellenic Cables SA. Between 2008 and currently holds the position of General Director and Board Member of Halcor SA.

Georgios Katsambas, non-executive member
Mr. Katsambas holds an MBA degree from Strathclyde University in Glasgow. She is a member of Viohalco's executive staff and its subsidiaries where he has been working since 2007. He has served as Aluminium Purchasing Manager initially in Elval and then as Aluminium Purchasing Manager for the Group. From 2016 he has taken over Viohalco's non-ferrous metals and scrap general management, and in 2017 he was elected as a member of Halcor's Board of Directors.

Ioannis Panayiotopoulos, non-executive Member
Mr. Panayiotopoulos is a graduate of Athens University of Economics and Business and the Training Institute in Business Administration of the same University. He has been working for VIOHALCO Group of companies since 1968 in the Financing Division of Group companies. From 2005 to 2008, he was the Chairman of Elval SA's BOD. Since 2005 he is the vice-chairman of ERLIKON SA and also a Board member of SOVEL SA and other companies of Viohalco.

Lambros Varouchas, executive member
Mr. Varouchas is a Electrical Engineer of NTUA and he has been working in Elval companies since 1969. In Elval SA he has served as Factory Manager and from 1983 to 2004 he was the Technical Director responsible for the implementation and design of the Company's Investment Program. Since 2005 he has been General Manager at Elval SA. At the same time, he is a member of the BoD and Technical Officer of Bridgnorth Aluminium Ltd.

Konstantinos Katsaros, executive member
Mr. Katsaros is a Mechanical and Electrical Engineer of the National Technical University of Athens. He is an Aeronautical Engineer of the Ecole Nationale Superieure d 'Aeronautique (Paris) and a Ph.D. Engineer of the University of Paris. He has been working in Elval since 1974 and he is mainly engaged in the international development of the Company. Previously he worked in Pechiney in France for 6 years. He is a member of the Board of Directors of many companies of the Group, chairman and vice chairman of the Hellenic Aluminium Association and today is a member of the Board of the European Union of Aluminium.

Stavros Voloudakis, executive member
Mr. Voloudakis is a Production and Management Engineer with MSc in Artificial Intelligence and holds the position of Deputy General Manager of the Financial and Administrative Sector of Elval SA. He has worked in Elval and its subsidiaries since 2003.

Andreas Kyriazis, Independent non-executive member
Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists. Mr. Kyriazis is also a member of the Board of Directors of several companies of Viohalco.

Nikolaos Galetas, Independent non-executive member
Mr. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES SA, and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group which was appointed as Chairman of the Board during the years of his career to this organization. In addition in 1990-92 offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also member of the Board of Directors in several companies of Viohalco.

Patrick Kron, non-executive member
Mr. Patrick Kron is a graduate of Ecole Polytechnique and the Ecole des Mines of Paris. He began his career in 1979 as a member of the French public administration. Since 1984 he has been working in private companies as a staff member and manager, as well as in subsidiaries of French companies in Greece. In 2016 he founded his own consulting firm PKC & I, and in the same year he was appointed president in Truffle Capital. Patrick Kron is a member of BoD of three listed companies, Sanofi, Bouygues and LafargeHolcim, as well as he is member of the boards of a non-listed company and various non-profit organizations.

Eftyhios Kotsambasakis, executive member
Mr. Kotsampasakis holds the position of Administrative Director of Halcor. He has been working for the Viohalco Group since 1965. He serves on the Board of DIA.VI.PE.THIV. SA as a Vice-President and is treasurer of the Federation of Industries of Viotia.

Ilias Stasinopoulos, non-executive member
Mr. Elias Stasinopoulos holds a Ph.D. from the Technical University of Clausthal-Zellerfeld in Germany and he has been working in the LHoist Group since 1994 in leading positions of responsibility. He speaks in addition to Greek, English, French, German.

The Chairman of the Board

of ELVALHALCOR SA

Theodossios Papageorgopoulos

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Elvalhalcor Hellenic Copper and Aluminium Industry SA"

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "Elvalhalcor Hellenic Copper and Aluminium Industry SA" which comprise the separate and consolidated statement of financial position as of 31 December 2017, the separate and consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.
In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31/12/2017, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

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

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.
We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.
The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1 January 2017 to 31 December 2017 during the year ended as at 31 December 2017, are disclosed in the note 32 to the separate and consolidated financial statements.

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 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 matter	How our audit addressed the key audit matter
Business Combination (For Consolidated and Separate Financial Statements)	
As disclosed in Note 33 of the attached financial statements, "Halcor Metal Works S.A." (Halcor) was merged by absorption with "Elval Hellenic Aluminium Industry S.A." (Elval). As a result, the Group Management determined this transaction to be a business combination and accounted for it as a reverse acquisition where the accounting acquiree is Halcor and the accounting acquirer is Elval. In accordance with IFRS 3 "Business Combinations", the Group performed the purchase price allocation exercise and determined the identifiable assets and liabilities as well as their fair values. The purchase price allocation required a significant amount of management estimation.The valuation methodologies, as well as the inputs and assumptions used in the models, determined the fair value of the assets acquired, such as property plant and equipment, goodwill, brand name, customer relationships and the deferred tax liability. For these reasons, we consider this area to be a key audit matter.	We examined the Merger Agreement Scheme and assessed the appropriateness of the accounting of the merger as a reverse acquisition and determined that it was appropriately performed in accordance with the definition set out in IFRS 3 "Business Combinations". As of the acquisition date, we performed audit procedures over the acquired opening balance sheet of Halcor, including amongst others agreeing the balances of the acquired assets and liabilities to Halcor's accounting records and other substantive audit procedures in revenue and expenses accounts, so as to determine that revenue and cost of sales have recorded in the correct period. In relation to the recognition of the brand name and the customer relationships, we assessed that it complies with the criteria set out in IAS 38 Intangible Assets. In addition, with the assistance of our in-house valuation experts, we determined that the models and methodologies used are appropriate and that the discount rate is in line with the Group's weighted average cost of capital. We evaluated the cash flow projections of the models by comparing them to historical cash flows and examined the future growth rates used.

In regards with the valuation reports for property plant and equipment, we engaged our valuation experts to assist us in assessing the methodologies, assumptions and conclusions of the Group's independent external valuers. We found that the key assumptions were based on available market data and that the cost method was appropriately applied.

We examined the calculation of goodwill being the difference between the purchase consideration and the fair value of the net identifiable assets.

With the assistance of our tax specialists, we assessed that the recognition of deferred tax asset of Euro 17,9mil on tax losses carried forward and "thin capitalization" was supported by the future business plans in relation to the entity's taxable profits.

As a result of our work, we found no material exceptions at the allocation of the purchase price to the identifiable acquired assets and liabilities. Finally, we determined that the disclosures included in Note 33 of the attached financial statements were sufficient.

Loan Liabilities
(For Consolidated and Separate Financial Statements)

As disclosed in Note 22 of the attached financial statements, the Group as at 31 December 2017 had loan liabilities amounting to Euro 568mn, of which amount Euro 142mn related to instalments of long-term and syndicated loans and finance lease liabilities, expiring in the short-term as at the balance sheet date.
The contracts of the syndicated loans contain financial covenants and other terms, such as change of control clauses.

As disclosed in Note 22 of the attached financial statements, the Group in 2017 completed the restructuring of its main syndicated loans.

We performed the following procedures:

- We obtained the agreements of the long-term and syndicated loans and gained understanding of the terms of the agreements.
- We recomputed financial loan covenants ratios and confirmed the assessment of the management in relation to compliance with those covenant ratios.
- We examined the accounting of the new and amended contract of the main syndicated loans.
- We assessed management's estimate as

The restructuring of the main syndicated loans was a significant transaction with the lender banks. For the evaluation of the status of the refinancing in progress and the available future cash flows of the Group, management applied assumptions and estimates. Finally, the risk of non-compliance to the terms of the loan agreements was considered a significant audit risk. For these reasons, we consider this area to be a key audit matter.

regards the adequacy of future cash flows for the repayment of loan liabilities of the Group.

As a result of our work, we did not identify material exceptions as regards, recognition, measurement and classification of the loan liabilities and considered that the assumptions and estimates of management are within reasonable range. We found that the related disclosures included in the financial statements were adequate.

Other Matter

The separate and consolidated financial statements of the merged companies "Halcor Metal Works S.A." and "Elval Hellenic Aluminium Industry S.A." for the year ended 31 December 2016 were audited by other Certified Auditor Accountants who issued the reports dated 30 March 2017, 15 May 2017 and 31 October 2017 expressing unmodified opinion on those statements.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
We considered whether the Board of Directors report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2017 is consistent with the separate and consolidated financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

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

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as 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, the Board of Directors is responsible for assessing the Company's and 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 Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and 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 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, we exercise professional judgment and maintain professional scepticism 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and 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 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group 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. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 26/05/2017.

Athens, 12 March 2018

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

The Certified Auditor Accountant

Konstantinos Michalatos
SOEL Reg No 17701

Annual Financial Statements (Group and Company)

as at 31 December 2017

according to International Financial Reporting Standards

THE CHAIRMAN OF THE BOARD OF DIRECTORS	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE GROUP FINANCIAL MANAGER
THEODOSSIOS PAPAGEORGOPOULOS ID Card No. AE 135393	DIMITRIOS KYRIAKOPOULOS ID Card No. AK 695653	PERIKLIS SAPOUNTZIS ID Card No. AK 121106	SPYRIDON KOKKOLIS ID Card No. X701209

ELVALHALCOR SA

G.C.Registry.: 303401000

SA Registry No: 2836/06/B/86/48

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

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

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I. Statement of Financial Position

		GROUP		COMPANY	
		2017	2016	2017	2016
		€ '000	€ '000	€ '000	€ '000
ASSETS					
Non-current assets					
Property, plant and equipment	10	687,479	404,827	423,549	297,294
Intangible assets and goodwill	11 & 33	74,547	1,043	70,801	913
Investment property	12	7,076	-	20,809	16,477
Investments in Viohalco subsidiaries	13	0	-	242,471	118,571
Investments in Viohalco associates	13	64,186	1,879	65,339	1,608
Other Investments	14	3,771	1,545	3,771	1,545
Deferred income tax assets	15	2,267	-	-	-
Derivatives	18	262	-	260	-
Trade and other receivables	17	2,624	1,379	2,423	1,230
		842,212	**410,673**	**829,425**	**437,637**
Current Assets					
Inventories	16	433,498	232,830	281,004	176,248
Trade and other receivables	17	199,025	194,419	190,723	159,561
Derivatives	18	4,751	2,638	2,856	2,302
Cash and cash equivalents	19	41,446	15,198	32,574	8,344
		678,720	**445,084**	**507,157**	**346,456**
Held For Sale	34	4,495	**-**	**-**	**-**
Total assets		**1,525,427**	**855,757**	**1,336,582**	**784,093**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	20	146,344	105,750	146,344	105,750
Share premium	20	65,030	-	65,030	-
Other reserves	20	282,340	209,976	293,926	209,812
Retained earnings/(losses)		161,796	135,859	155,618	127,850
Equity attributable to owners of the company		**655,511**	**451,586**	**660,919**	**443,413**
Non-Controlling Interest		12,905	2,118	-	-
Total equity		**668,416**	**453,703**	**660,919**	**443,413**
LIABILITIES					
Non-current liabilities					
Loans and Borrowings	22	278,940	98,813	278,414	83,954
Obligations under financial lease	22	13,993	7,819	13,973	7,819
Derivatives	18	51	-	2	-
Deferred tax liabilities	15	61,825	39,597	50,233	32,448
Employee benefits	23	14,946	10,627	10,761	7,828
Grants	24	21,557	19,775	12,378	12,388
Provisions	25	1,410	-	1,260	-
		392,724	**176,632**	**367,020**	**144,437**
Current liabilities					
Trade and other payables	26	179,172	98,123	141,577	85,993
Current tax liabilities	15	7,641	15,723	5,002	12,761
Loans and Borrowings	22	273,016	109,646	158,216	95,777
Obligations under financial lease	22	2,291	810	2,291	810
Derivatives	18	2,005	1,121	1,446	902
Provisions	25	162	-	110	-
		464,287	**225,422**	**308,643**	**196,243**
Total liabilities		**857,011**	**402,054**	**675,663**	**340,680**
Total equity and liabilities		**1,525,427**	**855,757**	**1,336,582**	**784,093**

The notes on pages 10 to 71 constitute an integral part of these Financial Statements.

II. Income Statement

		GROUP		COMPANY	
		2017	2016	2017	2016
		€ '000	€ '000	€ '000	€ '000
EUR					
Revenue	6	**1,150,433**	**842,699**	**895,786**	**771,013**
Cost of sales	8	(1,046,867)	(768,517)	(819,614)	(715,281)
Gross profit		**103,566**	**74,182**	**76,172**	**55,732**
Other Income	7	7,892	5,981	8,304	6,792
Selling and Distribution expenses	8	(12,506)	(11,616)	(5,241)	(6,208)
Administrative expenses	8	(25,535)	(18,252)	(17,375)	(15,887)
Other Expenses	7	(3,801)	(1,379)	(2,793)	(751)
Operating profit / (loss)		**69,616**	**48,915**	**59,067**	**39,677**
Finance Income	9	118	102	75	94
Finance Costs	9	(17,767)	(15,395)	(13,080)	(14,219)
Dividends		0	-	1,722	1,504
Net Finance income / (cost)		**(17,649)**	**(15,293)**	**(11,283)**	**(12,621)**
Share of profit/ (loss) of equity-accounted investees, net of tax	13	(1,293)	(276)	-	-
Profit/(Loss) before income tax		**50,674**	**33,346**	**47,784**	**27,056**
Income tax expense	15	(17,410)	(11,439)	(14,461)	(8,471)
Profit/(Loss) for the year		**33,264**	**21,907**	**33,324**	**18,585**
Attributable to:					
Owners of the Company		33,549	21,978	33,324	18,585
Non-controlling Interests		(285)	(71)	-	-
		33,264	**21,907**	**33,324**	**18,585**
Shares per profit to the shareholders for period (expressed in € per share)					
Basic and diluted	21	0.1188	0.0802	0.1180	0.0678

The notes on pages 10 to 71 constitute an integral part of these Financial Statements.

