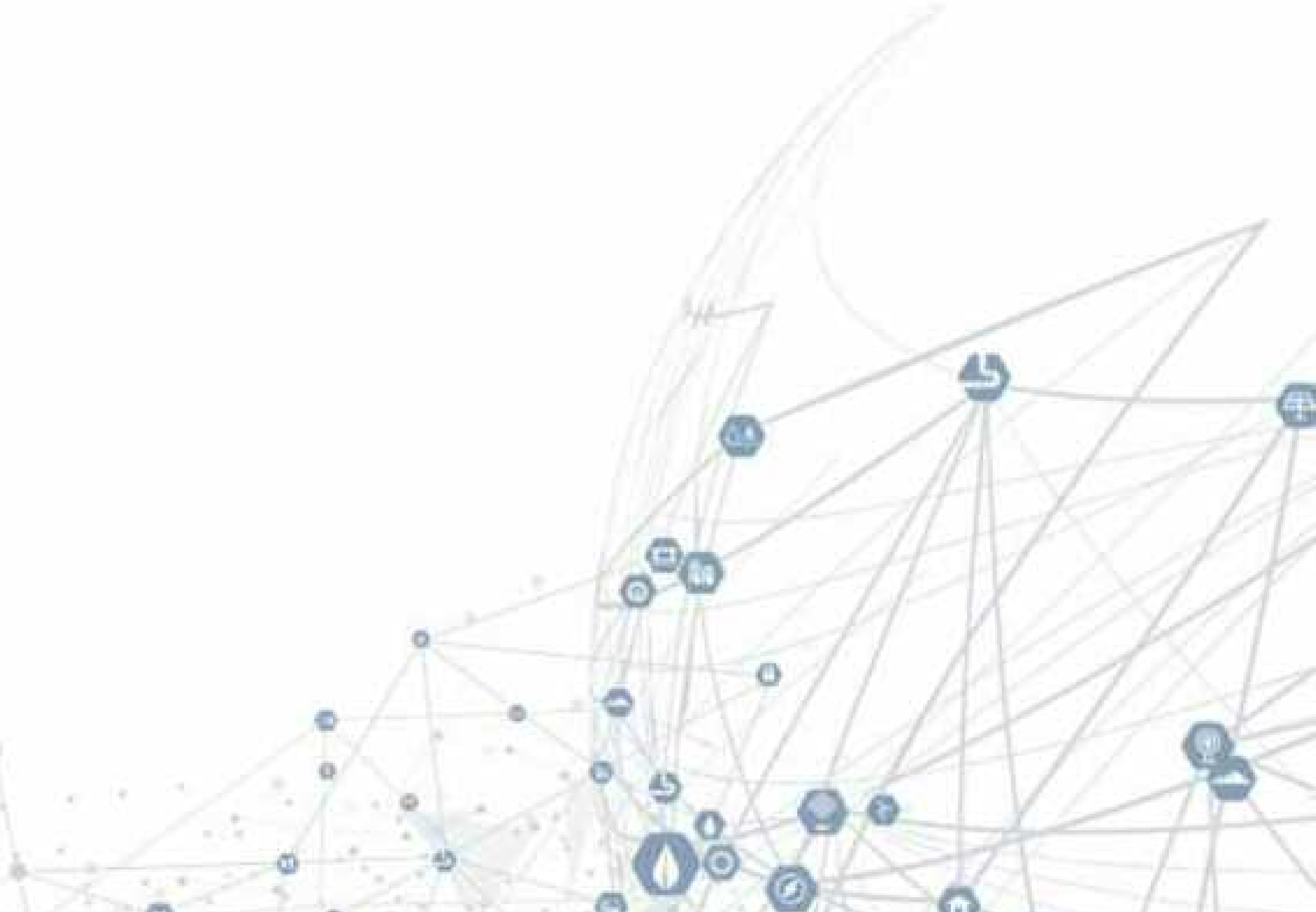
2017

ANNUAL REPORT

VIOHALCO



Contents

A. Viohalco S.A.

Viohalco S.A. (Viohalco) is the Belgium-based holding company of leading metal processing companies across Europe.

Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products. They have production facilities in Greece, Bulgaria, Romania, Russia, FYROM, Australia, Turkey and the United Kingdom.

Each company is committed to the sustainable manufacture of high quality products and innovative solutions for a number of dynamic industries, including building and construction, energy and telecommunication, oil and gas, transportation, marine, automotive, food and pharmaceutical packaging, heating and air conditioning, renewable energy, water supply, lithography and other industrial applications.

Through a strong marketing and sales network, which includes commercial subsidiaries, agents and distributors, Viohalco companies have the global reach and expertise to support customers worldwide. They offer a wide range of products and reliable services and constantly invest in research and technology, closely monitoring the most recent market developments at all times.

Viohalco's portfolio also includes a segment dedicated solely to technology and research and development (R&D). This segment is made up of companies focused on industrial research and technological development, engineering applications, Enterprise Resource Planning (ERP) application services. There is also a Viohalco segment dedicated to recycling and waste management services.

Viohalco and its companies also own substantial real estate, mainly in Greece, and have implemented redevelopment projects on a number of properties.

Subsidiaries' key data

Al Cu Fe

- commercial network in **21** countries

- products distributed in **105** countries.

Viohalco key data

- Listed on Euronext Brussels (VIO) and Athens Stock Exchange (BIO).
- Subsidiary Cenergy Holdings S.A. (Cenergy Holdings) is listed on Euronext Brussels and Athens Stock Exchange (CENER).
- Subsidiary ElvalHalcor S.A. (ElvalHalcor) is listed on Athens Stock Exchange (ELHA).

B. Message from the President of the Board of Directors

Dear Shareholders,

2017 was a year of growth for Viohalco's companies, as strong demand in the operating markets in Europe and beyond has fuelled recovery in the core business segments and enhanced sales volumes and revenues.

Continuous innovation and optimisation of production processes allowed the companies to capitalise on the favourable conditions in the European industrials and metals sectors. Over the past decade, Viohalco's companies invested significantly in enhancing their production facilities, expanding their product lines and geographical reach and improving their ability to provide innovative products and tailored solutions to their customers. Successful execution of this strategy, which included a continuous focus on technological advancement and improving cost efficiency across operations, has strengthened the companies' position in their respective markets and is reflected in their operational and financial achievements of 2017.

Viohalco's consolidated revenue for 2017 amounted to EUR 3,721 million, a 19% increase compared to EUR 3,119 million in 2016, mainly due to higher sales volumes in the aluminium, copper and steel segments. Consolidated EBITDA amounted to EUR 302.5 million, also improved by EUR 70.9 million compared to 2016, while consolidated profit before income tax increased to EUR 56.8 million from EUR 6.8 million in 2016.

During the year, the merger between Elval and Halcor into ElvalHalcor Hellenic Copper and Aluminium Industry SA created a combined entity with a stronger and broader financial base, enabling the Company to more effectively compete in the global market. Over the next two years, ElvalHalcor intends to invest EUR 150 million with the aim of increasing the production capacity of its aluminium rolling division. This will allow ElvalHalcor to strengthen its presence in aluminium packaging, industrial, transportation and architectural applications and lay the foundation for future expansion into the automotive and aerospace sectors.

The improved financial performance of Viohalco's steel segment was supported by high export levels and efficiencies achieved by the completion of strategic investments, such as the full operation of the induction furnaces in Sidenor and Sovel plant and the revamping of the Dojran Steel rolling mill.

2017 also witnessed the completion and award of several noteworthy projects. Corinth Pipeworks completed its largest ever project, producing pipes for the Trans Adriatic Pipeline and was awarded other significant projects. In Viohalco's cables segment, Fulgor was awarded a turnkey contract to provide a submarine cable interconnection to the Greek National Grid, and a supply contract to provide DEME Group with submarine cable systems intended for

Belgian utility's Elia Modular Offshore Grid (MOG) project in the North Sea.

Finally, in the real estate segment, the River West-IKEA Shopping Centre reported record footfall, while the performance of the Wyndham Grand Athens Hotel has exceeded initial expectations.

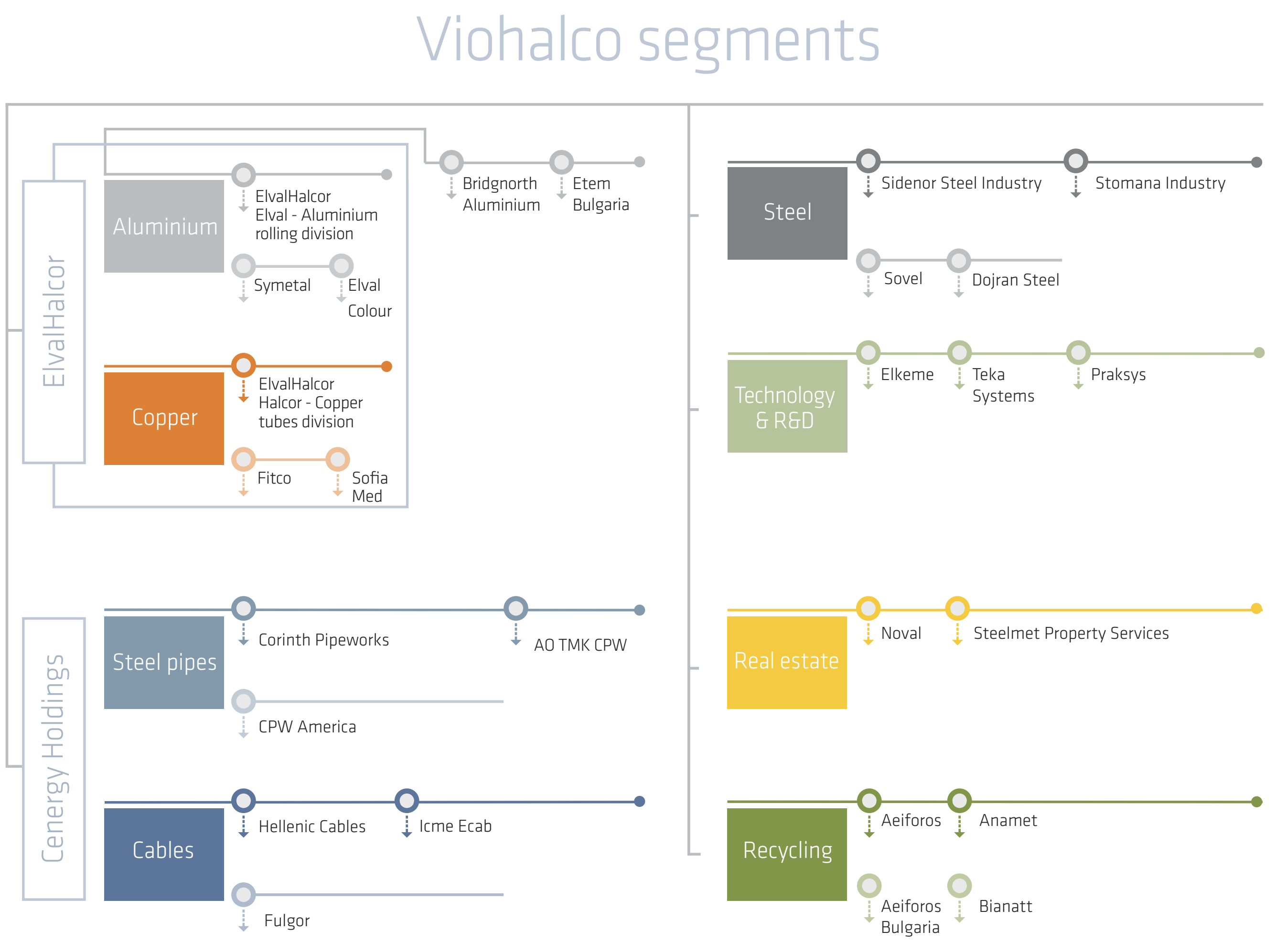
The performance of Viohalco's companies relies on the dedication, creativity and know-how of their talented people. The companies implement advanced managerial practices and invest systematically in the professional development of the employees, as witnessed by the training programs run throughout 2017, while providing a safe working environment with respect to human values and a strong emphasis on operational excellence.

In conclusion, we can look back on a year in which both performance and market conditions improved. For 2018, the continued commitment in efficiency and innovation of Viohalco's companies renders them well-positioned to respond to new market demands and challenges, in the context of global economic growth.

Nikolaos Stassinopoulos
President of the Board of Directors

C. Viohalco's portfolio - Business segments

Viohalco operates under the following organisational structure, comprising eight business segments.



- **Aluminium:** ElvalHalcor through its aluminium rolling division (Elval), its subsidiaries Symetal S.A. (Symetal), Elval Colour S.A. (Elval Colour) and Vepal S.A. (Vepal), along with Bridgnorth Aluminium Ltd (Bridgnorth Aluminium) and Etem Bulgaria S.A. (Etem Bulgaria) manufacture a wide variety of products, ranging from aluminium coils and sheets for general industrial applications and aluminium foil for household use to specialised products, such as rolled and extruded aluminium products for packaging, shipbuilding, automotive and construction industries, lithographic coils and a complete range of coated aluminium products used in the building envelope, such as aluminium composite panels, coated strips for rain gutters and roofing applications.
- **Copper:** ElvalHalcor through its copper tubes division (Halcor) and its subsidiaries Fitco S.A. and Sofia Med S.A. produce a wide range of copper and copper alloy products, ranging from copper and copper alloy tubes, copper strips, sheets and plates to copper bus bars and rods, copper alloy rods, flats and wires.
- **Steel pipes:** Corinth Pipeworks Pipe Industry S.A. (Corinth Pipeworks) produces steel pipes for the transportation of natural gas, oil and water and steel hollow sections used in construction projects.
- **Cables:** Hellenic Cables S.A. Hellenic Cable Industry S.A. (Hellenic Cables), its subsidiary Fulgor S.A. (Fulgor) and

Icme Ecab S.A. (Icme Ecab) manufacture power land and submarine cables, telecommunication cables and enamelled wires and compounds, consisting one of the largest cable producers in Europe.

- **Steel:** Sidenor Steel Industry S.A. (Sidenor Steel Industry), Stomana Industry S.A. (Stomana Industry) and their subsidiaries manufacture long, flat and down-stream steel products.

- **Real estate:** Viohalco creates value through the development of its former industrial real estate assets in Greece and abroad (Noval S.A.) and also by providing a wide range of real estate services to its subsidiaries through a central framework (Steelmet Property Services S.A.).

- **Technology and R&D:** Viohalco's portfolio includes dedicated R&D companies and R&D centres within its subsidiaries, which focus on innovative and high value added products, efficient solutions for the optimisation of industrial and business processes, research into the environmental performance of plants and impact assessment of sustainable growth.

- **Recycling:** Viohalco's recycling segment trades and processes wastes into secondary raw materials, undertakes waste management and environmental operations and provides services to consumers and corporations.

Notes:
- *Cenergy Holdings was founded in 2016, following a cross-border merger by absorption of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme. Cenergy Holdings is listed on Euronext Brussels and Athens Stock Exchange.*
- *In December 2017, the merger by absorption of non-listed Elval by the listed on Athens Stock Exchange, Halcor was concluded, while the latter was renamed to ElvalHalcor Hellenic Copper and Aluminium Industry S.A. (ElvalHalcor). ElvalHalcor is listed on the Athens Stock Exchange.*

D. History of Viohalco

Viohalco Hellenic was incorporated over 80 years ago as a family business, and is now the holding company of some of Europe's leading metal processing companies.

1930s

The Company was incorporated in 1937 under the name Hellenic Copper Industry S.A.

1940s

The Company was listed on the Athens Stock Exchange in 1947.

1950s

- A period of intense investment in new machinery followed. A state-of-the-art aluminium rolling mill was introduced, paving the way for the launch of leading aluminium rolled products manufacturer, Elval.
- The Company was renamed Viohalco-Hellenic Copper and Aluminium Industry S.A.

1960s

- A significant corporate expansion included the launch of the steel producing segment and cable operations. Sanitary ware and tile production commenced.
- A holding company structure was introduced to secure independence and flexibility at subsidiary level.

1970s

A series of new companies were founded, including aluminium companies Etem S.A. and Elval S.A., a spin-off from Viohalco Aluminium.

1980s

The companies were restructured through multiple spin-offs, designed to form a cohesive corporate structure throughout all production units.

2014

- In February 2014, Viohalco completed a secondary listing of its shares on the Athens Stock Exchange.
- In November 2014, Elval merged with Etem, through absorption of the latter by the former.

CENERGY HOLDINGS

2013

- In November 2013, the cross-border merger by absorption of the Greek company Viohalco-Hellenic Copper and Aluminium Industry S.A. and the merger by absorption of the Belgian company, Cofidin S.A. by the Belgian company Viohalco, were completed.
- In November 2013, primary listing and trading of Viohalco shares on Euronext Brussels was achieved.

2015

- In July 2015, the cross-border merger by absorption of the Greek company Sidenor Holdings S.A. by Viohalco was completed.
- In September 2015, the aluminium rolling sector of Elval was spun off and renamed into Elval Holdings.
- The aluminium rolling operations were absorbed by 100% Elval's subsidiary Symetal (later renamed Elval Hellenic Aluminium Industry S.A.).

2016

- In February 2016, a cross-border merger by absorption of the Greek companies (Elval Holdings, Alcomet and Diatour) and the Luxembourg company Eufina by Viohalco was completed.
- In December 2016, a cross - border merger by absorption by Cenergy Holdings of the Greek listed companies Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings was completed.
- In October 2016, Steelmet Property Services was established through the transformation of the former Kifissos Mall S.A. The new company provides a wide range of real estate services to Viohalco companies at a centralised level.
- In December 2016, the merger of Noval S.A. with its subsidiaries Xenka S.A., Sanitas S.A., Corinth Retail Park S.A. and Sanitas Representation Offices S.A., through absorption of the latter by the former, was completed.

1990s

Major subsidiaries were listed on the Athens Stock Exchange and a capital increase was undertaken at Viohalco level to finance the swift expansion and consolidation of its subsidiaries in Greece and abroad.

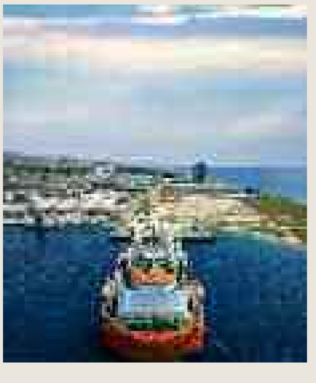
2011

Hellenic Cables acquired Fulgor, substantially increasing its cables production capacity and expanding its product portfolio into medium and high and extra high voltage submarine cables.

ELVALHALCOR
HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

2002

By 2002, Viohalco's portfolio companies comprised a series of highly promising investments including Bridgnorth Aluminium (United Kingdom), Stomana Industry (Bulgaria), Sofia Med S.A. (Sofia Med) (Bulgaria), Icme Ecab (Romania) and Corinth Pipeworks (Greece).



2017

- In December 2017, the merger of Elval Hellenic Aluminium Industry S.A. and Halcor Metal Works S.A. was completed, forming the new company ElvalHalcor.

Viohalco's companies' presence

Manufacturing sites in **8 countries**

Customers served in more than **105 countries**

A strong commercial network in **21 countries**

Markets

The markets served by Viohalco companies are as diverse as their product portfolio.

Building and construction

- Construction
- Building and architectural
- Water supply and sanitation

Energy and power networks

- Oil and gas
- Telecommunication and data networks
- Power networks
- Offshore and submarine networks
- Renewable energy industry

Transportation

- Road and rail industry
- Automotive industry
- Shipbuilding industry

Industrial applications

Power and electronic equipment

Industrial engineering

Other Markets

Mining and tunneling

Household appliances

Signage

Fish farming

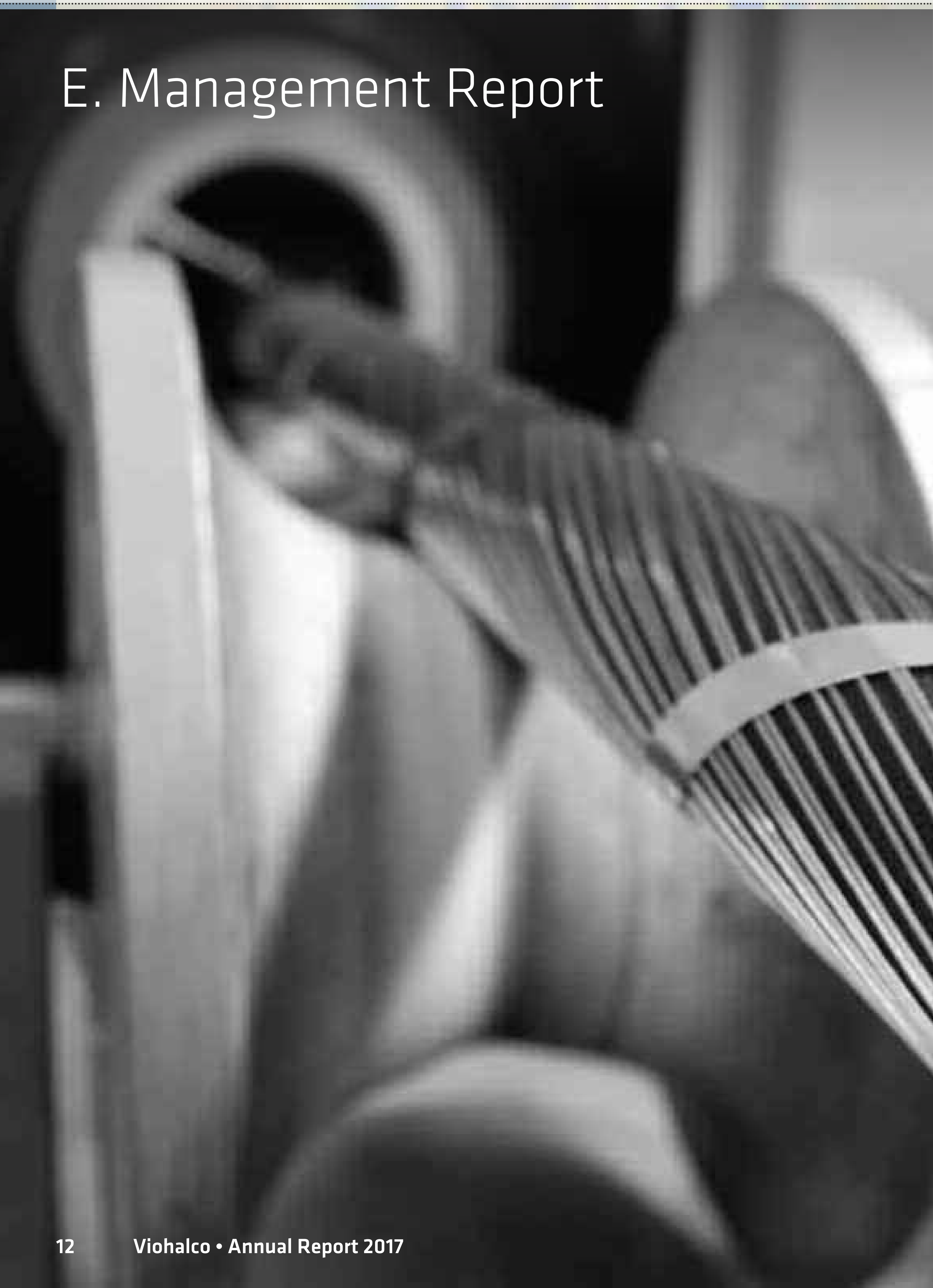
Refractories

Packaging Industry

Lithography Industry

Technology and R&D

E. Management Report



The Management Report prescribed by article 119 of the Belgian Companies Code which was approved by the Board of Directors on 22 March 2018 consists of this chapter (pages 12 to 70), the Corporate Governance Statement (pages 77 to 85), as well as the subsequent events (page a65).

Since 2013, Viohalco companies' operating environment has been characterised by a number of challenging external factors, such as volatile macroeconomic environment in their operating markets, metal price fluctuations, depressed demand in energy markets, a sustained recession in Greece and currency fluctuation.

Despite these, Viohalco companies have maintained a disciplined focus on improving their operational performance, implementing a number of significant initiatives during the period. Considerable investment into new technologies, research and the upgrade of existing facilities have enabled the companies to redefine and improve product and service offerings in key markets, resulting in the award of several significant projects. Viohalco companies have steadily reinforced their commitment to R&D with efforts in this area. Finally, by leveraging opportunities in emerging areas, Viohalco has strengthened its position in real estate and recycling.

a) 2017 Highlights and 2018 Outlook

Financial highlights 2017

- Consolidated revenue amounted to EUR 3,721 million, up by 19%, compared to EUR 3,119 million in 2016;
- Consolidated EBITDA of EUR 302.5 million, also improved by EUR 70.9 million compared to EUR 231.7 million in 2016;
- Consolidated profit before income tax of EUR 56.8 million, compared to EUR 6.8 million in 2016;
- Consolidated profit of the year EUR 83.8 million (2016: loss of EUR 7 million), EUR 27 million higher than profit before tax, due to deferred taxation;
- Consolidated profit attributable to the owners of the Company EUR 73.7 million, compared to a loss of EUR 6.4 million in 2016.

Overview 2017

2017 was a year of growth for Viohalco companies. The stronger performance was driven by increased sales volumes, cost-cutting measures arising from the significant investments into the optimisation of production processes and rising metals prices. The above, allowed Viohalco companies to capitalise on improved market conditions in the European industrials and metals sectors.

Sales volumes and profitability increased in both aluminium and copper segments, while lower production costs, production process optimization and the development of technological innovations further strengthened their global competitive position. The steel segment saw significant improvement in its financial performance with exports reaching high levels, as strategic investments into projects, such as the Dojran Steel rolling mill led to operational advances and increased production across the segment.

In the steel pipes segment, Corinth Pipeworks completed its largest ever contract, to supply pipes to the Trans Adriatic Pipeline, and also signed an agreement with Baltic Connector and Elering to manufacture and supply steel pipes for the Balticconnector offshore pipeline project. Despite project delays and low sales volumes in the main cable markets, the profitability of the cables segment remained stable versus 2016.

Finally, in the real estate segment, the River West-IKEA Shopping Centre reported record footfall, while the performance of the Wyndham Grand Athens Hotel has exceeded initial expectations, contributing considerably to the segment's rental income.

In December 2017, the merger of Elval Hellenic Aluminium Industry S.A. and Halcor Metal Works S.A. was completed, forming ElvalHalcor, a substantial export-focused industrial and financial entity in the aluminium and copper (non-ferrous metals) processing sectors. At the beginning of 2018, ElvalHalcor initiated a EUR 150 million investment programme. This investment will strengthen ElvalHalcor's commercial presence in aluminium packaging, industrial, transportation and architectural applications and lay the foundation for expansion in the automotive and aerospace sectors.

Outlook 2018

After a stronger year in the European industrials and metals market, further recovery is expected across Viohalco companies' operating markets as demand improves, although risks to financial and operational performance remain in 2018, including Brexit and protectionism, among others. Viohalco companies are well-positioned to take advantage of the improvements of market conditions, through further operational optimization, technological innovation and capitalization of their recent investments.

b) Business performance and activity report

Viohalco

Viohalco's consolidated revenue for 2017 was EUR 3,721 million, a 19% increase compared to EUR 3,119 million in 2016, mainly due to higher sales volumes in the aluminium, copper and steel segments.

Consolidated EBITDA increased by 31% year-on-year to EUR 302.5 million in 2017 (2016: EUR 231.7 million) driven by stronger results in the aluminium, copper, steel and real estate segments.

Net finance costs increased to EUR 110.4 million (2016: EUR 102.1 million), due to profit realized in 2016 from the acquisition of Eufina S.A. There was no significant variation regarding net interest cost between 2017 and 2016.

Viohalco's **consolidated profit before income tax** for the year was EUR 56.8 million, compared with EUR 6.8 million in 2016.

Consolidated profit for the period improved significantly and amounted to EUR 83.8 million, compared to a loss of EUR 7 million in 2016. In 2017, profit after tax is EUR 27 million higher than profit before tax, due to the recognition of deferred tax assets relating to carried forward tax losses and to thin capitalization rules.

Summary consolidated statement of profit or loss

Amounts in EUR thousand	2017	2016
Revenue	**3,721,311**	**3,119,198**
Gross profit	**349,597**	**287,555**
Gross profit (%)	9.4%	9.2%
a-Gross profit	**325,140**	**295,077**
a-Gross profit (%)	8.7%	9.5%
EBITDA	**302,546**	**231,680**
EBITDA (%)	8.1%	7.4%
a-EBITDA	**284,207**	**249,538**
a-EBITDA (%)	7.6%	8.0%
EBIT	**167,452**	**110,052**
EBIT (%)	4.5%	3.5%
a-EBIT	**149,114**	**127,910**
a-EBIT (%)	4.0%	4.1%
Net finance costs	**-110,432**	**-102,056**
Profit before income tax	**56,839**	**6,756**
Net margin before income tax (%)	1.5%	0.2%
Profit / Loss (-) of the period	**83,794**	**-6,930**
Profit / Loss (-) attributable to owners of the Company	**73,680**	**-6,383**

- *All percentages are vs. revenue*
- *EBITDA, EBIT, a-EBITDA and a-EBIT, are considered Alternative Performance Measures (APMs). For definitions and further information please refer to the section in APMs.*

Capital expenditure for the year amounted to EUR 122.4 million and **depreciation** for the year EUR 135 million.

Current assets increased by EUR 82 million, mainly due to higher inventories which were partially offset by lower trade receivables.

Current liabilities increased by EUR 110 million, due to higher trade payables and short-term loans. Viohalco companies' **debt** amounted to EUR 1,696 million, of which 90% are extended by Greek banks (or their subsidiaries abroad) and 10% by international banks and supranational financial institutions. Total debt comprises 42% long term and 58% short term facilities. Short term facilities are predominately revolving credit facilities. These are annually reviewed at various dates throughout the year. These facilities are customarily reapproved upon review and increased based on budgeted projections. Within those revolving credit facilities, short term loans of various maturities are drawn and, upon maturity, are automatically renewed as required.