III. Statement of Comprehensive Income

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Profit / (Loss) of the period from continued operations	**33,264**	**21,907**	**33,324**	**18,585**
Items that will never be reclassified to profit or loss				
Remeasurements of defined benefit liability	(1,314)	1,003	(1,013)	837
Related tax	372	(291)	294	(243)
Total	**(942)**	**712**	**(720)**	**594**
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences	197	-	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	4,498	1,516	3,737	1,400
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(2,851)	1,516	(2,435)	1,516
Related Tax	(190)	(879)	(378)	(846)
Total	**1,654**	**2,153**	**924**	**2,070**
Other comprehensive income / (expense) after tax				
Total comprehensive income / (expense) after tax	**33,976**	**24,772**	**33,529**	**21,249**
Attributable to:				
Owners of the company	33,514	24,843	33,529	21,249
Non-controlling interests	462	(71)	-	-
Total comprehensive income / (expense) after tax	**33,976**	**24,772**	**33,529**	**21,249**

The notes on pages 10 to 71 constitute an integral part of these Financial Statements.

IV. Statement of Changes in Equity

GROUP € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Foreign Exchange translation reserve	Total	Non-Controlling Interest	Total Equity
Balance as at 1 January 2016	**105,750**	**-**	**-**	**179,654**	**148,478**	**-**	**433,882**	**2,189**	**436,071**
Net Profit / (Loss) for the period	-	-	-	-	21,978	-	21,978	(71)	21,907
Other comprehensive income	-	-	-	2,153	712	-	2,865	(0)	2,865
Total comprehensie income	-	-	-	2,153	22,690	-	24,843	(71)	24,772
				-	-	-	-	-	-
Transactions with the shareholder's directly in equity				-	-	-	-	-	-
Transfer of reserves	-	-	-	28,169	(28,169)	-	(0)	-	-
Dividend	-	-	-	-	(6,673)	-	(6,673)	-	(6,673)
Liquidation of subsidiaries	-	-	-	-	(467)	-	(467)	-	(467)
Total transactions with the shareholders	-	-	-	28,169	(35,309)	-	(7,140)	-	(7,140)
Balance as at 31 December 2016	**105,750**	**-**	**-**	**209,976**	**135,859**	**-**	**451,586**	**2,118**	**453,703**
				-	-	-	-	-	-
Balance as at 1 January 2017	**105,750**	**-**	**-**	**209,976**	**135,859**	**-**	**451,586**	**2,118**	**453,703**
Net Profit / (Loss) for the period	-	-	-	-	33,549	-	33,549	(285)	33,264
Other comprehensive income	-	-	-	1,457	(1,689)	197	(35)	747	712
Total comprehensie income	-	-	-	1,457	31,860	197	33,514	462	33,976
				-	-	-	-	-	-
Transactions with the shareholder's directly in equity				-	-	-	-	-	-
Capitalizatin of Share Premium	2,108	(2,108)	-	-	-	-	-	-	-
Transfer of reserves	-	-	-	1,123	(1,123)	-	-	-	-
Dividend	-	-	-	-	(4,800)	-	(4,800)	-	(4,800)
M&A Effect	38,486	67,138	69,588	-	-	-	175,212	10,325	185,537
Total transactions with the shareholders	40,594	65,030	69,588	1,123	(5,923)	-	170,412	10,325	180,737
				-	-	-	-	-	-
Balance as at 31 December 2017	**146,344**	**65,030**	**69,588**	**212,556**	**161,796**	**197**	**655,511**	**12,905**	**668,416**

The notes on pages 10 to 71 constitute an integral part of these Financial Statements.

COMPANY € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Total
Balance as at 1 January 2016	**105,750**	**-**	-	**179,654**	**143,433**	**428,836**
Net Profit / (Loss) for the period	-	-	-	-	18,585	**18,585**
Other comprehensive income	-	-	-	2,070.30	594	**2,664**
Total comprehensie income	-	-	-	2,070.30	19,179	**21,249**
Transactions with the shareholder's directly in equity						
Transfer of reserves	-	-	-	28,088	(28,088)	**(0)**
Total transactions with the shareholders	-	-	-	28,088	(34,761)	**(6,673)**
			-	-	-	-
Balance as at 31 December 2016	**105,750**	**-**	-	**209,812**	**127,850**	**443,413**
Balance as at 1 January 2017	**105,750**	**-**	-	**209,812**	**127,850**	**443,413**
Net Profit / (Loss) for the period	-	-	-	-	33,324	**33,324**
Other comprehensive income	-	-	-	-	205	**205**
Total comprehensie income	-	-	-	-	33,529	**33,529**
Transactions with the shareholder's directly in equity						
Capitalizatin of Share Premium	2,108	(2,108)	-	-	-	-
Transfer of reserves	-	-	-	961	(961)	-
Dividend	-	-	-	-	(4,800)	(4,800)
M&A Effect	38,486	67,138	83,153	-	-	188,777
Total transactions with the shareholders	38,486	67,138.06	83,153	961	(5,761)	**183,977**
Balance as at 31 December 2017	**144,236**	**67,138**	**83,153**	**210,773**	**155,618**	**660,919**

The notes on pages 10 to 71 constitute an integral part of these Financial Statements.

V. Statement of Cash-Flows

		GROUP		COMPANY	
		2017	2016	2017	2016
		€ '000	€ '000	€ '000	€ '000
Cash flows from operating activities					
Profit / (loss) after taxes		33,264	21,907	33,324	18,585
Adjustments for:					
Tax		17,410	11,439	14,461	8,471
Depreciation and Amortization		43,590	40,498	34,637	33,076
Depreciation of tangible assets	10	44,754	42,031	34,458	33,598
Depreciation of intangible assets	11	578	246	301	221
Depreciation of Investment Property		51	-	1,058	556
Depreciation of grants		(1,793)	(1,780)	(1,180)	(1,299)
Finance Income		(118)	(102)	(75)	(94)
Dividends		(0)	-	(1,722)	(1,504)
Share of profit/ (loss) of equity-accounted investees, net of tax		1,293	276	-	-
Interest charges & related expenses		17,767	15,395	13,080	14,219
(Profit) / loss from sale of tangible assets		199	(151)	(21)	(249)
Impairment/ (Reversal of Impairment) on fixed assets		299	-	-	-
Loss from assets and investment property write off		1	1,051	(0)	1,051
Impairment/ (Reversal of Impairment) of receivables		377	292	124	265
(Other provisions)/Reversal of provisions		14	-	7	-
		114,095	**90,605**	**93,814**	**73,819**
Decrease / (increase) in inventories		(43,219)	2,278	(33,851)	7,771
Decrease / (increase) in receivables		68,420	3,172	43,689	(27,775)
(Decrease) / Increase in liabilities (minus banks)		16,970	(27,992)	4,148	(2,367)
		42,170	**(22,543)**	**13,987**	**(22,371)**
Interest charges & related expenses paid		(21,953)	(15,264)	(15,865)	(14,099)
Income tax paid		(23,662)	(671)	(21,804)	(671)
Net Cash flows from operating activities		**110,651**	**52,128**	**70,131**	**36,680**
Cash flows from investing activities					
Purchase of tangible assets	10	(44,458)	(37,443)	(38,466)	(30,280)
Purchase of intangible assets	11	(330)	(175)	(31)	(110)
Proceeds from sales of fixed assets	10	463	975	20	3,335
Dividends received		151	300	1,873	1,504
Interest received		-	102	75	94
Acquisition of AFS investments	41	(387)	(5)	(387)	(5)
(Increase in participation)/share capital decrease in subsidiaries, associates and joint-ventur		-	(117)	-	2,981
Cash outflow from mergers/absorbions	33	(89,145)	-	(90,668)	-
Net Cash flows from investing activities		**(133,706)**	**(36,364)**	**(127,584)**	**(22,481)**
Cash flows from financing activities					
Dividends paid		(4,800)	(6,673)	(4,800)	(6,673)
Loans received		240,915	10,000	239,915	10,000
Loans settlement		(195,662)	(16,986)	(162,259)	(9,432)
Finance leases settlement		8,828	(8,629)	8,828	(8,629)
Proceeds from grants		24	-	-	-
Net cash flows from financing activities		**49,304**	**(22,287)**	**81,684**	**(14,734)**
Net (decrease)/ increase in cash and cash equivalents		**26,248**	**(6,523)**	**24,230**	**(535)**
Cash and cash equivalents at the beginning of period		15,198	21,721	8,344	8,879
Cash and cash equivalents at the end of period		**41,446**	**15,198**	**32,574**	**8,344**

The notes on pages 10 to 71 constitute an integral part of these Financial Statements.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

1. Incorporation and Group Activities:

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A was created by the merger by absorption of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." (hereinafter "ELVAL") by the listed "HALCOR METAL WORKS S.A." (hereinafter "HALCOR") with the 131569/30-11-2017 of the Ministry of Economy and Development.

The duration of the company has been set until 31.12.2200. It is listed on Athens Stock Exchange and is a subsidiary of Viohalco. The Company is registered at the Companies registry (M.A.E.) with number 2836/06/B/86/48 and registration number (Γ.Ε.ΜΗ.) 303401000.

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2017 include the individual financial statements of ElvalHalcor and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 30 of the Financial Statements.

As explained in note 33, due to the reverse merger of Halcor by Elval for accounting purposes, the comparative information of 2016 as well as the period until 30.11.2017 are those of Elval while from 30.11.2017 until the end of the fiscal year of ElvalHalcor.

The Financial Statements of ElvalHalcor are included in the consolidated Financial Statements of Viohalco SA/NV that is traded on the EURONEXT stock exchange in Belgium as well as in the Athens Exchange.

The principal activities of the Group lie in the production, processing and trade and representation of products made of copper, copper alloys, aluminium, aluminium alloys and zinc as well as from other metals or alloys, and any type of their products. The Group is operating in Greece, Bulgaria and Turkey.

The Company is seated in Greece, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525, Athens. The central offices of the Company and its contact address are located at the 62nd km of "Athens-Lamia" National Highway, Inofyta (Pref. of Viotia), GR-32011. The company's website is www.elvalhalcor.com.

2. Basis of preparation of the Financial Statements

(a) Compliance note

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

The financial statements ended 31 December 2017 were approved for publication by the Company's Board of Directors on 12th of March, 2018.

(b) Measurement basis

The Financial Statements have been prepared in accordance with the historical cost principle except the financial assets held for sale and the derivative that are measured at fair value.

(c) Functional exchange rate and presentation

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

(d) Application of estimates and judgments

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

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

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

Significant Estimates

- Valuation of assets that are not measured at fair values: The Group makes estimates regarding any impairment of the fixed assets which are not measured in fair values (Investments in subsidiaries, Intangible fixed assets, fixed assets and Investment property).
- Recoverability of receivables from deferred taxation: The Group makes estimates in regards to future profits so losses can be offset for which a deferred tax assets has been created. The Group and the Company make estimates whether these deferred tax assets can be recovered, using the forecasted future taxable income in accordance to the approved business plan and the budget of each subsidiary.
- Uncertainty about taxes of prior years: The Group makes estimates in regards to the possibility of imposition by the tax authorities taxes and penalties for prior fiscal years as well as estimates about the potential amount. For the calculation of the provisions the Group and the Company make estimates based on the results of the prior year tax audits.

Significant Judgements

- Valuation of the accounting treatment between Elval and Halcor as reverse acquisition: The Group put judgement as to the evaluation of the criteria provided by IFRS. For details see note 33.

3. New principles

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2017. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

There are no new standards, amendments to standards and interpretations that are mandatory for periods beginning on 1.1.2017.

Standards and Interpretations effective for subsequent periods

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

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

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

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

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

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

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

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

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

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

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

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

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

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

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

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

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

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

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

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

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)

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

IFRS 12 "Disclosures of Interests in Other Entities"

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

Disclosures about the adoption of IFRS 9 and IFRS 15

IFRS 15

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

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

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

IFRS 9

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

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

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

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

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

In regards to the new impairment model which requires the recognition of impairment provisions based on expected credit losses (ECL), the Group and the Company performed a test for the provision for credit losses on the 2017 figures under which an additional provision of € 150-200 thousand at Company level and € 400-500 thousand at Consolidated level would affect the profit and loss of the period before taxes.

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

4. Significant accounting principles

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by all Group companies.

4.1 Basis of consolidation

(a) Business combinations

The acquisitions of subsidiaries accounted under the purchase method on the date of acquisition, the date on which control is transferred to the Group. Control power is the power of operating and financial policies of an enterprise so as to benefit from the activity. In assessing control, the Group takes account of potential voting rights that presently may be exercisable.

The goodwill arises from the acquisition of subsidiaries and constitutes the exceeding amount between the sum of purchase price and the amount of the non-controlling participation to the acquired entity at the date of acquisition and the fair value of the net assets acquired. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets then the difference of a bargain purchase is recognized in the profit and loss.

Any expenses related to the acquisition are posted directly on the profit and loss. Any consideration transferred is recognized at fair value at the acquisition date.

(b) Accounting for acquisitions of minority interests

Acquisitions of minority interests are accounted as transactions of shareholders and percentages and therefore no goodwill is recognized in such transactions.

(c) Subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

(d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

(e) Investments in associates

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. Investments in associates are accounted for using the equity method and recognised initially at their acquisition cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. In the consolidated financial statements the Group represents the ratio of the results and the total income after any changes in accounting principles to be comparable to those of the Group from the date of obtaining significant influence until the date we lose it. When the Group's share of losses exceeds its interest in an investment in associate the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company's financial statements, investments in associates are recorded at cost.

(f) Transactions eliminated in consolidation

Inter-company transactions, balances and non-realised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between associates are eliminated against the Group's stake in the affiliated company. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been impaired.

4.2 Foreign currency

(a) Transactions and balances

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

(b) Transactions with Group companies in different currency

The financial statements of Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities of foreign activities including goodwill and fair value adjustments arising during consolidation are converted into Euro based on the official exchange rate for the foreign currency that is in effect on the balance sheet date.
- Income and expenses are converted into Euro on the basis of the average rate of the foreign currency during the year which approaches the exchange rate in effect on the date of transactions.
- Any foreign exchange difference that may arise is recorded in an equity reserve named "Foreign exchange differences due to consolidation" and transferred to profit and loss when these companies are sold.

4.3 Financial assets

(a) Non-derivative financial instruments

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

(b) Trade and other receivables

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

(c) Cash and cash equivalents

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

(d) Available-for-sale financial assets

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

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

(e) Fair Value

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

(f) Loans

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

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

4.4 Derivatives and hedge accounting

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

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

(a) Fair value hedging

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

(b) Cash flow hedging

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

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

4.5 Share capital

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

4.6 Property, plant and equipment

(a) Recognition and measurement

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

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

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

(b) Depreciation

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

Buildings	20-50 years

Machinery & equipment	1-40	years
Transportation equipment	4-15	years
Furniture and fixtures	1-8	years

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

4.7 Intangible assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

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

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets which ranges from 3 to 5 years.

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

4.8 Investment property

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

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

4.9 Inventories

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

4.10 Impairment

(a) Non-derivative financial assets

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

Objective evidence that a financial asset is impaired include:

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

Assigned financial assets at amortized cost

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

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

Financial assets available for sale

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

Investments accounted for by the equity method

Impairment loss on investments accounted for by the equity method is measured by comparing the recoverable amount of the investment with its carrying value. Impairment is recognized in profit and loss and is reversed if there is a favorable reversal in the estimates used to determine the recoverable amount of the investment.

(b) Non-financial assets

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

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

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

Impairment is recognized in the Income Statement.

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

4.11 Employee benefits

(a) Short-term benefits

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

(b) Defined-contribution Plans

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

(c) Defined-Benefit Plans

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

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

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

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees that will make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability.

(e) Plans for participation in profits and benefits

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

4.12 Provisions

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

4.13 Income

(a) Sales of goods

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

(b) Services

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

(c) Income from interest

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

(d) Income from dividends

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

(e) Income from rents

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

(f) Contracts for projects under construction

The Group is engaged in execution of contracts which mainly cover construction and installation of high voltage cables terrestrial and submarine. A construction contract is a contract made specifically for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

The costs relating to the contract are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, as income from the contract is recognized only the cost incurred and expected to be collected.

When the outcome of a construction contract can be estimated reliably, revenue and expenses of the contract is recognized over the term of the contract, respectively, as revenue and expense. The Group uses the percentage of completion method to determine the appropriate amount of income and expense to be recognized in a given period. The stage of completion is measured based on the costs incurred up to the balance sheet date in relation to the total estimated costs for each contract. The criteria which define the stage of completion of each project objective are as follows:

- During the production stage of the cables, the estimation for completion, depending upon the type of contract, based on either a) the relationship between the number of hours on realized production and total budgeted hours or b) the quantity of produced and tested cable lengths compared to the total amount of lengths provided the contract.
- During the stage of installation of cables, the percentage of completion is based on the schedules of the contracts depending on the works, such as the transfer of cables, metres that have been installed and their connection with the network.

When it is probable that total contract costs will exceed total revenue, the expected loss is recognized immediately in the income statement as an expense.

To determine the cost incurred by the end of the period, expenses related to future work regarding the contract are excluded and shown as work in progress. The cost of works in progress during the production process includes the direct cost of borrowing. All the costs incurred and the profit / loss recognized on each contract are compared to the invoiced part until the end.

When realized expenses plus net profits (less loss) recognized exceed the invoiced, the difference appears as a receivable from contract customers in the account "Trade and other receivables". Where progress billings exceed costs incurred plus net earnings (net of losses), the balance is shown as amounts due to customers in the account "Suppliers and other liabilities".

4.14 Government grants

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

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

4.15 Leases

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

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

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

4.16 Income tax

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

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

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

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

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

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

4.18 Earnings per share

The Group presents both basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the profits or loss attributable to holders of common shares by the average weighted number of outstanding common shares during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of common shares and the average weighted number of outstanding common shares by the effect of all diluted eventual common shares consisting of convertible notes and shares with options granted to the staff.

4.19. Borrowing Cost

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

4.20 Rounding

Any differences arising between the amounts on the financial statements and the relative amounts in the notes are related to roundings.

5. Operating segments

An operating segment is based on the structure of the information to the Group's management and internal reporting system. The Group is organized into business centers and business units based on the production of copper and copper alloys. In particular, it has three reportable operating segments and the third sector has resulted from aggregation of smaller operating segments. The operating segments of the Group are as follows:

- Copper products: this sector produces and sells copper and copper alloys rolled and extruded products
- Aluminium products: the aluminium segment produces and sell a wide range of aluminium products and their alloys

For the closing period 31.12.2016 **€ '000**	**Aluminium**
Revenue	**842,699**
Intrasegment revenue	-
Cost of sales	(768,517)
Gross profit	**74,182**
Other Income	5,981
Selling and Distribution expenses	(11,616)
Administrative expenses	(18,252)
Other Expenses	(1,379)
Operating profit / (loss)	**48,915**
Finance Income	102
Finance Costs	(15,395)
Net Finance income / (cost)	**(15,293)**
Share of profit/ (loss) of equity-accounted investe	(276)
Profit/(Loss) before income tax	**33,346**
Income tax expense	(11,439)
Profit/(Loss) for the year	**21,907**
Total Assets	855,757
Total Liabilities	402,054
Investments in Fixed assets	37,443
Investments in Intangible assets	175
	37,619
Depreciation of Fixed Assets	(42,031)
Amortization of Intangible Assets	(246)
Depreciation in Investement Property	-
Total Depreciation and Amortization	**(42,278)**

For the Copper sector the financial figures are included since the acquisition date as follows:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

For the closing period 31.12.2017 **€ '000**	**Copper**	**Aluminium**	**Total Group**
Revenue	**209,051**	**958,756**	**1,167,807**
Intrasegment Sales	(124)	(17,250)	**(17,374)**
Cost of sales	(200,517)	(846,351)	(1,046,867)
Gross profit	**8,411**	**95,155**	**103,566**
Other Income	1,868	6,024	7,892
Selling and Distribution expenses	(1,390)	(11,115)	(12,506)
Administrative expenses	(3,100)	(22,435)	(25,535)
Other Expenses	(2,459)	(1,342)	(3,801)
Operating profit / (loss)	**3,329**	**66,287**	**69,616**
Finance Income	48	70	118
Finance Costs	(4,065)	(13,702)	(17,767)
Net Finance income / (cost)	**(4,016)**	**(13,633)**	**(17,649)**
Share of profit/ (loss) of equity-accounted investees, net of tax	(1,525)	231	(1,293)
Profit/(Loss) before income tax	**(2,212)**	**52,885**	**50,674**
Income tax expense	(300)	(17,110)	(17,410)
Profit/(Loss) for the year	**(2,511)**	**35,775**	**33,264**
Total Assets	702,596	822,831	1,525,427
Total Liabilities	396,426	460,584	857,010
Capital Expenditure			
Fixed Assets	3,312	41,146	44,458
Intangible Assets	104	226	330
Total	**3,416**	**41,372**	**44,788**
Depreciation of tangible fixed assets	(305)	(44,449)	(44,754)
Amortization of intangible assets	(235)	(342)	(578)
Depreciation of investments in real estate	-	(51)	(51)
Total depreciation and amortization	**(541)**	**(44,842)**	**(45,383)**

The financial performance of the Group in annualized twelve month basis, ie. if the profit and loss is accounted for all the months for all companies acquired in the fiscal year, it would be as follows:

In a twelve month basis for the period 01.01.2017-31.12.2017 **€ '000**	**Copper**	**Aluminium**	**Total Group**
Revenue	**922,772**	**958,756**	**1,881,527**
Intrasegment Sales	(958)	(17,250)	(18,207)
Cost of sales	(861,056)	(845,393)	(1,706,448)
Gross profit	**60,758**	**96,113**	**156,871**
Other Income	8,755	6,024	14,779
Selling and Distribution expenses	(8,697)	(11,115)	(19,812)
Administrative expenses	(15,238)	(22,435)	(37,673)
Other Expenses	(10,857)	(1,342)	(12,199)
Operating profit / (loss)	**34,722**	**67,245**	**101,967**
Finance Income	50	70	119
Finance Costs	(23,167)	(13,702)	(36,870)
Dividends	-		-
Net Finance income / (cost)	**(23,118)**	**(13,633)**	**(36,750)**
Share of profit/ (loss) of equity-accounted investees, net of tax	(1,525)	231	(1,293)
Profit/(Loss) before income tax	**10,079**	**53,843**	**63,923**
Income tax expense	14,516	(17,110)	(2,594)
Profit/(Loss) for the year	**24,596**	**36,733**	**61,330**

The operational sectors are managed centrally but the greater volume of the sales is exported. The sales and the non-current assets of the Group based on the geographical standing are presented as follows:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000

Geographical Segment

Revenue				
Greece	148,461	87,463	241,532	183,307
European Union	697,233	532,955	494,530	430,205
Other European countries	107,370	88,741	36,589	46,212
Asia	90,540	44,351	47,960	29,958
America	76,350	78,609	60,199	75,463
Africa	19,665	9,663	5,755	5,028
Oceania	10,814	916	9,221	841
Total	**1,150,433**	**842,699**	**895,786**	**771,013**

EUR

Property Plant Equipment	**2017**	**2016**	**2017**	**2016**
Greece	550,856	404,827	423,549	297,294
International	136,623	-	-	-
Total	**687,479**	**404,827**	**423,549**	**297,294**

EUR

Intangible assets and goodwill	**2017**	**2016**	**2017**	**2016**
Greece	74,242	1,043	70,801	913
International	305	-	-	-
Total	**74,547**	**1,043**	**70,801**	**913**

EUR

Investment property	**2017**	**2016**	**2017**	**2016**
Greece	7,076	-	20,809	16,477
International	-	-	-	-
Total	**7,076**	**-**	**20,809**	**16,477**

EUR

Capital expenditure	**2017**	**2016**	**2017**	**2016**
Greece	43,676	41,309	38,497	34,079
International	1,112	-	-	-
Total	**44,788**	**41,309**	**38,497**	**34,079**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

6. Income

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Sale of goods	360,798	344,311	390,045	381,905
Metal Turnover in the sales of products and merchandise	733,663	446,211	497,068	380,115
Rendering of services	37,120	36,442	5,414	5,220
Other	18,852	15,735	3,259	3,772
Total	**1,150,433**	**842,699**	**895,786**	**771,013**

The effect of the discontinued operations to the consolidated sales is as follows:

Analysis of sales per category	**Continued operations**		**Discontinued operations**		**TOTAL**	
EUR	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Sale of goods	665,673,455	726,612,272	292,964,324	336,804,930	958,637,779	1,063,417,202
Rendering of services	1,939,973	922,518	11,626,753	7,970,247	13,566,725	8,892,766
Construction Contract revenue	-	-	62,911,563	106,792,430	62,911,563	106,792,430
Other	25,284,398	23,524,970	20,205,691	27,475,744	45,490,088	51,000,714
Total	**692,897,826**	**751,059,759**	**387,708,331**	**479,043,352**	**1,080,606,156**	**1,230,103,111**

7. Other operating income and expenses

	GROUP		COMPANY	
	2017	2016	2017	2016
Other operating income & expenses	€ '000	€ '000	€ '000	€ '000
EUR				
Other Income				
Grants of the Fiscal Year	23	94	19	94
Amortization of Grants	1,793	1,780	1,180	1,299
Rental income	369	200	323	1,552
Foreign Exchange Gains	1,647	126	9	-
Income from fees	1,033	161	851	-
Income from costs recharged	625	-	3,062	-
Damage Compensation	395	456	286	198
Gain from sale of Fixed assets	36	155	21	251
Income from consulting services	266	129	-	159
Other Income	1,705	2,879	2,551	3,239
Total	**7,892**	**5,981**	**8,304**	**6,792**
Other Expense (-)				
Loss from fixed assets write off	1	5	(0)	5
Production cost non allocated to cost of goods sold	266	-	-	-
Loss from sale of Fixed assets	235	5	-	1
Foreign Exchange Losses	1,690	105	86	-
Penalties	2	-	1	-
Depreciation and amortisation	1,239	-	1,089	-
Expenses recharged	-	-	1,439	-
Other Expenses	370	1,266	177	745
Total	**3,801**	**1,379**	**2,793**	**751**
Other Operating Income - Expenses (Net)	**4,091**	**4,601**	**5,511**	**6,040**

8. Expenses by nature

The breakdown of expenses by nature was as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Cost of inventories recognized as an expense	108,125	83,089	156,201	143,998
Metal Cost	710,408	442,403	475,403	374,587
Employee benefits	68,801	59,938	39,349	39,954
Energy	30,732	27,690	21,442	21,706
Depreciation and amortisation	44,144	42,278	34,728	34,375
Taxes - duties	5,747	5,591	4,971	5,512
Credit insurance expenses	1,352	3,493	766	-
Other insurance expenses	3,186	-	1,838	2,711
Rental fees	3,554	3,435	1,253	1,282
Transportation	30,435	30,230	20,691	24,579
Promotion & advertising	1,251	1,288	377	462
Third party fees and benefits	33,728	61,035	57,754	55,304
Impairment losses on receivables	377	301	124	265
Other provisions	14	-	7	-
Gains/(losses) from derivatives	(884)	3,391	(1,173)	4,060
Storage	170	79	3	1
Packing	2,246	316	913	80
Commissions	9,049	8,328	6,047	6,690
Foreign exchange differences	1,790	-	1,411	-
Maintenance expenses	13,988	20,756	11,528	-
Travel expenses	2,569	361	1,915	-
Royalties	53	-	53	-
BOD Fees	2,367	2,671	1,879	2,196
Shared utility expenses	98	-	-	-
Other expenses	11,608	1,710	4,751	19,615
Total	**1,084,908**	**798,386**	**842,230**	**737,376**

The cost of benefits to employees can be broken down as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
Employee benefits	€ '000	€ '000	€ '000	€ '000
Employee remuneration & expenses	49,932	43,356	27,934	27,932
Social security expenses	12,800	10,194	7,127	6,888
Defined benefit plan expenses	699	920	386	598
Other employee benefits	5,370	5,468	3,902	4,537
Total	**68,801**	**59,938**	**39,349**	**39,954**

The number of staff employed by the Company at the end of the current year was: 1,268 (2016: 1,205) and as for the Group: 2,595 (2016: 2,491).