Summary consolidated statement of financial position

Amounts in EUR thousand	As at 31 December 2017	31 December 2016
ASSETS		
Property, plant and equipment	1,743,632	1,783,156
Investment property	165,247	155,553
Other non-current assets	76,830	71,213
Non-current assets	**1,985,709**	**2,009,922**
Inventories	1,005,867	857,419
Trade and other receivables	509,740	576,187
Cash and cash equivalents	168,239	171,784
Other current assets	14,534	10,898
Current assets	**1,698,380**	**1,616,288**
TOTAL ASSETS	**3,684,089**	**3,626,210**
EQUITY	**1,229,218**	**1,148,239**
LIABILITIES		
Loans and borrowings	718,716	804,723
Deferred tax liabilities	98,312	147,763
Other non-current liabilities	96,801	94,043
Non-current liabilities	**913,829**	**1,046,529**
Loans and borrowings	977,071	894,491
Trade and other payables	544,414	506,804
Other current liabilities	19,557	30,148
Current liabilities	**1,541,041**	**1,431,442**
TOTAL LIABILITIES	**2,454,871**	**2,477,971**
TOTAL EQUITY & LIABILITIES	**3,684,089**	**3,626,210**

Performance by business segment

While each Viohalco company operates to a clearly defined strategy, set out in more detail in the respective sections below, all Viohalco companies seek to maximise value by:

- optimising their product and service offerings through continuous innovation,
- facilitating growth in existing and target markets,
- maintaining a customer oriented approach to marketing and product development,
- driving operating efficiencies by optimising utilisation of assets and managing cost, and
- being a responsible corporate citizen and nurturing employer.

Al Aluminium

Activities

The aluminium segment processes, manufactures and markets aluminium product solutions in various markets. With state-of-the-art production facilities in Greece, the United Kingdom and Bulgaria, Viohalco's aluminium companies maintain a dynamic commercial presence in most of their key geographical markets and are well positioned within the global aluminium industry.

Viohalco's aluminium companies have an established international presence in over 90 countries thanks to their commercial structure, which operates through Viohalco companies-owned sales offices and long-standing sales agents linked to a wider commercial network. This network includes business associates in Austria, Belgium, Bulgaria, France, Germany, Italy, Luxembourg, the Netherlands, Romania, Russia, Turkey, Ukraine, the United Kingdom and Ireland.

Product portfolio

Rolled products

- **Construction:** Mill finish and coated aluminium coils and sheets, etalbond® aluminium composite panels, corrugated and perforated sheets for building facades, orofe® coated strips for roofing applications, Ydoral® coated strips for rain gutters and other building and construction applications;
- **Rigid packaging:** Aluminium for food and beverage cans, closures, packaging caps and precision valves;
- **Flexible packaging:** Aluminium foil for household use and industrial applications, cigarette packaging, food, pharmaceutical and aseptic packaging;
- **Transportation sector:** Aluminium products for the automotive, marine, road and rail industries, and the HVAC & R sector;
- **Lithographic coils:** Coils for the production of printing plates, used as substrates in printing lines;
- **Household use:** Aluminium sheets and circles used as semi-finished product by manufacturers of domestic ware and cookware;
- **Industrial applications:** Aluminium sheets, coils and circles for engineering applications (i.e multilayer tubes).
- **Renewable energy applications:** Aluminium sheets and tread plates for wind turbines and solar thermal collectors.

Extruded products

- **Architectural systems:** Aluminium systems for doors, windows, building facades, curtain wall systems, sun shading systems, rolling shutters, ventilated facades systems, security systems, etc.
- **Industrial aluminium applications:** Aluminium profiles and processed hard alloy bars for various industrial uses:
  - General engineering applications: furniture, ladders, machine benches, heat sinks for electrical applications;
  - Building applications: scaffolding systems, lighting systems and special shading applications;
  - Energy applications: photovoltaic systems, solar water heaters, heat exchangers;
  - Transportation: aluminium profiles for truck bodies, trailers, bicycles and marine applications.
- **Automotive applications**: Extruded aluminium profiles and parts that have undergone special tooling and machining and are used in car chassis, suspension systems, doors and decorative aluminium profiles for roof railings, aluminium composite panels for special automotive applications.

Solutions

One of the main competitive advantages of Viohalco's aluminium segment is the ability of its companies to deliver innovative technical solutions. This is primarily due to investment and a strategic focus on R&D. Viohalco companies have founded internal R&D centres, such as the Elval Technology Centre, while dynamic working relationships that facilitate the exchange of technical and operational expertise have been established with research institutes and scientific bodies. These relationships include, among others Manchester University's School of Materials and the Research and Development Department of the United Aluminum Company of Japan (UACJ Corp.). Elval also cooperates closely with Elkeme, Hellenic Research Centre for Materials S.A., a Viohalco company that focuses on industrial research and technological development.

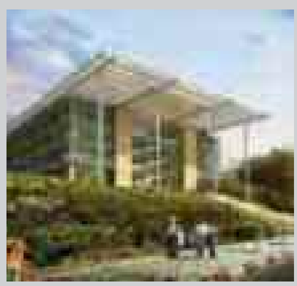
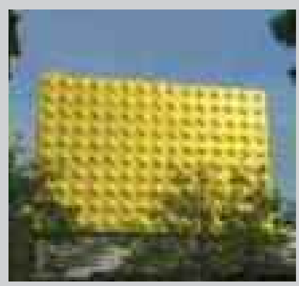
Viohalco companies benefit from a focus on product research and continually develop innovative improvements to customers' manufacturing processes. Examples of this











include specialised, highly-resistant products with anti-slip properties, products subjected to deep drawing and extrusion, tension levelled sheets with top-quality lacquer-coatings and products made of 100% recycled aluminium.

Viohalco's aluminium segment companies manufacture environmentally friendly products such as:

- Elval Colour's etalbond® aluminium composite panels and Elval ENF™ coated aluminium sheets for facades, Orofe® coated aluminium strips for roofing applications, and Ydoral® coated strips for rain gutters;
- Green alloy: an alloy produced solely from aluminium scrap;
- Brazing alloys: high-tech, multi-layer alloys for heat exchangers;
- Aluminium alloys for multi-layer tubes;
- Wide tread plates and mill finish sheets for wind turbines and solar panels for the renewable energy industry.

Key companies

The following key companies and business units make up Viohalco's aluminium segment:

ElvalHalcor aluminium rolling division (Elval) produces a wide range of rolled aluminium products. Elval's offices and production facilities are located in Oinofyta, Greece.

Symetal produces a variety of aluminium foil products, both plain and converted, used in packaging solutions for the food, pharmaceutical and tobacco industries. Symetal's production takes place at two manufacturing plants located in Oinofyta, Greece and Mandra, Greece.

Elval Colour produces and sells an extensive range of coated aluminium products and aluminium composite panels for the building envelope. The company exports 99% of its production to more than 60 countries. Its key competencies include custom-made solutions in colour shades and coating systems and building envelope applications. Elval Colour successfully developed incombustible aluminium composite panels with A2,S1, d0 classification, as per EN13501-1 and built a line for production of these. This positioned the company as the only vertically integrated ACP manufacturer in the world that sells to landmark projects and has R&D partnerships with an extensive network of architectural and industrial companies. Its production plant is located in Agios Thomas, Greece.

Vepal engages in aluminium coil and sheet coating and its production unit is located in Thiva, Greece.

Etem Bulgaria designs and produces aluminium systems for architectural applications and manufactures profiles for industrial application in the automotive and transportation industry, for shipbuilding, electronics and for photovoltaic systems.

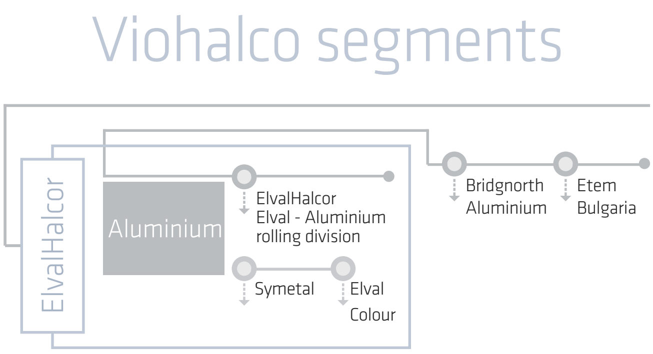
Etem exports to over 20 countries worldwide. With value added products and services for architects, investors and developers, Etem products are preferred for significant building developments throughout the world.

Bridgnorth Aluminium is headquartered in the United Kingdom and produces lithographic coils, semi-finished coils and electrical strip for transformer windings.

Viomal produces aluminium rolling shutters and insect screen systems, spacers for double glazing and retractable security doors. Its plant is located in Evia in Greece.

UACJ Elval Heat Exchanger Materials GmbH is a company jointly established by Elval and the United Aluminum Company of Japan (UACJ Corp.). It markets aluminium brazing products for cooling and heating solutions for internal combustion and electrically driven passenger cars, primarily in Europe.

Viohalco's main subsidiaries in the aluminium segment are:



Production Facilities

The aluminium manufacturing base includes nine production facilities in Greece, Bulgaria and the United Kingdom:

ElvalHalcor aluminium rolling division, Elval rolling plant | Oinofyta (Greece)
Annual production capacity: 280,000 tons
Elval's plant at Oinofyta is the aluminium segment's main production facility. It is active in aluminium rolling, and manufactures a wide range of flat rolled products for diverse and demanding applications in the rigid packaging, building and construction, sea, road and rail transportation, automotive, industrial, energy, cookware and HVAC markets. Elval is certified as per ISO 9001, IATF 16949, ISO 14001, OHSAS 18001, ISO 50001 and accredited for design, production and sale of aluminium rolled / painted products, manufacturing of aluminium rolled products intended for the automotive industry, environmental management and health and safety management, respectively. Elval is also certified by all major classification societies (ABS, BV, DNV, GL, KR, LRS, RINA), as an approved manufacturer for shipbuilding products.

Anoxal plant | Agios Thomas (Greece)
Annual production capacity: 49,500 tons
Through its horizontal casting facility, two melting furnaces, two holding furnaces and two homogenization furnaces,

Anoxal's Agios Thomas plant specialises in recycling and casting aluminium, and manufacturing billets and slabs.

Vepal plant | Thiva (Greece)
Annual production capacity: 45,000 tons
Vepal's plant in Thiva processes sheets and coils using wet and electrostatic powder coating in order to produce aluminium products for the construction, food, and automotive industries.

Elval Colour plant | Agios Thomas (Greece)
The Agios Thomas plant manufactures composite panels and corrugated sheets for the building sector in LDPE, FR and A2 core.

Elval Colour is accredited with ISO 9001, ISO14001, OSHAS 18001 production and quality control and BBA, DIBT, CSTB, UAE Civil Defense certified, for environmental management and health and safety management systems, respectively.

The production process and products of the plant are certified and audited by numerous rigorous national certification bodies. Elval Colour is a member of the European Aluminium Association Building Board (EAA), the Aluminium Association of Greece, and the European Coil Coating Association (ECCA).

Symetal Aluminium Foil rolling plant | Oinofyta, Viotia (Greece)
Annual production capacity: 52,000 tons
The rolling plant produces aluminium foil for various uses, including flexible and pharmaceutical packaging, food containers, household and various technical applications (cables, insulations, heat exchangers, etc.).

Symetal Foil converting plant | Mandra, Attica (Greece)
Annual production capacity: 26,000 tons
The converting plant carries out aluminium foil coating and/or paper lamination for products used for food and pharmaceutical packaging and cigarette inner liners.

Viomal plant | Nea Artaki (Greece)
Annual production capacity: 4,500 tons
At the Nea Artaki plant, Viomal manufactures aluminium rolls for doors, windows and garage doors, screen and shading systems and retractable security doors.

Bridgnorth Aluminium plant (Bridgnorth – United Kingdom)
Annual production capacity: 115,000 tons
The Bridgnorth plant produces lithographic coils for the manufacture of litho plates for offset printing. It also manufactures semi-finished coils for the production of aluminium foil, coils for the electrical transformer industry and heat and sound shielding raw material for the automotive sector.

Etem Bulgaria plant | Sofia (Bulgaria)
Annual production capacity: 27,000 tons
Etem Bulgaria's industrial complex in Sofia consists of a logistics centre which serves customers of extruded products in Central and Eastern Europe and the Balkans. It is active in aluminium extrusion and the manufacture of architectural, automotive and industrial profiles. The Etem Bulgaria plant features four extrusion lines; a vertical electrostatic powder coating line, a horizontal electrostatic powder coating line, a horizontal electrostatic powder coating line for wood-like surfaces and a thermo-break aluminium systems production line.

Corporate Strategy

The key strategic pillars of Viohalco's aluminium segment are as follows:

Production and quality
- Increase production capacity and further improve manufacturing effectiveness and operational competitiveness through investing in innovation, automation, business process reengineering and advanced personnel training;
- Remain focused on maintaining the highest quality across all product categories and fully utilise the cooperation of the companies with major European research centres and United Aluminum Company of Japan (UACJ Corp).

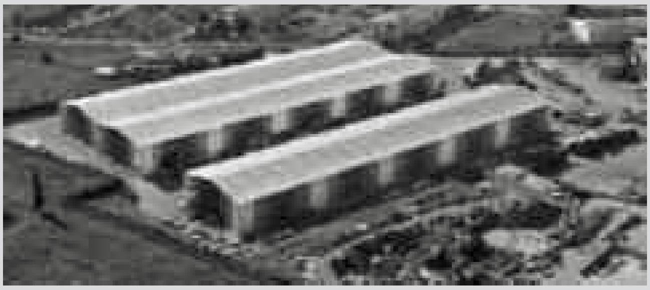
Commercial activity
- Strengthen the product portfolio with innovative solutions, supported by pre-sales and after-sales services;
- Fortify companies' presence and increase their share of new and existing international markets;
- Place greater emphasis on commercial activity in the extrusion sector;
- Expand presence in the lithography market;
- Increase sales volumes in line with increased production capacity and achieve a commercial shift towards high added value products.

Sustainable Development
- Promote corporate responsibility, protect the environment and further strenghten focus on Health and Safety measures in the workplace, through continuous investments.








2017 Financial Performance

In 2017, the aluminium segment increased its volumes and its **revenue** by 12% to EUR 1,206 million. **Profit before income tax** amounted to EUR 52 million versus EUR 36.1 million in 2016.

- In December 2017, the aluminium rolling division of ElvalHalcor signed a loan contract of EUR 70 mil. with European Investment Bank (EIB), for 7 years, for the financing part of its new EUR 150 million investment program.
- A new plant adjacent to the Oinofyta plant was acquired and the reallocation of some machinery is currently underway.
- A third continuous casting line started operation, increasing the production capacity and output of the Oinofyta plant in 2017.
- During 2017, the pre-treatment Globus line facilitated a further increase in sales in food packaging and multilayer tubes markets.
- The completion of certain investments allowed the Company to enhance its presence in thick gauge aluminium sheets (plates), mostly applicable in the ship building industry.
- At **Bridgnorth Aluminium**, revenue increased by 21 % compared with the previous year, mainly due to higher LME prices. The Company also further consolidated its use of new lithographic facilities. Profitability was adversely affected however by bad debt and year end foreign exchange valuations.
- In 2017, **Etem Bulgaria** produced and delivered 21,300 tons of aluminium products, a new record for the company. As planned, the segment's product mix is shifting to more added value products which will ultimately strengthen the segment's financial performance. High demand for extruded aluminium products for various applications seen in 2017 triggered the strategic decision to re-commence operation of the extrusion line in the Magoula Plant, Greece.

The summary consolidated statement of profit or loss of the **aluminium segment** is as follows:

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**1,206,018**	**1,078,173**
Gross profit	**116,887**	**101,351**
Gross profit (%)	9.7%	9.4%
a-Gross profit	**93,296**	**98,874**
a-Gross profit (%)	7.7%	9.2%
EBITDA	**125,389**	**108,086**
EBITDA (%)	10.4%	10.0%
a-EBITDA	**102,423**	**104,265**
a-EBITDA (%)	8.5%	9.7%
EBIT	**69,260**	**57,600**
EBIT (%)	5.7%	5.3%
a-EBIT	**46,293**	**53,779**
a-EBIT (%)	3.8%	5.0%
Profit before income tax	**52,022**	**36,114**

- *All percentages are vs. revenue*

Over the next two years, EUR 150 million will be invested in equipment, technology and infrastructure. This investment program aims to increase the production capacity of the **aluminium rolling division of ElvalHalcor** (**Elval**) by more than 20% and to set the basis for additional future investments that will more than double the capacity. This investment will allow ElvalHalcor to strengthen its presence in aluminium packaging, industrial, transportation and architectural applications and lays the foundation for future expansion into the automotive and aerospace sectors. Within the framework of this investment program, the segment announced the signing of a contract for the installation of a new four-stand tandem aluminium hot finishing mill for its Oinofyta plant. Furthermore, through its technology department and its cooperation with Elkeme and UACJ Corp., the aluminium segment aims to develop further innovative products and solutions.

As new lithographic facilities are more fully utilised, a further increase in sales volumes is expected at **Bridgnorth Aluminium**. However, as Bridgnorth Aluminium continues to be exposed to political uncertainty related to Brexit and recent developments in the US Government's 232 deliberations, it will adopt a cautious approach to new investments during 2018 and maintain its focus on improving internal performance.

Etem Bulgaria will focus on meeting the increasing demand for architectural and automotive products, driven by projects already secured for 2018. New investments will be concentrated in improving the processing and treatment of post extrusion products, which will add further value to the company's downstream operations.

Further information on Elval is available on its website:

www.elval.gr

Cu Copper

Activities

In the copper industry, Viohalco operates through Halcor, the copper tubes division of ElvalHalcor, and the copper segment subsidiaries, Sofia Med S.A. (Sofia Med) in Bulgaria and Fitco S.A. (Fitco) in Greece. Through a wide product portfolio which primarily comprises copper and brass tubes and copper and brass extruded and rolled products, Halcor and the copper subsidiaries, cater to the complex needs of their international clientele, located across most major geographical markets.

Product portfolio

Halcor and the copper subsidiaries provide their clients with active solutions, catering to most consumer and industrial requirements. The main product categories are:

- **Tubes:** Talos®, Talos®Ecutherm™, Cusmart®, Talos® Plastic Coated, Talos® Gas, Talos® Med, Talos® ACR, Talos® ACR Inner Grooved, Talos® ACR Ecutherm™, Talos® Geotherm, Talos® Ecutherm™ Solar, Talos® Solar Plus, Talos® ACR Linesets, Talos® Form, and Talos® Plated copper tubes.
- **Rolled products:** Copper and brass strips, sheets, discs and plates and special copper alloy strips.
- **Extruded products:** Copper bus bars and rods, brass copper alloy rods and tubes, sections and wires, along with UR30 copper alloy wire and net for cage farming aquaculture.

Halcor and the copper subsidiaries have a strong track record of developing products which strengthen their commercial presence.

Key product examples include:

- Talos® Ecutherm™: pre-insulated copper tube with advanced insulating characteristics;
- Cusmart®: a patented flexible copper tube coated with a special PE compound;
- Talos® Geotherm: coated, PVC-insulated copper tube used in geothermal applications;
- Talos® ACR Inner Grooved tubes: Halcor's production technology for TALOS® IGT copper tubes enables the manufacture of advanced inner-groove designs in a complete range of sizes, from 16mm outside diameter to new generation microgroove™ tubes with an outside diameter of 5mm or less. Halcor is one of the few manufacturers in the world able to offer this.
- Talos® plated copper tubes: combine excellent technical attributes with a unique design for installation applications;
- Talos® Form: copper tubes for exceptional forming capability.

Key manufacturers

The copper segment's key manufacturers are as follows:

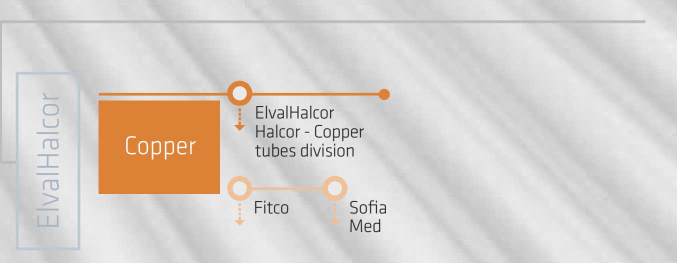
Halcor, the copper tubes division of **ElvalHalcor**, operates two production plants in Greece. It manufactures copper tubes for building installation and a variety of industrial applications. Uses of its products include water supply, heating, cooling and natural gas networks, air-conditioning and refrigeration (HVAC&R).

Sofia Med in Sofia, Bulgaria, produces copper and copper alloy rolled, as well as copper extruded products.

Fitco's production facility in Oinofyta, Greece, produces copper alloy extruded bars, sections, rods, wires and tubes, copper alloy wire and net for cage farming aquaculture.

The main subsidiaries of Viohalco in the copper segment are:

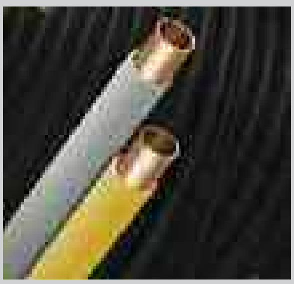
Viohalco segments



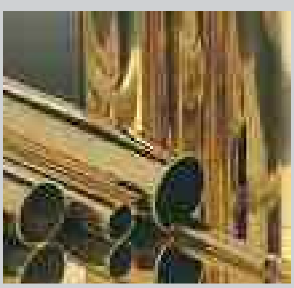










Production Facilities

The copper segment companies industrial base comprise four primary manufacturing facilities in Greece, Bulgaria, and Turkey.

Halcor Foundry | Oinofyta (Greece)
Annual production capacity: 235,000 tons
Halcor's foundry in Oinofyta produces semi-finished copper, copper alloys and brass products in billet and slab form. The plant has a fully operational copper and copper alloy scrap sorting and recovery centre and is certified under ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001.

Halcor Copper Tubes plant | Oinofyta (Greece)
Annual production capacity: 75,000 tons
The state-of-the-art copper tubes plant in Oinofyta produces copper tubes for heating, water supply, natural gas networks, air conditioning and refrigeration (HVAC&R) and industrial applications, including fittings, filters and cable shoes. Its manufacturing facilities are certified under ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001.

Fitco Extrusion plant for Brass and Copper alloy products | Oinofyta (Greece)
Annual production capacity: 40,000 tons
Fitco primarily produces solid and hollow copper alloy rods and sections, copper alloy wire and bars, seamless copper alloy tubes of different cross-sections, welded copper alloy tubes with a circular cross-section and copper alloy wire and net for cage farming aquaculture. The plant's facilities are certified under ISO 9001, ISO 14001 and ISO 18001 and its products comply with several quality specifications (EN, DIN, BS, NF, ASTM).

Sofia Med Copper Processing plant | Sofia (Bulgaria)
Annual production capacity: 125,000 tons
Sofia Med produces copper, brass and special copper alloy flat products, copper bus bars and rods. Its production facilities are certified under ISO 9001, ISO 14001 and OHSAS 18001.

Halcor has allocated significant resources to R&D, as part of its strategic focus on innovation. Within this framework, alongside other initiatives, Halcor cooperates with Elkeme Hellenic Research Centre for Metals S.A. (Elkeme) to conduct applied technological research related to the quality characteristics and attributes of metal products, the development of new, innovative solutions and the improvement of current production processes.

Corporate Strategy

The key strategic pillars of Halcor and the copper subsidiaries are as follows:

Product and service portfolio

- Reinforce the Halcor product portfolio with innovative, high added value products through a continued focus on R&D;
- Establish a customer oriented business approach across all activities and processes and further improve the already exemplary after-sales service.

Commercial development

- Further increase international sales through the expansion of underdeveloped product segments in attractive geographical regions, such as the US, Benelux, North Africa, Scandinavia, the Gulf, the Baltic and Eastern Europe, while also fortifying Halcor's leading position in South-Eastern Europe;
- Focus on commercial utilisation of Halcor's reorganised production base and commercial synergies;
- Continue efforts to promote selected high-value product categories, including innovative tubes.

Production and operations

- Further improve Halcor's efficiency and decrease its fixed production costs;
- Uphold efforts to improve Halcor's environmental performance;
- Increase the share of copper scrap used by Halcor;
- Maintain high quality attributes in Halcor's products;
- Maintain a nurturing working environment.

2017 Financial Performance

In 2017, the copper segment saw significant growth in sales volumes and increased utilization rates that led to improved segment results. **Revenue** stood at EUR 930.8 million versus EUR 751.3 million in the prior year. **Profit before income tax** amounted to EUR 19.5 million.

- Sales of copper tubes continued to grow and anti-dumping duties imposed in Turkey did not hinder the rising trend in sales.
- As a consequence of higher global demand and continued improvements in quality and service at **Sofia Med**, sales of copper and copper alloy rolled products saw significant growth, particularly in products used for industrial applications. In contrast, sales of copper rolled products used in roofing applications decreased, as a result of the ongoing substitution of copper for this purpose. During the year, Sofia Med focused on products used in industrial applications with higher profitability and these now represent the largest portion of its sales, reversing the previous trend.
- In the extruded alloys segment, during the year Fitco focused on higher value-added products, like alloy tubes. As a result, production and sales of alloy tubes almost doubled, while alloy rod production remained flat compared to the previous year.

The summary consolidated statement of profit or loss of the **copper segment** is as follows:

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**930,804**	**751,340**
Gross profit	**76,128**	**55,252**
Gross profit (%)	8.2%	7.4%
a-Gross profit	**64,655**	**50,324**
a-Gross profit (%)	6.9%	6.7%
EBITDA	**58,084**	**36,298**
EBITDA (%)	6.2%	4.8%
a-EBITDA	**46,553**	**31,900**
a-EBITDA (%)	5.0%	4.2%
EBIT	**44,232**	**25,274**
EBIT (%)	4.8%	3.4%
a-EBIT	**32,700**	**20,876**
a-EBIT (%)	3.5%	2.8%
Profit before income tax	**19,539**	**248**

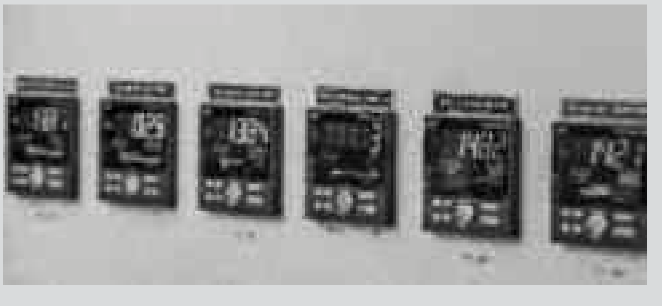
- *All percentages are vs. revenue*

Looking to 2018, as long as international economic conditions continue to improve, positive trends in demand for industrial products are expected. The segment also continues to benefit from investments made during the previous year and from its strategic shift towards industrial products.
Strong demand for industrial rolled products is expected to continue and **Sofia Med** is well-positioned to take advantage of this by increasing utilization and sales.
Following the signing of an agreement to acquire 50% of Netherlands-based Nedzink B.V., and on approval by the competition authorities, the segment will invest EUR 15 million to establish a new joint-venture to develop titanium zinc products.

Further information on Halcor is available on the website:

www.halcor.com


ΧΑΛΚΟΡ



ElvalHalcor Hellenic Copper and Aluminium industry S.A. (ElvalHalcor) is a leading global industrial producer of aluminium and copper.

The Company was formed in December 2017 through the merger of Elval, a leading European aluminum rolling company, and Halcor, the largest copper tubes producer in Europe. It is listed on the Athens Stock Exchange (Athex).

As a combined entity, ElvalHalcor capitalises on natural synergies in innovation and technology, research and development (R&D), procurement, marketing, infrastructure and environment to produce value-added, high-quality solutions for its customers around the world.

ElvalHalcor's success is derived from its commercial export orientation, customer-focused philosophy and innovation which come through continuous investment in R&D.

The Company has over 80 years of experience, a strong production base across 12 industrial units, a market presence in over 100 countries, and highly experienced and specialised personnel.

ElvalHalcor S.A.

ElvalHalcor is active in many dynamic, growing markets, including:

- Automotive and shipbuilding
- Packaging
- Energy and power networks
- Renewable energy
- Industrial applications
- Water supply
- Heating, ventilation, air conditioning and refrigeration (HVAC & R)
- Building and construction

ElvalHalcor is an important player in the non-ferrous metals industry. It successfully navigates the challenges of an evolving business environment whilst providing value to stakeholders through sustainable growth and development.

ELVALHALCOR
HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

12	102	14	21	80
12 State of the art production plants in three countries	Sales in 102 countries	Subsidiaries and Associates	Strong commercial networks in 21 countries	Years experience

Fe Steel

Activities

With over 55 years of industry experience and expertise in steel, Sidenor, Stomana Industry and their subsidiaries constitute the steel production and trading segment of Viohalco, which offers high quality and innovative solutions to its customers.

Sidenor is a leading producer of steel products in South East Europe. Its extensive product portfolio, which includes long, flat and downstream steel products, is manufactured across nine facilities in Greece, Bulgaria, Romania, FYROM and Australia and project locations span Germany, the Balkans, Algeria, Israel and the U.S.A.

Sidenor Group is a global supplier, providing a range of solutions to the steel sector and catering to the complex needs of clients worldwide.

The key features of Sidenor, Stomana Industry and their subsidiaries' products are:

- outstanding quality;
- strict adherence to applicable standards and regulations;
- excellent customer service due to extensive sales and logistics network;
- innovative characteristics, which provide customers and end users with added value.

Product portfolio

The companies in the steel segment provide solutions to international clients for a variety of industrial applications, including buildings, roadworks, metro stations, bridges and shopping malls, hydroelectric dam projects, engineering applications and for the shipbuilding and automotive industries, via a portfolio of value added products and solutions.

The product family is structured as follows:

- **SD integrated reinforcing system**: The SD integrated concrete reinforcing system is Sidenor's product response to significant demand for high ductility steel to provide increased protection against earthquakes. The system consists of SD concrete reinforcing steel, SD stirrup reinforcing mesh, Sidefit special mesh, SD wire mesh, Sidefor and Sidefor Plus prefabricated stirrup cages, Inomix steel fibres and lattice girders.
- **Wire rod**: Wire rod of S.A.E 1006, 1008, 1010 grades, RSt37-2 electrode quality, in cross sections from Ø5.5 to Ø16.0, which is suitable for a wide range of size reduction applications and meets all low-carbon wire production needs.
- **Special Bar Quality steels (SBQ)**: Hot-rolled round bars (diameter: 22-120mm) and peeled, turned and polished round bars (diameter: 30-115mm) in a wide range of steel grades used to produce components for hydraulic and linear shafting systems, industrial machinery, earth moving and agriculture machines and vehicles, cranes and lifting equipment, forging parts, for fasteners and also in parts in the automotive industry.
- **Steel plates**: Manufactured in accordance with EN and ASTM European and American standards, and also more specific certifications for shipbuilding, boilers, etc. Plates are intended for general construction purposes, ship-building, manufacturing of tanks, pressurised boilers, bridges, coach works, pipes, agricultural machinery, machinery components etc.
- **Merchant bars**: Sidenor is the sole producer of merchant bars in Greece. Its portfolio of merchant bars consists of hot-rolled square bars, hot-rolled flat bars of rectangular cross-section, hot-rolled round bars of circular cross-section, hot-rolled equal angle bars with round edges, I-section beams (IPE), and UPN channels.
- **Steel balls for grinding**: Steel balls for grinding are produced in various diameters ranging from 60mm to 100mm. They are used for grinding ore in mills, most commonly in metal mining. To optimise its function for a specific metal, different hardness levels of the product can be used.
- **THN Mining profiles**: THN mining profiles have been developed for use in the production of steel arches for public works and underground mines, as well as formworks for tunnels. The use of THN profiles in tunnel and roadway support provides higher resistance and a yielding support.
- **Boron flats**: Boron steel flats bars are utilised where high strength, impact resistance, good bendability and

weldability are required. Hot-rolled boron flats are used in the fork-lift industry in the production of lifting forks.