9. Finance income and cost

The breakdown of financial income and expenses is as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Interest Income	118	22	75	14
Other Finance income	-	80	-	80
	118	**102**	**75**	**94**
Interest expenses	15,719	15,144	11,334	13,969
Other Finance Expense	2,048	251	1,746	251
	17,767	**15,395**	**13,080**	**14,219**

10. Property, plant and equipment

GROUP € '000	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2016	**50,617**	**114,506**	**573,249**	**-**	**12,711**	**13,059**	**39,685**	**803,828**
Additions	3,425	3,837	2,730	-	276	583	30,282	**41,133**
Disposals	-	-	(798)	-	(124)	(3)	(150)	**(1,075)**
Write offs	(5)	-	-	-	-	(3,814)	-	**(3,819)**
Other reclassifications	-	955	33,217	8,642	-	-	(44,300)	**(1,485)**
Balance as at 31 December 2016	**54,037**	**119,299**	**608,399**	**8,642**	**12,863**	**9,824**	**25,518**	**838,581**
Accumulated depreciation								
Balance as at 1 January 2016	**-**	**(55,252)**	**(318,563)**	**-**	**(10,537)**	**(11,524)**	**-**	**(395,875)**
Depreciation of the period	-	(5,545)	(35,273)	-	(558)	(655)	-	**(42,031)**
Write offs	-	-	-	-	-	3,814	-	**3,814**
Other reclassifications	-	(0)	86	-	-	-	-	**86**
Balance as at 31 December 2016	**-**	**(60,797)**	**(353,620)**	**-**	**(10,975)**	**(8,363)**	**-**	**(433,755)**
Carrying amount as at 31 December 2016	**54,037**	**58,502**	**254,779**	**8,642**	**1,888**	**1,461**	**25,518**	**404,827**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

GROUP
€ '000

	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2017	**54,037**	**119,299**	**608,399**	**8,642**	**12,863**	**9,824**	**25,518**	**838,581**
Additions	3,171	7,322	3,351	-	553	688	29,374	**44,458**
Disposals	-	-	(1,064)	-	(47)	(31)	(417)	**(1,560)**
Mergers and absorptions	44,188	48,143	213,226	-	2,561	10,592	11,929	**330,639**
Reclassification to Investment Property	-	(1,705)	-	-	-	-	-	**(1,705)**
Write offs	-	-	6	-	(11)	(1)	-	**(6)**
Other reclassifications	-	4,113	14,271	8,828	782	112	(33,883)	**(5,778)**
Balance as at 31 December 2017	**101,395**	**177,171**	**838,190**	**17,470**	**16,700**	**21,184**	**32,520**	**1,204,629**
Accumulated depreciation								
Balance as at 1 January 2017	**-**	**(60,797)**	**(353,620)**	**-**	**(10,975)**	**(8,363)**	**-**	**(433,755)**
Depreciation of the period	-	(5,110)	(37,948)	(574)	(537)	(584)	-	**(44,754)**
Disposals	-	-	1,060	-	47	30	-	**1,137**
Mergers and absorptions	-	(7,210)	(21,471)	-	(2,114)	(9,505)	(404)	**(40,704)**
Reclassification to Investment Property	-	17	-	-	-	-	-	**17**
Write offs	-	8	(12)	-	11	1	-	**9**
Impairment loss	-	-	(299)	-	-	-	-	**(299)**
Other reclassifications	-	9	1,665	-	(474)	-	-	**1,199**
Balance as at 31 December 2017	**-**	**(73,083)**	**(410,625)**	**(574)**	**(14,042)**	**(18,421)**	**(404)**	**(517,150)**
Carrying amount as at 31 December 2017	**101,395**	**104,087**	**427,565**	**16,895**	**2,658**	**2,762**	**32,116**	**687,479**

Fixed Assets of Book value of Euro 4.5 mil. (cost Euro 5.7 mil. and accumulated depreciation of Euro 1.2 mil.) was transferred to other investments of current asset as held-for-sale (see also note 34).

The line “Mergers and absorptions” includes fixed assets from the acquisition of Halcor Group and Sofia Med S.A.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

COMPANY
€ '000

	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2016	**42,630**	**95,775**	**532,052**	**-**	**11,659**	**12,079**	**38,356**	**732,552**
Additions	3,425	3,733	1,433	-	137	311	24,931	**33,970**
Disposals	-	-	(791)	-	(103)	(3)	(2,421)	**(3,318)**
Reclassification to Investment Property	(2,089)	(9,465)	-	-	-	-	-	**(11,554)**
Write offs	(5)	-	-	-	-	(3,814)	-	**(3,819)**
Division/ segment spin off	(2,157)	(7,427)	(81,549)	-	(898)	(2,526)	(1,582)	**(96,139)**
Other reclassifications	-	899	28,562	8,642	-	-	(38,456)	**(353)**
Change in accounting policy	-	0	(18)	-	-	-	(1,115)	**(1,133)**
Balance as at 31 December 2016	**41,804**	**83,516**	**479,688**	**8,642**	**10,796**	**6,047**	**19,713**	**650,206**
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 1 January 2016	**-**	**(46,107)**	**(302,350)**	**-**	**(9,805)**	**(10,715)**	**-**	**(368,978)**
Depreciation of the period	-	(4,359)	(28,386)	-	(436)	(415)	-	**(33,598)**
Disposals	-	-	129	-	103	2	-	**233**
Reclassification to Investment Property	-	4,518	-	-	-	-	-	**4,518**
Write offs	-	-	-	-	-	3,814	-	**3,814**
Division/ segment spin off	-	2,798	35,918	-	606	1,776	-	**41,098**
Balance as at 31 December 2016	**-**	**(43,150)**	**(294,690)**	**-**	**(9,533)**	**(5,539)**	**-**	**(352,912)**
Carrying amount as at 31 December 2016	**41,804**	**40,365**	**184,998**	**8,642**	**1,263**	**508**	**19,713**	**297,294**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

COMPANY € '000	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2017	**41,804**	**83,516**	**479,688**	**8,642**	**10,796**	**6,047**	**19,713**	**650,206**
Additions	3,148	7,124	1,982	-	391	306	25,516	**38,466**
Disposals	-	-	(937)	-	(47)	(5)	-	**(990)**
Mergers and absorptions	10,011	25,022	101,165	-	1,773	6,846	7,475	**152,292**
Reclassification to Investment Property	-	(1,705)	-	-	-	-	-	**(1,705)**
Write offs	-	-	(8)	-	(11)	-	-	**(20)**
Other reclassifications	-	4,032	14,293	8,828	782	-	(27,934)	**-**
Balance as at 31 December 2017	**54,963**	**117,988**	**596,182**	**17,470**	**13,682**	**13,194**	**24,770**	**838,249**
Accumulated depreciation								
Balance as at 1 January 2017	**-**	**(43,150)**	**(294,690)**	**-**	**(9,533)**	**(5,539)**	**-**	**(352,912)**
Depreciation of the period	-	(4,206)	(28,957)	(574)	(403)	(319)	-	**(34,458)**
Disposals	-	-	936	-	47	4	-	**988**
Mergers and absorptions	-	(4,868)	(15,674)	-	(1,543)	(6,269)	-	**(28,354)**
Reclassification to Investment Property	-	17	-	-	-	-	-	**17**
Write offs	-	8	-	-	11	-	-	**20**
Other reclassifications	-	9	465	-	(474)	-	-	**-**
Balance as at 31 December 2017	**-**	**(52,190)**	**(337,919)**	**(574)**	**(11,894)**	**(12,122)**	**-**	**(414,700)**
Carrying amount as at 31 December 2017	**54,963**	**65,798**	**258,262**	**16,895**	**1,788**	**1,071**	**24,770**	**423,549**

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of the Group and the Company (see note 22).

(b) Assets under Construction

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

(c) Capitalization of Borrowing costs

For the fixed asset of the Group as well as the company Euro 100 thousand was capitalized, which stands for the cost of loans which were drawn for the funding of those assets.

11. Intangible assets

GROUP € '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2016	**-**	**114**	**-**	**12,075**	**167**	**12,356**
Additions	-	-	-	175	-	175
Write-offs	-	(114)	-	(2,830)	(95)	(3,039)
Other reclassifications	-	4	-	353	(4)	353
Balance as at 31 December 2016	**-**	**4**	**-**	**9,773**	**68**	**9,845**
Accumulated amortization and impairment						
Balance as at 1 January 2016	**-**	**(114)**	**-**	**(11,314)**	**(167)**	**(11,595)**
Amortization for the period	-	-	-	(246)	-	**(246)**
Write-offs	-	114	-	2,830	95	3,039
Other reclassifications	-	(4)	-	-	4	-
Balance as at 31 December 2016	**-**	**(4)**	**-**	**(8,730)**	**(68)**	**(8,803)**
Carrying amount as at 31 December 2016	**-**	**0**	**-**	**1,043**	(0)	**1,043**

GROUP € '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2017	**-**	**4**	**-**	**9,773**	**68**	**9,845**
Additions	-	-	-	330	-	330
Mergers and absorptions	22,120	36	50,470	7,530	4	80,160
Other reclassifications	-	-	-	84	-	84
Balance as at 31 December 2017	**22,120**	**40**	**50,470**	**17,717**	**72**	**90,419**
Accumulated amortization and impairment						
Balance as at 1 January 2017	**-**	**(4)**	**-**	**(8,730)**	**(68)**	**(8,803)**
Amortization for the period	-	-	-	(578)	-	**(578)**
Mergers and absorptions	-	(36)	(41)	(6,409)	(4)	(6,490)
Balance as at 31 December 2017	**-**	**(40)**	**(41)**	**(15,717)**	**(72)**	**(15,870)**
	-	-	-	-	-	**-**
Carrying amount as at 31 December 2017	**22,120**	**-**	**50,429**	**2,000**	-	**74,549**

The line "Mergers and absorptions" includes intangible assets from the acquisition of Sofia Med S.A. and the Halcor Group.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

COMPANY	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
€ '000						
Cost						
Balance as at 1 January 2016	**-**	**114**	**-**	**11,911**	**167**	**12,192**
Additions	-	-	-	110	-	110
Write-offs	-	(114)	-	(2,830)	(95)	(3,039)
Division/ segment spin off	-	-	-	(906)	(72)	(978)
Other reclassifications	-	-	-	353	-	353
Balance as at 31 December 2016	**-**	**0**	**-**	**8,637**	**0**	**8,637**
Accumulated amortization and impairment						
Balance as at 1 January 2016	**-**	**(114)**	**-**	**(11,183)**	**(167)**	**(11,464)**
Amortization for the period	-	-	-	(221)	-	**(221)**
Write-offs	-	114	-	2,830	95	3,039
Division/ segment spin off	-	-	-	850	72	922
Balance as at 31 December 2016	**-**	**-**	**-**	**(7,725)**	**0**	**(7,725)**
Carrying amount as at 31 December 2016	**-**	**0**	**-**	**913**	0	**913**

COMPANY	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
€ '000						
Cost						
Balance as at 1 January 2017	**-**	**0**	**-**	**8,637**	**0**	**8,637**
Additions	-	-	-	31	-	31
Mergers and absorptions	22,118	-	47,370	5,260	-	74,748
Balance as at 31 December 2017	**22,118**	**0**	**47,370**	**13,928**	**0**	**83,416**
Accumulated amortization and impairment						
Balance as at 1 January 2017	**-**	**-**	**-**	**(7,725)**	**0**	**(7,725)**
Amortization for the period	-	-	-	(301)	-	**(301)**
Mergers and absorptions	-	-	-	(4,590)	-	(4,590)
Balance as at 31 December 2017	**-**	**-**	**-**	**(12,616)**	**0**	**(12,616)**
Carrying amount as at 31 December 2017	**22,118**	**0**	**47,370**	**1,313**	0	**70,801**

12. Investment property

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
	€ '000	€ '000	€ '000	€ '000
Balance as at January 1	**-**	**-**	**16,477**	**9,997**
Reclassifications from PPE	1,688	-	1,688	7,036
Additions from M&A	5,439	-	3,702	-
Depreciation	(51)	-	(1,058)	(556)
Balance as at December 31	**7,076**	**-**	**20,810**	**16,477**

Investment property include buildings and land that the Group intends to lease or sell to third parties in the near future, provided circumstances allow it. The investment property of the company is rented to Group Companies and at the consolidated financial statements are presented at Fixed Assets as PPE.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

13. Investments

Investments in Subsidiaries:

	COMPANY	
	2017	2016
	€ '000	€ '000
Balance as at January 1	**118,571**	**46,063**
Additions	101,200	75,606
Loss of Control/Disposal of subsidiary	22,700	-
Share capital reduction (-)	-	(3,097)
Balance as at December 31	**242,471**	**118,571**

On July 31, 2017 Elval group acquired 2,190,455 shares of Sofia Med S.A. for the amount of euro 101,200 thousand from Halcor Group.

The amount of Euro 22.7 mil. corresponds to the fair value of Halcor's participations, to Fitco S.A., Techor S.A. which were acquired from the accounting acquirer at the transaction date of the merger, ie. on 30.11.2017.

More information on subsidiaries with significant non-controlling interests in the following table.

€ '000

2017	**VIOMAL S.A.**	**SOFIA MED S.A.**	
Percentage of Non-Controlling Interest	**50.00%**	**11.12%**	**Σύνολο**
Non-Current Assets	3,479	137,401	
Current Assets	5,882	94,928	
Non-current Liabilities	1,374	2,203	
Current Liabilities	4,478	129,850	
Net Assets	3,509	100,276	
Attributable to NCI	1,754	11,151	**12,905**
Revenue	11,724	175,423	
Profit / (Loss)	(728)	713	
Other Comprehensive Income	2	-	
Total Comprehensive Income	**(726)**	**713**	
Total OCI of NCI	(363)	79	**(284)**
Cash-Flows from Operating Activities	89	(69)	
Cash-Flows from Investing Activities	326	(1,760)	
Cash-Flows from Financing Activities	(433)	(11,275)	
Effect on Cash and Cash equivalents	**(18)**	**(13,104)**	

€ '000

2016	**ΒΙΟΜΑΛ Α.Ε.**	**-**	
Percentage of Non-Controlling Interest	**50.00%**	**-**	**Σύνολο**
Non-Current Assets	4,284	-	
Current Assets	6,003	-	
Non-current Liabilities	1,995	-	
Current Liabilities	4,057	-	
Net Assets	4,235	-	
Attributable to NCI	**2,118**	-	**2,118**
Revenue	12,166	-	
Profit / (Loss)	(142)	-	
Other Comprehensive Income	(0)	-	
Total Comprehensive Income	(143) -		
Non-contolling interest in Comprehensive income	**(71)** -		**(71)**
Cash-Flows from Operating Activities	143	-	
Cash-Flows from Investing Activities	(616)	-	
Cash-Flows from Financing Activities	(162)	-	
Effect on Cash and Cash equivalents	**(636)**	**-**	

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

The movement in the account of the companies consolidated using the equity method is as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Balance as at January 1	**1,879**	**2,339**	**1,623**	**1,610**
Effects from Foreign Exchange	(271)	-	-	-
Share in profit / (loss) after taxes	(1,293)	(276)	-	-
Additions	-	117	-	117
Mergers and absorptions	63,550	-	63,550	-
Dividends received	(243)	(300)	-	-
Reclassifications	563	-	-	(104)
Other changes	-	-	166	-
Balance as at December 31	**64,186**	**1,879**	**65,339**	**1,623**

The amount of Euro 63.5 mil. at Company and Consolidated level is transfer from the accounting acquire Halcor to the accounting acquirer Elval.

The main financial assets of these associated companies can be broken down as follows:

2016

Company	Country	Business	Assets	Liabilities	Revenue	% of participation
ANAMET S.A.	Greece	Commercial	42,654	5,188	155,751	26.67%
UEHEM GmbH	Germany	Commercial	7,169	112	23,102	49.00%
ELKEME S.A.	Greece	Metallourgical Research	1,524	0	1,718	67.50%
AFSEL S.A.	Greece	Services	496	0	462	50.00%
			51,843	5,300	181,033	

2017

Company	Country	Business	Assets	Liabilities	Revenue	% of participation
UEHEM GmbH	Germany	Commercial	8,106	7,128	36,263	49.00%
ELKEME S.A.	Greece	Metallourgical Research	2,052	427	2,018	92.50%
AFSEL S.A.	Greece	Services	223	119	197	50.00%
INTERNATIONAL TRADE S.A.	Belgium	Commercial	107,137	78,347	664,536	27.97%
VIENER S.A.	Greece	Energy	1,782	1,114	7,155	41.32%
STEELMET S.A.	Greece	Services	8,414	7,436	22,776	29.50%
VIEXAL S.A.	Greece	Commercial	1,391	1,096	10,212	26.67%
			129,105	95,667	743,157	

The Group does not control Elkeme S.A. as the management is being appointed directly by Viohalco. Elkeme is consolidated in full by Viohalco S.A.

In regards to the participation in Cenergy, which is listed in Euronext as well as the Athens Stock Exchange, the financial statements have not yet been published until the day of the preparation of these financial statements and as a result the financial information remain confidential until published.

14. Other investments

Other investments include the following:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Listed Securities				
-Greek Equity instruments	39	149	39	149
Unlisted Securities				
-Greek Equity instruments	3,301	833	3,301	833
-International Equity instruments	432	563	432	563
Total	**3,771**	**1,545**	**3,771**	**1,545**

Other investments, classified as financial assets available for sale, relate to investments in domestic and foreign companies with holding percentages below 20%.

The movement in Available-for-Sale was as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Balance as at January 1	**1,545**	**1,434**	**1,545**	**1,434**
Additions	387	5	387	5
Change in Fair Value	-	2	-	2
Impairment	(111)	-	(111)	-
Reclassifications	(563)	104	(563)	104
M&A Effect	2,509	-	2,509	-
Other effects	5	-	5	-
Balance as at December 31	**3,771**	**1,545**	**3,771**	**1,545**

The participations for which the fair value cannot be estimated were valued at cost. For the calculation of the fair value please see note 28.

Amount of Euro 563 thousand is the participation of Elval to International Trade with was reclassified to the equity accounted investees as consequence of the merger.

:

15. Income tax

		GROUP				COMPANY		
		2017		2016		2017		2016
		€ '000		€ '000		€ '000		€ '000
Income Tax								
Amounts recognised in profit or loss								
Current tax expense		(20,759)		(15,161)		(17,410)		(12,488)
Deferred tax expense/(income)		3,350		3,722		2,949		4,017
Tax expense		**(17,410)**		**(11,439)**		**(14,461)**		**(8,471)**
Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for 2017 and 2016:								
Accounting Profit/loss (-) before income tax		**50,674**		**33,346**		**47,784**		**27,056**
Tax rate in the country of residence	-29%	(14,695)	-29%	(9,670)	-29%	(13,857)	-29%	(7,846)
Non-deductible expenses for tax purposes		(5,652)		(721)		(4,448)		(721)
		(4,797)		-		(4,797)		-
Tax-exempt income		-		(715)		-		27
Recognition of previously unrecognised tax losses		8,652		-		8,652		-
Current-year losses for which no deferred tax asset is recognised		(280)		-		-		-
Other taxes		16		319		(10)		245
Permanent Differences		(661)		(652)		-		(177)
Derecognition of previously recognised deferred tax assets		10		-		-		-
Changes in tax related to prior years		(3)		-		-		-
	-34%	**(17,410)**	**-34%**	**(11,439)**	**-30%**	**(14,461)**	**-31%**	**(8,471)**
Income tax expense reported in the statement of profit or loss		**(17,410)**		**(11,439)**		**(14,461)**		**(8,471)**

The company has received by the tax authorities an audit request for the fiscal year 2012. The audit is undergoing since 25/01/2018. It is noted that for this fiscal year, the Company was audited in the context of para. 5 of article 82 of L.2238/1994 and the relative compliance report has been issued by KPMG S.A..

The deferred tax assets that arise from the losses carried forward are recognized only if it is possible that they will be recovered with future profits according to the Groups business plan. For the losses carried forward for the Group, deferred tax asset has been calculated of Euro 9.7 mil. which corresponds to losses of Euro 34 mil..

In 2017, 2016 and 2015, the provisions of article 49 and paragraph 9 of article 72 of Law 4172/2013, concerning thin capitalization, were applicable according to which the limit of the additional interest expense is set to 30%, 40% and 50% of the EBITDA respectively. These amounts for interests that are not deducted can be settled with future tax profits with no time limitations. The respective tax asset corresponding to the aforementioned amounts to € 8.2 mil.

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

In 2017, the Italian tax authorities notified Elval S.A. & Halcor S.A. (together herein “the Company”) tax imposition for “Permanent Installation” for auxiliary sales support functions of the related Alurame SpA for the years 2009-2014. The Company, denying the case of “Permanent Installation” or any other violation came to an agreement with the tax authority. Through the agreement it was achieved to pay the amount in four years, minimizing the effect on the cash flow of the Company. The total amount was € 6.5 mil. out of which € 4.8 εκ. was posted on the current year profit and loss and €1.7 mil. was posted on prior year profit and loss statements.
The unaudited years of the Group can be found in Note 30.

The movement in deferred tax assets and liabilities can be presented as follows:

GROUP

€ '000	**Net balance at 1 January 2016**	**Recognised in profit or loss**	**Recognised in OCI**	**Mergers and absorptions**	**Net Balance at 31 December 2016**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	**(47,651)**	4,092	-	-	**(43,560)**	-	(43,560)
Intangible assets	**364**	(74)	-	-	**289**	289	-
Investment property	**198**	-	-	-	**198**	198	-
Available-for-sale financial assets	**-**	-	-	-	**-**	-	-
Thin Capitalisation	**-**	-	-	-	**-**	-	-
Derivatives	**440**	-	(879)	-	**(440)**	-	(440)
Inventories	**210**	71	-	-	**281**	281	-
Loans and borrowings	**-**	-	-	-	**-**	-	-
Employee benefits	**3,031**	(50)	(291)	-	**2,690**	2,690	-
Provisions	**734**	63	-	-	**797**	797	-
Deferred income	**-**	-	-	-	**-**	-	-
Other items	**-**	146	-	-	**146**	146	-
Carryforward tax loss	**526**	(526)	-	-	**-**	-	-
Tax assets/(liabilities) before set-off	**(42,149)**	**3,722**	**(1,170)**	**-**	**(39,597)**	**4,402**	**(43,999)**
Tax assets/liabilities (-) before set-off					-	(4,402)	4,402
Net tax assets/ (liabilities)					**(39,597)**	**-**	**(39,597)**

GROUP

€ '000	**Net balance at 1 January 2017**	**Recognised in profit or loss**	**Recognised in OCI**	**Mergers and absorptions**	**Net Balance at 31 December 2017**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(43,560)	2,848	-	(29,063)	**(69,775)**	-	(69,775)
Intangible assets	289	(18)	-	(14,142)	**(13,871)**	-	(13,871)
Investment property	198	(1)	-	(1,216)	**(1,019)**	-	(1,019)
Available-for-sale financial assets	-	-	-	254	**254**	254	-
Thin Capitalisation	-	-	-	-	**-**	-	-
Derivatives	(440)	207	(190)	(318)	**(740)**	-	(740)
Inventories	281	30	-	(68)	**243**	243	-
Loans and borrowings	-	(526)	-	(109)	**(635)**	-	(635)
Employee benefits	2,690	87	372	709	**3,859**	3,859	-
Provisions	797	(103)	-	858	**1,551**	1,551	-
Deferred income	-	-	-	(27)	**(27)**	-	(27)
Other items	146	827	-	1,738	**2,711**	2,711	-
Carryforward tax loss	-	-	0	17,891	**17,891**	17,891	-
Tax assets/(liabilities) before set-off	**(39,597)**	**3,350**	**182**	**(23,494)**	**(59,559)**	**26,509**	**(86,068)**
Set-off tax					-	(24,243)	24,243
Net tax assets/ (liabilities)					**(59,559)**	**2,267**	**(61,825)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

COMPANY

€ '000	Net balance at 1 January 2016	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Net Balance at 31 December 2016	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(45,680)**	3,901	-	-	**(35,804)**	-	(35,804)
Intangible assets	**363**	(47)	-	-	**268**	268	-
Investment property	**-**	-	-	-	**-**	-	-
Available-for-sale financial assets	**-**	-	-	-	**-**	-	-
Derivatives	**440**	-	(846)	-	**(406)**	-	(406)
Inventories	**210**	183	-	-	**281**	281	-
Loans and borrowings	**-**	-	-	-	**-**	-	-
Employee benefits	**2,673**	(123)	(243)	-	**2,028**	2,028	-
Provisions	**734**	70	-	-	**711**	711	-
Deferred income	**-**	-	-	-	**-**	-	-
Other items	**334**	33	-	-	**475**	475	-
Carryforward tax loss	**-**	-	-	-	**-**	-	-
Tax assets/(liabilities) before set-off	**(40,927)**	**4,017**	**(1,088)**	**-**	**(32,448)**	**3,763**	**(36,211)**
Set-off tax					-	(3,763)	3,763
Net tax assets/ (liabilities)					**(32,448)**	**(0)**	**(32,448)**

€ '000	Net balance at 1 January 2017	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Net Balance at 31 December 2017	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(35,804)	3,114	-	(24,877)	**(57,567)**	-	(57,567)
Intangible assets	268	(6)	-	(13,765)	**(13,503)**	-	(13,503)
Investment property	-	(1)	-	(712)	**(713)**	-	(713)
Available-for-sale financial assets	-	-	-	254	**254**	254	-
Derivatives	(406)	161	(378)	(51)	**(673)**	-	(673)
Inventories	281	25	-	(38)	**269**	269	-
Loans and borrowings	-	(526)	-	(102)	**(628)**	-	(628)
Employee benefits	2,028	10	294	504	**2,835**	2,835	-
Provisions	711	(94)	-	421	**1,038**	1,038	-
Deferred income	-	-	-	(27)	**(27)**	-	(27)
Other items	475	266	-	(150)	**591**	591	-
Carryforward tax loss	-	-	0	17,891	**17,891**	17,891	-
Tax assets/(liabilities) before set-off	**(32,448)**	**2,949**	**(84)**	**(20,652)**	**(50,234)**	**22,878**	**(73,112)**
Set-off tax					-	(22,878)	22,878
Net tax assets/ (liabilities)					**(50,234)**	**-**	**(50,233)**

The movement of deferred tax in Other comprehensive Income was as follows:

	GROUP					
	2017			2016		
€ '000	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Amounts recognized in the OCI						
Remeasurements of defined benefit liability	(1,314)	372	(942)	1,003	(291)	712
Foreign currency translation differences	197	-	197	-	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	4,498	(1,016)	3,482	1,516	(440)	1,077
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(2,851)	827	(2,024)	1,516	(440)	1,076
Total	**530**	**182**	**712**	**4,035**	**(1,170)**	**2,865**

	COMPANY					
	2017			2016		
€ '000	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Amounts recognized in the OCI						
Remeasurements of defined benefit liability	(1,013)	294	(720)	837	(243)	594
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	3,737	(1,084)	2,653	1,400	(406)	994
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(2,435)	706	(1,729)	1,516	(440)	1,076
Total	**289**	**(84)**	**205**	**3,753**	**(1,088)**	**2,664**

16. Inventories

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Merchandise	2,561	226	1,680	2
Finished goods	120,511	125,381	76,776	107,469
Semi-finished goods	82,486	-	79,515	-
By-products & scrap	15,670	-	14,462	-
Work in progress	37,820	5,701	1,075	-
Raw and auxiliary materials, consumables and packaging materials	174,450	101,523	107,495	68,778
Total	**433,498**	**232,830**	**281,004**	**176,248**

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

At the closing of the fiscal year at Group ElvalHalcor level measurement at the Net Realizable Value of the Inventory that negatively affected the negatively affected the profit and loss for the period of Euro 295 thousand was recognized.