- **Welding products**: Erlikon Wire Processing S.A. (Erlikon) produces a complete range of welding electrodes and wires. Its steel products cover a wide range of welding, hard-facing and cutting applications. The quality offered meets the precise requirements of the construction and ship-building sectors, raw materials and power industries, as well as the chemical and food industries. Various types of electrodes and welding wires are made available for non-alloyed and low-alloyed steels, fine-grained structural steels, hard-facing, heat-resistant steels, stainless and heat-resisting steels and also for cast iron and aluminium.
- **Wire products**: Wire products are manufactured by the subsidiary Erlikon and used in a variety of applications. The wire products produced by Erlikon are divided into the following categories:
  - Black soft and hard wires;
  - Common soft galvanised wires, semi-hard and heavily-galvanised wire under the trade names Syrgal, Syrgal Hard and Extragal, respectively;
  - Welded galvanised mesh in rolls and sheets under the trade names Perinet and Overnet, respectively;
  - Steel fibres for concrete reinforcement under the trade name Inomix (part of the SD Integrated Reinforcement System);
  - Double-twist hexagonal mesh (serasanetti) in rolls and gabions.

In order to achieve the optimum balance between operational and commercial flexibility, and production effectiveness, the steel segment has adopted an operational structure focused on the following three areas:

- Mini-mills;
- Downstream operations for steel product processing;
- Sales and distribution.

Key companies

Steel segment key companies are:

Sidenor Steel Industry produces a wide range of steel products including billets, SD concrete reinforcing steel (in bars and coils), wire rods and merchant bars.

Sovel produces SD concrete reinforcing steel in bars, spooled coils, SD stirrup reinforcing mesh, SD wire mesh and mesh as well as Sidefit, Sidefor and Sidefor Plus product lines.

Stomana Industry has production facilities in Pernik, Bulgaria that manufacture a variety of steel products, including steel quarto plates, SBQs (special steels), SD concrete reinforcing steel in bars, steel balls for grinding, special profiles (THN and boron flats) and merchant bars.

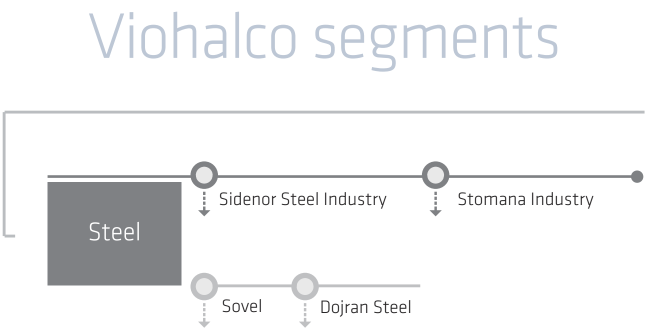
Dojran Steel has production facilities in Nikolic, FYROM. The company produces merchant bars, SD concrete reinforcing steel in bars, SD wire mesh, galvanized mesh, double twist hexagonal mesh (serasanetti) and lattice girders.

Erlikon is the sole producer of welding products in Greece. It primarily manufactures welding electrodes, copper-plated wires, galvanized and black wires, and concrete reinforcing steel fibres.

Port Svishtov West supports the strengthening of Stomana Industry's links with Central and Western Europe. The port is situated on the banks of the Danube River, 1,840 km from the port of Regensburg, where materials are frequently dispatched by barges and subsequently delivered via trucks/wagons to their final destination.

SmartReo Pty Ltd (SmartReo) has production facilities in Wacol, Brisbane, QLD, Australia and manufactures a variety of industrial prefabricated steel reinforcing products such as Sidefit, Sidebent and Sidefor mesh.

The main companies of Viohalco in the steel segment are:

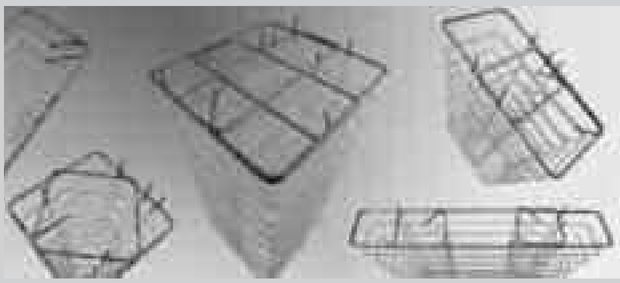


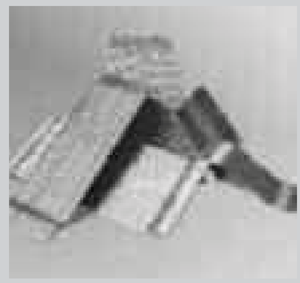
Production facilities and port

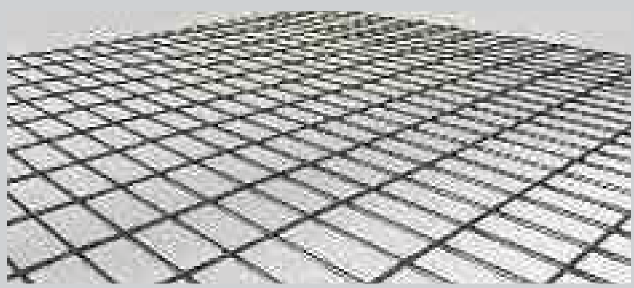
To establish and maintain a strong competitive advantage, Viohalco's steel companies have focused on and invested significantly in reinforcing their production base over the past two decades. Through these long-term efforts to modernise and upgrade their manufacturing sites, Sidenor Steel Industry, Stomana Industry and their subsidiaries have become vertically integrated, and able to deliver high value-added solutions.

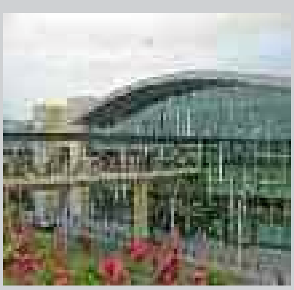
Viohalco's steel manufacturing facilities are as follows:

Sidenor Steel Industry plant | Thessaloniki (Greece)
Annual production capacity: meltshop: 800,000 tons, long products rolling mill: 800,000 tons (upon completion of investments).
Sidenor Steel Industry's Thessaloniki plant primarily produces billets, SD concrete reinforcing steel (in bars and coils), merchant bars and wire rod products. Its facilities have been qualified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.









Sovel plant and port | Almyros (Greece)
Annual production capacity: meltshop: 1,350,000 tons, long products rolling mill: 1,200,000 tons.
Sovel's state-of-the-art production facilities produce a wide range of products including billets, SD concrete reinforcing steel, SD spooled coils, SD wire mesh, SD stirrup reinforcing mesh, Sidefit special mesh, and Sidefor and Sidefor Plus prefabricated stirrup cages. The plant has access to privately owned port facilities and is certified under ISO 9001, ISO 14001 and OHSAS 18001.

Stomana Industry plant | Pernik (Bulgaria)
Annual production capacity: meltshop: 1,400,000 tons, long products rolling mill: 1,000,000 tons, plate products rolling mill: 400,000 tons.
The Stomana Industry plant represents a key investment for the steel segment. Its product portfolio includes SD concrete reinforcing steel, steel quarto plates, SBQ-Special Steels, merchant bars, steel balls, special profiles, beams and continuously cast semi-products (billets, blooms and slabs). The plant is certified under ISO 9001, ISO 14001 and OHSAS 18001 and its products meet the requirements of EN, DIN, ASTM, JIS, BS, Lloyd's Register and Germanischer Lloyd.

Erlikon plant | Kilkis (Greece)
Erlikon is the sole producer of welding products in Greece and its production plant primarily manufactures welding electrodes, copper-plated wires, galvanised and black wires, galvanised mesh in rolls and sheets and concrete reinforcing steel fibres. Its facilities are certified under ISO 9001 and OHSAS 18001.

Dojran Steel plant | Nikolic (FYROM)
Annual production capacity: long products rolling mill: 200,000 tons, wire mesh production unit: 20,000 tons, lattice girders unit: 10,000 tons.
The Dojran Steel plant in FYROM produces SD concrete reinforcing steel, merchant bars, SD wire mesh and double-twist hexagonal mesh (serasanetti). Its facilities are certified under ISO 9001, ISO 14001and OHSAS 18001.

Port Svishtov West I (Bulgaria)
Port Svishtov West S.A. is on the banks of the Danube River, 1,840 km from the port of Regensburg. The port was acquired to link Stomana Industry with Central and Western Europe in a more efficient way, in line with the company's strategic goals.

SmartReo Pty Ltd (SmartReo) I Brisbane (Australia)
SmartReo manufactures prefabricated reinforcing steel for the Australian market using Synthesis™ technology, in conjunction with other state-of-the-art technologies, at a high-tech facility situated in Wacol, Brisbane. The company is a Joint Venture (JV) between Sidenor and Thiess, one of Australia's biggest construction companies.

Prosal tubes plant I Pernik (Bulgaria)
Prosal produces and trades pipes made of cold and pre-galvanised steel.

Corporate Strategy

Viohalco's steel companies have the following strategic objectives:

- Continuous investment in strengthening international competitiveness;
- Leveraging high capacity production facilities and a broad sales network to establish a fortified market position in Central Europe, the Balkans and the neighbouring countries of the Eastern Mediterranean;
- Optimising operating efficiencies through cost reduction, strict working capital management, updated logistics processes and ongoing investment in personnel training;
- Maintaining efforts to reduce environmental impacts.

2017 Financial performance

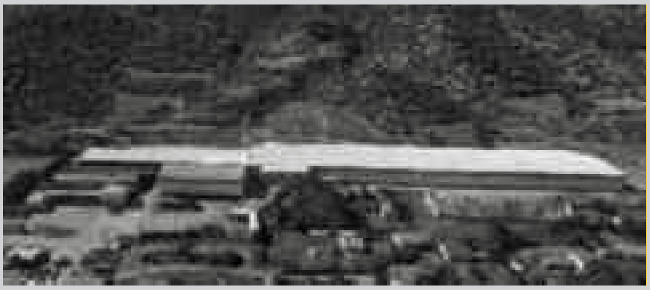
The recovery of the steel industry on a global and regional scale has allowed the steel segment to maintain its position as a dominant player in Greece and the Balkans, and to establish a stronger presence in both Central Europe and MENA markets. During the downturn experienced by the industry in recent years, the segment was proactive, undertaking major strategic investment projects aimed at improving the efficiency of production units, while maintaining high product quality and a high level of customer service.

As a consequence of this, 2017 was a year of growth for the segment, which allowed it to attain high profit margins and significantly increased sales volumes. The steel segment achieved higher exports by introducing its products to new markets and establishing a stronger presence in existing ones.

The benefits of exporting for the segment were the increase in sales potential, the identification of new opportunities and the increase in profits. Shrinkage in the Greek steel market did not affect the segment, and its efforts to increase market share in both the local and regional markets were successful in 2017. This success came as a result of the steel segment's strategic decision to channel increased production volumes to markets such as Romania, Albania, Central Europe and the MENA region, while simultaneously maintaining the volume sold to existing customers in Greece at 2016 levels.

In 2017, steel **revenue** increased by 40% year-on-year to EUR 765.2 million (2016: EUR 546.8 million), mainly due to increased sales volumes. **Profit before income tax** amounted to EUR 3.3 million, a significant improvement compared to a loss of EUR 22.5 million in 2016.

- In 2017, the steel segment successfully completed a strategic investment in the Dojran Steel rolling mill. The new mill became fully operational in Q3 2017 and now produces a wide range of merchant bars. Major benefits of the investment include the ability to produce merchant bars in non-standard sizes, inventory management



efficiencies, an improvement in product quality and cost efficiencies. Producing merchant bars at the new versatile, state-of-the art Dojran Steel rolling mill has facilitated the release of resources at the Sidenor plant, allowing the latter to increase production of wire rod to cover increased local and regional market demand.

- The operation of billet reheating induction furnaces in both the Sidenor and Sovel plants became fully stabilized. Cost benefits have been realised and have exceeded those expected in the initial feasibility study.
- At **Stomana Industry**, special steels (SBQs) sales volumes increased by 27% in 2017 versus 2016, mainly driven by the development of new qualities and increased demand. The gradual recovery of plates' sales, which were adversely affected by Chinese imports into European markets in 2015 and early 2016, continued in 2017 and resulted in a 51% sales increase versus the prior year. This trend was mainly driven by the introduction of antidumping duties by the EU in 2016, which resulted in a sharp decline in imports of Chinese plate into Europe.
- A higher capacity utilization rate enabled the Bulgarian plant to achieve an improved cost structure. More specifically, the capacity utilization rate of Stomana Industry's plate mill grew by 35% in 2017 (from 61% in 2016 to 82% in 2017), reaching almost maximum production capacity for a specific product mix. Quarto plate sales increased in all targeted regions and market segments, including steel construction, manufacturing, shipbuilding and automotive.
- The ongoing development of Special Bar Quality steels (SBQ) has positioned Stomana Industry as a reliable partner for industrial component producers and distributors of engineering steel. This position will be further enhanced by investment in an inspection system with phased array technology, a quenching and tempering line and technology for improving traceability which is already underway.
- Throughout the year the supply chain department was restructured to facilitate and optimize the flow of products and information in order to improve relationship management processes and business efficiency.

The summary consolidated statement of profit or loss of the **steel segment** is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	**765,243**	**546,769**
Gross profit	**70,656**	**45,584**
Gross profit (%)	9.2%	8.3%
a-Gross profit	**76,997**	**54,394**
a-Gross profit (%)	10.1%	9.9%
EBITDA	**71,191**	**40,885**
EBITDA (%)	9.3%	7.5%
a-EBITDA	**75,156**	**48,727**
a-EBITDA (%)	9.8%	8.9%
EBIT	**35,956**	**8,604**
EBIT (%)	4.7%	1.6%
a-EBIT	**39,922**	**16,446**
a-EBIT (%)	5.2%	3.0%
Profit/ Loss (-) before income tax	**3,315**	**-22,468**

- *All percentages are vs. revenue*

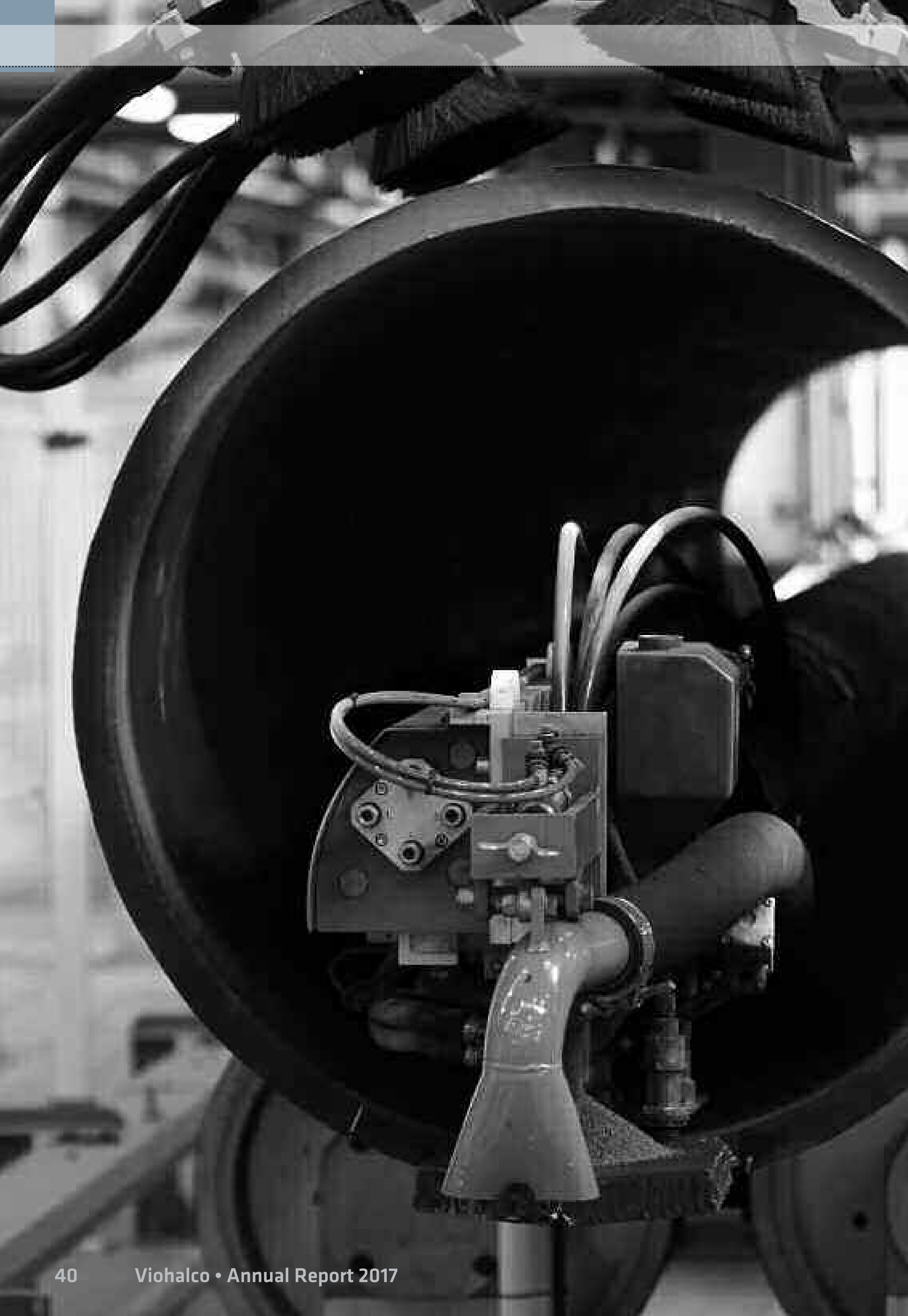
In 2018, the steel plants will focus on operational excellence and optimizing cost structure to achieve higher profitability margins. Mini mills will focus on growing operations and achieving greater production cost efficiencies through increasing capacity utilization rates in each plant.

The strategic investment in **Dojran Steel** plant will result in improved resource efficiency, as merchant bars and wire rod production will substantially increase, while labour and logistics costs will reduce. **Stomana Industry** will focus on developing high value added products (SBQs) further to attract new customers and retain existing ones, relevant to the construction of machines and hydraulic components and automotive industry applications.

The steel segment will also seek to further penetrate the Balkan markets by strengthening its position with existing and new customers in the area, such as Romania, Albania, Serbia and the rest of the Balkans. The implementation of new technologies, as well as the use of technologically advanced equipment will significantly contribute to both the segment's profitability and its sustainable future.

Further information on the steel segment is available on the Sidenor Steel Industry website:

www.sidenor.gr



Steel Pipes

Activities

Following the cross-border merger by absorption by Cenergy Holdings of the formerly listed Greek companies Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A Holdings Société Anonyme in December 2016, **Corinth Pipeworks** is now a subsidiary of **Cenergy Holdings**.

With industrial plants in Greece and Russia and substantial experience in implementing demanding projects worldwide, **Corinth Pipeworks** is a supplier of choice for oil, gas and international construction companies. Corinth Pipeworks primarily produces steel pipes for oil, gas and water transportation, oil and gas extraction and hollow structural sections for construction applications.

Corinth Pipework's clients include Chevron, BP, BG, Shell, Depa, Desfa, OMV, GRTGAZ, Snam, ENI, Socar, National Grid, RWE, Spectra Energy, Plains All American, Energy Transfer, Denbury, DCP Midstream, MRC, Spartan, EPCO, Total, Enbridge, Cheniere Energy, DNOW, Talisman, STEG, Sonatrach, PDO, OGC, Saudi Aramco, Exxon Mobil, ABB, EDF, TIGF, Saipem, Subsea 7, Noble Energy, Technip, Genesis, Allseas, Gaz System, Subsea 7, Wintershall, Qatar Petroleum, KPO, Gasco, and Pemex among others.

The segment's operational efficiency and commercial achievements are driven by its ability to manufacture cutting edge products and remain at the forefront of its field through investment in research and development. To this end, Corinth Pipeworks collaborates with international research organisations, such as the European Pipeline Research Group (EPRG) and the Welding Institute and regularly participates in research projects, which are linked to its core business activities.

The Prosal tubes plant in Bulgaria is also a part of Viohalco's steel pipes segment.

Product Portfolio

Corinth Pipeworks produces steel pipes for oil, gas, CO_2, water and slurry pipelines, as well as casing pipes for drilling operations. The Group also produces a wide range of structural hollow sections for the construction sector. Corinth Pipeworks' long history of innovation and 'one-stop-shop' integrated services have secured its position as one of the world's major steel pipe suppliers.

The Corinth Pipeworks Group's three main product categories are:

- **Line pipes**: They are manufactured either in the Group's high frequency induction welding unit (HFW) or the helically submerged arc welding unit (HSAW). Their primary uses are in oil, gas, CO_2 and water transportation networks. A new LSAW/JCOE pipe mill has been installed for the manufacture of medium/large diameter and heavy gauge pipelines to meet the increasing market demand for offshore and deep offshore pipelines.
- **Casing pipes**: These high-frequency induction welded pipes (HFW) are used in oil and gas extraction drills. The product range offered for this application has been expanded by the installation of the new LSAW mill.
- **Hollow structural sections**: Used in the construction sector.

Services

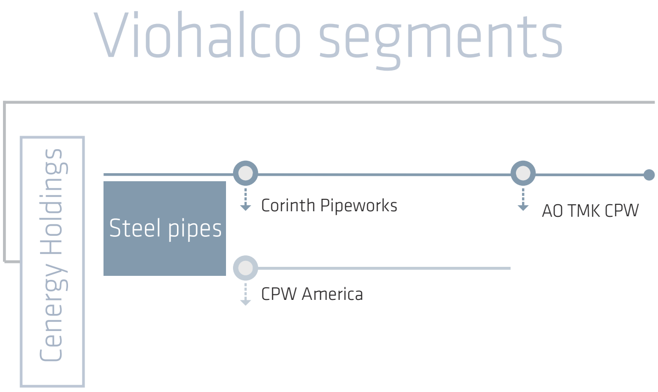
- Internal and external coating of pipes produced by other pipe manufacturers;
- Accredited laboratory for raw material and pipe testing, in accordance with EN/ISO 17025;
- In-house corrosion testing laboratory for sour service applications;
- Weld on connector facilities for casing pipes;
- Pipe storage;
- Supply of pipes or assignment of pipe coating to third party authorised subcontractors in the context of major project implementation;
- Pipe transportation.

Key companies

With state-of-the-art facilities in Thisvi, in the Viotia province of Greece, Corinth Pipeworks Group's product portfolio includes steel pipes solutions for oil and gas transportation and hollow structural sections for the construction industry. The company offers competitive pricing and fast delivery of products, due to its exclusive use of port facilities located approximately 1.5 km from the plant.

AO TMK-CPW is a joint stock company between Corinth Pipeworks (through Cenergy Holdings 100% subsidiary Humbel Ltd., which controls 49% of the joint stock company) and TMK, the largest manufacturer of steel pipes in Russia and one of the top three globally. AO TMK-CPW has its production facilities in Polevskoy, Russia, where it manufactures pipes and hollow structural sections.

The main subsidiaries of Viohalco in the steel pipes segment are:



Production Facilities and ports

Corinth Pipeworks Group's industrial plants are located in Thisvi, Viotia Greece and Polevskoy, Russia.

Corinth Pipeworks plant and port | Thisvi (Greece)
Annual production capacity: 925,000 tons
The Thisvi plant produces pipes and hollow structural sections, using state-of-the-art machinery. The plant's facilities cover a total surface area of 103,000 sq.m. and are located within an area of 497,000 sq.m. in Thisvi, Viotia Greece. The plant is approximately 1.5 km away from the company's dedicated port facilities. This is strategically important as the Thisvi port enables Corinth Pipeworks to reduce transportation costs on raw materials and offer more competitive pricing on its products and faster delivery. The port includes a fully operational set of cranes, forklifts and other machinery, in line with the provisions of the International Ship and Port Facility Security Code.

Corinth Pipeworks has also recently installed a concrete weight coating facility, in order to offer all pipe manufacturing and pipe coating operations required to supply a complete offshore pipeline package in one location.

AO TMK-CPW plant | Polevskoy (Russia)
Annual production capacity: 200,000 tons
AO TMK-CPW plant in Russia manufactures high frequency welded pipes and hollow structural sections. It uses equipment with very high technical specifications which allows for the production of pipes measuring 168-530mm in diameter, with 2.9-12.7mm wall thickness and up to 18m in length, and hollow sections in line with international quality standards.

Corporate Strategy

Corinth Pipeworks has extensive experience carrying out complex projects for the energy sector worldwide, and is an approved supplier to major oil and gas companies and EPC contractors. It has a track record of both offshore and onshore projects around the globe. The company offers a comprehensive set of services to customers, from initial analysis of a project and compliance with its technical requirements, through to completion and delivery to the final site.

Corinth Pipeworks aims to meet the needs of the international energy market by focusing on the following strategic priorities:

- Growth across Europe, the Middle East, North Africa, North America, and the emerging markets of East and West Africa and the CIS;
- Leveraging LSAW investment to offer one of the widest product ranges of welded products in the world (HFW, HSAW, LSAW), which meets the highest international standards. Corinth Pipeworks acts as an integrated "one-stop-shop" for energy steel pipe products and related services;
- Constant improvement of the operating efficiency of production plants to strengthen Corinth Pipeworks' competitive and financial position;
- Cultivating long-term strategic cooperation with top quality raw material manufacturers for the steel industry worldwide.

2017 Financial performance

Revenue for the steel pipes segment amounted to EUR 295 million in 2017 (2016: EUR 293.4 million). **Loss before income tax** amounted to EUR 8.1 million in 2017, compared to profit of EUR 7.7 million in 2016. This decline is attributable to the different project mix of energy projects, the unfavourable USD – EUR exchange rate, which put significant pressure on profit margins in markets dominated by the US Dollar, increased finance costs and an exceptional impairment loss on receivables of EUR 8.9 million recorded by Corinth Pipeworks. This exceptional impairment loss relates to a receivable balance generated in 2010 amounting to USD 24.9 million (EUR 20.8 million). Corinth Pipeworks had already booked an impairment of EUR 10.4 million as of 31 December 2016, however, it was decided to increase the impairment amount by EUR 8.9 million (P&L effect EUR 3.3 million net of tax) to reflect the prospected recoverability of that receivable, as of today. Corinth Pipeworks will proceed with any actions required to collect the full amount of that receivable.

- During 2017, strategic investments were completed at Corinth Pipeworks, with the aim of providing high added value products.
- Within only two years of completing the new LSAW pipe mill investment, an intensive qualification program by a number of large oil & gas companies commenced and is still ongoing. Over a short period of time, these qualifications enabled Corinth Pipeworks to effectively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compete for important projects globally in an intensely competitive environment.
- Pipe production for the Trans Adriatic Pipeline (TAP), the biggest project ever awarded to Corinth Pipeworks was completed during the year, with 28,600 pipes to be laid along 495 km, manufactured and coated at Corinth Pipeworks facilities, at both the HSAW and LSAW pipe mills.
- An investment in a concrete weight coating facility, which provides a competitive advantage in offshore pipeline market was completed in 2017; its first project has already been concluded.
- Corinth Pipeworks' project to provide LSAW pipes to connect the Bosporus Straits, part of the TANAP pipeline to supply Europe with natural gas, was concluded. A second LSAW offshore project, part of the Leviathan pipeline in the Southeastern Mediterranean, was also completed, further strengthening the subsidiary's position as a supplier of high quality pipes for offshore projects.
- The Baltic region will be an area of increased focus going forward. This was demonstrated by the signing of an agreement with Baltic Connector and Elering to manufacture and supply steel pipes for the Balticconnector offshore pipeline project. The project, which includes the supply of pipe material for the 77-kilometre offshore pipeline from Finland to Estonia, is one of the biggest within the Balticconnector project. The pipes for the offshore pipeline will be manufactured during 2018 at Corinth Pipeworks' plant in Greece and installation work is expected to commence in 2019.
- Corinth Pipeworks was recently awarded two offshore projects by Subsea 7 for the manufacture and supply of steel pipes for 39 kilometer pipelines in the North Sea area. The pipes will be manufactured during 2018 at Corinth Pipeworks' plant in Greece, while installation is scheduled in 2019-2020.