17. Trade and other receivables

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Trade receivables	81,007	124,157	35,713	85,539
Less: Impairment losses	(6,960)	(3,514)	(4,847)	(3,097)
Net trade receivables	**74,047**	**120,643**	**30,865**	**82,442**
Down payments for the purchase of stocks	356	-	-	-
Other down payments	5,302	378	5,270	308
Receivables from related entities	86,679	49,809	137,748	67,444
Tax assets	23,666	16,697	11,445	7,340
Other debtors	9,426	7,255	5,845	2,391
Receivables from dividends	78	-	78	-
Less: Impairment losses	(528)	(363)	(528)	(363)
Total	**199,025**	**194,419**	**190,723**	**159,561**
Non-current assets				
Non-current receivables from related parties	432	-	432	-
Other non-current receivables	2,192	1,379	1,991	1,230
Total	**2,624**	**1,379**	**2,423**	**1,230**
	201,649	**195,798**	**193,147**	**160,791**

The provison for doubtful customers is created for the outstanding balances for which the Management of the Group considers as impaired less the expected remuneration from the insurance. At the closing of 2017 the Group recognized provision of Euro 377 thousand and reversed unused provision of Euro 23 thousand. At company Level provision of Euro 123 thousand were recognized.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

18. Derivatives

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Non-current assets				
Forward foreign exchange contracts	2	-	1	-
Future contracts	259	-	259	-
Total	**262**	**-**	**260**	**-**
Current assets				
Forward foreign exchange contracts	308	499	265	164
Firm Commitments	9	-	9	-
Future contracts	3,634	2,139	2,582	2,139
Other	800	-	-	-
Total	**4,751**	**2,638**	**2,856**	**2,302**
Non-current liabilities				
Forward foreign exchange contracts	51	-	2	-
Total	**51**	**-**	**2**	**-**
Current liabilities				
Forward foreign exchange contracts	575	892	198	673
Future contracts	1,430	229	1,249	229
Total	**2,005**	**1,121**	**1,446**	**902**

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

19. Cash and cash equivalents

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Cash in hand and Cash in bank	148	26	38	8
Short-term bank deposits	41,298	15,172	32,536	8,336
Total	**41,446**	**15,198**	**32,574**	**8,344**

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

In Note 27.c that is referred to currency risk of the Group, an analysis of cash per foreign currency is presented.

20. Share capital and reserves

a) Share capital and premium

After the completion of the Merger by absorption of “ELVAL HELLENIC ALUMINIUM INDSUTRY S.A.” by “HALCOR METAL WORKS S.A.”, the share capital of the Company amounts to Euro 146,344,218 (2016: Ευρώ 38,486,258) divided to 375,241,586 (2016: 101,279,627) common anonymous shares of nominal value of 0.39 (2016: Euro 0.38) each traded at the Athens Stock Exchange.

The share premium of Euro 65,030,285 is considered a part of the share capital that rose from the issuance of shares for cash in a value greater than the nominal.

ElvaHalcor’s capital was created as follows:

The share capital of Halcor amounted to Euro 38,486,258.26 divided to 101,279,627 common shares with voting rights, of nominal value of €0.38 each. The share capital of Elval amounted to € 105,750,180.62 divided to 27,046,082 anonymous shares of nominal value € 3.91 each.

The Merger had as a result the increase of Halcor’s capital by:

- Amount of € 105,750,180.62 which corresponds to Elval share capital,
- Amount of € 2,107,779.66 which corresponds to the capitalization of share premium for rounding of the share price of the merged company.

As a result the present share capital of “ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.” increased from € 38,486,258.26 to €146,344,218.54 with the issuance of 273,961,959 new share in favor of Elval’s share holders and the total number of shares amounted to 375,241,586 shares with nominal value of €0.39.

b) Reserves

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Statutory Reserves	3,616	2,493	3,373	2,412
Hedging Reserve	2,534	1,077	994	994
Special Reserves	23,229	23,229	23,229	23,229
Tax exempt reserves	176,463	176,463	176,463	176,463
Extraordinary Reserves	6,713	6,713	6,713	6,713
Other reserves	69,588	-	83,153	-
Foreign exchange difference	197	-	-	-
Total	**282,340**	**209,976**	**293,926**	**209,812**

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Statutory Reserve

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

Untaxed and special reserves

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

Exchange rate differences on consolidation

Exchange rate differences on consolidation arise from translating the financial statements of subsidiaries which are denominated in foreign currency, to the currency of the Parent Company which is in Euro.

Reserves from revaluation at fair value

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

Reserve of merger/absorption

The reserve of the absorption includes the difference between the acquisition price and the nominal value of the shares issued.

The Group examines the separation of the results carried forward to those that can be distributed and those that cannot, with tax and without tax liability.

21. Earnings per share

	GROUP		COMPANY	
	2017	2016	2017	2016
Profits that correspond to the shareholders of the parent company (in thousands of EURO)	33,549	21,978	33,324	18,585
Weighted average number of shares	282,401,928	273,961,959	282,401,928	273,961,959
Basic profits per share (EUR per share)	0.1188	0.0802	0.1180	0.0678

Basic earnings per share are calculated by dividing the net profits (losses) attributable to the parent company's shareholders by the weighted average number of common shares, save the average number of common shares acquired by the Group and held as own shares.

22. Loans and obligations from financial leasing

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Non-Current				
Bank Loans	2,209	7,819	1,683	5,096
Obligations under financial lease	13,993	7,819	13,973	7,819
Bond Loans	276,731	90,994	276,731	78,858
Total	**292,934**	**106,633**	**292,387**	**91,773**
Current				
Bank Loans	133,263	80,486	120,468	70,663
Current portion of long term debt	80,458	-	1,000	-
Current portion of Bonds	59,295	29,159	36,748	25,114
Obligations under financial lease	2,291	810	2,291	810
	275,307	**110,455**	**160,507**	**96,586**
Total	**568,241**	**217,088**	**452,894**	**188,360**

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Between 1 and 2 years	38,564	93,553	38,028	78,693
Between 2 and 5 years	250,572	9,880	250,561	9,880
Over 5 years	3,797	3,199	3,797	3,199
Total	**292,934**	**106,633**	**292,387**	**91,773**

In 2017, in the context of the loan restructuring of the two consolidating groups, each of the Merging companies negotiated the refinancing of the their Bond loans. On the one hand, Halcor a bond loan of €162.5 million maturing in 2018, negotiated the extension of its maturity in a five year's time, ie 2022 with partial repayment total worth of €35.0 million. On the other hand Elval repaid two bond loans for the amounts of €33.7 and €65.3 million with the issuance of a new bond loan of €199.0 million maturing in 2022. The refinancing improved the overall liquidity of the Group in order to serve the investment programs of the production facilities. Moreover, the Aluminium sector paid loans of €20.0 mil.

Amount of €139.5 mil. is the part of the long-term debt that is payable within the next fiscal year. In addition amount of €2.3 mil. corresponds to obligations under financial lease payable within the next fiscal year.

The fain value of the loans is approximating the book value.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

Obligations under financial leasing are as follows:

GROUP

2016			
€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	1,231	(421)	**810**
Between 1 and 5 years	7,720	(1,218)	**6,503**
Beyond 5 years	1,365	(48)	**1,317**
Total	**10,316**	**(1,687)**	**8,629**

2017			
€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	3,032	(741)	**2,291**
Between 1 and 5 years	11,975	(1,800)	**10,175**
Beyond 5 years	3,983	(165)	**3,818**
Total	**18,991**	**(2,706)**	**16,285**

COMPANY

2016			
€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	1,231	(421)	**810**
Between 1 and 5 years	7,720	(1,218)	**6,503**
Beyond 5 years	1,365	(48)	**1,317**
Total	**10,316**	**(1,687)**	**8,629**

2017			
€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	3,032	(741)	**2,291**
Between 1 and 5 years	11,975	(1,800)	**10,175**
Beyond 5 years	3,963	(165)	**3,797**
Total	**18,970**	**(2,706)**	**16,264**

The actual weighted average interest rates (both short and long term) at the balance sheet date were:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Bond Loans	4.80%	4.99%	4.80%	5.01%
Bank lending in EUR	5.71%	6.17%	6.07%	6.17%
Bank lending in USD	6.77%	6.13%	6.89%	6.13%
Bank lending in GBP	4.23%	-	-	-

For the Group's bank loans, mortgages on properties totaling Euro 484 million have been set up (Euro 385 million is the amount for parent company).

For the bank loans of the Group and the Company that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause.

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

23. Liabilities for employee's retirement benefits

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

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
	€ '000	€ '000	€ '000	€ '000
Balance at 1 January	**10,627**	**11,062**	**7,828**	**9,692**
Amounts recognized in profit or loss				
Current service cost	337	336	174	197
Past service credit	88	194	19	65
Settlement/curtailment/termination loss	106	179	70	101
Interest cost/income (-)	168	211	123	235
Total P&L Charge	**699**	**920**	**386**	**598**
Amounts recognized in OCI				
Remeasurement loss/gain (-):				
-Actuarial loss/gain (-) arising from:				
Demographic assumptions	44	-	-	-
Financial assumptions	380	207	128	150
Experience adjustments	891	(1,210)	885	(987)
Total amount recognized in OCI	**1,314**	**(1,003)**	**1,013**	**(837)**
Other				
Mergers and absorptions	2,609	-	1,717	-
Benefits paid	(302)	(352)	(184)	(1,625)
	2,307	**(352)**	**1,533**	**(1,625)**
Balance at 31 December	**14,946**	**10,627**	**10,761**	**7,828**

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

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Discount interest rate	1.50%	1.60%	1.50%	1.60%
Future salary increases	1.75%	1.75%	1.75%	1.75%

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

The aforementioned results depend on assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate less by 50 basis points was used then the liability would be higher by 6.21% and if an assumption of a future salary increase of 50 basis points annually was used (instead of 1.75% annually), then the liability would be higher by 5.93%.

24. Grants

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Opening balance	**19,775**	**21,555**	**12,388**	**19,751**
Collection of grants	296	-	-	-
Amortisation of grants	(1,793)	(1,780)	(1,180)	(1,299)
Mergers and absorptions	3,280	-	1,171	(6,064)
Closing balance	**21,557**	**19,775**	**12,378**	**12,388**

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

Grants have been provided for the purchase of tangible assets.

25. Provisions

The movement in provisions was as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Long-term Liabilities				
Balance as at 1 January 2017	**-**	**-**	**-**	**-**
Additional provisions of the fiscal year	1,170	-	1,170	-
Mergers and absorptions	240	-	90	-
Balance as at 31 December 2017	**1,410**	**-**	**1,260**	**-**
Short-term Liabilities				
Balance as at 1 January 2017	**-**	**-**	**-**	**-**
Additional provisions of the fiscal year	162	-	110	-
Balance as at 31 December 2017	**162**	**-**	**110**	**-**

Amount of Euro 1.2 mil. is related to provision for unaudited fiscal years.

26. Trade payables and other liabilities

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Suppliers	110,494	66,317	80,730	52,415
Notes payable	17,997	-	17,997	-
Down payments from customers	2,440	1,428	645	816
Social Security funds	3,944	2,614	2,418	1,550
Amounts due to related parties	20,909	19,415	22,076	25,847
Sundry creditors	11,275	2,483	8,105	1,292
Accrued expenses	8,859	3,881	7,305	2,659
Other Taxes	3,255	1,984	2,300	1,415
Total	**179,172**	**98,129**	**141,577**	**85,993**

27. Financial assets

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

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

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

Credit Risk

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

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

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

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

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2017, the Group had an amount of Euro 41.4 million and the Company amount of Euro 32.6 million as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily. For serving the investments the Group and the Company make sure for the securing the necessary funding when needed (see also note 35). Moreover, the Group is in talks with the banks for the on time refinancing of the maturing loans.

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

Exchange rate risk

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

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

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

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

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

Interest rate risk is mitigated since part of the Group borrowing is set at fixed rates either directly or using financial instruments (interest rate swaps).

The objectives, policies, risk management processes and measurement methods of risk have not changed compared to the previous year.

Capital management

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

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

The Group does not have a specific plan for own shares purchase.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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

a) Credit risk

The Financial assets subject to credit risk are as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Trade & Other receivables (Current)	175,359	177,722	179,278	152,221
Trade & Other receivables (Non-current)	2,624	1,379	2,423	1,230
Total	**177,983**	**179,101**	**181,701**	**153,451**
Available for sale financial assets	3,771	1,545	3,771	1,545
Cash and cash equivalents	41,446	15,198	32,574	8,344
Derivatives	5,012	2,638	3,116	2,302
Total	**50,230**	**19,381**	**39,462**	**12,191**

The balances include in Receivables according to maturity can be classified as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Neither past due nor impaired	162,070	163,946	178,696	144,507
Overdue	-	-	-	-
- Up to 6 months	14,960	14,107	2,800	8,108
- Over 6 months	953	1,048	205	837
Total	**177,983**	**179,101**	**181,701**	**153,451**

The movement in the account of provision for impairment was as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Balance as at 1 January	**3,878**	**3,586**	**3,461**	**3,501**
Impairment loss recognized	377	301	124	265
Amounts written off	-	(48)	-	(22)
Impairment loss reversed	(23)	39	-	39
Mergers and absorptions	3,257	-	1,791	-
Division/ segment spin off	-	-	-	(322)
Balance as at 31 December	**7,488**	**3,878**	**5,375**	**3,461**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Greece	28,982	27,789	65,460	41,637
Other EU Member States	111,277	118,448	97,694	90,935
Other European countries	14,032	10,152	7,774	2,748
Asia	10,532	5,206	3,963	2,380
America (North & South)	7,710	15,880	4,652	14,994
Africa	5,152	1,308	2,074	512
Oceania	299	318	85	245
Total	**177,983**	**179,101**	**181,701**	**153,451**

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

a) Liquidity risk

GROUP

€ '000	2016	Up to 1 yr	1 to 2 years	2 to 5 years	Over 5 years	Total
Liabilities						
Bank loans	88,305	88,283	8,479	2,404	633	**99,799**
Finance lease obligations	8,629	1,231	1,675	4,635	2,781	**10,323**
Bond issues	120,154	29,904	87,841	3,945	-	**121,689**
Derivatives	1,121	1,121	-	-	-	**1,121**
Trade and other payables	88,222	88,222	-	-	-	**88,222**
	306,431	**208,761**	**97,994**	**10,984**	**3,414**	**321,154**

€ '000	2017	Up to 1 yr	1 to 2 years	2 to 5 years	Over 5 years	Total
Liabilities						
Bank loans	215,930	213,521	2,787	585	-	**216,892**
Finance lease obligations	16,285	3,042	3,092	8,894	3,963	**18,991**
Bond issues	336,026	66,574	39,625	268,989	-	**375,188**
Derivatives	2,056	2,005	51	-	-	**2,056**
Trade and other payables	160,675	160,675	-	-	-	**160,675**
	730,972	**445,817**	**45,555**	**278,469**	**3,963**	**773,803**