The summary consolidated statement of profit or loss of the **steel pipes segment**[1] is as follows:

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**294,991**	**293,368**
Gross profit	**23,511**	**33,174**
Gross profit (%)	8.0%	11.3%
a-Gross profit	**23,726**	**33,472**
a-Gross profit (%)	8.0%	11.4%
EBITDA	**11,489**	**27,592**
EBITDA (%)	3.9%	9.4%
a-EBITDA	**20,645**	**27,496**
a-EBITDA (%)	7.0%	9.4%
EBIT	**2,332**	**18,972**
EBIT (%)	0.8%	6.5%
a-EBIT	**11,489**	**18,876**
a-EBIT (%)	3.9%	6.4%
Profit/ Loss (-) before income tax	**-8,149**	**7,725**

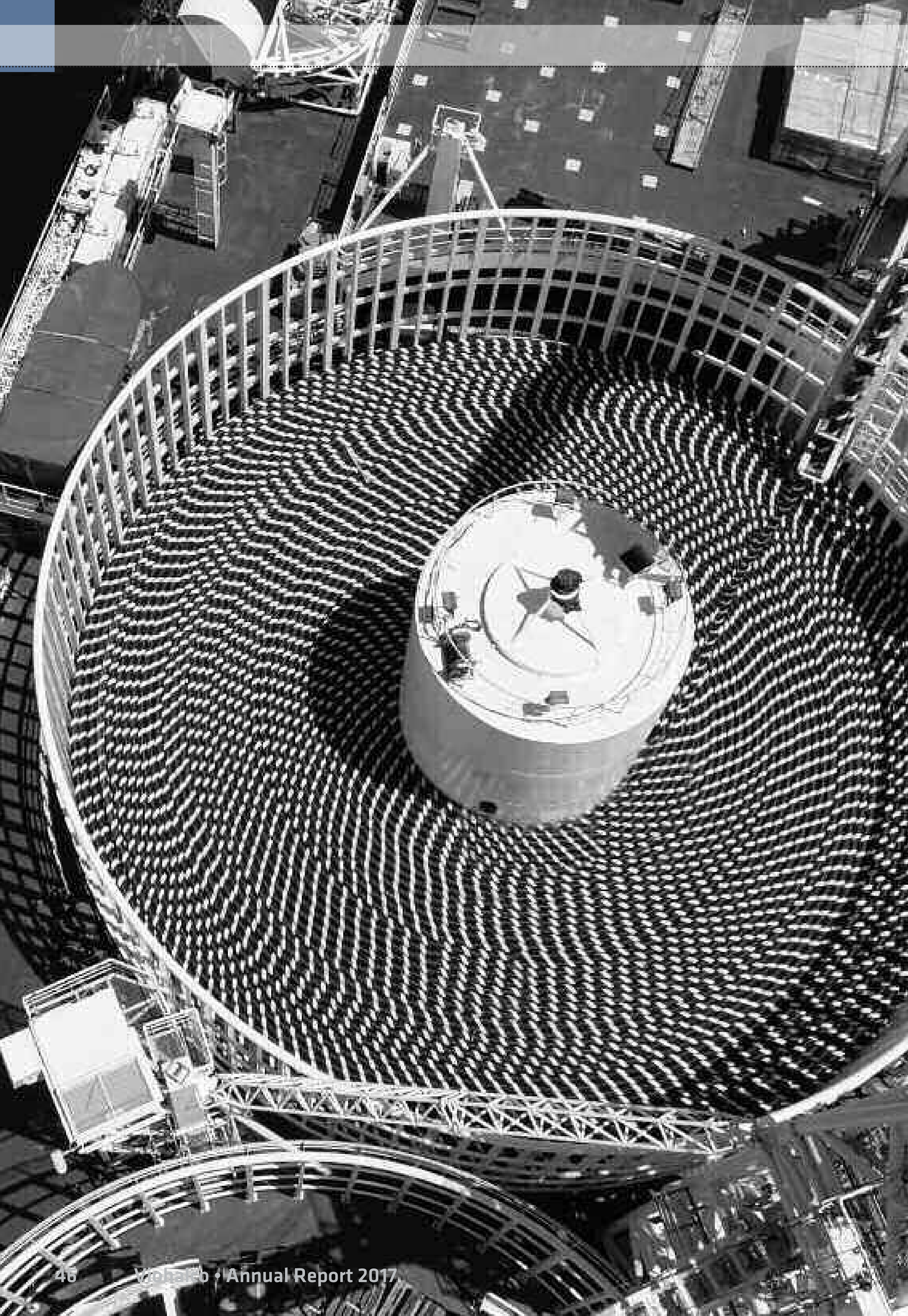
- *All percentages are vs. revenue*
- *(1) The figures disclosed for Viohalco's cables and steel pipes segments, differ from the respective segment figures in Viohalco's subsidiary press release, Cenergy Holdings, mainly due to the following reasons:*
    - *Consolidation accounting entries or intercompany eliminations.*
    - *Cables and steel pipes segments in Viohalco include also results deriving from trading subsidiaries which are not part of Cenergy Holdings.*
    - *Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers*

The global economic environment remains volatile and low oil and natural gas prices, although higher than 2016 levels, do not support the implementation of significant projects in the energy sector. Corinth Pipeworks is a significant supplier for offshore pipelines, and projects are expected to materialise in regions such as the North and Norwegian Sea, as well as the SE Mediterranean region in the year ahead. In 2018, Corinth Pipeworks will continue its focus on growth through the penetration of new geographical and product markets.

Projects secured for 2018 signal a positive outlook for the year. The TAP pipeline to transport Azeri gas to Europe and its interconnections to various countries is expected to present opportunities throughout the year. However, raw materials prices remain high and this may negatively affect profit margins. Although the protectionist sentiment expressed in some markets may present uncertainty, Corinth Pipeworks is monitoring this closely and is prepared to meet this challenge positively.

Further information on Corinth Pipeworks is available on its corporate website:

www.cpw.gr



Cables

Activities

Following the cross-border merger by absorption by **Cenergy Holdings** of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme, both formerly listed in Greece, which took place in December 2016, **Hellenic Cables** is now a subsidiary of Cenergy Holdings.

The cables segment's product range includes a variety of cables and wires that cater to a number of different market demands. It consists of submarine and land cables, low, medium, high and extra high voltage power cables, umbilical cables, fibre optic, data, signaling and telecommunication cables, flexible subsea pipes and enamelled wires and compounds. Over the past decade, Hellenic Cables, together with its subsidiaries and **Icme Ecab**, constitute the largest cable producer in Greece and a major producer in South eastern Europe, exporting to more than 50 countries worldwide. The cables segment's production base comprises six plants in Greece, Romania and Bulgaria. Its product portfolio is commercially traded under the registered brand Cablel ®.

Hellenic Cables and its subsidiary Fulgor have been awarded many high-profile projects across Europe by major utilities. This underlines Cablel® Hellenic Cables' leading position in the submarine cable manufacturing market and in the global offshore energy industry. Moreover, it indicates the Company's ability to successfully implement cost-effective, reliable and innovative solutions and successfully execute complex turnkey projects. In recent years, Hellenic Cables has developed a wide range of technologically innovative cabling solutions, from high voltage submarine cables to extra high voltage cables, as well as optical fibre submarine cables.

Product portfolio

Product solutions provided by Hellenic Cables, its subsidiaries and Icme Ecab are used in the building, telecommunications and energy industries, as well as for specialised industrial applications. The key product categories are as follows:

- **Power cables**: Low, medium, high and extra high voltage cables submarine and land power cables, umbilical cables, subsea flexible pipes, control cables, cables for industrial applications and external installations, fire-retardant, fire-resistant and halogen-free cables, marine cables, copper and aluminium conductors, ACSR and ACSS/TW conductors.
- **Telecommunications cables**: Conventional telephone cables, telephone exchange and data transmission cables (LAN), fibre-optic (single-mode and multi-mode), submarine cables, and signaling cables.
- **Enamelled wires**: Enamelled copper and aluminium wires (round and rectangular) for electric motors and transformers, and copper wires for grounding, earthing and welding applications (can industry). Hellenic Cables is the sole manufacturer of enamelled wires in Greece.
- **Plastic and rubber compounds**: PVC-based plastic compounds, low smoke halogen free polyolefin-based plastic compounds and rubber compounds.

Solutions

One of the competitive advantages of the companies comprising the cables segment is their ability to provide turnkey solutions to customers. The cable companies' capabilities include the following:

- System design and engineering;
- Cable route survey;
- Design and manufacture of suitable underground and submarine cable types;
- Loading and transportation of cables to the project site;
- Installation of cables (with the use of specialised cable laying vessels for submarine cables);
- Protection of cables along the cable route;
- Supply and installation of repair joints, transition joints and cable terminations;
- Supply and installation of terminal equipment;
- System testing and commissioning;
- Project management;
- Training of customer personnel in the operation of the system;
- Provision of maintenance and repair solutions.

Key companies

Viohalco's main subsidiaries in the cable segment comprise the following:

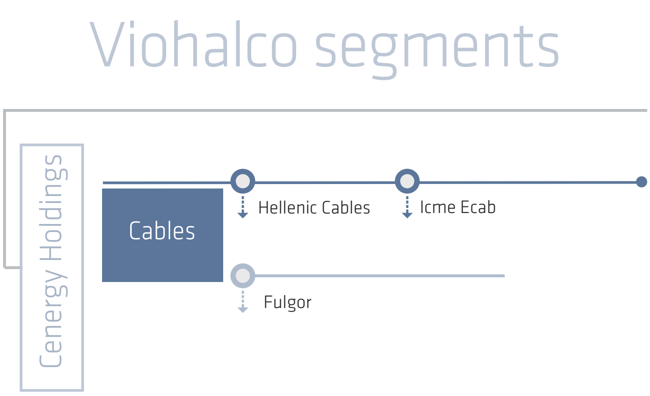
Hellenic Cables manufactures low, medium, high and extra high voltage land and submarine power cables, telecommunication cables, enamelled wires and plastic as well as rubber compounds, individually tailored to customers' specifications. The production base of the company and its subsidiaries includes four plants in Greece.

Fulgor has industrial facilities in Soussaki, Corinth, Greece, and manufactures medium, high and extra high voltage submarine cables, submarine fibre optic cables, composite cables, special purpose cables, and copper and aluminium wires and rods. Fully-equipped port facilities operate within the plant to ensure immediate cable loading onto cable vessels.

Icme Ecab has industrial facilities in Bucharest, Romania. The company has a wide product portfolio which includes cables for indoor installations, power, control, industrial applications, low and medium voltage, fire-retardant, fire-resistant and halogen-free cables, mine cables, marine and special-requirement cables, telecommunication cables, signaling, remote control and data transmission cables, copper and aluminium conductors, as well as plastic and rubber compounds. A well-equipped research and development unit which operates in the plant is responsible for the ongoing improvement of product quality.

Lesco Ltd is a wooden reels and pallets plant in Blagoevgrad, Bulgaria.

Cables segment



Production facilities and port

Having invested significantly in the expansion and improvement of their manufacturing facilities, the cable companies operate an effective production base that comprises four plants in Greece, one in Romania and one in Bulgaria:

Hellenic Cables Power and Optical Fibres Cable plant | Thiva (Greece)
Annual production capacity: 60,000 tons
The completion of a high and extra high voltage cable production line in 2003 has enabled the plant to produce:

- LV power cables;
- MV power cables;
- HV power cables;
- EHV power cables up to 500kV;
- Fibre optic cables.

Fulgor Cable plant and port | Soussaki, Corinth (Greece)
Annual production capacity: 50,000 tons of cables and 120,000 tons of rods.
Located in Corinth, Greece, the Fulgor plant's annual production capacity is 50,000 tons of cables and 120,000 tons of rods. Following the implementation of an approx. EUR 80 million investment plan, the plant is now one of the most advanced factories in the world and is focused on the production of high and extra high voltage submarine cables.

The plant can produce:

- LV power cables;
- MV power cables;
- HV power cables since 1995;
- Fibre optic submarine cables since 1992;
- Submarine MV cables since 1972;
- Upgraded for HV submarine cables (AC up to 400kV / DC up to 400kV).

In submarine cable production, Fulgor's main strengths are:

- Very long continuous lengths with or without the minimum number of factory joints;
- Direct loading from its dock facilities in Corinth;
- Among the highest storage capacity for high voltage submarine cables.

The Fulgor plant also carries out vertically integrated manufacturing of submarine cables.

Icme Ecab Cable plant | Bucharest (Romania)
Annual production capacity: 50,000 tons
Icme Ecab has industrial facilities in Bucharest, Romania. The company has an extensive product portfolio which includes cables for indoor installations, energy, control, industrial and external applications, low and medium voltage, fire-retardant, fire-resistant and halogen-free cables, mine cables, marine and special-requirement cables, telecommunication cables, signaling, remote control and data transmission cables, copper and aluminium conductors, as well as plastic and rubber compounds.

Hellenic Cables enamelled wires plant | Livadia (Greece)
Annual production capacity: 12,000 tons
Located in Livadia, Greece, this plant is Hellenic Cables' production facility for enamelled wires. The total annual production capacity of enamelled wires is 12,000 tons.

The plant can produce copper (Cu) round and rectangular enamelled wires and aluminium (Al) round and rectangular enamelled wires.



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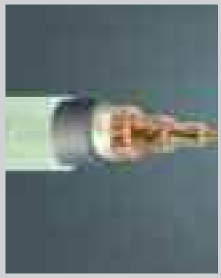
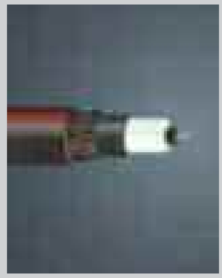
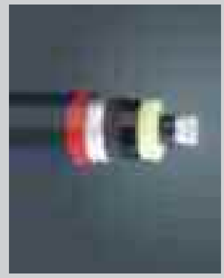

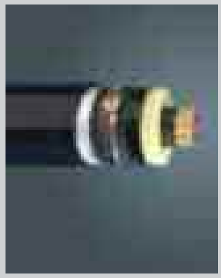


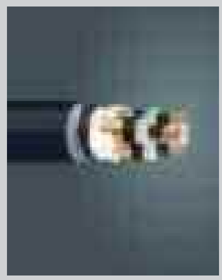

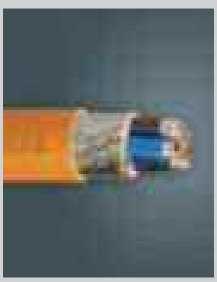




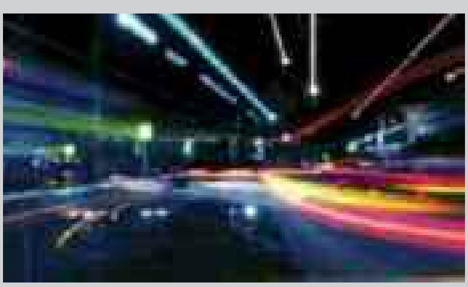

Hellenic Cables plastic and rubber compounds plant | Oinofyta (Greece)
Annual production capacity: 24,000 tons
The compound plant is located in Oinofyta. Viotia, Greece and is Hellenic Cables' supporting facility for the production of PVC and rubber compounds.

Hellenic Cables has established a state-of-the-art, advanced polymer laboratory at the Oinofyta plant. The laboratory conducts specialised chemical tests focused on quality control and insulation analysis (XLPE) for high and extra-high voltage cables (raw materials, production process and evaluation of produced materials), as well as other polymers.

Lesco Ltd. | Blagoevgrad (Bulgaria)
Lesco O.O.D. is one of Hellenic Cables' supporting facilities and is located in Blagoevgrad, Bulgaria. It produces packing materials and wooden drums for cables and has a total annual production capacity of 16,500 tons. The Lesco facility also recycles pallets and scraps drums.

Corporate Strategy

The strategic objectives that guide the operational activities of the companies comprising the cables segment are as follows:

- Capitalise commercially on investments by focusing on added value products, such as high and extra high voltage submarine cables and extra high voltage underground cables;
- Promote activities in geographical regions outside Europe, mainly in markets which invest heavily in the development of power and telecommunication networks and in renewable energy projects;
- Increase the level of direct sales to Transmission System Operators (TSOs) and Distribution System Operators (DSOs);
- Boost productivity by further rationalising cost base, enforcing stricter inventory management and further improving the operational performance of the production units;
- Further intensify liquidity through prudent working capital management;
- Preserve focus on human capital and on the sustainable development of its companies.

2017 Financial performance

During 2017, the cables project-based business performed better than 2016, despite delays in the award of certain already scheduled projects, which are currently still in the tendering phase. The commodities' business was affected by low sales volumes in its main markets. **Revenue** for the period increased by 7% year-on-year and amounted to EUR 408 million (2016: EUR 381.5 million). **Loss before income tax** amounted to EUR 4.5 million in 2017, compared to a loss before income tax of EUR 5.9 million in 2016.

- The execution of new projects, including the Kafireas project and several other submarine projects, during the second half of 2017 led to a notable improvement in results versus the first half of the year. However, a significant contraction in sales volumes of medium and low voltage power cables in Germany, the UK, Austria, Italy and Romania continued to negatively affect the results for the period.
- Despite improved profitability in the second half of the year and the commencement of various onshore and offshore projects, **Fulgor's** plant operated at low utilization capacity during 2017, which adversely affected the full year results.
- However, the recent award of a contract to **Hellenic Cables** to supply 220kV submarine cables to the

Modular Offshore Grid (MOG) in the Belgian part of the North Sea on behalf of Belgian transmission system operator Elia, indicates the segment's ability to provide cost-effective, reliable and innovative solutions to meet the changing needs of the offshore sector and take advantage of the marked shift in submarine power transmission requirements from 150kV to 220kV.

- Finally, strong market demand for telecom and signalling cables in Europe had a positive effect on the segment's margins.
- Throughout the period, **Hellenic Cables** and **Fulgor** continued with the execution of significant contracts on behalf of TenneT for the supply of offshore wind farm export cable connections, and Energinet.dk. for cable connection between Denmark and Sweden and the replacement of overhead lines within Denmark. In addition to this, the cable interconnection of an offshore wind farm in the UK was concluded in April 2017 and in November 2017 a second contract for the supply of an additional cable to this project was signed.
- **Hellenic Cables** participated in the project of the interconnection of the Cyclades islands, which was inaugurated on March 2018, by executing the part of the project concerning the interconnections of Syros-Tinos, Syros-Paros and Syros-Mykonos.
- Fulgor was awarded a turnkey contract by Enel Green Power Hellas to provide a submarine cable interconnection to the Greek National Grid from the Kafireas wind complex located at Karystos Evia, Greece. Hellenic Cables will supply significant quantities of high and medium voltage land cables for the onshore part of the project.
- Investments in the cables segment in 2017 reached EUR 17.8 million, largely attributable to capacity improvements at Fulgor's plant in order to meet the expected future needs and productivity improvement projects at the Hellenic Cables and Icme Ecab plants.

The summary consolidated statement of profit or loss of the **cables segment**(1) is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	**407,971**	**381,492**
Gross profit	**33,984**	**30,477**
Gross profit (%)	8.3%	8.0%
a-Gross profit	**38,152**	**36,295**
a-Gross profit (%)	9.4%	9.5%
EBITDA	**30,297**	**26,629**
EBITDA (%)	7.4%	7.0%
a-EBITDA	**33,246**	**32,252**
a-EBITDA (%)	8.1%	8.5%
EBIT	**17,452**	**15,049**
EBIT (%)	4.3%	3.9%
a-EBIT	**20,402**	**20,671**
a-EBIT (%)	5.0%	5.4%
Loss before income tax	**-4,459**	**-5,882**

- *All percentages are vs. revenue*
- *(1) The figures disclosed for Viohalco's cables and steel pipes segments, differ from the respective segment figures in Viohalco's subsidiary press release, Cenergy Holdings, mainly due to the following reasons:*
  - *Consolidation accounting entries or intercompany eliminations.*
  - *Cables and steel pipes segments in Viohalco include also results deriving from trading subsidiaries which are not part of Cenergy Holdings.*
  - *Cenergy Holdings has early adopted IFRS 15 Revenue from Contracts with Customers*

Looking forward, high demand for new offshore projects in Europe, mainly in the North Sea and Southern Europe, is expected to drive growth in the cables segment. This projection is supported by **Hellenic Cables'** aforementioned contract win for the supply of submarine cables for the Modular Offshore Grid (MOG) project in the Belgian part of the North Sea.

The assignment of new projects (for which Hellenic Cables has already entered negotiations) and the successful completion of ongoing projects (such as the Kafireas project for Enel, BR2 & Trianel for Tennet and Oresund project for Energinet) remain key areas of focus for the cables segment. In the cables products business, there are signs of recovery in the low and medium voltage cables markets in Western Europe, which were negatively impacted by competitive challenges in 2017. However, risks to recovery, such as the EU's political environment and potential major changes in trade policies, as well as the broader impact of Brexit, persist.

To counterbalance challenges in the cables segment's main markets, initiatives have been undertaken in to enter into new geographical markets and improve the product portfolio through the development of high-added value projects.

Further information is available on the Hellenic Cables website:

www.cablel.com

Cenergy Holdings S.A.

Cenergy Holdings S.A. is a Belgium-based holding company founded in 2016 and listed on Euronext Brussels and the Athens Stock Exchange.

In December 2016, the cross-border merger by absorption by Cenergy Holdings of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme (both formerly listed in Greece) was completed and Cenergy Holdings became the parent company of the subsidiaries formerly owned by Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme. On 21 December 2016, the trading of its shares commenced on Euronext Brussels and the Athens Stock Exchange (Athex).

Cenergy Holdings invests in industrial companies positioned at the forefront of high growth sectors, such as energy transfer, telecommunications and construction.

Cenergy Holdings' portfolio operates under the following organisational structure which includes two business segments:

- Cables: Hellenic Cables, its subsidiaries, and Icme Ecab constitute one of the largest cable producers in Europe, manufacturing power, telecommunication and submarine cables, as well as enamelled wires and compounds.
- Steel pipes: Corinth Pipeworks engages in the production of steel pipes for the transportation of natural gas, oil and water networks, as well as steel hollow sections which are used in construction projects.

The companies in Cenergy Holdings' portfolio:

- have a long history of implementing big projects in more than 70 countries;
- have served major customers worldwide for nearly 70 years;
- operate seven production units and four supporting facilities in four countries;
- provide value added products for niche markets.


WYNDHAM GRAND
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Real Estate

Viohalco creates value through the development of its former industrial real estate assets in Greece and abroad (Noval S.A.) and also by providing a wide range of real estate services to its subsidiaries through a central framework (Steelmet Property Services S.A.).

Properties may include former Viohalco production or office facilities which are idle or have been relocated, due to the expansion of urban areas or for reasons of operational efficiency.

Viohalco's main subsidiary in this segment is Noval S.A. (Noval), which is wholly-owned. As of October 2016, Steelmet Property Services supports Viohalco's subsidiaries in monitoring their real estate assets, through the provision of a wide range of real estate services at a centralized level.

Activities

Noval's main objective is to optimise the use of Viohalco's real estate assets. Viohalco and its companies own a wide portfolio of commercial and industrial properties. The most important properties, which are or have been developed by Viohalco, are located in Greece (Athens, Thessaloniki, Piraeus, Aspropyrgos, Corinth) and Bulgaria and include, among others, hospitality assets, office complexes, shopping malls, industrial buildings and warehouses. In addition, Viohalco holds a number of significant plots in prime locations for future development.

Real estate segment

2017 Financial performance

The **revenue of the segment** amounted to EUR 9.2 million in 2017, a 40% increase compared to 2016. **Profit before income tax** amounted to EUR 0.1 million, versus a loss of EUR 10.7 million in 2016, due to impairment losses on investment properties that affected the results in 2016.

The table below summarizes the real estate segment's most important properties:

REAL ESTATE	LOCATION	'000 m² (1)
River West-IKEA Shopping Centre	96, Kifissos Av., Egaleo, Greece	124.2
Hotel (Wyndham Grand Athens)	Karaiskaki Square, Athens, Greece	23.5
Industrial buildings & offices (ex-BIC plant)	Oinofyta, Greece	10.4
Mare West Retail Park	Corinth, Greece	14.2
Office Building	115, Kifissias Ave., Athens, Greece	38.9
Office Complex	57, Ethnikis Antistasseos St., Halandri, Greece	6.9
Office Building	26, Apostolopoulou St., Halandri, Greece	10.9
Office Building	53A, Nikola Vaptzarov Blvd, Sofia , Bulgaria	7.3

(1) refers to built surface

- In 2017, the River West-IKEA Shopping Centre welcomed a record 4.7 million customers. New lettings and turnover rent provisions, which are incorporated in the majority of lease agreements, resulted in a 12% increase in rental income. The shopping centre is now 97% occupied (by number of units let) and tenant demand continues to be exceptionally strong.
- The Mare West Retail Park, which opened in September 2015, experienced steady monthly growth in tenant turnover. The successful marketing and communications program that ran throughout the year in the park's wider catchment area contributed to a footfall increase of 8% and the leasing of 250 sqm additional retail space. This is an indication of


IKEA
Έξοδος

the park's potential to become the dominant retail destination for the northeastern Peloponnese.

- The "Wyndham Grand Athens" hotel opened in December 2016. It has successfully completed its first year of operation and its occupancy levels, as well as turnover up to date, have significantly exceeded the tenant's expectations.
- A lease agreement for the building on Aghiou Konstantinou str. was signed on July 31, 2017 and the necessary renovation works have been completed. Its operation as an aparthotel, named "K 29", started in January 2018.
- Regarding other real estate assets, discussions on optimum development scenarios and negotiations with potential tenants are ongoing.

The summary consolidated statement of profit or loss of the **real estate segment** is as follows:

	For the year ended 31 December	
Amounts in EUR thousand	**2017**	**2016**
Revenue	**9,159**	**6,544**
Gross profit	**3,493**	**626**
Gross profit (%)	38.1%	9.6%
a-Gross profit	**3,493**	**626**
a-Gross profit (%)	38.1%	9.6%
EBITDA	**5,565**	**-6,492**
EBITDA (%)	60.8%	-99.2%
a-EBITDA	**5,565**	**1,530**
a-EBITDA (%)	60.8%	23.4%
EBIT	**1,298**	**-10,102**
EBIT (%)	14.2%	-154.4%
a-EBIT	**1,298**	**-2,080**
a-EBIT (%)	14.2%	-31.8%
Profit/ Loss (-) before income tax	**112**	**-10,659**

-All percentages are vs. revenue

For the **real estate segment**, in 2018, the focus for the River West-IKEA Shopping Centre will be the leasing of 3,000 sqm to international, high value retailers and the achievement of 100% occupancy, while continuing to maximize turnover of existing tenants. In addition, the development of additional retail, leisure and entertainment space in adjacent plots will be further explored.

The strong potential of the Mare West Retail Park will continue to be leveraged through new lettings with local and international operators and the construction of a leisure park, unique in the North-eastern Peloponnese.

The development of the office building on Apostolopoulou str. is expected to be completed in November 2018. Construction works for the development of the Kifissias Ave. office complex are expected to begin within Q1 2018, with completion targeted for December 2018.

A number of development options are also being explored across the remaining real estate assets and negotiations with potential tenants continue.

On 19 June 2017, Noval applied to the Hellenic Capital Market Commission (HCMC) for approval to establish a Real Estate Investment Company (REIC). Discussions with the HCMC are progressing well, with the REIC expected to be established within 2018.

Technology and R&D

Viohalco's portfolio includes research and development (R&D) dedicated companies, as well as in-house departments which focus on developing new and high value added products, efficient solutions to help optimise business and industrial processes, and to enhance the environmental performance of plants and the impact assessment of sustainable growth.

The portfolio also includes engineering, automation and IT companies with over 30 years' experience in developing innovative applications for industry, energy and environment. IT activities include pioneering solutions in the fields of ERP, CRM, BI, traceability and others.

Viohalco companies have a long-standing culture of innovation, in order to stay ahead of technological developments, and therefore invest significantly in R&D, which often results in innovative solutions. They maintain strategic partnerships with scientific bodies, international research centres and other international pioneer companies. Scientific research carried out at Viohalco's copper, aluminium and steel foundries and their respective production plants has resulted in significant in-house metallurgy knowledge.

A competitive advantage of Viohalco's companies lies in their expertise in building and upgrading plants and in their experience in planning, re-engineering, process optimisation and supervisory control systems.

Another key strength is human capital. Leading, highly experienced process, mechanical and electrical engineers and metallurgists guarantee steady quality improvement, alongside a continuous productivity increase.

Key companies

Elkeme, Hellenic Research Centre for Metals S.A. (Elkeme). Elkeme's main focus is applied industrial research and technological development and analysis of the four major metals sectors (aluminium, copper, steel and zinc). The Centre provides R&D services and technical solutions for new products and the optimization of existing products and business and plant production processes.

Teka Systems S.A. (Teka Systems) undertakes demanding engineering projects in the steel, aluminium, copper, power and telecommunication cables industries. It is active in engineering and construction, the commissioning of industrial equipment and the process and automation of technologies in integrated projects. It also implements IT projects in the fields of ERP, CRM, BI, analytics and others.

Praksys S.A. (Praksys) develops, markets, and oversees the implementation of new technologies in structural and concrete reinforcing steel. Among other, it has developed the Synthesis™, a unique system for the industrial-scale prefabrication of reinforcing steel. Praksys has also developed a complete software package to accompany the technology, including components, such as product design, machine operation control, e-ordering, production planning and logistics.

Technology departments

Elval Technology centre develops highly-resistant special products with non-skid properties, extra flat sheets with top-quality lacquer-coatings, products made of 100% recycled aluminium and deep drawing and extrusion products.

Symetal's Technology department develops innovative surface design, while controlling the aluminium affinity for laminates and coatings, customised mechanical characteristics for flawless forming, and complying with the latest European Food Contact Legislation, in line with the Company's strategic presence in the food and pharmaceutical packaging industries.

Halcor operates a new innovative Tube Heat Transfer laboratory, which tests the thermal performance of inner grooved tubes (IGT). The Tube Heat Transfer laboratory has been developed in line with international standards and allows Halcor to meet a wide range of customer specifications and product applications in the manufacturing of Talos® Inner-Groove Tubes (IGT) and Talos® ACR tubes.

Cablel® Hellenic Cables has established a state-of-the-art Polymer Laboratory at its plant in Oinofyta. The laboratory


Struers

mainly conducts chemical analyses and identification of raw materials, with an emphasis on quality control and the analysis of polymers for high and extra high underground and submarine cables. Research and development of new plastics and elastomer compounds also takes place in the laboratory.

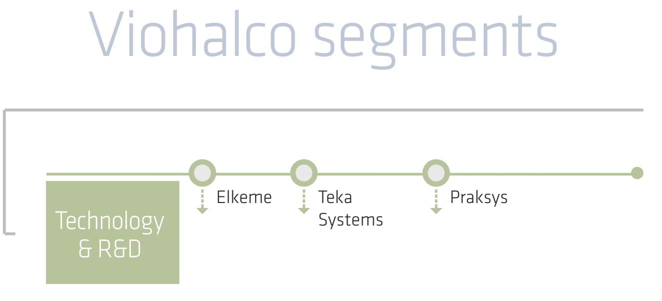
Etem continually develops product solutions for the automotive industry, investing in dedicated machines and processing tools and undertaking vigorous testing to deliver high quality products. Following years of development and collaboration with customers and European institutes and research centres, Etem is a Tier 2 and Tier 1 supplier to the automotive industry, certified to produce aluminium profiles and parts for crash relevant systems. Furthermore, Etem develops its architectural systems to comply with the strictest European standards.

The long-standing culture of innovation at **Sidenor Steel Industry** is exemplified in its research and considerable investment in hi-tech machinery. Sidenor, Stomana and their subsidiaries are proud to have moved one step ahead and developed a technology in-house, patented under the name Synthesis™. Synthesis™ is a unique system for the industrial-scale prefabrication of reinforcing steel. The Synthesis™concept was developed by the steel segment's R&D arm, Praksys, which also developed a complete software package to accompany the technology, including components, such as product design, machine operation control, e-ordering, production planning and logistics. Sidenor Steel Industry supports innovation and research through considerable investment in hi-tech machinery. Sidenor, Stomana Industry and their subsidiaries are proud to have moved one step ahead and developed a technology in house, patented under the name Synthesis™, together with R&D arm Praksys. Sidenor Steel Industry has also adopted new production solutions in both of its Greek plants, in Almyros and Thessaloniki. Induction reheating furnaces have replaced gas-fired furnaces, leading to significantly reduced carbon emissions during the process of production, natural gas conservation and energy demand reduction per ton of produced steel.

The field of oil and gas exploration and production to which **Corinth Pipeworks** activities are largely dedicated, is focused on ongoing technological developments and the use of advanced technologies. Keeping up-to date with the latest developments, Corinth Pipeworks continuously focuses on the following R&D activities:

- implementation of process optimisation techniques combined with continuous internal trial productions, aiming to narrow down the optimum working range for all variables, targeting higher product uniformity;
- broadening its production range in terms of thickness and grade;
- development of advanced tracking, process control systems, advanced non-destructive inspection techniques and controls;
- development and manufacturing of pipes for extreme applications (sour service, offshore, high strain applications such as reeling, etc.);
- application of advanced corrosion and mechanical protection systems;
- participation in major European and international projects targeting both the development of pipe properties and pipeline integrity (JIP and RFCS projects).

Technology and R&D segment



The total amount of R&D expenditure (both expensed and capitalized) for the year 2017, was equal to EUR 13 million. The calculation of this amount has been based mainly on the Frascati manual (generally accepted standard of conduct for R&D surveys and data collection) and on the relevant International Financial Reporting Standards.


ΑΕΙΦΟ
ΕΤΑΙΡΙΑ ΕΠΕΞΕΡΓΑΣΙΑ

Recycling

Viohalco's recycling segment trades and processes wastes into secondary raw materials, undertakes waste management and environmental operations, and provides services to consumers and corporations.

Recycling is one of Viohalco's most rapidly developing segments. It was established as a result of Viohalco's commitment to the continuous improvement of its companies' environmental performance and the desire to utilise waste in a sustainable manner. In recent years, Viohalco's waste management companies have expanded the scope of their activities and broadened their customer portfolio to include multinational companies, public utilities, municipalities and extended producer responsibility schemes.

Key companies

The key companies in the recycling segment are:

Established in 2001, **Aeiforos S.A.** (Aeiforos) processes 400,000 tons of industrial waste per year through its two recycling plants in Greece. The company provides waste management and other services to steelmaking plants, non-ferrous metals smelters, refineries and scrap shredders. Aeiforos also operates an end-of-life vehicle depollution center and a 6,000 sq.m. warehouse for metallic scrap trading. Secondary raw materials produced by Aeiforos are used in the manufacture of metals, in road construction where slag aggregates are used in asphalt layers, and in cement plants, where secondary fuel from Aeiforos' new post-shredder-treatment plant is used for energy recovery. Aeiforos holds all waste collection permits required for its operations in Greece, including a license for hazardous waste management. The Company's plants are certified for quality and environmental performance according to ISO 9001 and ISO 14001.

Established in 2004, **Aeiforos Bulgaria S.A.** (Aeiforos Bulgaria) processes more than 100,000 tons of industrial waste per year. Situated in Pernik, Bulgaria, the company focuses on the recovery of steelmaking residues like steel slag, heavy shredder fraction, used refractories and scrap sorting residues. Aeiforos Bulgaria's products are recycled for use in road construction, cement production and metals production. The company has also gradually expanded into other waste management activities, including waste stabilisation. Aeiforos Bulgaria's plant is certified for quality and environmental performance according to ISO 9001 and ISO 14001.

Anamet S.A. (Anamet) is the leading metal scrap trading company in Greece. Established by a scrap metal trader in 1966, Anamet has now evolved to offer a wide range of waste management services not only to Viohalco companies, but also to third parties. These services include the recovery and offtake of secondary raw materials, the servicing of industrial sites and the safe disposal of non-recyclable process residues. Anamet also retains contractual agreements with most of the extended producer responsibility schemes operating in Greece. Its Aspropyrgos facility includes a modern end of life vehicles depollution unit, a car shredder installation and other infrastructure, geared primarily towards metal recovery and processing. The company is certified for quality, health and safety, and environmental performance according to ISO 9001, OHSAS 18001, ISO 14001 and regulation 2009/1221/EC (EMAS), respectively. It is also certified according to the regulation 2011/333/EC for establishing end of waste criteria for ferrous and aluminium scrap. Furthermore, Anamet carries out various corporate social responsibility initiatives to promote recycling, counter illegal activities and establish win-win practices for all stakeholders (public, NGOs, governmental bodies, industry). These include programmes, such as metal alert (www.metal-alert.gr), car4care (www.car4care.gr) and green auto parts (www.greenautoparts.gr).

Bianatt S.A. (Bianatt) specialises in the processing and depollution of Waste Electrical and Electronic Equipment (WEEE). The company's plant in Aspropyrgos is equipped with processing lines for all WEEE categories, from fridges and other large domestic appliances to the small electronic equipment. The company operates under an





ongoing contract with Appliances Recycling, the collective take-back system for WEEE in Greece, and can process up to 15,000 tons of WEEE per annum. Bianatt is certified for quality, health and safety and environmental performance according to ISO 9001, OHSAS 18001, ISO 14001 and regulation 2009/1221/EC (EMAS). Furthermore, the company offers safe data destruction services (Total EraseTM) and is certified according to ISO 27001. Bianatt is committed to promoting a culture of responsible WEEE management and as such, organizes educational programmes for schools and offers a free website library on recycling.

Metalvalius Ltd., established in Bulgaria in 2004, purchases, processes and trades ferrous and non-ferrous scrap from its facility in Sofia. The company is certified for quality, health and safety and environmental performance according to ISO 9001, OHSAS 18001, ISO 14001 and regulation 2009/1221/EC (EMAS), respectively. It is also certified according to regulations 2011/333/EC and 2013/715/EC for establishing end of waste criteria for ferrous, aluminium and copper scrap.

Inos Balkan Doo, founded in Serbia in 1951, processes and trades ferrous and non-ferrous scrap metals. Through its two main facilities in the port of Belgarde and Valjevo, the company purchases from both individuals and small businesses, while it also undertakes various off-site projects. Inos Balkan is certified for quality, health and safety and environmental performance according to ISO 9001, OHSAS 18001 and ISO 14001, respectively.

Based in Skopje, **Novometal Doo** is one of FYROM's major recycling companies. It collects and processes different types of waste materials including metals, electrical and electronic equipment (WEEE), end-of-life vehicles (ELVs) and demolition waste. Novometal began operations in 2008 and was the first scrap processing company in FYROM to become ISO 9001, ISO 14001 and OHSAS 18001certified.

Recycling segment

2017 Financial performance

Recycling segment **revenue** increased by 48% year-on-year, while **profit before income tax** amounted to EUR 1.7 million, compared to a loss of EUR 0.9 million in 2016.

- Throughout 2017, the End-of-Life (EoL) segment maintained positive momentum. Waste Electrical & Electronic Equipment (WEEE) volume reached 15,000 tons and more than 2,000 vehicles were depolluted. The major EoL cables recycling project awarded by Cosmote was concluded earlier in the year, and the number of

active municipal End-of-Life Vehicles (ELV) recycling contracts increased to twenty.

- In Serbia, the first full period of operation following market-repositioning initiatives saw ferrous volumes reach 71,000 tons, a significant increase. Higher metal prices relative to previous years, favored trading activities for non-ferrous metals, despite restrictive trade policies adopted by major destination countries. The production of alternative raw materials and solid fuels for cement industries reached 150,000 tons, and 85,000 tons of industrial hazardous waste were collected and transported for further metal recovery.
- Finally, an aluminium composite panels recycling line was installed in the Aspropyrgos facility and began operation halfway through the year.

The summary consolidated statement of profit or loss of the **recycling segment** is as follows:

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**66,005**	**44,702**
Gross profit	**19,024**	**15,140**
Gross profit (%)	28.8%	33.9%
a-Gross profit	**18,915**	**15,140**
a-Gross profit (%)	28.7%	33.9%
EBITDA	**6,896**	**4,136**
EBITDA (%)	10.4%	9.3%
a-EBITDA	**6,728**	**4,324**
a-EBITDA (%)	10.2%	9.7%
EBIT	**4,179**	**1,295**
EBIT (%)	6.3%	2.9%
a-EBIT	**4,011**	**1,483**
a-EBIT (%)	6.1%	3.3%
Profit/ Loss (-) before income tax	**1,672**	**-913**

- *All percentages are vs. revenue*

In 2018, the segment's companies will further coordinate their efforts, leveraging existing and new infrastructure across markets to address the challenges of a constantly evolving domestic and international regulatory environment. A significant portion of these efforts will be geared towards expanding processing capabilities and expertise to include more downstream operations, as well as non-metal materials. Going forward, this strategy is expected to support segment performance through periods of commodity price fluctuations and strengthen its overall footprint in key markets.

Other activities

Other activities mainly encompass expenses incurred by the parent (holding) company, along with the results of companies which operate in the Technology and R&D segment and in ceramic trade activities (Vitruvit).

Loss before income tax amounted to EUR 7.2 million, compared with a profit of EUR 2.6 million in 2016. This was mainly due to EUR 7 million gain, which resulted from the acquisition of Eufina S.A., in the context of the cross-border merger of Elval Holdings S.A., Alcomet S.A., Diatour S.A. and Eufina S.A. by Viohalco.

The summary consolidated statement of profit or loss is as follows:

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Revenue	**41,121**	**16,811**
Gross profit	**5,914**	**5,950**
Gross profit (%)	14.4%	35.4%
a-Gross profit	**5,907**	**5,950**
a-Gross profit (%)	14.4%	35.4%
EBITDA	**-6,365**	**-5,455**
EBITDA (%)	-15.5%	-32.5%
a-EBITDA	**-6,108**	**-957**
a-EBITDA (%)	-14.9%	-5.7%
EBIT	**-7,258**	**-6,640**
EBIT (%)	-17.7%	-39.5%
a-EBIT	**-7,001**	**-2,142**
a-EBIT (%)	-17.0%	-12.7%
Profit/ Loss (-) before income tax	**-7,212**	**2,589**

- *All percentages are vs. revenue*

c) Risks and Uncertainties

Viohalco's Board of Directors is responsible for assessing the risk profile of Company's subsidiaries. As Viohalco is a holding company and does not have any production operations, customers, suppliers, or personnel (except ten employees), the risks affecting the Company are attributed to its subsidiaries. Each of Viohalco's subsidiaries is responsible for the identification, analysis, evaluation and mitigation of its own risks. In turn, Viohalco's executive management in consultation with the Board of Directors is tasked with successfully exploring business opportunities, whilst at the same time evaluating the subsidiaries' risks in order to eliminate possible business losses.

The aim of this evaluation is to enable the Company to determine whether the subsidiaries have managed in a proactive and dynamic way to mitigate these identified risks to an acceptable level.

The risks identification process is undertaken on a subsidiary company level as all the strategic, financial and operational risks are associated with each company's operation.

After the risk identification, the list of prioritised risks is then subject to a review, in order to ensure correct and up-to-date mapping with the applicable risk response, i.e. the structures, procedures, systems and monitoring mechanisms put in place by each company's management in order to manage these risks.

A consolidated review of all the subsidiaries' financial performance including potential risks takes place at Viohalco executive management level, the outcome of which is presented to the Audit Committee and the Board of Directors. The Audit Committee monitors the effectiveness of the subsidiaries internal control and looks into specific aspects of internal control and risk management on an on-going basis.

Key risks

The risks of Viohalco's subsidiaries are organised into four major categories (each category is further broken down in risk sub-categories, which are in turn disaggregated into specific risk events):

- **Strategic & markets risk** – External forces that could affect the viability of Viohalco's subsidiaries business model, including the fundamentals that drive the overall objectives and strategies that define that model.
- **Operations risk** – The risk that operations are inefficient and ineffective in executing Viohalco's subsidiaries business model, satisfying customers and achieving the subsidiaries' quality, cost and time performance objectives. Operations risk includes all the risks associated with the day-to-day operations such as health and safety and environmental issues as well as compliance with the regulatory requirements.
- **Financial risk** – The risk that cash flows and financials are not managed cost-effectively, in order to (a) maximise cash availability; (b) reduce uncertainty of currency, interest rate, credit, commodity and other financial risks; or (c) move cash funds quickly and without loss of value to wherever they are needed most.

1. Country risk

Adverse political actions may threaten the subsidiaries' resources and future cash flows in a country in which each subsidiary has invested, is dependent on for a significant volume of business or has entered into a significant agreement with a counterparty subject to the laws of that country.

The subsidiaries address this exogenous risk by differentiating its subsidiaries' manufacturing and market reach in particular. Viohalco's subsidiaries currently have manufacturing sites in 6 countries, a commercial network in 21 countries and products distributed in more than 100 countries worldwide.

2. Industry risk

Changes in opportunities and threats, capabilities of competitors, and other conditions affecting the subsidiaries' industries may threaten the attractiveness or long-term viability of these industries. Industry risk of the subsidiaries which is related with the specific industry they operate in, is primarily associated with the cyclicity of demand and the substitution rate of some of its subsidiaries' products.

The subsidiaries manage the former by expanding their exports to global markets, to differentiate cyclical exposure across geographical areas. The risk of substitution is addressed through the differentiation of their product mix, for example by shifting part of the production to products where the substitution rate is lower.

3. Competitor risk

The actions of competitors or new entrants to the market may impair Viohalco's subsidiaries' competitive advantage or even threaten their ability to survive.

Exposure to competitor risk is captured through daily review of market information. Strategic issues regarding response to competition are assessed as part of the annual budget process and the strategic markets plan by each subsidiary. Relevant mitigating actions include a strong commitment to quality throughout the production phase, a competitive pricing policy in commodity products and a targeting on high-margin products and market diversification.

4. Channel effectiveness risk

Poorly performing or positioned distribution channels may threaten Viohalco's subsidiaries capacity to effectively and efficiently access current and potential customers and end users.

Viohalco's subsidiaries manage the channel effectiveness risk through commercial executives per project / market.

Budgets are the main tools used for the setting up and monitoring of distribution channel objectives.

5. Technological innovation risk
Viohalco's subsidiaries may not be leveraging advancements in technology in their business model to achieve or sustain competitive advantage or may be exposed to the actions of competitors or substitutes that do leverage technology to attain superior quality, cost and/or time performance in their products, services and processes.

This risk is primarily managed by Viohalco's subsidiaries through the establishment of technical assistance and knowledge transfer agreements with global leaders in various sectors where the subsidiaries are active. Viohalco's subsidiaries also cooperate with scientific bodies and prominent international research centres. This strong focus on technology and innovation is additionally demonstrated through dedicated research and development departments at a number of Viohalco's subsidiaries.

6. Sourcing risk
Limited sources of energy, metals and other key commodities, raw materials and component parts may threaten Viohalco's subsidiaries' ability to produce quality products at competitive prices on a timely basis.

The subsidiaries continuously aim to minimise the likelihood of such a risk occurring. Relevant measures include maintaining a wide and diverse supplier base where possible, especially geographic; the existence of alternate material lists; the establishment of Service Level Agreements with key vendors; and the reduction of exposure to the spot market through long term contracts.

7. Operation Interruption risk
Operations interruption stemming from the unavailability of raw materials, information technologies, skilled labour, facilities or other resources may threaten Viohalco's subsidiaries' capacity to continue operations.

In order to manage this risk, subsidiaries' plant equipment is maintained thoroughly by the corresponding maintenance departments, according to a planned maintenance schedule. Plant equipment and production lines are also upgraded systematically. All spare parts and consumables are gauged on criticality and safety stock levels are monitored. Some of the plants, facilities and production lines are interchangeable and have been mapped to ensure shifting and continuation of production if such a need arises. Regarding information technology, disaster recovery plans have been defined per segment and facility.

8. Product failure risk
Faulty or non-performing products may expose Viohalco's subsidiaries to customer complaints, warranty claims, field repairs, returns, product liability claims, litigation and loss of revenues, market share and business reputation.

In order to proactively mitigate the risk arising from actual or claimed defects in its products, Viohalco's subsidiaries have established rigorous quality management systems at their plants, by applying fixed and formalised quality control procedures and also maintain appropriate insurance coverage against such claims. The quality control procedures include sample testing per production batch or at item level at specific phases of production; establishment of monitoring equipment at set production phases and production lines and work centres to capture defects; implementation of end-to-end traceability systems, etc.

9. Information technology risk
Viohalco's subsidiaries may not have the information technology infrastructure it needs to effectively support the current and future information requirements of the business ensuring cost effectiveness in an efficient way. Additionally, failure to adequately restrict access to information (data or programs) may result in unauthorised knowledge and use of confidential information or a compromise of its integrity.

Teka Systems, a subsidiary of Viohalco that is focused on the implementation, customisation and support of information systems, is the official competence centre of Viohalco.

10. Interest rate risk
Significant movements in interest rates may expose the subsidiaries to higher borrowing costs, lower investment yields or decreased asset values. Floating rate payables expose subsidiaries to a cash flow risk, while fixed rate liabilities entail assumption of the risk of a change in fair value.

In order to manage interest rate risk, subsidiaries hold interest rate swaps which convert floating into fixed interest rates.

11. Currency risk
Volatility in foreign exchange rates may expose Viohalco's subsidiaries to economic and accounting losses.

Viohalco's subsidiaries offset this risk through hedging practices, such as the use of forward contracts, cross currency swaps, and also natural hedging (i.e. anticipated sales and purchases, as well as receivables and liabilities, in foreign currency).

12. Commodity risk
Fluctuations in commodity prices (particularly copper, zinc and aluminum) may expose Viohalco's subsidiaries to lower product margins or trading losses.

Subsidiaries active in metals that are traded in the London Metal Exchange (LME) mitigate this risk by hedging, through trading in future contracts on the LME. Specifically, all metal price fixing sales and purchase contracts are netted daily and the change in the net open commodity is generally hedged by LME future contracts so that Viohalco's subsidiaries are not exposed to commodity price risk.

13. Liquidity risk
Exposure to lower returns or the necessity to borrow due to shortfalls in cash or expected cash flows (or variances in their timing). Exposure to loss due to participation in a narrow market consisting of a limited group of counterparties (i.e. financial institutions) resulting in inability to consummate transactions at reasonable prices within a reasonable timeframe.

In order to avoid liquidity risks, Viohalco's subsidiaries set up a provision for cash flows when preparing the annual budget and a monthly rolling provision of three months, so as to ensure sufficient cash on hand to meet its operating needs.

Viohalco's subsidiaries follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations.

14. Credit risk
Viohalco's subsidiaries' customers may default on their obligations. Credit risk may be accentuated if a significant portion of business is concentrated to customers that are similarly impacted by events.

This risk is mitigated by no one customer accounting for 10% of total revenue and by credit insurance. In addition, Viohalco's subsidiaries mitigate credit risk through robust creditworthiness checks via credit rating agents and also by setting payment terms and credit limits. They demand real or other security (e.g. letters of guarantee) in order to secure its receivables, where possible. They also record an impairment provision representing its loss estimate in terms of trade and other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated.

15. Compliance risk
In regards with the requirements arising from its stock exchange listings, Viohalco has established the necessary structures and procedures in order to ensure continuous compliance, including the adoption of its Corporate Governance Charter, which covers issues such as directors' and managers' accountability, good governance principles, insider dealing, and conflicts of interest.

Laws and regulations apply to many aspects of subsidiaries operations including but not limiting to, labour laws, health & safety and environmental regulations, building and operational permits.

Additional risks associated with labour and environmental issues are further analyzed in the Non-Financial Information Report that follows.

d) Circumstances that may considerably impact the development of Viohalco

Circumstances which may considerably have impact on the development of Viohalco are reported in the section Risk and Uncertainties.

F. Viohalco Non-financial report

I. Description of business segment activities
Management report presents a thorough description of each business segment activity on pages 12-70.

II. Viohalco principles
Viohalco as a holding company of a predominantly industrial portfolio strongly believes that its subsidiaries must demonstrate the same responsibility and share the same principles and commitment in sustainability issues in order to preserve long term value for its shareholders. Viohalco has outlined its principles that the subsidiaries are required to incorporate, at a minimum, in their own policies regarding these matters. The subsidiaries have developed their own policies based on these principles and they are exclusively responsible for the compliance with these policies.

The principles reflecting Viohalco's core values are the following:

- "Health and Safety principles" and "Labor and Human Rights principles" reflecting the principles of Viohalco in labour matters as well as human rights issues,
- "Sustainability principles" reflecting the company's principles in social matters
- "Environmental principles" reflecting the company's principles in environmental matters
- "Business Ethics and Anti-corruption principles" is covering anti-corruption and bribery matters

During periodic business reviews, Viohalco Executive Management discusses these critical issues with the subsidiaries' top management in order for Viohalco to have a thorough understanding of the subsidiaries' performance in these matters. During these periodic business reviews, the subsidiaries' top management presents performance metrics, where applicable, and analyses risks and challenges as well as corrective actions that they deem necessary.

Due diligence is performed by a subsidiary, Steelmet, which has been appointed by Viohalco to monitor and report back to its Executive Management the performance of the subsidiaries in these issues. In addition, due diligence in the issues of environment and health and safety is also performed by external auditors during periodic management system certification reviews. Steelmet employs properly trained personnel to perform external audits and has developed assessment tools, both quantitative and qualitative, to assess whether the Company principles are properly implemented.
In addition to audits by Steelmet personnel, the vast majority (82%) of Viohalco production subsidiaries are certified with the environmental Management System ISO 14001 and 71% of the subsidiaries are certified with the Occupational Health and Safety Management System OHSAS 18001. The certification of these management systems requires that on an annual basis, representatives from an independent certifying body audits the subsidiaries' installations and verifies regulatory compliance as well as the existence of a systematic approach in managing the risks and challenges of these issues in an efficient and effective way. During these audits, any possible non-conformances with the system standards are identified and corrective actions with an action plan are forwarded to the certifying body.

III. Principles' implementation and outcome
The implementation of the abovementioned principles is first and foremost the responsibility of each subsidiary's top management. Steelmet personnel on an annual basis confirm that the subsidiaries' policies embody, at a minimum, all of Viohalco's principles. Steelmet personnel then uses assessment tools as well as the metrics that are used to evaluate performance and consistency with Viohalco principles.

Furthermore, the audit reports by the external auditors in the environmental and health and safety management systems produced during certification reviews of the management systems are reviewed by Steelmet personnel to ascertain that corrective actions, if any, are properly carried out by the subsidiaries.

IV. Risk management
Viohalco is a holding company without any industrial operation and all non-financial risks are associated with the operation of its subsidiaries. The financial risks are discussed in the section "Risks and Uncertainties" of the management report. The main non-financial risks associated with the operation of the subsidiaries are the environmental risks and risks related to occupational Health and Safety. Managing these risks is considered a very critical task by the subsidiaries' management because these risks have the potential to create a direct or indirect impact on the subsidiaries continuous operation as well as to create future liabilities.

More specifically, the risks associated with environmental issues are mainly the possibility of pollution and the exposure to carbon costs due to the European Emissions Trading Scheme.

The subsidiaries have their own skilled personnel and consultants managing these issues and they are implementing the certified management systems ISO

140001 and OHSAS 18001 which provide an additional management tool for all related risks. The management systems are the pillars for taking the proper preventive steps, specific plans and actions, and provide the continuous improvement culture necessary to ensure improving performance and risk management.

V. Key performance indicators

The key performance indicators (KPIs) presented are based exclusively on the subsidiaries' performance as Viohalco does not have any industrial activity. The information presented is based on the six major industrial Viohalco segments: Aluminium, Copper, Steel, Cables, Steel Pipes, and Recycling. The subsidiaries selected for each particular segment represent at least 5% of the segment's total revenue. For matters related to manufacturing activity such as environmental and labor (health and safety performance) matters, commercial companies are not included due to non-material contributions in these matters.

The KPIs used in this report have been defined by the Global Reporting Initiative (GRI-Standards Sustainability Reporting Guidelines).

1. Social matters

Viohalco companies support and contribute to the prosperity of local communities and society as a whole. The subsidiaries underline their commitment to cooperate and support local society aiming to contribute to the sustainable development of the local communities in which they operate.

The subsidiaries contribute to the local communities' growth by supporting local employment and entrepreneurship, through the creation of jobs and cooperation with local suppliers and contractors. The subsidiaries also support initiatives that strengthen local community sustainability (by supporting NGOs, school community and local bodies). The subsidiaries' people are encouraged to contribute and volunteer to support social actions and programs.

Viohalco companies seek to create value for all their stakeholder groups. The subsidiaries' operation generate important direct and indirect benefits for society as a whole. In addition to paying salaries and other benefits to employees, the subsidiaries also pay the relevant local property taxes, continuously support local suppliers for materials and services procured. In doing so, the subsidiaries have an overall positive impact on the local communities and society in general. Table 1 presents the percentage of employees from local communities.

	Aluminium		Copper		Cables		Steel		Steel Pipes		Recycling	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
% of employees from local communities	62	65	41	49	76	78	84	85	84	85	82	81

2. Labour matters

Viohalco companies recognise the decisive contribution of their people in their successful business performance and future growth. In line with this approach, the subsidiaries are committed to implementing responsible working practices.

With a sense of responsibility, all Viohalco companies seek to offer their employees a workplace of equal opportunities that respects the personality of each employee, by investing materially and systematically, in their training and development. Steadily oriented to human values, the subsidiaries strive to implement responsible management practices with regard to human resources. The subsidiaries focus on material issues such as:

- ensuring of the health and safety of their employees and associates
- creating a work environment of fair reward, respecting human rights and diversity
- providing equal opportunities for all employees
- safeguarding jobs
- applying objective evaluation systems
- ensuring ongoing employee training and education
- providing additional benefits.

Table 2 presents two fundamental KPIs for labour matters, the turnover ratio of employees and the percentage of women in total workforce.

	Aluminium		Copper		Cables		Steel		Steel Pipes		Recycling	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Turnover rate*	6,2	9,4	5,9	5,8	5,9	4,6	7,9	4,6	8,7	5,6	4,3	3,3
% of women in total workforce	9,2	9,4	6,4	6,9	8	9,5	6,2	6,3	8,5	8,7	15,4	15,6

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

Viohalco companies are spread over eight segments of operations where each segment has a different occupational health and safety risk profile. The difference is attributed to many factors, namely technology of production, infrastructure, manufacturing processes and materials used. Irrespective of the different nature of the business segment, the health and safety of the subsidiaries' personnel is of the utmost priority.

The Viohalco Companies' commitment to health and safety is founded on risk management, leadership qualities and stakeholders engagement and is reflected on the implementation of management systems that regulate the safe execution of daily operations. This commitment is emphatically implemented by the challenges and opportunities the subsidiaries managed over the years 2016-2017 depicted on the respective performance indicators listed below.

	Aluminium		Copper		Cables		Steel		Steel Pipes		Recycling	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
LTIR*	7.45	6.97	6.01	6.44	6.69	9.24	2.25	2.77	6.04	1.82	6.42	14.5
SR**	121	117	167	222	105	163	195	1676	140	95	26	134

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

During 2017, a fatality occurred at the subsidiary company Stomana Industry S.A. of the steel sector while in 2016 no fatalities occurred at any of the subsidiaries.

Taking advantage of the lessons learned, several programs have been implemented by the Companies such as:

- risk mitigation and safety performance improvement plans
- incident reporting and analysis process enhancement,
- risk assessment reevaluation by multidisciplinary teams,
- additional training sessions delivery based on risk assessment results,
- safety meetings performance with targeted and risk mitigation focused agendas,
- safety culture development initiatives.

3. Environmental matters

Viohalco companies have different environmental profiles due to the varying nature of their activities. The difference is attributed to many factors, namely infrastructure, manufacturing processes, materials used and emissions emitted. Irrespective of the different nature of the business segment, environmental protection is of the utmost priority for all the subsidiaries.

The subsidiaries' commitment to sound environmental management is founded on risk management and the minimisation of environmental footprint and is reflected on the implementation of management systems that regulate the environmental protection during daily operations. This commitment is emphatically implemented by the challenges and opportunities the subsidiaries managed over the years 2016-2017 depicted on the respective performance indicators listed below. The common biggest challenges the subsidiaries face is the minimization of water consumption and carbon emissions, presented below in Table 3. It is noted that the carbon footprint is inclusive of the direct and indirect emissions (generated from the electricity supplier).

	Aluminium		Copper		Cables		Steel		Steel Pipes		Recycling***	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Total Carbon Emissions*	0,76	0,76	0,56	0,62	0,55	0,58	0,61	0,57	0,08	0,07	0,010	0,012
Water consumption	1.84	1.90	5.79	5.42	4.65	4.64	2.64	1.87	0.22	0.22	0,069	0,077

** Total Carbon Emissions: the sum of direct and indirect CO_2 emissions (tn CO_2/ tn core products)*
*** Water consumption: m^3/ tn core products*
**** The values for the recycling segment is calculated per tn of incoming waste material)*

4. Human Rights

Viohalco companies respect and acknowledge the internationally accepted human rights. The subsidiaries' policies regarding labour and human rights ensure equal opportunities free of discrimination. Viohalco companies do not accept any kind of racial, gender, age group, minority, religion, social status, disabilities or sexual orientation discrimination.

The subsidiaries are fully opposed to any type of forced or voluntary child labour. Furthermore, the companies condemn and do not allow forms of behavior that could lead to discrimination, intimidation, gesturing or verbal and physical threats. The subsidiaries also recognise the importance of diversity and implement practices for its protection.

The Companies' top management and all employees are encouraged to report any potential misconduct and human rights abuse irrespective of its origin and whom it may affect. During 2017, as in previous years, no incident of discrimination was recorded or reported and there has been no incident of forced or voluntary child labour.

5. Anti-corruption and bribery matters

Viohalco companies implement an integrated Corporate Governance framework, which ensures transparency in all activities, as well as two-way cooperation relationships with shareholders, customers, human resources and any other group of stakeholders. Their Integrity and transparency policy against corruption and bribery ensure the combating of corruption cases, acting with integrity and ethics at all times.