COMPANY

€ '000	2016	Up to 1 yr	1 to 2 years	2 to 5 years	Over 5 years	Total
Liabilities						
Bank loans	75,759	77,499	5,433	2,404	633	**85,969**
Finance lease obligations	8,629	1,231	1,675	4,635	2,781	**10,323**
Bond issues	103,972	25,541	75,475	3,945	-	**104,961**
Derivatives	902	902	-	-	-	**902**
Trade and other payables	79,554	79,554	-	-	-	**79,554**
	268,815	**184,727**	**82,583**	**10,984**	**3,414**	**281,709**

€ '000	2017	Up to 1 yr	1 to 2 years	2 to 5 years	Over 5 years	Total
Liabilities						
Bank loans	123,151	121,602	1,153	585	-	**123,341**
Finance lease obligations	16,264	3,032	3,092	8,883	3,963	**18,970**
Bond issues	313,479	43,526	39,625	268,989	-	**352,140**
Derivatives	1,448	1,446	2	-	-	**1,448**
Trade and other payables	128,909	128,909	-	-	-	**128,909**
	583,251	**298,515**	**43,872**	**278,457**	**3,963**	**624,808**

b) Exchange rate risk

GROUP	2016					
€ '000	EURO	USD	GBP	BGN	Other	Total
Trade and other receivables	169,286	22,124	4,387	-	1	195,798
Loans and Borrowings	(212,958)	(4,130)	-	-	-	(217,088)
Trade and other payables	(90,562)	(7,585)	76	-	(52)	(98,123)
Cash & cash equivalents	11,967	2,888	343	-	-	15,198
	(122,267)	13,297	4,806	-	(51)	**(104,215)**
Derivatives for risk hedging (Nominal Value)	-	(6,363)	(3,863)	-	-	(10,226)
Total risk	**(122,267)**	**6,934**	**943**	**-**	**(51)**	**(114,441)**

	2017					
€ '000	EURO	USD	GBP	BGN	Other	Total
Trade and other receivables	172,202	17,874	11,052	580	(59)	201,649
Loans and Borrowings	(562,565)	(4,520)	(1,129)	(3)	(23)	(568,241)
Trade and other payables	(161,998)	(13,151)	(224)	(3,705)	(94)	(179,172)
Cash & cash equivalents	38,534	2,622	286	-	5	41,446
	(513,827)	2,825	9,984	(3,129)	(172)	**(504,318)**
Derivatives for risk hedging (Nominal Value)	-	(4,574)	(440)	-	2	(5,011)
Total risk	**(513,827)**	**(1,749)**	**9,545**	**(3,129)**	**(169)**	**(509,329)**

COMPANY	2016					
€ '000	EURO	USD	GBP	BGN	Other	Total
Trade and other receivables	141,864	17,995	930	-	1	160,791
Loans and Borrowings	(184,230)	(4,130)	-	-	-	(188,360)
Trade and other payables	(83,087)	(3,000)	146	-	(52)	(85,993)
Cash & cash equivalents	7,409	767	169	-	-	8,344
	(118,044)	11,632	1,245	-	(51)	**(105,218)**
Derivatives for risk hedging (Nominal Value)	-	(7,115)	-	-	-	(7,115)
Total risk	**(118,044)**	**4,517**	**1,245**	**-**	**(51)**	**(112,333)**

	2017					
€ '000	EURO	USD	GBP	BGN	Other	Total
Trade and other receivables	179,299	8,049	5,799	-	1	193,147
Loans and Borrowings	(449,136)	(3,758)	-	-	-	(452,894)
Trade and other payables	(138,064)	(3,213)	(211)	-	(90)	(141,577)
Cash & cash equivalents	30,142	2,149	283	-	-	32,574
	(377,759)	3,227	5,872	-	(89)	**(368,749)**
Derivatives for risk hedging (Nominal Value)	-	(5,069)	-	-	-	(5,069)
Total risk	**(377,759)**	**(1,842)**	**5,872**	**-**	**(89)**	**(373,818)**

The rates that were applied for the foreign exchange translation were:

	Average		At year end	
	2017	**2016**	**2017**	**2016**
USD	1.1297	1.1069	1.1993	1.0541
GBP	0.8767	0.8195	0.8872	0.8562
RON	4.5688	4.4904	4.6585	4.5390

Sensitivity analysis

A change in the price of Euro against other currencies that the Group trades would have corresponding impact on the income statement and in equity as follows:

GROUP

	2016			
	Profit or loss		**Equity, net of tax**	
€ '000	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (10% movement in relation to EUR)	(1,209)	1,477	578	(707)
GBP (10% movement in relation to EUR)	(437)	534	351	(429)

	2017			
	Profit or loss		**Equity, net of tax**	
€ '000	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (10% movement in relation to EUR)	(210)	210	(149)	149
GBP (10% movement in relation to EUR)	(847)	847	(601)	601

COMPANY

	2016			
	Profit or loss		**Equity, net of tax**	
€ '000	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (10% movement in relation to EUR)	(1,057)	1,292	(104)	127
GBP (10% movement in relation to EUR)	(113)	138	(80)	98

	2017			
	Profit or loss		**Equity, net of tax**	
€ '000	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (10% movement in relation to EUR)	(221)	221	(157)	157
GBP (10% movement in relation to EUR)	(521)	521	(370)	370

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

c) Interest rate risk

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Fixed-rate instruments				
Financial liabilities	3,976	5,429	1,000	2,000
	3,976	**5,429**	**1,000**	**2,000**
Variable-rate instruments				
Financial liabilities	564,265	211,659	451,894	186,360
	564,265	**211,659**	**451,894**	**186,360**

Sensitivity analysis

The effects of an increase in the interest rates of 25 basis points in the Income statement and the Equity can be depicted as follows:

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
	€ '000	**€ '000**	**€ '000**	**€ '000**
0.25% increase	(1,411)	(529)	(1,130)	(466)
0.25% decrease	1,411	529	1,130	466

28. Fair value of financial assets

The different levels have been defined as follows:

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

The financial information concerning Level 3 refers to holdings in domestic and foreign companies with a stake of less than 20%. These holdings which are not quoted and the fair value cannot be reliably measured, they are valued at cost and are subject to impairment testing (see Note 14).

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

GROUP

			2017	
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	39	-	3,733	***3,771***
Financial instruments at fair value	-	-	-	***-***
Derivative financial assets	3,893	1,119	-	***5,012***
Derivative financial liabilities	(1,430)	(627)	-	***(2,056)***

			2016	
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	149	-	1,396	***1,545***
Financial instruments at fair value	-	-	-	***-***
Derivative financial assets	2,139	499	-	***2,638***
Derivative financial liabilities	(229)	(892)	-	***(1,121)***

COMPANY

			2017	
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	39	-	3,733	***3,771***
Financial instruments at fair value	-	-	-	***-***
Derivative financial assets	2,841	275	-	***3,116***
Derivative financial liabilities	(1,249)	(199)	-	***(1,448)***

			2016	
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	149	-	1,396	***1,545***
Financial instruments at fair value	-	-	-	***-***
Derivative financial assets	2,139	164	-	***2,302***
Derivative financial liabilities	(229)	(673)	-	***(902)***

The derivatives of level 1 comprise of futures traded in 'London Metal Exchange – LME' for which there is an observable market price for all prompt dates on which the contract is settled. The mark-to-market valuations of the futures are based on evening evaluations of LME, as well as the counterparties valuations in contracts, which are LME brokers. The derivatives of level 2 comprise of forward FX contracts. The valuation stems from the counterparty banks based on a valuation model.

(b) Fair Value in Level 3

The movement in Level 3 was as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Υπόλοιπο 1 Ιανουαρίου	**1,396**	**1,389**	**1,396**	**1,285**
Προσθήκες	387	5	387	5
Αναστροφή απομείωσης	-	2	-	2
Απόκτηση μέσω συνένωσης ή απορρόφησης επιχειρήσεων	2,509	-	2,509	-
Ανακατατάξεις	(558)	-	(558)	104
Υπόλοιπο 31 Δεκεμβρίου	**3,733**	**1,396**	**3,733**	**1,396**

During the fiscal year, there were no reclassifications of financial assets between levels.

The financial assets classified in Level 3 are valuated with the discounted cash flow method. The valuation model calculates the present value of the net cash flows that the Cash Generating Unit is creating. (CGU)

The expected cash flows have been discounted using rates as follows:

- Risk-free rate: 0,9%
- Market risk premium: 5,10%
- Expected income tax rate: 29%
- Levered beta: 0.90

For the most significant investment the WACC used was 7,5%.

The expected fair value will increase (dercrease) if:

- The expected market development increases (decreases)
- The expected cash flows increases (decreases)
- The discount rate decreases (increases)

29. Commitments

The contractual obligations are:

	GROUP		COMPANY	
	2017	2016	2017	2016
	€ '000	€ '000	€ '000	€ '000
Tangible assets	7,670	586	1,999	586

The future payments from operational leases are as follows:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

	GROUP		COMPANY	
	2017	2016	2017	2016
Future minimum lease payments	**€ '000**	**€ '000**	**€ '000**	**€ '000**
Less than one year	1,265	796	711	510
Between one and five years	2,530	1,708	1,284	999
More than five years	3	2	3	2
Total	**3,798**	**2,506**	**1,998**	**1,511**

30. Contingent liabilities / assets

The tax liabilities of the Company and its subsidiaries for certain financial years have not been audited by taxation authorities and thus are not finalized yet for such years.

The table below presents unaudited tax years of the companies consolidated by ElvalHalcor SA by applying either full consolidation or equity method.

COMPANY		Country	Business	Direct	Indirect	Method of Consolidation	Unaudited year	Audited under L.4174/2013
ELVALHALCOR S.A.		GREECE	Industrial	-	-	Parent	2009-2010	2011-2017
FITCO A.E.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidated in Full	-	2011-2017
SOFIA MED S.A.	(1)	BULGARIA	Industrial	88.88%	0.00%	Consolidated in Full	-	-
TECHOR A.E.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidated in Full	2010 & 2014 - 2016 & 2017	-
VIEXAL S.A.	(2)	GREECE	Services	26.67%	0.00%	Equity Method	2010-2011	2012-2017
VIENER S.A	(2)	GREECE	Energy	41.32%	0.00%	Equity Method	2010-2011	2012-2017
CENERGY HOLDINGS S.A.	(2)	BELGIUM	Holding	25.16%	0.00%	Equity Method	-	-
INTERNATIONAL TRADE	(2)	BELGIUM	Commercial	27.97%	0.00%	Equity Method	-	-
TECHOR PIPE SYSTEMS	(3)	ROMANIA	Industrial	0.00%	100.00%	Consolidated in Full	-	-
HC ISITMA	-	TURKEY	Industrial	50.00%	0.00%	Equity Method	-	-
STEELMET S.A.	(2)	GREECE	Services	29.50%	0.00%	Equity Method	2010	2012-2017
SYMETAL S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidated in Full	2010	2011 – 2017
ELVAL COLOUR AE	(1)	GREECE	Industrial	100.00%	0.00%	Consolidated in Full	2011-2014	2015 – 2017
VEPAL S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidated in Full	2013 & 2014	2011 – 2013 & 2015– 2017
ANOXAL S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidated in Full	-	2011 – 2017
VIOMAL S.A.	(1)	GREECE	Industrial	50.00%	0.00%	Consolidated in Full	2008-2010	2011 – 2017
ELVAL COLOUR IBERICA	(1)	SPAIN	Commercial	0.00%	100.00%	Consolidated in Full	-	-
ANAMET S.A.	(2)	GREECE	Commercial	26.67%	0.00%	Equity Method		
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	-	GERMANY	Commercial	50.00%	0.00%	Equity Method	-	-
ELKEME S.A.	(2)&(4)	GREECE	Metallourgical Research	92.50%	0.00%	Equity Method	2010 & 2016	2011-2017
UACJ ELVAL S.A. (former AFSEL)	-	GREECE	Services	50.00%	0.00%	Equity Method	-	-

(1) Subsidiary of ELVALHALCOR S.A.
(2) Subsidiary of Viohalco SA
(3) Subsidiary of Techor SA
(4) Full consolidation by Viohalco SA

31. Related parties

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

	GROUP		COMPANY	
€' 000	**2017**	**2016**	**2017**	**2016**
Sale of goods				
Subsidiaries	-	-	179,107	109,840
Equity accounted investees	311,915	22,409	283,384	22,329
Other	108,229	85,014	51,406	69,136
	420,144	**107,423**	**513,897**	**201,305**
Sale of services				
Subsidiary companies	-	-	2,522	2,196
Equity accounted investees	1,002	484	967	484
Parent	62	-	62	-
Other	699	752	629	707
	1,763	**1,236**	**4,180**	**3,387**
Sale of fixed assets				
Subsidiary companies	-	-	1	2,535
Other	1	150	1	798
	1	**150**	**2**	**3,333**
Purchase of goods				
Subsidiary companies	-	-	16,208	11,033
Equity accounted investees	3,894	4,181	1,224	4,181
Other	49,784	11,104	20,796	10,049
	53,678	**15,285**	**38,229**	**25,263**
Purchase of services				
Subsidiary companies	-	-	32,130	32,834
Equity accounted investees	3,930	1,339	3,262	1,099
Parent	246	-	65	-
Other	12,142	15,541	11,211	13,425
	16,318	**16,880**	**46,668**	**47,358**
Purchase of fixed assets				
Subsidiary companies	-	-	3	-
Equity accounted investees	29	-	20	-
Other	6,746	13,641	6,199	12,501
	6,775	**13,641**	**6,222**	**12,501**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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

	GROUP		COMPANY	
€' 000	**2017**	**2016**	**2017**	**2016**
Receivables from related parties:				
Subsidiary companies	-	-	62,759	23,267
Equity accounted investees	34,804	7,283	32,502	7,205
Joint Ventures	153	-	153	-
Parent	262	-	262	-
Other	51,461	42,526	42,072	36,971
	86,680	**49,809**	**137,748**	**67,444**
EUR				
Liabilities to related parties:				
Subsidiary companies	-	-	11,201	7,548
Equity accounted investees	3,244	1,653	2,956	1,518
Joint Ventures	171	-	171	-
Parent	132	-	127	-
Other	17,362	17,763	7,621	16,781
	20,909	**19,415**	**22,076**	**25,847**

The tables for related party transactions has been adjusted in 2016 considering that until the loss of control of the Group Hellenic Cables the transactions are being presented in the line of subsidiaries.