Viohalco companies are fully opposed to any type of corruption; they do not accept any form of bribery or corruption among employees, business partners or any business practice that could create the impression of improper influence. To this effect, they are committed to the prevention of bribery and corruption and implement procedures and controls in order to ensure the combating of corruption cases. Furthermore, Viohalco companies are committed to operating in an ethical and responsible manner, acting professionally, fairly and with integrity in all their business dealings and relationships. They also adopt mechanisms that promote transparent and responsible business conduct.

The top management and employees of Viohalco companies are encouraged to report any suspicion of potential misconduct or any case of corruption or any suspect for bribery incidents.

During 2017, as in previous years, no incident of corruption or bribery was recorded or reported.

G. Corporate governance statement

Introduction

As a company incorporated under Belgian law and listed on Euronext Brussels, Viohalco applies standards that are compliant with the provisions of the 2009 Belgian Corporate Governance Code (***the 2009 Code***), which is the reference code and is publicly available on the website of the Corporate Governance Committee (www.corporategovernance-committee.be).

The 2009 Code is structured around principles, provisions, guidelines, and the «comply or explain» principle. Belgian listed companies must abide by the 2009 Code but may deviate from some of the Code's provisions, if they provide a considerate explanation for any such deviation. The internal organisation of Viohalco deviates from the following principles of the 2009 Code:

- **Principle 6.2** "The executive management comprises at least all executive directors".

Explanation: certain directors are considered to be executive directors due to the management functions they assume in one of the subsidiaries of Viohalco, without being part of the Company's Executive Management.

- **Principle 7.11** "For the interests of an executive manager to be aligned with those of the Company and its shareholders, an adequate part of an executive manager's remuneration package is structured in such a way as to be linked to both the individual and corporate performance".

Explanation: The remuneration policy of the Company is set out in the remuneration report. Such policy does not include variable remuneration. The board of directors will consider the proposals submitted by the Nomination and Remuneration Committee in order to determine whether, and to what extent, a modification of this policy is justified in light of the Company's specific nature and strategy.

Viohalco's board of directors has also adopted a Corporate Governance Charter in order to reinforce its standards for the Company in accordance with the recommendations set out in the 2009 Code. It aims at providing a comprehensive and transparent disclosure of the Company's governance which is reviewed and updated from time to time. The Corporate Governance Charter (the ***Charter***) is available on the Company's website (www.viohalco.com).

In order to have a complete overview of Viohalco's corporate governance rules, the Corporate Governance Statement must be read in conjunction with the Company's articles of association, the Charter as well as the corporate governance provisions laid down in the Belgian Companies Code (the ***BCC***).

As a company secondary listed on the Athens Stock Exchange (Athex), Viohalco also complies with the provisions of the applicable Greek capital market laws and regulations.

Board of Directors

1. Role

The board of directors (the ***Board***) is vested with the power to perform all acts that are necessary or useful for the Company's purpose, except for those actions that are specifically reserved by law or the articles of association to the Shareholders' Meeting or other management bodies.

In particular, the Board is responsible for:

- defining the general orientations of the Company;
- deciding on all major strategic, financial, and operational matters of the Company;
- deciding on the Executive Management structure and determining the powers and duties entrusted to them;
- taking all necessary measures to guarantee the quality, integrity, and timely disclosure of the Company's financial statements and other material financial or non-financial information about the Company;
- monitoring and reviewing the effectiveness of the Audit Committee and the Nomination and Remuneration Committee;
- approving a framework of internal control and risk management set up by the Executive Management and reviewing its implementation;
- monitoring the quality of the services provided by the statutory auditor(s) and the internal audit, taking into account the Audit Committee's review;
- approving the remuneration report submitted by the Nomination and Remuneration Committee; and
- any other issue reserved to the Board by the BCC.

The Board has delegated part of its powers related mainly to the day-to-day management of the Company to the members of the Executive Management.

2. Composition of the Board

In accordance with article 8 of the articles of association, the Board is composed of 12 members as follows:

Name	Position	Term started	Term expires
Nikolaos Stassinopoulos	President - Non-executive member of the Board	2017	2018
Jacques Moulaert	Vice-President - Executive member of the Board	2017	2018
Evangelos Moustakas	CEO - Executive member of the Board	2017	2018
Michail Stassinopoulos	Executive member of the Board	2017	2018
Ippokratis Ioannis Stasinopoulos	Executive member of the Board	2017	2018
Jean Charles Faulx	Executive member of the Board	2017	2018
Xavier Bedoret	Non-executive member of the Board	2017	2018
Rudolf Wiedenmann	Non-executive member of the Board	2017	2018
Efthimios Christodoulou	Independent , Non-executive member of the Board	2017	2018
Francis Mer	Independent, Non-executive member of the Board	2017	2018
Thanasis Molokotos	Independent, Non-executive member of the Board	2017	2018
Vincent de Launoit	Independent, Non-executive member of the Board	2017	2018

3. Information on the members of the Board

Over the past five years, the members of the Board have held the following positions (apart from their directorship in the Company) and maintained relationships with the following bodies which, in theory, could become the source of conflict of interests:

Nikolaos Stassinopoulos, President - Non-executive member of the Board. Mr. Stassinopoulos holds a master's degree from the Athens University of Economics and Business. He served as Vice-president and President of Viohalco Hellenic.

Jacques Moulaert, Vice- President - Executive member of the Board. Mr. Moulaert holds a Ph.D. in law from the University of Ghent and a master's degree in public administration from Harvard University. He serves as honorary managing Director at Groupe Bruxelles Lambert S.A. and as honorary President of the board of ING Belgium S.A./NV. He is a founder and honorary Vice-president of the Louvain Foundation. In the past, Mr. Moulaert served as visiting professor at the Catholic University of Louvain (UCL).

Evangelos Moustakas, CEO - Executive member of the Board. Mr. Moustakas joined Viohalco companies in 1957 and has held various technical and managerial positions at the company, in particular the position of President of the Board of Directors of several subsidiaries of Viohalco, such as Hellenic Cables S.A. and Etem S.A. He serves as President of the Board of Directors of the Hellenic Copper Development Institute and as a member of the Board of Directors of the International Wrought Copper Council (IWCC) and the European Copper Institute (ECI). He is also corporate representative in the International Association "Intercable", the International Cablemakers Federation (ICF, since 1990), and Europacable (since 1991) and is active in the development and promotion of copper and cable products around the world.

Michail Stassinopoulos, Executive member of the Board. Mr. Stassinopoulos graduated from Athens College (1985) and holds a Bachelor Degree (BSc) in Management Sciences from London School of Economics (1989). He also holds a postgraduate diploma (MSc) in shipping, trade and finance from City University Business School UK. Mr. Stassinopoulos is a member of the Board of Directors of Viohalco since 2013. He was a member of the Board of Directors of Elval S.A. Aluminium Industry for 11 years. He also participates in the Board of Directors of the Hellenic Federation of Enterprises since 2016 and was previously a member during 1996-2006. He is a member of the Board of Directors of the "Hellenic Production - Industry Roundtable for Growth", a newly established nongovernmental organization.

Ippokratis Ioannis Stasinopoulos, Executive member of the Board. Mr. Stasinopoulos holds a bachelor's degree in management sciences from City University and a master's degree in shipping, trade and finance from City University's Business School UK. He serves as a member of the General Council of SEV (Hellenic Federation of Enterprises), the Young Presidents Organisation, and the Board of Directors of Endeavor Greece. Mr. Stasinopoulos holds a managerial position at the Viohalco Hellenic since 1995.

Jean Charles Faulx, Executive member of the Board. Mr. Faulx holds a master's degree in economic sciences from the Catholic University of Louvain (UCL). He is a member of the Board of Directors of International Trade S.A., Genecos S.A. (Paris), Terra Middle East (Dusseldorf), Base Metals (Istanbul), and Metal Agencies (London). He was also member of the Board of Directors of Cofidin and Cofidin Treasury Center S.A. prior to their absorption by Cofidin in August 2013. Mr. Faulx also serves as CEO of Tepro Metall AG, a subsidiary of Viohalco, Strega sprl, Airicom France SAS and Airicom Middle East. In the past, Mr. Faulx served as CEO of Studio58 S.A. and Promark SPRL and held various positions at Techno Trade S.A, JCT Invest and Elval Automotive S.A.

Xavier Bedoret, Non-executive member of the Board. Mr. Bedoret holds a master's degree in law and psychology from the Catholic University of Louvain (UCL) and is certified public accountant. Before joining Viohalco, he served as senior audit manager at KPMG and member of the Audit and Risk Management Division at ENGIE S.A.

Rudolf Wiedenmann, Non-executive member of the Board. Mr. Wiedenmann holds a master's degree in chemistry from

Ludwig-Maximilians Universität München and a PhD in natural sciences. He is a member of the Board of Directors of Icme Ecab S.A. In the past, he worked as director in the research and development center and as managing director of energy cables division of Siemens in Germany. He served as president in the European Association of Cable Manufacturers.

Efthimios Christodoulou, Independent, non-executive member of the Board. Mr. Christodoulou holds a BA in economics from Hamilton College and an MA in economics from Columbia University. He served on the staff of the National Bureau of Economic Research (New York) and was a lecturer at New York University. Mr. Christodoulou was Governor of the National Bank of Greece, President of the Union of Hellenic Banks, and Director General of the National Investment Bank for Industrial Development (ETEBA), Governor of the Bank of Greece (Central Bank of Greece). He also acted as President of the Board and CEO of Olympic Airways, Executive President of Hellenic Petroleum S.A., and was a member of the European Parliament. He was Minister of Foreign Affairs and Minister of National Economy in Greece. Until June 2013, Mr. Christodoulou also served as President of EFG Eurobank. He is also President of various philanthropic institutions.

Francis Mer, Independent, non-executive member of the Board. Mr. Mer holds a master's degree from Ecole Polytechnique and a master's degree in engineering from Ecole des Mines. He serves as honorary President of Safran Group. In the past, Mr. Mer held various positions at Usinor Sacilor Group, including President of the Board of Directors and CEO, and served as President of Cockerill Sambre, Eurofer (European Steel Association) and the International Iron and Steel Institute. He was President of the French Steel Federation, the National Technical Research Association, EpE (Entreprises pour l'Environnement) and the Cercle de l'Industrie, and co-president of the Board of Arcelor. Mr. Mer was the French Minister of Economy, Finance and Industry from 2002 to 2004.

Thanasis Molokotos, Independent, non-executive member of the Board. Mr. Molokotos holds a master's degree in mechanical engineering and a master's degree in marine engineering and naval architecture from the Massachusetts Institute of Technology (Cambridge, MA), and a master's degree in mechanical engineering from Tuft University (Medford, MA); he is President and chief executive officer of Assa Abloy Americas. In the past, he served as general manager of Molokotos Textile Corporation and design specialist at Rangine Corporation.

Vincent de Launoit, Independent, non-executive member of the Board. Mr. Vincent de Launoit serves as CEO at Lasere S.A., Laserus S.A., Laserys S.A. et Laserouest S.A.

The mandates of all members of the Board shall expire at the end of the Annual Ordinary Shareholders' Meeting to be held in 2018.

4. Appointment of the members of the Board

The members of the Board are appointed by the Shareholders' Meeting under the quorum and majority conditions applicable to an amendment of the articles of association of the Company, upon proposal by the Board. The members of the Board are appointed for a term of one year and their term of office is renewable.

In case a seat of member of the Board becomes vacant, such vacancy may be filled temporarily by virtue of a unanimous vote of the remaining members of the Board, until the next Shareholders' Meeting which will proceed to the definitive appointment of a Board member.

Any proposal for the appointment of a Board member originating from the shareholders must be accompanied by a Board recommendation based on the advice of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews all the candidacies and seeks to ensure that a satisfactory balance of expertise, knowledge, and experience is maintained among the Board members.

The Board decides which candidates satisfy the independence criteria set by law. To be considered independent, a member of the Board must fulfil the criteria set forth in article 526ter of the BCC. Any independent member of the Board who no longer fulfils the above criteria of independence shall immediately inform the Board.

The Board of Viohalco, having reviewed the independence criteria pursuant to the BCC and the 2009 Code, has decided that Mr. Efthimios Christodoulou, Mr. Vincent de Launoit, Mr. Francis Mer, and Mr. Thanasis Molokotos fulfil these criteria and are independent non-executive members.

Pursuant to article 518bis §1 of the BCC, at least one third of the Company Board members must be of a different gender as of the financial year starting on January 1, 2019. The Board has entrusted the Nomination & Remuneration Committee to review the matter and propose the appropriate profiles so that the Board may appoint the new members of the Board and thus the Company comply with this legal requirement.

The nature of the business of the Company's subsidiaries limits the possibility of gender diversification in production units. It is common worldwide that in an industrial environment in metals processing the vast majority of personnel consists of males. Nevertheless, for the domains supporting the production units, Viohalco companies employ skilled and experienced personnel without any discrimination which leads to the following percentages of female personnel per segment. Viohalco companies make efforts to ensure diversity in terms of nationality, age, religion, and ethnic origin. Currently, there is no formal documented diversity policy but Viohalco as a holding company, requires its subsidiaries to incorporate into policies Labour and Human Rights principles referred to in the Non-financial Information Report.

	Aluminium 2016	Aluminium 2017	Copper 2016	Copper 2017	Cables 2016	Cables 2017	Steel 2016	Steel 2017	Steel Pipes 2016	Steel Pipes 2017	Recycling 2016	Recycling 2017
% of women in total workforce	9,2	9,4	6,4	6,9	8,0	9,5	6,2	6,3	8,5	8,7	15,4	15,6
% of women in workforce excl. production facilities	22,0	20,0	23,1	25,8	17,0	18,8	21,9	23,3	13,4	14,0	23,5	26,4

5. Functioning

The Board has elected among its members Mr. Nikolaos Stassinopoulos as President of the Board, (the ***President***).

The President directs the Board's works. He sets the agenda of its meetings after consultation with the Executive Management. The President is responsible for ensuring that all members of the Board receive accurate, clear and timely information.

The Board has appointed a company secretary, Mr. Jacques Moulaert, to advise the Board on all corporate governance matters (the ***Corporate Governance Secretary***).

The Board meets as frequently as the interests of the Company require so and in any case at least five times a year. The majority of the meetings in any year take place at the Company's registered office.

The meetings of the Board can also be held by teleconference, videoconference, or by any other means of communication that allow the participants to hear each other continuously and to actively participate in these meetings. Participation to a meeting through the above-mentioned means of communication is considered as physical presence to such meeting.

In exceptional circumstances, duly justified by the urgency of the matter and the corporate interest, the Board can adopt unanimous written decisions, expressing its consent in a written document, a facsimile or an e-mail, or by any other similar means of communication. However, this procedure may not be used for the approval of the annual accounts.

The following table provides an overview of the Board meetings held in 2017:

Date and Place	Attendance
March 14, 2017 (conference call)	Present: 9 Represented: 3 Absent: -
March 30, 2017 (Brussels)	Present: 8 Represented: 4 Absent: -
May 30, 2017 (Brussels)	Present: 11 Represented: 1 Absent: -
June 15, 2017 (conference call)	Present: 10 Represented: 1 Absent: 1
September 28, 2017 (Athens)	Present:11 Represented: 1 Absent: -
November 30, 2017 (Brussels)	Present:10 Represented:2 Absent: -

Committees of the Board of directors

The Board has set up two committees to assist and advise the Board on specific areas: the Audit Committee and the Nomination and Remuneration Committee. The competences of these committees are defined in the Charter.

1. The Audit Committee

The Audit Committee is composed of Mr. Efthimios Christodoulou, acting as President of the Committee, Mr. Xavier Bedoret, and Count Vincent de Launoit. All members are non-executive members of the Board and two of them are independent.

All the members of the Audit Committee have sufficient experience and expertise, notably in accounting, auditing and finance, acquired through their previous or current professional assignments.

Pursuant to the Charter, the Audit Committee meets at least four times a year, and at least twice a year it meets with the Company's statutory auditors.

The Audit Committee advises the Board on accounting, audit and internal control matters. In particular, the Audit Committee:

- monitors the financial reporting process;
- monitors the effectiveness of the Company's system of

internal control and risk management as well as the internal audit function;

- monitors the conducting of the statutory audit of the annual and the consolidated accounts, including the follow-up on questions and recommendations made by the statutory auditors;
- presents recommendations to the Board with respect to the appointment of the statutory auditors; and
- reviews and monitors the independence of the statutory auditors, in particular regarding the provision of non-audit services to the Company.

The Audit Committee reports regularly to the Board on the exercise of its duties, identifying any matters in respect of which it considers that action or improvement is needed, and at least when the Board sets up the annual and the consolidated accounts intended for publication.

In 2017, the Audit Committee met four times: on March 30, in Brussels, with one member present; on May 29, in Brussels, with all members present; on September 29, in Athens, with two members present, and on November 30, in Brussels, with all members present. The statutory auditor in charge of the audit and the consolidation attended all the meetings, and the internal auditor attended the meeting of September 29.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of Mr. Nikolaos Stassinopoulos, acting as President of the Committee, Mr. Francis Mer, and Mr. Efthimios Christodoulou. All members are non-executive members of the Board, and two of them are independent.

Pursuant to the Charter, the Committee meets at least twice a year, and whenever necessary in order to carry out its duties.

The Nomination and Remuneration Committee advises the Board principally on matters regarding the appointment and the remuneration of the members of the Board and the Executive Management. In particular, the Nomination and Remuneration Committee:

- makes recommendations to the Board with regard to the appointment and the remuneration of the members of the Board and the Executive Management;
- identifies and nominates, for the approval of the Board, the candidates to fill vacancies as they arise;
- advises on proposals for appointment originating from the shareholders;
- periodically assesses the composition and size of the Board and makes recommendations to the Board with regard to any changes;
- makes proposals to the Board regarding the remuneration policy; and
- drafts and submits a remuneration report to the Board on its findings and recommendations after each committee meeting.

In 2017, the Nomination and Remuneration Committee decided by unanimous written consent of all its members (circular resolution) on March 30, and met on June 15 by conference call with all its members present and on November 30, in Brussels, with two members present.

Evaluation of the Board of Directors and its Committees

The Board regularly (at least every two or three years) assesses its size, composition, performance and those of its committees, as well as its interaction with the Executive Management. On March 30, 2017, the Board, with the assistance of the Nomination and Remuneration Committee, concluded that it operates in an efficient way, consistently encouraging the continuous improvement of the Company's governance.

The non-executive members of the Board assess their interaction with the Executive Management. In 2017, the non-executive members met on September 29, in Athens.

Executive Management

The Executive Management comprises four persons: the chief executive officer (CEO), Mr. Evangelos Moustakas; an executive vice-President, Mr. Jacques Moulaert; the chief financial officer (CFO), Mr. Efstratios Thomadakis; and the Financial Manager of the Greek Branch, Mr. Panteleimon Mavrakis.

In the past five years, the members of the Executive Management held the following directorships and memberships of administrative, management or supervisory bodies and/or partnerships:

Jacques Moulaert, Vice-President - executive member of the Board. Please see above section no 3, Information on the members of the Board, Board of Directors.

Evangelos Moustakas, CEO - executive member of the Board. Please see above section no 3, Information on the members of the Board, Board of Directors.

Efstratios Thomadakis, CFO. Mr. Thomadakis studied Business Administration and holds an MBA from the University of Piraeus. He joined Viohalco Hellenic in 2000. Since then, he has held various managerial positions in the financial department, whilst in 2010 became the CFO of the Sidenor Group, Viohalco's steel business segment. He is also member of the board of directors of several Viohalco subsidiaries, such as Sidenor Industry S.A.

Panteleimon Mavrakis, Financial Manager of the Greek Branch. Mr. Mavrakis studied Economics at the University of Piraeus. He joined Viohalco in 1979 and since then has held executive positions in the financial department of several Viohalco companies. From 2000 to 2013, he served as CFO of Viohalco Hellenic and some of its subsidiaries, and since 2013 he is responsible for the accounting and fiscal affairs of the Greek Branch of Viohalco.

The Executive Management is vested with the day-to-day management of the Company. They are also entrusted with the implementation of the resolutions of the Board.

In particular, the Board has assigned the following missions to the Executive Management:
- preparing strategic proposals for the Board;
- putting internal controls in place;
- monitoring and managing the Company's results and performance against strategic and financial plans;
- giving direction, guidance, and support to the Company's business;
- presenting to the Board a timely and reliable set of the Company's draft financial statements, in accordance with applicable accounting standards, as well as the related press releases;
- providing the Board with a balanced and comprehensive assessment of the Company's financial situation;
- making recommendations to the Board with respect to matters within its competency; and
- reporting to the Board on the performance of the Company.

Remuneration report

1. Remuneration policy

The policy regarding the remuneration of executive and non-executive members of the Board is determined by the Board, based on a proposal from the Nomination and Remuneration Committee. It leads to proposals that must be approved by the shareholders during the Annual Ordinary Shareholders' Meeting as far as the members of the Board are concerned. The Nomination and Remuneration Committee bases its proposals on a review of the prevailing market conditions for comparable companies.

Viohalco does not foresee any significant change in its actual remuneration policy for the years 2018 and 2019.

2. Board of directors

The remuneration policy for the year 2017-2018 foresees a fixed fee for each member of the Board amounting to EUR 25,000, plus an equal sum in case they are members of a committee.

The remuneration of the Board's President is equal to that of the other non-executive members of the Board.

These fees are allocated on a "pro rata temporis" basis for the period extending from the Annual Ordinary Shareholders' Meeting until the Annual Ordinary Shareholders' Meeting of the following year, and are due at the end of such period. No variable remuneration is foreseen.

The following table provides an overview of the fees paid to the Board members during their term of office (2017-2018):

Name for members (amounts in EUR)	Fixed amount for members of the Board	Fixed amount for members of the Audit Committee	Fixed amount for the members of the Nomination and Remuneration Committee	Total
Nikolaos Stassinopoulos	25,000	0	25,000	50,000
Jacques Moulaert	25,000	0	0	25,000
Evangelos Moustakas	25,000	0	0	25,000
Michail Stassinopoulos	25,000	0	0	25,000
Ippokratis Ioannis Stasinopoulos	25,000	0	0	25,000
Jean Charles Faulx	25,000	0	0	25,000
Xavier Bedoret	25,000	25,000	0	50,000
Rudolf Wiedenmann	25,000	0	0	25,000
Efthimios Christodoulou (*)	0	0	0	0
Francis Mer	25,000	0	25,000	50.000
Thanasis Molokotos	25,000	0	0	25,000
Vincent de Launoit	25,000	25,000	0	50,000
Total Remuneration	**275,000**	**50,000**	**50.000**	**375,000**

(*) This member of the Board has waived all remuneration.

The total remuneration paid to non-executive members of the Board is presented in the above table, with the exception of Mr. Wiedenmann, who received an additional sum of EUR 2.8 k by Icme Ecab, and Mr. Bedoret, who received an additional sum of EUR 146.2k by Viohalco and an additional sum of EUR 29.2k by Cenergy Holdings.

3. Executive members of the Board and Executive Management

The remuneration policy for the executive members of the Board and the Executive Management of Viohalco is made up of a fixed fee. They are entitled to neither stock options nor a supplementary pension scheme. No contingent or deferred compensation has been paid by the Company to the executive members of the Board or the Executive Management. They do not have any contract with the Company which would entitle them to benefits by the end of their term of office.

The remuneration scheme for the CEO and the Executive Vice-President does not include a variable part. The remuneration of other executive members of the Board and legal representatives is not determined by the Company, but by its subsidiaries.

The CEO's remuneration for the fiscal year 2017 amounts to EUR 1,333k (in addition to his remuneration as a member of the Board).

The remuneration granted in 2017 to the executive members of the Board (in addition to their remuneration as members of the Board) and the Executive Management, excluding the CEO, amounts to EUR 1,792k.

On June 15, 2017, Mr. Dimitrios Kyriakopoulos, CFO and member of the Executive Management of the Company, submitted his resignation. Following the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Efstratios Thomadakis as new CFO and member of the Executive Management of Viohalco.

External Audit

Two statutory auditors, appointed by the Shareholders' Meeting among the members of the Belgian Institute of Certified Auditors, are entrusted with the external audit of the Company's financial statements.

The statutory auditors' mission and powers are those defined by the law. The Shareholders' Meeting sets the number of statutory auditors and determines their remuneration in compliance with the law. The statutory auditors are appointed for a renewable term of three years.

On May 31, 2016, the Company appointed KPMG Bedrijfsrevisoren/Réviseurs d'Entreprises SCRL ("KPMG"), represented by Mr. Benoît Van Roost, and Renaud de Borman Réviseurs d'Entreprises-Bedrijfsrevisoren SPRL, represented by Mr. Renaud de Borman, as statutory auditors for a three-year period. KPMG has been appointed to audit the Company's consolidated financial statements.

Company's Risk Management

The Belgian legislative and regulatory framework on risk management and internal control is set out in the law of 17 December 2008 on the establishment of an audit committee, and the law of 6 April 2010 on the enhancement of corporate governance, as well as in the 2009 Code.

As mentioned in the chapter "Risks and Uncertainties" of this annual report, the Executive Management is responsible for the risk management and the system of internal control. Under the high supervision of the Executive Management, the Management of each Company's subsidiary is in charge of developing an adequate organisation and an appropriate system of internal control for running the subsidiary's operations and managing risk.

The Audit Committee is responsible for monitoring the effectiveness of the Company's risk management, its system of internal control and its internal audit function.

- **Company's Risk Management**

Risk management covering the Market Risk and the Operational Risk is exclusively the responsibility of the Management of the subsidiaries. The subsidiaries' managers report on business risks and challenges to the Executive Management on a regular basis: they provide the Board and the Audit Committee with a detailed business review which analyses risks and challenges.

- **Internal Audit Function**

The Audit Committee supervises the internal audit function. The internal audit function is provided to the subsidiaries by its affiliate company, Steelmet S.A. pursuant to a subcontracting agreement entered into between the companies.

The internal audit function is responsible for performing audit engagements in accordance with their annual audit plan. The audit engagements follow the audit methodology that is described in the internal audit charter and the internal audit manual. At the end of each audit engagement, the internal auditors issue an audit report containing their findings and recommendations. The subsidiaries' managers must take action for implementing the audit recommendations in due time.

The internal audit team reports at least twice a year to the Audit Committee. In the beginning of each calendar year, the internal auditors provide the Audit Committee with their audit plan for review and approval. The Audit Committee ensures that the internal audit work is focused on the Company's activities and the risk areas it deems critical. It ensures that the internal audit function reduces the probability of error and fraud.

Control and Relationship with Subsidiaries

Viohalco is a holding company that operates in a decentralized manner. Each of the Viohalco's subsidiaries is responsible for its performance and results. The management of the subsidiaries is organised around solid global and regional teams, with responsibility assigned to the members of their respective Executive Management team.

All Viohalco's companies are accountable for their own organization, risk management and system of internal control as these are developed and implemented depending on the business segment, the geographical location and the type of production plant concerned.

In order to secure consistency of approach when separate companies deal with similar issues, and to optimize coordination throughout the network of the Company's subsidiaries, the Board sets out corporate policies, aimed at providing the local Management with solid guidance and a workable framework for optimal local implementation and monitoring.

Financial Reporting and Monitoring
Viohalco has established procedures for the adequate recording and reporting of financial and non-financial information. The objective is to ensure that financial and non-financial information produced by each entity is homogeneous, coherent, and comparable, and that consolidated financial information is fair, reliable, and can be obtained in a timely manner.

Each subsidiary reports financial information on a monthly basis. This includes the balance sheet, the income statement, the statement of cash flows, and a working capital analysis.

A review covering each business segment is presented to the Board. The review includes "actual versus budget", financial and non-financial information, the highlights of the semester, the business segment perspectives, and is a key component of Viohalco's decision-making process.

Conflicts of interests
Pursuant to Article 10 of the Charter, in the event a conflict of interests with a member of the Board, a shareholder, or another Viohalco subsidiary, may arise, the Board is required to implement the specific procedures of conflict resolution set forth in articles 523 and 524 of the BCC.

Each member of the Board and the Executive Management is required to always act without conflict of interests and always puts the interest of Viohalco before his individual interest. Each member of the Board and the Executive Management is required to always arrange his or her personal business so as to avoid direct and indirect conflict of interests with Viohalco.

All members of the Board are required to inform the Board of conflicts of interests as they arise. If the conflict of interests is of proprietary nature, they will abstain from participating in the discussions and deliberations on the matter involved in accordance with article 523 of the BCC. If the conflict of interests is not covered by the provisions of the BCC and involves a transaction or contractual relationship between Viohalco or one of its related entities, on the one hand, and any member of the Board or the Executive Management (or a company or entity with which such member of the Board or the Executive Management has a close relationship), on the other hand, such member will inform the Board of the conflict. The Board is under the obligation to check that the approval of the transaction is motivated by Viohalco's interest only and that it takes place at arm's length.

In all cases involving a conflict of interests not covered by article 523 of the BCC, the member of the Board affected by the conflict of interests is required to judge whether he or she should abstain from participating in the discussions and the vote.

Since the listing of the Company, the Board has not been notified of any transaction or other contractual relationship between Viohalco and its Board members which caused a conflict of interests within the meaning of articles 523 and 524 of the BCC.

Shareholders
1. Capital Structure
On December 31, 2017, the Company's share capital amounted to EUR 141,893,812.84 represented by 259,189,761 shares without nominal value. There is no authorised share capital.

All shares of the Company belong to the same class of securities and are in registered or dematerialised form. Shareholders may elect, at any time, to have their registered shares converted into dematerialised shares and vice versa.

Share transfers are not restricted in the Company's articles of association, all Company's shares are freely transferable.

Each share entitles the holder to one voting right.

2. Restrictions on Voting Rights
The articles of association do not provide for special restrictions on the shareholders' voting rights. Provided that the shareholders are admitted to the Shareholders' Meeting and their rights are not suspended, they enjoy unrestricted freedom in exercising their voting rights. The relevant provisions governing the shareholders' admission to the Shareholders' Meeting are set out in article 19 of Viohalco's articles of association.

Article 7.3 of the articles of association provides that the Company's shares are indivisible and that it recognises only one holder per share. The Board has the right to suspend the exercise of all rights attached to jointly owned shares until a single representative of the joint owners has been appointed.

3. Transparency
Pursuant to the Belgian law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions (the Transparency Law), the Company requires that all any natural and legal person, who directly or indirectly acquires voting securities in the Company, notifies the Company and the Financial Services and Markets Authority (FSMA) of the number and proportion of existing voting rights they hold, where the voting rights attached to the voting securities reach 5% or more of the total existing rights. A similar notification is required in the following cases:

- direct or indirect acquisition or disposal of voting securities, or change of the breakdown of the voting rights , where the proportion of voting rights attached to the securities held reaches or exceeds 10%, 15%, 20% and so on, by increments of 5%, of the total existing voting rights;
- first admission of the Company's shares to trading on a

regulated market, where the voting rights attached to the voting securities represent 5% or more of the total existing voting rights;
- conclusion, modification or termination by natural or legal persons of an agreement to act in concert where the proportion of the voting rights that are the subject of the agreement, or the proportion of the voting rights held by a party to the agreement, reaches, exceeds or falls below one of the thresholds provided for in § 1, or the nature of the agreement to act in concert is modified;
- crossing of stricter notification thresholds added by the Company's articles of association.

The notification must be made as soon as possible and, not later than four trading days following the acquisition or disposal of the voting rights triggering the reaching of the initial threshold. The Company must publish the information so notified within three trading days following receipt of the notification.

At Shareholders' Meetings, shareholders cannot cast more votes than those attached to the securities or rights they have notified to the Company, in pursuance to the Transparency Law, before the date of the Shareholders' Meeting, subject to certain exceptions.

The form, on which such notifications must be made, together with additional explanations, is available on the FSMA website (www.fsma.be).

The voting rights held by the major shareholders of the Company are available on the website of Viohalco (www.viohalco.com).

Viohalco is not aware of the existence of any agreement between its shareholders concerning the transfer or the exercise of the voting rights attached to the shares of the Company.

Shareholders' Meeting

1. Meetings

The Annual Ordinary Shareholders' Meeting of the Company is held on the last Tuesday of May at 12:00 p.m. or, if the day is a public holiday in Belgium, on the previous business day, at the same time. It takes place in Brussels, at the registered office of the Company or at a place indicated in the convening notice of the Shareholders' Meeting.

The other Shareholders' Meetings of the Company must take place on the date, hour and place indicated in the convening notice of the Shareholders' Meeting. They may take place in locations other than the Company's registered office.

The Annual, the Special and Extraordinary Shareholders' Meetings of the Company may be convened by the Board or by the statutory auditor of the Company, or at the request of shareholders representing at least the one fifth (1/5) of the Company's share capital.

2. Quorum and Majority required for modification of the articles of association

The modification of Viohalco's articles of association requires that two thirds (2/3) of the share capital are present or represented, and that it is approved by a qualified majority of 75% of the votes cast. If the quorum of two thirds is not reached during a first Shareholders' Meeting, a second Meeting can be convened with the same agenda and shall lawfully meet if 60% of the Company's share capital is present or represented.

If this second Meeting quorum is not reached, a third Meeting can be convened and shall lawfully meet if 58% of the Company's share capital is present or represented.

H. Shareholder information and market data

Share information and evolution of the shares

The share capital of Viohalco is set at EUR 141,893,811.46 and is divided into 259,189,761 shares without nominal value, further to the completion of the cross-border merger through absorption by Viohalco of the Greek companies, Elval Holdings Société Anonyme (Elval), Diatour, Management and Tourism Société Anonyme (Diatour), Alcomet Copper and Aluminium Société Anonyme (Alcomet) and the Luxembourg company Eufina S.A. (Eufina) on 26 February 2016.

The shares have been issued in registered and dematerialised form. All the shares are freely transferable and fully paid up. The Company has not issued any other category of shares, such as non-voting or preferential shares.

All the shares representing the share capital have the same rights. In accordance with the articles of association of the Company, each share entitles its holder to one vote.

Viohalco's shares are listed under the symbol "VIO" with ISIN code BE0974271034 on the regulated market of Euronext Brussels and on the main market of the Athens Stock Exchange (Athex) with the same ISIN code and under the symbol VIO (in latin characters) and BIO (in Greek characters).

Market data

The table below sets forth, for the periods indicated the maximum and minimum year-end closing prices, and the end of the year closing prices of Viohalco S.A. on Euronext Brussels and Athens Stock Exchange.

Share price EURONEXT BRUSSELS in EUR	2017	2016
At the end of the year	3.20	1.22
Maximum	3.40	1.70
Minimum	1.26	1.00
Dividends	0	0
Gross annual return in %	153.97%	-24.35%

Share price ATHENS EXCHANGE in EUR	2017	2016
At the end of the year	3.24	1.25
Maximum	3.44	1.67
Minimum	1.34	0.98
Dividends	0	0
Gross annual return in %	138.24%	-21.88%

Investor relations contact details

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Market	NYSE Euronext Brussels
Ticker	VIO
ISIN code	BE0974271034

Market	Athens Exchange
Ticker	VIO (in latin characters) and BIO (in Greek characters)
ISIN code	BE0974271034

Viohalco remains committed to high-quality and transparent financial reporting. Viohalco's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs as adopted by the EU").

Shareholding structure

Based on the last Transparency Declarations, the shareholding structure of Viohalco is as follows:

Name (Shareholders)	% voting rights
Evangelos Stassinopoulos	42.81%
Nikolaos Stassinopoulos	32.27%

Distribution and dividend policy

Since its incorporation in 2013, Viohalco does not have any history of dividend distribution.

It is the present intention of the Board that in the short term, the Company's profits shall be reinvested into the Company's businesses. This policy will be reviewed by the Board in due course and, if the policy changes, the Company will inform the market accordingly. However, no assurances can be given that Viohalco will make dividend payments in the future. Such payments will depend upon a number of factors, including Viohalco's prospects, strategies, results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered to be relevant by the Board of Directors. Due to its interest and participation in a number of subsidiaries and affiliated companies, Viohalco's stand-alone income and its ability to pay dividends depends in part on the receipt of dividends and distributions from these subsidiaries and affiliated companies. The payment of dividends by these subsidiaries and affiliated companies is contingent upon the sufficiency of earnings, cash flows, and distributable reserves.

Financial calendar

Date	Publication / Event
15 May 2018	Presentation of 2017 financial results to the analysts (Athens Stock Exchange)
29 May 2018	Annual General Meeting 2018
27 September 2018	Half Yearly 2018 results

I. Appendix – Alternative Performance Measures (APMs)

General Definitions

Viohalco management has adopted, monitors and reports internally and externally P&L APMs, namely EBITDA, EBIT, Adjusted Gross Profit (a-Gross Profit), Adjusted EBITDA (a-EBITDA) and Adjusted EBIT (a-EBIT) on the basis that they are appropriate measures reflecting the underlying performance of the business. These APMs are also key performance metrics on which Viohalco prepares, monitors and assesses its annual budgets and long-range (5 year) plans. However, it must be noted that adjusted items should not be considered as non-operating or non-recurring.

Relating to Balance Sheet items, VIOHALCO management monitors and reports the net debt measure.

EBITDA

EBITDA is defined as income from continuing operations before:

- income taxes,
- Share of profit/loss of equity-accounted investees, net of tax
- net finance costs,
- depreciation and amortization

EBIT

EBIT is defined as income from continuing operations before:

- income taxes,
- Share of profit/loss of equity-accounted investees, net of tax
- net finance costs

a-EBITDA

a-EBITDA is defined as income from continuing operations before:

- income taxes,
- net interest cost,
- depreciation and amortization

as adjusted to exclude:

- metal price lag,
- restructuring costs,
- exceptional idle costs,
- impairment / reversal of impairment of fixed and intangible assets
- impairment / reversal of impairment of investments
- unrealized gains or losses on derivatives and on foreign exchange differences,
- gains/losses from sales of fixed assets, intangible assets and investments,
- exceptional litigation fees and fines,
- exceptional provisions on receivables along with the respective insurance income and
- other exceptional or unusual items

a-EBIT

a-EBIT is defined as income from continuing operations before:

- income taxes,
- net interest cost,

as adjusted to exclude items same to those of a-EBITDA

a-Gross Profit

a-Gross Profit is Gross Profit as adjusted to exclude income taxes,

- metal price lag
- restructuring costs (if included in Gross Profit),
- exceptional idle costs,
- other exceptional or unusual items (if included in Gross Profit)

Net Debt

Net Debt is defined as the total of:

- Long term borrowings,
- Short term borrowings,

Less:

- Cash and cash equivalens

Metal Price Lag

Metal price lag is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals (ferrous and non-ferrous) which VIOHALCO's subsidiaries use as raw materials in their end-product production processes.

Metal price lag exists due to:

(i) the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,
(ii) the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as Cost of Sales, due to the costing method used (e.g. weighted average),
(iii) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

Most VIOHALCO's subsidiaries use back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on their results. However, there will be always some impact (positive or negative) in the P&L, since in the non-ferrous segments (i.e. Aluminum, Copper and Cables) part of the inventory is treated as being kept on a permanent basis (minimum operating stock), and not hedged and in the ferrous (i.e. Steel and Steel Pipes) segments no commodities hedging occurs.

Reconciliation Tables

EBIT and EBITDA

Amounts in EUR thousand	For the year ended 31 December 2017	2016
EBT (as reported in Statement of Profit or Loss)	**56,839**	**6,756**
Adjust for:		
Share of profit/loss (-) of equity-accounted investees, net of tax	181	1,240
Finance Income/Cost	110,432	102,056
EBIT	**167,452**	**110,052**
Add back:		
Depreciation & Amortization	135,093	121,628
EBITDA	**302,546**	**231,680**

a-EBIT and a-EBITDA

Amounts in EUR thousand	For the year ended 31 December 2017	2016
EBT (as reported in Statement of Profit or Loss)	**56,839**	**6,756**
Adjustments for:		
Net interest cost	109,134	106,917
Metal price lag	-26,056	6,945
Restructuring expenses	99	2,820
Unrealized (gains (-) /losses on foreign currency balances and derivatives (fx and commodity)	1,120	3,282
Impairment/ Reversal of Impairment (-) on fixed assets and investment property	315	10,938
Impairment/ Reversal of Impairment (-) on investments	111	-
Exceptional provisions on receivables along with the respective insurance income	8,883	-1,419
Exceptional litigation fees and fines / income (-)	531	-902
Gains (-) /losses from sales of fixed assets, intangible assets and investment property	-837	-540
Bargain purchase on acquisition	-	-7,319
Other exceptional or unusual income (-) /expenses	-1,025	432
a-EBIT	**149,114**	**127,910**
Add back:		
Depreciation & Amortization	135,093	121,628
a-EBITDA	**284,207**	**249,537**

a- Gross Profit

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Gross Profit (as reported in Statement of Profit or Loss)	**349,597**	**287,555**
Adjustments for:		
Metal price lag	-26,056	6,945
Restructuring expenses	99	-
Unrealized gains (-)/losses on foreign currency balances and derivatives (fx & commodity)	1,500	232
Other exceptional or unusual income (-)/expenses	-	344
a-Gross Profit	**325,140**	**295,077**

Net Debt

Amounts in EUR thousand	For the year ended 31 December 2017	2016
Long term Borrowings	718,716	804,723
Short term Borrowings	977,071	894,491
Total Debt	**1,695,787**	**1,699,214**
Less :		
Cash and cash equivalents	-168,239	-171,784
Net Debt	**1,527,548**	**1,527,430**

J. Consolidated Financial Statements 2017

Contents

1. Consolidated Statement of Financial Position

Amounts in EUR thousands	Note	As at 31 December 2017	31 December 2016
ASSETS			
Property, plant and equipment	17	1,743,632	1,783,156
Intangible assets and goodwill	18	26,531	24,657
Investment property	19	165,247	155,553
Equity-accounted investees	20	16,956	17,594
Other investments	21	7,949	7,658
Deferred tax assets	13	18,785	14,731
Derivatives	23	262	253
Trade and other receivables	15	6,346	6,320
Non-current assets		**1,985,709**	**2,009,922**
Inventories	14	1,005,867	857,419
Trade and other receivables	15	509,740	576,187
Current tax assets		1,082	1,332
Other investments	21	1,624	1,633
Derivatives	23	7,606	7,933
Cash and cash equivalents	16	168,239	171,784
Assets held for sale	22	4,223	0
Current assets		**1,698,380**	**1,616,288**
Total assets		**3,684,089**	**3,626,210**
EQUITY			
Share capital	24	141,894	141,894
Share premium	24	457,571	457,571
Translation reserves		-24,535	-18,847
Other reserves	24	406,616	395,563
Retained earnings		125,087	81,525
Equity attributable to owners of the Company		**1,106,633**	**1,057,706**
Non-controlling interests	32	122,585	90,533
Total equity		**1,229,218**	**1,148,239**
LIABILITIES			
Loans and borrowings	26	718,716	804,723
Derivatives	23	1,281	4,366
Deferred tax liabilities	13	98,312	147,763
Employee benefits	11	29,724	26,868
Grants	28	43,088	46,468
Provisions	29	4,416	3,863
Trade and other payables	27	18,292	12,477
Non-current liabilities		**913,829**	**1,046,529**
Loans and borrowings	26	977,071	894,491
Trade and other payables	27	544,414	506,804
Current tax liabilities		10,029	19,875
Derivatives	23	8,878	9,858
Provisions	29	650	415
Current liabilities		**1,541,041**	**1,431,442**
Total liabilities		**2,454,871**	**2,477,971**
Total equity and liabilities		**3,684,089**	**3,626,210**

The notes on pages a9 to a66 are an integral part of these Consolidated Financial Statements.

2. Consolidated Statement of Profit or Loss

Amounts in EUR thousands	Note	For the year ended 31 December 2017	2016 Re-presented*
Revenue	7	**3,721,311**	**3,119,198**
Cost of sales	8	-3,371,713	-2,831,643
Gross profit		**349,597**	**287,555**
Other income	8	15,315	30,213
Selling and distribution expenses	8	-66,351	-65,197
Administrative expenses	8	-109,773	-105,188
Other expenses	8	-21,336	-37,332
Operating result (EBIT)		**167,452**	**110,052**
Finance income	9	2,019	10,367
Finance costs	9	-112,451	-112,423
Net finance income / costs (-)		**-110,432**	**-102,056**
Share of profit/ loss (-) of equity-accounted investees, net of tax	20	-181	-1,240
Profit/Loss (-) before income tax		**56,839**	**6,756**
Income tax expense (-)	13	26,956	-13,685
Profit/Loss (-)		**83,794**	**-6,930**
Profit/Loss (-) attributable to:			
Owners of the Company		73,680	-6,383
Non-controlling interests		10,114	-546
		83,794	**-6,930**
Earnings per share (in EUR per share)			
Basic and diluted	10	0.2843	-0.0250

** See Note 5.20.*
The notes on pages a9 to a66 are an integral part of these Consolidated Financial Statements.

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

Amounts in EUR thousands	Note	For the year ended 31 December 2017	2016
Profit/Loss (-)		**83,794**	**-6,930**
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	11	-1,888	-607
Related tax	13	519	114
Total		**-1,369**	**-494**
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		-6,379	-17,994
Changes in fair value of cash flow hedges –effective portion		8,720	-2,568
Changes in fair value of cash flow hedges - reclassified to profit or loss		-1,228	-10
Changes in fair value of available for sale financial assets	21	122	-24
Related tax	13	-1,404	-204
Total		**-170**	**-20,800**
Total comprehensive income / expense (-) after tax		**82,256**	**-28,223**
Total comprehensive income attributable to			
Owners of the company		72,497	-22,958
Non-controlling interests		9,759	-5,266
Total comprehensive income / expense (-) after tax		**82,256**	**-28,223**

The notes on pages a9 to a66 are an integral part of these Consolidated Financial Statements.

4. Consolidated Statement of Changes in Equity

2017

Amounts in EUR thousands	Note	Share capital	Share premium	Treasury shares	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2017		**141,894**	**457,571**	**0**	**395,563**	**-18,847**	**81,525**	**1,057,707**	**90,533**	**1,148,239**
Total comprehensive income										
Profit/loss (-)		0	0	0	0	0	73,680	73,680	10,114	83,794
Other comprehensive income		0	0	0	4,972	-4,875	-1,280	-1,183	-355	-1,539
Total comprehensive income		**0**	**0**	**0**	**4,972**	**-4,875**	**72,401**	**72,497**	**9,759**	**82,256**
Transactions with owners of the Company										
Transfer of reserves & other movements		0	0	0	2,874	0	-1,535	1,339	0	1,339
Dividends		0	0	0	0	0	0	0	-722	-722
Total		**0**	**0**	**0**	**2,874**	**0**	**-1,535**	**1,339**	**-722**	**617**
Changes in ownership interests:										
Acquisition of NCI	31	0	0	0	85	0	-336	-251	-1,642	-1,893
Other changes in ownership interests	31	0	0	0	3,122	-813	-26,967	-24,659	24,659	0
Balance as at 31 December 2017		**141,894**	**457,571**	**0**	**406,616**	**-24,535**	**125,087**	**1,106,633**	**122,585**	**1,229,218**

2016

Amounts in EUR thousands	Share capital	Share premium	Treasury shares	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2016	**117,666**	**453,822**	**-8,059**	**336,681**	**-13,968**	**42,353**	**928,495**	**246,349**	**1,174,843**
Total comprehensive income									
Profit/loss (-)	0	0	0	0	0	-6,383	-6,383	-546	-6,930
Other comprehensive income	0	0	0	-1,693	-14,621	-260	-16,575	-4,719	-21,294
Total comprehensive income	**0**	**0**	**0**	**-1,693**	**-14,621**	**-6,643**	**-22,958**	**-5,266**	**-28,224**
Transactions with owners of the Company									
Business combination Eufina	13,642	515	0	0	0	-11,231	2,926	0	2,926
Transfer of reserves & other movements	0	0	0	28,852	0	-28,852	0	0	0
Dividends	0	0	0	0	0	0	0	-1,307	-1,307
Total	**13,642**	**515**	**0**	**28,852**	**0**	**-40,083**	**2,926**	**-1,307**	**1,619**
Changes in ownership interests									
Acquisition of NCI Elva, Alcomet, Diatour	10,586	3,234	8,059	21,601	4,286	118,261	166,028	-166,028	0
Other changes in ownership interests	0	0	0	10,122	5,457	-32,363	-16,785	16,785	0
Balance as at 31 December 2016	**141,894**	**457,571**	**0**	**395,563**	**-18,847**	**81,525**	**1,057,706**	**90,533**	**1,148,239**

The notes on pages a9 to a66 are an integral part of these Consolidated Financial Statements.

5. Consolidated Statement of Cash Flows

Amounts in EUR thousands	Note	For the year ended 31 December 2017	2016 *Re-presented
Cash flows from operating activities			
Profit / loss (-) for the period		**83,794**	**-6,930**
Adjustments for:			
Income tax expense/ credit (-)	13	-26,956	13,685
Depreciation of PP&E	8	132,107	119,867
Depreciation of intangible assets	8	3,370	2,682
Depreciation of investment property	8	3,603	3,194
Impairment loss/ Reversal of impairment loss (-) and write off of PP&E	8	1,341	7,269
Impairment loss/ Reversal of impairment loss (-) and write off of investment property	8	-149	4,844
Profit (-) / loss from sale of PP&E and intangibles	8	-895	-540
Profit (-) / loss from sale of investment property	8	98	0
Amortization of grants	28	-3,986	-4,116
Finance cost	9	112,451	112,423
Finance income	9	-2,019	-10,367
Impairment losses of receivables	30	14,168	1,735
Share of profit of equity accounted investees	20	181	1,240
		317,108	**244,987**
Decrease / increase (-) in inventories		-148,448	-76,631
Decrease / increase (-) in receivables		52,252	-54,746
Decrease (-) / increase in liabilities		31,680	66,269
Decrease (-) / increase in employees benefits liability		969	855
Decrease (-) / increase in provisions		788	-6,460
		-62,759	**-70,713**
Interest paid		-104,903	-101,872
Tax expense paid		-26,606	-5,698
Net cash flows from operating activities		**122,840**	**66,705**
Cash flows from investing activities			
Purchase of PP&E and intangible assets		-100,901	-103,585
Purchase of investment property	19	-3,540	-6,423
Proceeds from sales of PP&E and intangible assets		3,606	3,130
Proceeds from sales of investment property		80	0
Acquisition / increase in share capital of equity accounted investees	20	-501	-110
Acquisition of available for sale financial assets	21	-400	-211
Proceeds from sale of available for sale investments		39	207
Interest received		1,298	3,953
Dividends received		459	827
Proceeds from collection of grants	28	609	70
Cash acquired from business combination		0	9,880
Net cash flows used in investing activities		**-99,252**	**-92,262**
Cash flows from financing activities			
Proceeds from new borrowings	26	285,370	322,239
Repayment of borrowings	26	-308,918	-259,467
Dividends paid to minority interest		-722	-1,397
Acquisition of non-controlling interests		-1,893	0
Net cash flows from/used in (-) financing activities		**-26,163**	**61,375**
Net decrease (-)/ increase in cash and cash equivalents		**-2,575**	**35,817**
Cash and cash equivalents at the beginning of period		171,784	136,296
Foreign exchange effect on cash and cash equivalents		-971	-329
Cash and cash equivalents at the end of period		**168,239**	**171,784**

** The comparative amounts under "Proceeds from new borrowings" and "Repayment of borrowings" have been re-presented in order to be comparable with the presentation applied for the current year's figures.*

The notes on pages a9 to a66 are an integral part of these Consolidated Financial Statements.

6. Notes to the Consolidated Financial Statements

1. Reporting entity

Viohalco S.A. (hereafter referred to as "the Company" or "Viohalco S.A.") is a Belgian Limited Liability Company. The Company's registered office is located at 30 Avenue Marnix, 1000 Brussels Belgium. The Company's Consolidated Financial Statements include those of the Company and its subsidiaries (together referred to as"Viohalco"), and Viohalco's interest in associates accounted for using the equity method.

Viohalco S.A. is the holding company and holds participations in approximately 100 subsidiaries, two of which are listed, one on Euronext Brussels and the other on Athens Stock Exchange. With production facilities in Greece, Bulgaria, Romania, FYROM and the United Kingdom, Viohalco subsidiaries specialise in the manufacture of steel, copper and aluminium products. In addition, Viohalco owns substantial real estate properties in Greece and redeveloped some of its properties as real estate development projects. Its shares are traded on Euronext Brussels and has since February 2014 its secondary listing on the Athens Stock exchange (trading ticker "VIO").

The Company's electronic address is www.viohalco.com, where the Consolidated Financial Statements have been posted.

2. Basis of accounting

Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union up to 31 December 2017 and approved by the Company's Board of Directors.

Details of the Viohalco's accounting policies are included in Note 5.

Basis of measurement

The Consolidated Financial Statements have been prepared in accordance with the historical cost principle with the exception of the following assets and liabilities which are measured on an alternative basis on each reporting date.

1. Derivative financial instruments (fair value)
2. Available-for-sale financial assets (fair value)
3. Net defined benefit liability (present value of the obligation)
4. Provisions (present value of the expected future cash flows)

3. Functional currency and presentation currency

The functional and presentation currency of the parent Company is Euro. All amounts in the Consolidated Financial Statements are rounded to the nearest thousand, unless otherwise indicated. As such, due to rounding, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

4. Use of estimates and judgements

Preparing Financial Statements in line with IFRS requires that Management makes judgements, makes estimates and assumptions that affect the application of Viohalco's accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Management's estimates and judgements are reviewed on an ongoing basis. Revisions to estimates are recognised propectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 5.1 and 31 - Consolidation: whether Viohalco has de facto control over an investee;
- Note 19 and 5.11 – Real estate classification as investment property versus owner-occupied property

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 December 2017 is included in the following notes:

- Note 11 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 13 – Recognition of deferred tax assets, availability of future taxable profits against which carried forward tax losses can be used;

- Note 18 – Impairment loss test: key assumptions underlying recoverable amounts;
- Note 29 and 35 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 26 and 5.14 - Lease: whether an arrangement contains a lease;
- Note 33 and 5.14 – Lease classification

5. Significant accounting policies

The accounting principles described below have been consistently applied to all periods presented in these Consolidated Financial Statements and have also been consistently applied by Viohalco and its companies (subsidiaries and equity accounted investees).

5.1. Basis of Consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to Viohalco. To assess control, Viohalco takes into account substantive potential voting rights.

Viohalco and its companies measure goodwill on the acquisition date as follows:

- the fair value of the consideration paid, plus
- the value of any non-controlling interests in the acquired subsidiary less
- the fair value of identifiable assets and liabilities assumed

Any goodwill that arises is tested annually for impairment loss. Any gain on a bargain purchase is immediately recognized in the Consolidated Statement of Profit or Loss. Any expenses directly linked with acquisition are directly posted in the Consolidated Statement of Profit or Loss. Any contingent consideration is recognized at its fair value on the acquisition date.

(b) Subsidiaries

Subsidiaries are entities controlled by Viohalco. Viohalco controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(c) Non-controlling interests

NCI are measured at fair value or at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. This measurement is done on an acquisition by acquisition basis.

Changes in Viohalco's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(d) Loss of control

When Viohalco and its companies lose control over a subsidiary, they derecognise the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Interests in equity-accounted investees

Viohalco's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which Viohalco has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which Viohalco has joint control, whereby Viohalco has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently to initial recognition, the consolidated financial statements include Viohalco's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(f) Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Viohalco's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

5.2. Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Viohalco's companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate, when the fair value was determined. Foreign currency gains and losses are recognized and classified in the consolidated statement of profit or loss based on the nature of the related item of the consolidated statement of financial position.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective are recognised in OCI.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates of the reporting date. The income and expenses of foreign operations are translated into Euro at the exchange rates at the date of the transactions. The average rate for the period is deemed to be an appropriate rate.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that the control, significant influence or joint control is lost, the cumulative amount in the translation reserve related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If Viohalco disposes of parts of its interest in the subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When Viohalco disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

5.3. Revenue

(a) Sale of goods

Viohalco's companies recognize revenue when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of the revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies on the individual terms of the sales agreement. The transfer occurs when the product is delivered to the customer; however for some international shipments the transfer occurs on loading the goods onto the carrier at the port. For those shipments, based on the incoterms when the goods are loaded onto the ship, or other delivery vehicle, at the port of the seller, it is considered that all risks and rewards have been transferred from the seller to the buyer and revenue is then recognized.

(b) Rendering of services

Viohalco's companies recognise revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

(c) Construction contracts

Contract revenue for Viohalco's companies includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probably that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue is recognized in the profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

(d) Investment property rental income

Rental income from investment property for Viohalco and its subsidiaries in the real estate development sector is recognised as income on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

5.4. Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Viohalco and its companies have a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which Viohalco and its companies pay a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programs is recorded as an expense in the period that it concerns.

(c) Defined benefit plans

Viohalco and its companies' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. Viohalco and its companies determine the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. Viohalco and its companies recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(d) Termination benefits

Termination benefits are expensed at the earlier of when Viohalco and its companies can no longer withdraw the offer of those benefits and when they recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

In the case of employment termination in which Viohalco and its companies are not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

5.5. Government Grants

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

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

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

5.6. Finance income and finance costs

Viohalco and its companies finance income and finance costs mainly include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on the disposal of available-for-sale financial assets;
- impairment losses recognised on financial assets (other than trade receivables);
- Foreign currency gains and losses from loans and deposits;

Interest income or expense is recognised using the effective interest method.
Dividend income is recognised in profit or loss on the date on which Viohalco's right to receive payment is established.

5.7. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or to items recognised directly in equity or in OCI.

A. Current tax

Current tax comprised the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

B. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that Viohalco and its companies are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurements of deferred tax reflects the tax consequences that would follow from the manner in which Viohalco and its companies expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

5.8. Inventories

IInventories are stated at the lower of cost and net realisable value. The cost is determined by applying the method of weighted average cost and includes the production and conversion cost and all direct expenses required to bring inventories at their current condition. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

The write-down of inventories to net realisable value and any reversals are recognized in 'cost of sales' in the period in which the write-downs or losses occur.

5.9. Property, plant and equipment

A. Recognition and measurement

Property, plant and equipment are presented at their acquisition cost less accumulated depreciation and impairment. The acquisition cost includes all expenses that are directly associated with the asset's acquisition or self-construction. The cost of self-constructed fixed assets includes the cost of direct labour, materials and any other cost that is required for the fixed asset to be ready for use as well as any borrowing costs.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to Viohalco and its companies. Repair and maintenance costs are recorded in the Consolidated Statement of Profit or Loss when these are incurred.

On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying value thereof is recorded through profit or loss in the category "other operating income expenses (-)".

Borrowing costs related to the construction of qualifying assets are capitalised during the period required for the construction to be completed.

B. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

Buildings	10-33 years
Plants	50 years
Machinery	2-35 years
Furniture and other equipment	2-8 years
Transport means	4-15 years

Computers are included in the category "Furniture and other equipment".

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

C. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property.

The item is reclassified at its net book value at the date of reclassification which becomes its deemed cost for subsequent accounting purposes.

D. Reclassification to assets held for sale

Non-current assets and disposal groups are reclassified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use.

5.10. Intangible assets and goodwill

A. Recognition and measurement

Goodwill: Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development: Expenditure on research activities is recognised in profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercial feasible, future economic benefits are probable and Viohalco's companies intend to and have sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software programs: Software licenses are recorded at their acquisition cost less accumulated amortisation. These assets are amortised on the straight line method over their estimated useful lives, which ranges between 3 to 5 years. Expenses that are associated with the software's maintenance are recognised in profit or loss in the year in which they are incurred.

Other intangible assets: Other intangible assets, including customer relationships, patents and trademarks, that are acquired by Viohalco and its companies and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Other intangible assets having indefinite useful lives are measured at cost less accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

C. Amortisation and useful lives

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill and other intangible assets with indefinite useful lives are not amortised.

The estimated useful lives for the current and comparative periods are as follows:

Trademarks and licenses	10 – 15 years
Software programs	3 – 5 years

Some intangible assets included in "Trademarks and licences" have indefinite useful lives and are therefore not amortised, but subject to an impairment testing. See Note 18 for detailed information.

Amortisation methods, useful lives and residual values ar reviewed at each reporting date and adjusted if appropriate.

5.11. Investment property

Investment property, which mainly includes land and buildings, is owned by Viohalco and its subsidiaries for the collection of rents and is not used for owner purposes. Investment property is presented at cost less depreciation. When the carrying amounts of investment property exceed their recoverable value, the difference (impairment loss) is directly recorded in profit and loss as an expense. The reversal of impairment losses is also recognised in profit and loss as income. Land is not depreciated. The buildings are depreciated by applying the straight line method. The expected useful life of buildings is 18-33 years.

Management exercises judgement to determine whether a property qualifies as investment property or not. The criteria related to this judgement are as follows:

- Whether a property generates cash flows derived from rentals and capital appreciation largely independently of the other assets held by Viohalco;
- Whether a property does not generate cash flows from the production or supply of goods or services or the use of property for administrative purposes that are attributable not only to property, but also to other assets used in the production or supply process;
- Whether a building that is vacant will be held to be leased out or for capital appreciation;
- Whether a property that is being constructed or developed for future use as investment property;
- Whether Viohalco holds land for a currently undetermined future use.