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

	GROUP		COMPANY	
€' 000	**2017**	**2016**	**2017**	**2016**
Fees - benefits to the members of the Board of Directors and executives	2,367	2,671	1,879	2,196
	2,367	**2,671**	**1,879**	**2,196**

32. Auditor's fees

The fees of the Group's and the Company's auditors (PWC SA) for the year 2017 were as follows:

	GROUP € '000	COMPANY € '000
Fees for audits	172	162
Fees for tax compliance	46	43
Fees for assurance services	82	82
Other fees	25	25
Total	**325**	**312**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

33. Acquisition Accounting

“HALCOR METAL WORKS S.A.” and “ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.” were under Viohalco S.A. control and pursuant to the application of articles 10-12 of IAS 8 choose to use the accounting treated of IFRS 3 “Business Combinations”. IFRS 3 defines that every business combination is addressed using the “acquisition method”. Pursuant to the aforementioned the two companies proceeded to define the acquirer under the IFRS 10 and IFRS 3 (par. 6-7 and B13-B17).

More specifically, in regards to the provisions of paragraph B15.d of IFRS 3, the Merging decided for the management considering the spectrum of the business activity of the new entity key management personnel to be retained as is.

In regards to the examination of the criteria of paragraph B16 of IFRS 3, “relative size of combining entities” were as follows:

From the one hand Halcor reported a consolidated turnover 692.9 million euro for the fiscal year 2016 compared to 842.7 million euro for the consolidated turnover of Elval for the respective fiscal year. From a profitability standpoint Halcor achieved 1.7 million euro profit after tax for 2016 at consolidated level versus 21.9 million euro for Elval for the respective fiscal year. For the closing of 2016 the consolidated Total Equity of Halcor amounted to 99.5 million euro compare to 453.7 mllion euro for Elval. The total assets at the closing of 2016 at the consolidated statement of financial position of Halcor amounted to 567.4 million euro compared to 855.8 million euro for the consolidated statement of financial position of Elval. Finally, the consolidated net debt for the fiscal year 2016 amounted to 322.5 million euro for Halcor versus 193.3 million euro for Elval.

Considering the aforementioned as well as the fact that according to the Athens Exchange regulation the combination is indirect listing and according to the provisions of IFRS 3, the merger is a reverse acquisition with accounting acquirer for accounting purposes Elval and accounting acquire Halcor. Moreover it is mentioned that the Merger aims at the creation of economies of scale and synergies.

Date of Acquisition

The date of acquisition is determined as the closest to the monthly closing, after the approval from the General Assembly and taking into consideration the decision by the Ministry of Economy and Development, is set at 30.11.2017.

Calculation of Goodwill

As a consequence of the above mentioned, at the acquisition date, which is defined as the closest monthly closing time, after securing the necessary approvals from the General Assembly, Elval valuated the assets and liabilities of Halcor at fair value according to paragraph 18 of IFRS 3.

Determination of consideration

The paid-in capital of Halcor is divided to 101,279,627 share and the paid-in capital of Elval is divided to 27,046,082 shares, and with the 26.09.2017 decisions of the Board of Directors the proposed of the share exchange was determined at 0.0987220346164922 shares of Elval for one (1) share of the Issuer as resulted by the Merger. Under the provisions of paragraph B20 of IFRS 3, at the acquisition date the fair value of the shares which is transferred from the accounting acquirer for the participation to the accounting acquiree, is based on the number of share with the legal subsidiary would have been obliged to issue in order to give to the shareholders of the legal acquired the same percentage in rights the merged entity that will come out of the reverse acquisition. The fair value of the rights calculated this way can be used as the fair value of the consideration transferred for the acquiree. As a result, the new shares that Elval would issue would be 9,998,531. The fair value of those according to Merger agreement rises to 18.88047495197270, per share. As a consequence the fair value derived rises to €188,777,011.

On 30.11.2017 the Fair values of Halcor Group were as follows:

Amounts in thousand of EURO	***30.11.17***
Property, plant and equipment	156,077
Intangible assets and goodwill	51,140
Investment property	5,439
Equity-accounted investees	65,931
Trade and other receivables	888
	279,476
Current Assets	
Inventories	88,327
Trade and other receivables	61,392
Derivatives	439
Cash and cash equivalents	10,990
	161,147
Total assets	**440,623**
LIABILITIES	
Non-current liabilities	
Loans & Borrowings	137,850
Deferred tax liabilities	26,130
Employee benefits	2,030
Grants	1,738
Provisions	90
	167,839
Current liabilities	
Trade and other payables	49,657
Current tax liabilities	2,187
Loans & Borrowings	53,952
Derivatives	330
	106,125
Total liabilities	**273,964**
Fair Value of Net Assets Acquired	***166,659***
Net Assets Acquired Attributable to Shareholders of ElvalHalcor	166,659
Consideration for the Business Combination	188,777
Goodwill	22,118

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

In regards to the allocation of the price we mention the following:

(a) In "Intangible Assets" amount of €670 thousand was posted for patents of products under the trade name CUSMART. The valuation technique is the discounted cash flows. The valuation models considers the present value of the net cash flows that Cash Generating Unit creates. The expected cash flows were estimated according to Management's estimates of Halcor and the updated business plans.

(b) Furthermore, a value for the trade name for products under the brand name TALOS, which is legally patented is recognized for €24.6 million. The valuation was conducted with the discounted cash flow method and particularly with the Relief from Royalty method using respective contracts for royalty rate for comparative industrial products and the Issuer's historical data. The expected cash flows were estimated according to Management estimates of Halcor and the updated business plans.

(c) In regards to client relationships €25.1 million has been recognized.

The aforementioned intangible assets fulfill the criteria of separability and the legal-contractual. According to IFRS 3 an intangible can be recognized if it fulfills either the separability criterion or the contractual-legal criterion. The aforementioned criteria are recognized by IAS 38 as well. For the aforementioned intangible assets, the Management has not determined the useful life until this balance sheet date, due to the fact that the acquisition was completed on 30.11.2017 and the determination of the useful life would not affect the result of the Group.

(d) Finally, the goodwill of €22.1 was posted at the "intangible assets and goodwill" and the respective equity reserves. The Goodwill represents the consolidation of the two adjacent plants which will allow the maximization of the operational capacity of the production facilities through the reorganization and expansion of the production lines and the auxiliary units.

(e) In the line "Equity accounted investees" adjustment of €8.7 million is posted for the valuation of Halcor's participations to the fair value. For the valuations of the fair values the discounted cash flow method was used with the exceptions of Halcor's participation in Cenergy holdings S.A., for which the observable market data was used for 100% at the date of the transaction. Specifically the closing price of 30.11.2017 at the Athens Exchange was used and which was €1.10 per share.

(f) Pursuant to the provisions of IAS 12 and specifically paragraph 37: "At the end of each reporting period, an entity reassesses unrecognised deferred tax assets. The entity recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. For example, an improvement in trading conditions may make it more probable that the entity will be able to generate sufficient taxable profit in the future for the deferred tax asset to meet the recognition criteria". Halcor, at the closing of 2016, a deferred tax asset for the amount of €1.8 million corresponding to losses €6.0 million euro. For the accumulated tax losses of the Group, a deferred tax asset has been recognized of Euro 9.7 mil. which corresponds to losses of 34 mil. In addition for interests due to thin capitalization, a deferred tax asset was recognized for the amount of € 8.2 mil.

(g) The valuations to the fair value of PPE of Halcor were performed on 30 November 2017 by independent valuators which have no relation with the Group. The independent valuators are members of bodies and have the necessary experience and knowledge for the measurement of fair value of machinery.

The fair value of land has been determined using the market approach, which reflects on the recent prices of transactions for comparable land in the area where the land of Group and the Company in located. The observable data have been adjusted for certain characteristics of each land plot.

The fair value of buildings has been determined using the cost approach, which reflects the cost that a participant in an active market would have to pay to construct a comparable asset, adjusted for impairment. The main parameters that were considered for the determination of the value of buildings include the estimated construction cost, additional expenses required and the impairment factor on the total estimated cost of construction.

The fair value of production machinery was determined using the cost approach, which reflects the cost that a participant in an active market would have to pay to acquire a comparable asset adjusted for impairment through use and technological advancements. The main parameters considered in the determination of the value of production machinery include the estimated cost of replacement, the residual value and the impairment factor on the total cost of construction.

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

Acquisition of Sofia Med

On 31.07.2017 the exchange of the participation of Sofia Med S.A. took place between the two merging companies for the price of Euro 101.2 mil. From the transaction no goodwill was created.

The cash and cash equivalents at the acquisition amounted to Euro 1.1 mil.

The most significant asset and liabilities acquired are the PPE of Euro 134 mil., Intangible Assets of Euro 0.4 mil., loans and borrowings of Euro 104 mil., inventory of Euro 68.3 mil. and non-controlling interests of Euro 11 mil.

In the table that follows are included:

1. In the firs column the results of Halcor Group and Sofia Med from 01.01.2017 until the acquisition date
2. In the second column the financial results as presented in the statement of profit and loss.
3. The third column represents the total of the two prior columns presenting the profit and loss of ELVLHALCOR Group as the if the transaction was materialized on 01.01.2017
4. The Fourth Column presents the comparative pro-forma for the Group for the fiscal year 2016.

			GROUP	
	Until the acquisition date	From the acquisition date	12 months 2017	12 months 2016
	€ '000	€ '000	€ '000	€ '000
Revenue	**712,951**	**1,150,369**	**1,863,320**	**1,534,127**
Cost of sales	(659,645)	(1,046,804)	(1,706,448)	(1,420,071)
Gross profit	**53,306**	**103,565**	**156,872**	**114,056**
Other Income	6,887	7,892	14,779	13,668
Selling and Distribution expenses	(7,306)	(12,506)	(19,812)	(19,647)
Administrative expenses	(12,138)	(25,535)	(37,673)	(31,186)
Other Expenses	(8,398)	(3,801)	(12,199)	(8,418)
Operating profit / (loss)	**32,351**	**69,615**	**101,967**	**68,471**
Finance Income	1	118	119	3,989
Finance Costs	(19,103)	(17,767)	(36,870)	(40,412)
Dividends				
Net Finance income / (cost)	**(19,102)**	**(17,649)**	**(36,751)**	**(36,423)**
Share of profit/ (loss) of equity-accounted investees, net of tax	-	(1,293)	(1,293)	234
Profit/(Loss) before income tax	**13,250**	**50,673**	**63,923**	**32,282**
Income tax expense	14,816	(17,410)	(2,594)	(8,736)
Profit/(Loss) for the year	**28,066**	**33,263**	**61,330**	**23,546**

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In the following table the financial performance of the acquired sector is presented from the acquisition date until 31.12.2017:

€ '000	Acquired Sector
Revenue	**208,988**
Cost of sales	(200,577)
Gross profit	**8,411**
Other Income	1,868
Selling and Distribution expenses	(1,390)
Administrative expenses	(3,100)
Other Expenses	(2,459)
Operating profit / (loss)	**3,329**
Finance Income	48
Finance Costs	(4,065)
Dividends	-
Net Finance income / (cost)	**(4,016)**
Share of profit/ (loss) of equity-accounted investees, net of tax	(1,525)
Profit/(Loss) before income tax	**(2,212)**
Income tax expense	(300)
Profit/(Loss) for the year	**(2,511)**

Moreover for the purposes of the company's financial statements, the assets of the company Halcor were valuated at fair value:

HALCOR	**30.11.2017**
	€ '000
ASSETS	
Non-Current Asset	
PPE	123,938
Intangible Assets	48,040
Investment Property	3,702
Participations	88,723
Other assets	849
	265,252
Current Assets	
Inventory	70,905
Trade and Othe receivables	73,584
Cash and cash equivalents	10,532
	155,021
Total Assets	**420,273**
Total Equity	**166,659**
LIABILITIES	
Non-current liabilities	
Loans & Borrowing	128,751
Deferred tax	20,650
Other liabilities	2,963
	152,364
Current liabilities	
Trade and other payables	53,335
Loans & Borrowing	47,915
	101,250
Total liabilities	**253,614**
Total liabilities & Equity	**420,273**

34. Held for Sale

The amount of Euro 4.5 mil. is the book value of machinery (cost Euro 5.7 mil. and accumulated depreciation Euro 1.2 mil.) recognized according to IFRS 5. The aforementioned asset classified in the Copper Sector. For the aforementioned equipment the provisions of par. 8 of IFRS 5 are in effect, providing the fact that the Management has set forth a plan for the sale which is expected to materialized in 2018.

35. Subsequent events

1. On 03.01.2018 ElvalHalcor signed an agreement for the acquisition of 50% of the share capital of Nedzink B.V. which is based in the Netherlands. According to the agreement ElvalHalcor will contributed Euro 15 mil.

2. On 01.02.2018, 273,961,959 common, dematerialized, anonymous shares with voting rights were introduced to the Athens Stock Exchange. The shares were created after the merger by absorption of “ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.” by “HALCOR METAL WORKS S.A.”, which was completed within 2017 with the 22.11.2017 decisions of the General Assemblies and the 131569/30-11-2017 decision of the Ministry of Economy and Development..

3. ElvalHalcor signed an agreement with SMS group GmbH based in Germany for , the sector signed a contract with SMS group GmbH, based in Germany for the procurement of a four-stand tandem aluminium hot finishing mill for the production unit in Oinofyta, Viotia. This action is included in the broader investment program of Euro 150 mil. for machinery and infrastructure, which has been announced by the sector and the Company in the context of the agreement with the European Investment Bank on 20 December 2017 for funding.

Information under article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE ADDRESS	WEBSITE MAP
1.	Interim Financial Statements H1 2017	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
2.	Annual Financial Report 2017	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
3.	Press releases during 2017	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Press releases
4.	Announcements to the Stock Exchange during 2017	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Announcements