5.12. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or employee benefits which continue to be measured in accordance Viohalco and its companies' other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

5.13. Impairment

A. Non-derivative financial assets

Available-for-sale financial assets and financial asset interests in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment loss.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to Viohalco's companies on terms that they would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payments status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. Viohalco and its subsidiaries consider a decline of 20% to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortized cost

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When it is considered that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

B. Non-financial assets

At each reporting date, Viohalco and its companies review the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful life is tested annually for impairment loss.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated 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 risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss under "Other expense". They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.14. Leases

Leases of property, plant and equipment, in which Viohalco and its companies substantially maintains all the risks and benefits of ownership, are classified as finance leases. The leased asset is recognized from the moment the lease begins at the lower of their fair value and the present value of the minimum lease payments. The lease liability is initially recognized at the same amount. The reduction of the lease liability is recognized under the effective interest method. Items of property, plant and equipment under finance lease are depreciated over the shorter period between the useful lives thereof and the term of their lease. However, if at inception of the lease it is reasonably certain that the lessee will obtain ownership of the asset by the end of the lease term, then the asset is depreciated over its expected useful life.

Leases, in which the lessor substantially maintains all the risks and benefits of ownership, are classified as operating leases. The rental expense with regard to operating leases are recognized on a straight-line basis over the lease term.

5.15. Financial instruments

Viohalco and its companies classify non-derivative financial assets into the following categories: "financial assets at fair value through profit or loss", "Cash and receivables", "available-for-sale financial assets".

(a) Non-derivative financial assets and financial liabilities – recognition and derecognition

Viohalco and its companies initially recognise cash and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

Viohalco and its companies derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Viohalco and its companies derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, Viohalco and its companies have a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Trade and other receivables less impairment losses

These assets are initially recognised at fair value and subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash on hand and equivalent cash accounts include cash on hand, sight deposits, short-term (up to 3 months) high-liquid and low-risk investments.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in OCI and accumulated in the "Fair value" reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(c) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities include loans and borrowings and are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

5.16. Derivatives and hedge accounting

Viohalco's companies hold derivative financial instruments designated as fair value or cash flow hedges. Derivatives are used to cover risks arising from changes in prices of metals, fluctuations of foreign exchange rates and changes in interest rates on borrowings.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss, unless the instrument qualifies for cash flow hedge accounting.

Fair value hedge

Derivatives are designated as fair value hedges when the exposure to changes in the fair value of a recognized financial asset or liability is hedged.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Consolidated Statement of Profit or Loss, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognised in the "Hedging reserve". Any ineffective proportion is recognized immediately in profit or loss.

The amounts recorded in "Hedging Reserve" are reclassified to the consolidated statement of profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

When a hedge item is sold or when the hedging proportion no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, the amounts recorded in 'Hedging reserve' remain as a reserve and are reclassified to the consolidated statement of profit or loss 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 realized, the amounts recorded in 'Hedging reserve' are reclassified to the consolidated statement of profit or loss.

Viohalco's companies examine the effectiveness of the cash flow hedge at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively), the effectiveness of the cash flow hedge by applying the dollar offset method on a cumulative basis is examined.

5.17. Share capital

Shareholder's equity is composed of ordinary shares.

Direct expenses that are associated with the issue of shares are recorded, after the relative income tax has been deducted, as a reduction to the increase amount. Direct expenses relating to shares that have been issued for the acquisition of a company are included in the acquisition cost thereof.

5.18. Provisions

Provisions are measured by discounting the expected future cash flows at a pre-tax rate. The discount rate used for the determination of present value reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are recognised when:

(a) There is a present legal or constructive obligation as a result of past events

(b) Payment is probable to settle the obligation.

(c) The amount of the payment in question can be reliably estimated.

More specifically:

Provisions for pending court rulings are recognised when it is more likely than not, that a present obligation from this litigation exists, and payment is probable according to 3rd party assessment.

Assurance warranty provisions are recognised when the product is sold and according to historical experience (probability that sold products will need to be replaced). The initial estimate of warranty-related costs is revised annually.

Restructuring provisions are recognised only when Viohalco has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features or when the company has already started to implament the plan.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating a contract and the expected net cost of continuing with the contract. Before the provision is established, Viohalco recognises any impairment loss on the associated assets with the contract.

5.19. Earnings per Share

Viohalco presents basic and diluted earnings per share. Basic earnings per share are calculated by dividing the net profit/ loss (-) attributable to holders of the Company's ordinary shares by the average weighted number of outstanding ordinary shares during each period.

Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of ordinary shares and the average weighted number of outstanding ordinary shares by the effect of all diluted eventual ordinary shares consisting of convertible notes and shares with options granted to the staff.

5.20. Re-presentation of 2016 consolidated statement of profit or loss

In order for Viohalco to apply uniformity regarding the presentation of segmental performance, certain reclassifications have been made to the comparative figures; the most significant one is the reclassification of real estate related income and cost of sales from "Other Income" and "Other Expense" to "Revenue" and "Cost of Sales" respectively. In addition, headquarter supportive services expenses have been reclassified from "Cost of Sales", to "Selling and Distribution" and "Administration", in order to align the expenses' classification of the "Other activities" segment, to the rest Viohalco segments.

The adjustments performed in the Consolidated Statement of Profit or Loss are presented in the table below:

Amounts in EUR thousands	As published	Re-presentation	As presented
Revenue	**3,112,654**	6,544	**3,119,198**
Cost of sales	-2,848,582	16,939	-2,831,643
Gross profit	**264,072**	**23,483**	**287,555**
Other income	38,607	-8,394	30,213
Selling and distribution expenses	-58,022	-7,175	-65,197
Administrative expenses	-95,029	-10,159	-105,188
Other expenses	-39,577	2,245	-37,332
Operating result (EBIT)	**110,052**	**0**	**110,052**
Finance income	10,367	0	10,367
Finance cost	-112,423	0	-112,423
Net Finance income /cost (-)	**-102,056**	**0**	**-102,056**
Share of profit/ loss (-) of equity-accounted investees, net of tax	-1,240	0	-1,240
Profit/Loss (-) before income tax expense	**6,756**	**0**	**6,756**
Income tax expense (-)	-13,685	0	-13,685
Profit/Loss (-)	**-6,930**	**0**	**-6,930**

5.21. New standards, amendment to standards and interpretations of IFRS's

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. Viohalco's evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

Standards and Interpretations effective for the current financial year:

- *IAS 7 (Amendments) "Disclosure initiative":* This amendment requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Viohalco added a movement table for loans and finance leases, which are the main line items included in financing activities (See Note 26).
- *IAS 12 (Amendment) "Recognition of Deferred Tax Assets for Unrealised Losses":* This amendment clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.
- *Annual Improvements to IFRSs 2014 – 2016 cycle:* The improvements includes the following amendment:
  – IFRS 12 "Disclosure of Interests in Other Entities". Clarification of the scope of the disclosure requirements in IFRS 12.

The adoption of these amendments did not have significant impact on the consolidated financial statements of Viohalco.

Standards and Interpretations effective for subsequent periods:

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

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

a. **Sales of products**: For the sale of products, revenue is currently recognized when the significant risks and rewards of ownership have been transferred to the customer, provided that collection of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of the revenue can be measured reliably.

   Under IFRS 15, revenue will be recognized when a customer obtains control of the goods. For some made-to-order product contracts, the customer controls all of the work in progress as the products are being manufactured. Some other products do not have an alternative use for Viohalco and there is an enforceable right to payment for performance completed to date. In these cases, revenue will be recognized as the products are being manufactured, by applying the most appropriate output or input method, to measure progress towards completion. This will result in revenue, and some associated costs, for these contracts being recognized earlier than at present – i.e. before the goods are delivered to the customers' premises. If the timing of invoicing corresponds directly with the performance to date then revenue will be recognized "as invoiced".

This change will affect other lines of the consolidated statement financial position as well; trade and other receivables (contract assets) will increase and inventories will decrease.

In certain cases, customers may have the right to receive a volume rebate, at the end of the financial year or at the end of their contract.

Under IFRS 15, this part will be included in the calculation of the transaction price, either through the "expected value" method, or the "most likely amount" method, depending on which is more appropriate in each case.

Viohalco companies already account for such expected rebates in a similar manner hence no significant changes are necessary.

b. **Rendering of services**: Revenue is currently recognised using the stage-of-completion method. Under IFRS 15, the total consideration in the service contracts will be allocated to all performance obligations in the contract based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which Viohalco sells the services in separate transactions. The timing of such revenue recognition under IFRS 15, regarding rendering of services, is similar to the current policy of Viohalco.

c. **Construction contracts**: Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date. Under IFRS 15, claims and variations will be included in the contract accounting when they are approved which is similar to the current practice. Revenue will be recognized based on the most appropriate output or input method, to measure progress towards completion. Most commonly used methods under the current policy, are "Appraisals achieved" and "Milestones reached".

d. **Warranty obligations:** Viohalco generally provides for warranties that relate to the satisfactory performance of the product. As such, existing warranties fall under the assurance-type warranties of IFRS 15, hence will continue to be accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with the current practice.

e. **Presentation of Contract Assets and Contract Liabilities:** IFRS 15 requires separate presentation of contract assets and contract liabilities in the balance sheet. This will result in some reclassifications as of 1 January 2018 in relation to prepayments from customers, revenue recognized but not invoiced and other items which are currently included in other balance sheet line items.

Transition: Viohalco will adopt IFRS 15 in its consolidated financial statements for the year ending 31 December 2018, using the cumulative effect method, with the effect of initially applying the standard recognized at the date of initial application, i.e. 1 January 2018 as an adjustment to equity. As a result, Viohalco will not apply the requirements of IFRS 15 to the comparative period presented.

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

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Viohalco will apply IFRS 9 initially on 1 January 2018 with the exemption of general hedge accounting for which IAS 39 guidance will be retained.

a. **Classification – Financial Assets**: IIFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Based on its assessment, Viohalco does not expect the new classification requirements to have material impact on its accounting for trade receivables, loans, investments in debt securities and investments in equity securities that are managed on a fair value basis. At 31 December 2017, Viohalco had equity investments classified as available-for-sale with a fair value of EUR 9.6 million which under IFRS 9, will be designated as investments measured at FVOCI. Consequently, all fair value gains and losses will be reported in other comprehensive income, no impairment losses would be recognised in profit or loss and no gains or losses would be reclassified to profit or loss on disposal.

b. **Impairment loss– Financial Assets and contract assets**: IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward- looking 'expected credit loss' (ECL) model. This will require considerable judgement as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; Viohalco has chosen to apply this policy also for trade receivables and contract assets with a significant financing component.

c. **Classification – Financial liabilities**: IThere will be no impact on Viohalco'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 Financial Instruments: Recognition and Measurement and have not been changed.

d. **Hedge Accounting**: Viohalco has elected not to adopt the provisions of IFRS 9 on hedge accounting and will continue applying IAS 39. Further information on the current accounting policy is provided in the relevant paragraph 5.16.

Disclosures: IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses (hedge accounting disclosures are also applicable for those who continue with IAS 39). Viohalco's preliminary assessment included an analysis to identify data gaps against current processes and is in the process of implementing the system and controls changes that are deemed necessary to capture the required data.

Transition: *Transition will be performed as follows:*
- Viohalco will apply the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment loss) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 generally will be recognized in retained earnings and reserves as at 1 January 2018.
- The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.

Estimated impact of the adoption of IFRS 9 and IFRS 15

Viohalco has assessed the estimated impact that the initial application of IFRS 9 and IFRS 15 will have on its consolidated financial statements. The estimated impact of the adoption of these standards on Viohalco's equity as at 1 January 2018 is based on assessments undertaken to date and is summarized below. The actual impacts of adopting the standards at 1 January 2018 may change because:
- Viohalco has not finalized the testing as assessment of the changes on controls in its IT systems; and
- the new accounting policies are subject to change until Viohalco presents its first financial statements that include the date of initial application.

Amounts in EUR thousands	As reported 31 December 2017	Estimated adjustments due to adoption of IFRS 9	Estimated adjustments due to adoption of IFRS 15	Estimated adjustments opening balance at 1 January 2018
Reserves	415,424	0	-34	415,390
Retained earnings	116,279	-2,402	3,183	117,059
NCI	122,586	220	732	123,098

The main components of the estimated adjustments are the following:

For IFRS 9, the application of the "expected credit loss" model, resulted in a decrease of EUR 2.6 million in retained earnings, due to higher impairment on trade and other receivables.

For IFRS 15, increase of EUR 3.9 million is due to the identification of distinct performance obligations for energy projects and the earlier recognition of revenue for the production of customized items (over time recognition).

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

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Viohalco is currently assessing the potential impact on its consolidated financial statements. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including Viohalco's borrowing rate at 1 January 2019, the composition of Viohalco's lease portfolio at that date, Viohalco's latest assessment on whether it will exercise any lease renewal options and the extend to which Viohalco will choose to use practical expedients and recognition exemptions.

So far the most significant impact identified is that Viohalco will recognize new assets and liabilities for lease agreements currently accounted for as operating leases. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Viohalco has not yet decided whether it will use the optional exemptions.

No significant impact is expected for Viohalco's finance leases. For further information on Viohalco's current operating leases refer to Note 33.

Transition: As a lessee, Viohalco can either apply the standard using a:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases. Viohalco currently plans to apply IFRS 16 initially on 1 January 2019. Viohalco has not yet determined which transition approach will be applied.

As a lessor, Viohalco is not required to make any adjustments for leases except where it is an intermediate lessor in a sub-lease.

The following amendments are not expected to have significant impact on the consolidated financial statements of Viohalco, according to an initial assessment which has been based on current conditions.

• *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.

• *IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018).* The interpretation clarifies the accounting for transactions that include the receipt of payment of advance consideration in a foreign currency.

• *IAS 40 (Amendments) "Transfers to Investment Property" (effective for annual periods beginning on or after 1 January 2019).* The amendment clarifies the application of paragraph 57 of IAS 40 Investment Property, and which provides guidance on transfers to, or from, investment properties.

• *IFRIC 23 — "Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after 1 January 2019).* The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This interpretation has not yet been endorsed by the EU.

• *IFRS 9 (Amendments) "Prepayment Features with Negative Compensation". (effective for annual periods beginning on or after 1 January 2019).* The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

• *IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2019).* The amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These amendments have not yet been endorsed by the EU.

• *IAS 19 (Amendment) "Plan Amendment, Curtailment or Settlement" (effective for annual periods beginning on or after 1 January 2019).* The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These amendments have not yet been endorsed by the EU.

• *IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"*

(In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.): The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments have not yet been endorsed by the EU.

• *Annual Improvements to IFRS Standards 2014-2016 Cycle. (effective for annual periods beginning on or after 1 January 2018).*

- *IAS 28 "Investments in associates and Joint ventures":* The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

• *Annual Improvements to IFRS Standards 2015-2017 Cycle. (effective for annual periods beginning on or after 1 January 2019)*
These improvements have not been yet endorsed by the EU.

- *IFRS 3 "Business Combinations and IFRS 11 Joint Arrangements"*: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- *IAS 12 "Income Taxes"*: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

- *IAS 23 "Borrowing Costs"*: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

6. Operating segments

A. Basis for the division into segments

For management purposes, Viohalco is split into eight major strategic reportable segments which operate in different industries:

- Aluminium;
- Copper;
- Steel;
- Cables;
- Steel pipes;
- Real estate development;
- Recycling and
- Other activities

These segments offer different products and services, and are managed separately because they require different technology and marketing strategies.

Such structural organization is determined by the nature of risks and returns associated with each business segment. It is based on the management structure, as well as the internal reporting system. It represents the basis on which Viohalco reports its segmental information.

The segment analysis presented in these consolidated financial statements reflects operations analysed by business. This is the way the chief operating decision maker of Viohalco regularly reviews its' operating results in order to allocate resources to segments and in assessing their performance.

For the purposes of segmental reporting, all Viohalco companies, except those operating as trading companies, have been assigned to a specific reportable segment.

Regarding the trading companies of Viohalco, their P&L and Balance Sheet numbers haven been allocated to the reportable segments, according to the nature of their transactions and balances.

A brief description of the segments is as follows:

Aluminium: ElvalHalcor through its aluminium rolling division (Elval), its subsidiaries Symetal S.A., Elval Colour S.A. and Vepal S.A. along with Bridgnorth Aluminium and Etem Bulgaria deliver a wide variety of products from aluminium coils and sheets for general applications and aluminium foil for household use, to special products, such as, rolled and extruded aluminium products for shipbuilding, automotive and construction industries, and lithographic coils.

Copper: ElvalHalcor through its copper tubes division (Halcor) and its subsidiaries Fitco S.A. and Sofia Med S.A. produce a wide range of copper and copper alloy products that span from copper and brass tubes, copper strips, sheets and plates, to copper bus bars and rods.

Steel: Sidenor Steel Industry, Stomana Industry and their subsidiaries manufacture long, flat and downstream steel products.

Cables: The Cablel® Hellenic Cables Group is one of the largest cable producers in Europe, manufacturing power, telecommunication and submarine cables, as well as enamelled wires and compounds.

Steel Pipes: Corinth Pipeworks engages in the production of steel pipes for the transportation of natural gas, oil and water networks, as well as steel hollow sections which are used in construction projects.

Real estate: Viohalco creates value through the development of its former industrial real estate properties in Greece and Bulgaria.

Recycling: Viohalco's recycling segment trades and processes secondary raw materials, undertakes waste management and environmental operations, and provides services to consumers and corporate companies.

Other: Viohalco also holds investments in smaller companies in other segments, such as ceramic sanitary ware and tiles (Vitrouvit S.A.), Technology and R&D (TEKA, Elkeme) and insurance brokerage.

None of these segments met the quantitative thresholds for reportable segments in 2017 or 2016.

B. Information about reportable segments

The information disclosed in the tables below is derived directly from the internal financial reporting system used by the executive management (i.e. chief operating decision maker) to monitor and evaluate the performance of the operating segments separately.

The following tables illustrate the information about the reportable segments profit or loss, assets and liabilities at 31 December 2017 and 2016, and for the years then ended. Compared to the 2016 consolidated financial statements, real estate related income and cost of sales have been reclassified from “Other Income” and “Other Expense” to “Revenue” and “Cost of Sales” respectively. Further information on the 2016 reclassifications is disclosed in Note 5.20.

Revenue and operating profit per segment for 2017 were as follows:

Amounts in EUR thousands	**Aluminium**	**Copper**	**Cables**	**Steel**	**Steel Pipes**	**Real Estate**	**Recycling**	**Other activities**	**Total**
Total revenue per segment	**1,802,644**	**1,278,970**	**674,299**	**1,198,524**	**355,276**	**12,422**	**222,069**	**89,579**	**5,633,782**
Inter-segment revenue	-596,626	-348,166	-266,328	-433,282	-60,285	-3,263	-156,064	-48,458	**-1,912,471**
Revenue per segment after elimination of inter-segment revenue	**1,206,018**	**930,804**	**407,971**	**765,243**	**294,991**	**9,159**	**66,005**	**41,121**	**3,721,311**
Gross profit	**116,887**	**76,128**	**33,984**	**70,656**	**23,511**	**3,493**	**19,024**	**5,914**	**349,597**
Operating result (EBIT)	**69,260**	**44,232**	**17,452**	**35,956**	**2,332**	**1,298**	**4,179**	**-7,258**	**167,452**
Finance income	489	8	700	395	9	1	11	406	**2,019**
Finance costs	-17,852	-24,551	-22,612	-32,477	-10,893	-1,188	-2,519	-360	**-112,451**
Share of profit/ loss (-) of equity accounted investees, net of tax	125	-150	0	-560	402	0	0	0	**-181**
Profit / loss (-) before income tax expense	**52,022**	**19,539**	**-4,459**	**3,315**	**-8,149**	**112**	**1,672**	**-7,212**	**56,839**
Income tax expense (-)	-15,485	14,292	594	23,114	6,370	-453	-471	-1,006	**26,956**
Net Profit/Loss	**36,537**	**33,831**	**-3,865**	**26,428**	**-1,779**	**-341**	**1,201**	**-8,218**	**83,794**

Other information per segment for 2017 is as follows:

Amounts in EUR thousands	**Aluminium**	**Copper**	**Cables**	**Steel**	**Steel Pipes**	**Real Estate**	**Recycling**	**Other activities**	**Total**
Equity accounted investees	448	450	0	4,784	11,274	0	0	0	**16,956**
Other assets	1,055,500	498,346	439,852	860,344	400,298	277,537	59,432	75,825	**3,667,134**
Total assets	**1,055,949**	**498,796**	**439,852**	**865,127**	**411,572**	**277,537**	**59,432**	**75,825**	**3,684,089**
Liabilities	572,471	366,552	396,190	710,855	278,043	42,778	58,600	29,382	**2,454,871**
Capital expenditure	51,756	13,649	17,599	7,945	3,194	10,579	15,869	1,824	**122,414**
Depreciation and amortisation	-58,133	-14,052	-13,620	-36,128	-9,156	-4,267	-2,790	-934	**-139,079**

Revenue and operating profit per segment for 2016 were as follows:

Amounts in EUR thousands	**Aluminium**	**Copper**	**Cables**	**Steel**	**Steel Pipes**	**Real Estate**	**Recycling**	**Other activities**	**Total* Re-presented**
Total revenue per segment	**1,382,225**	**1,041,454**	**598,065**	**774,458**	**388,717**	**9,485**	**180,297**	**54,730**	**4,429,432**
Inter-segment revenue	-304,052	-290,115	-216,573	-227,689	-95,348	-2,941	-135,595	-37,920	**-1,310,233**
Revenue per segment after elimination of inter-segment revenue	**1,078,173**	**751,340**	**381,492**	**546,769**	**293,368**	**6,544**	**44,702**	**16,811**	**3,119,198**
Gross profit	**101,351**	**55,252**	**30,477**	**45,584**	**33,174**	**626**	**15,140**	**5,950**	**287,555**
Operating result (EBIT)	**57,600**	**25,274**	**15,049**	**8,604**	**18,972**	**-10,102**	**1,295**	**-6,640**	**110,052**
Finance income	134	445	163	1,063	453	51	7	8,052	**10,367**
Finance cost	-21,869	-25,458	-21,093	-31,691	-10,666	-608	-2,215	1,178	**-112,423**
Share of profit/ loss (-) of equity accounted investees, net of tax	250	-12	0	-444	-1,034	0	0	0	**-1,240**
Profit / loss (-) before tax expense	**36,114**	**248**	**-5,882**	**-22,468**	**7,725**	**-10,659**	**-913**	**2,589**	**6,756**
Income tax expense (-)	-11,432	-823	-2,805	3,830	-3,791	5,922	-328	-4,258	**-13,685**
Net Profit/Loss	**24,683**	**-575**	**-8,687**	**-18,638**	**3,934**	**-4,737**	**-1,241**	**-1,668**	**-6,930**

Other information per segment for 2016 is as follows:

Amounts in EUR thousands	Aluminium	Copper	Cables	Steel	Steel Pipes	Real Estate	Recycling	Other activities	Total* Re-presented
Equity accounted investees	499	600	0	4,836	11,567	0	0	91	**17,594**
Other assets	1,111,130	437,705	421,183	826,887	424,448	262,410	61,357	63,496	**3,608,616**
Total assets	**1,111,629**	**438,305**	**421,183**	**831,724**	**436,015**	**262,410**	**61,357**	**63,587**	**3,626,210**
Liabilities	512,801	468,974	366,313	710,072	297,329	34,576	61,275	26,630	**2,477,971**
Capital expenditure	54,712	8,302	12,163	25,557	6,905	6,990	1,662	1,998	**118,289**
Depreciation and amortisation	-52,552	-11,239	-12,374	-33,182	-8,620	-3,610	-2,932	-1,235	**-125,744**

C. Geographic information

Viohalco's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Greece, Germany, United Kingdom, France, Bulgaria, Romania, Serbia, FYROM and U.S.A.

The segmental information below is based on the segment revenue from external customers by country of domicile of customers and segment assets were based on the geographic location of the assets. The global scale operations of Viohalco are divided into seven principal geographical areas. In Europe, assets' information for Greece and Belgium is reported separately.

Revenue

	For the year ended 31 December	
Amounts in EUR thousands	**2017**	**2016 *Re-presented**
Greece	606,159	531,276
European Union	2,216,898	1,817,625
Other European countries	359,184	296,060
Asia	270,535	151,030
America	199,463	255,733
Africa	50,284	60,929
Oceania	18,788	6,544
Total	**3,721,311**	**3,119,198**

Property, plant and equipment

	Balance at 31 Decemberr	
Amounts in EUR thousands	**2017**	**2016**
Belgium	1,568	1,605
Greece	1,256,722	1,276,696
Other	485,343	504,856
Total	**1,743,632**	**1,783,156**

Intangible assets and goodwill

	Balance at 31 Decemberr	
Amounts in EUR thousands	**2017**	**2016**
Belgium	83	59
Greece	20,097	18,950
Other	6,352	5,648
Total	**26,531**	**24,657**

Investment property

	Balance at 31 Decemberr	
Amounts in EUR thousands	**2017**	**2016**
Greece	158,492	148,400
Other	6,755	7,153
Total	**165,247**	**155,553**

7. Revenue

Amounts in EUR thousands	For the year ended 31 December 2017	2016 *Re-presented
Sale of goods	3,610,175	3,041,862
Rendering of services	30,803	12,380
Construction contract revenue	71,474	58,412
Rental income from investment property	8,859	6,544
Total	**3,721,311**	**3,119,198**

*see Note 5.20

Viohalco's consolidated revenue for 2017 amounted to 3,721 million, 19% higher than EUR 3,119 million in 2016. Both aluminium and copper segment saw significant growth in sales volumes that led to increased revenue. Moreover, the recovery of the steel industry allowed the steel segment to attain high profit margins and significantly increased sales volumes.

8. Other income and expenses

A. Other Income

Amounts in EUR thousands	Note	For the year ended 31 December 2017	2016 *Re-presented
Government grants/subsidies		387	379
Amortization of grants received	28	3,986	4,116
Rental income		1,529	1,856
Foreign exchange gains		224	1,654
Income from fees, commisions & costs recharged		1,670	2,555
Damage compensation		1,992	2,607
Gain on sale of PP&E and intangible assets		1,143	592
Income from consulting services		379	1,098
Reversal of impairment losses of receivables	30	271	1,529
Reversal of provisions		231	1,365
Reversal of impairment of PP&E and investment property		149	7,660
Other		3,354	4,803
Total other income		**15,315**	**30,213**

B. Other Expenses

Amounts in EUR thousands	Note	For the year ended 31 December 2017	2016 *Re-presented
Impairment loss or write-off of PP&E and investment property		1,341	18,597
Production cost non allocated to cost of goods sold		605	3,937
Loss on sale of PP&E		247	53
Loss on sale of investment property		98	0
Foreign exchange losses		112	1,397
Damages paid		435	897
Other taxes		722	851
Restructuring expenses		0	2,820
Employee benefits	12	2,047	2,487
Depreciation and amortisation		4,084	1,004
Impairment losses of receivables		8,883	0
Other		2,762	5,290
Total other expense		**21,336**	**37,332**
Net other income and expense (-)		**-6,021**	**-7,118**

*see Note 5.20

Compared to the 2016 consolidated financial statements, real estate related income and cost of sales have been reclassified from "Other Income" and "Other Expense" to "Revenue" and "Cost of Sales" respectively. Further information on the 2016 reclassifications is disclosed in Note 5.20.

During 2017, Cenergy Group recorded an impairment loss of EUR 8.9 million against a former customer in the Middle-East regarding the recovery of an overdue receivable. Further information is disclosed in Note 15.

C. Expenses by nature

Amounts in EUR thousands	For the year ended 31 December 2017	2016 *Re-presented
Cost of inventories recognized as an expense	2,624,548	2,126,325
Employee benefits	265,332	249,417
Energy	122,781	114,076
Depreciation and amortisation	134,995	124,740
Taxes - duties	13,652	14,134
Insurance expenses	17,950	16,898
Rental fees	10,183	9,428
Transportation	121,439	122,142
Promotion and advertising	4,076	4,129
Third party fees and benefits	119,596	126,962
Impairment losses of receivables	5,285	1,735
Other provisions	266	342
Gains (-)/losses from derivatives	16,968	10,465
Storage and packing	11,790	8,339
Commissions	13,948	12,738
Foreign exchange gains(-)/losses	-5,070	-175
Maintenance expenses	31,060	26,698
Royalties	700	741
Other expenses	38,338	32,891
Total	**3,547,838**	**3,002,028**

*see Note 5.20

The increase in sales volumes and metal prices during 2017, affected cost of sales and operating expenses which have risen proportionally.

The net gain from foreign exchange differences was EUR 5 million (2016: EUR 175 thousand). The increase in foreign exchange differences is attributed to the fluctuation of EUR versus US dollar and GBP and to the large volume of transactions of Viohalco companies in foreign currency.

The decrease in third party fees and benefits is due to higher subcontractor fees paid during the previous years.

The aggregate amount of research and development expenditure recognized as an expense during 2017 amounts to EUR 9 million (2016: EUR 6 million).

In order for Viohalco to apply uniformity regarding the presentation of segmental performance, certain reclassifications have been made to the comparative figures (see Note 5.20).

9. Net finance costs

Amounts in EUR thousands	For the year ended 31 December 2017	2016
Income		
Interest income	459	1,200
Foreign exchange gains	1,361	1,183
Dividend income	160	105
Bargain purchase gain	0	7,331
Gains on sale of availiable for sale financial assets	39	548
Financial income	**2,019**	**10,367**
Expense		
Interest expense and related charges	108,220	107,834
Impairment loss on availiable for sale financial assets	111	0
Financial leasing	1,069	283
Foreign exchange losses	2,970	4,211
Other finance expense	81	96
Finance cost	**112,451**	**112,423**
Net finance income/cost (-)	**-110,432**	**-102,056**

Finance income decreased to EUR 2 million in 2017 from EUR 10 million in 2016, mainly due to the one-off gain which resulted from the acquisition of Eufina (EUR 7 million) in 2016.

During 2017, subsidiaries ElvalHalcor S.A. and Noval S.A. signed new contracts of finance leases related to machinery and investment property respectively. Consequently, finance lease expense is significantly higher compared to 2016.

10. Earnings per share

Considering that there are neither share options, nor convertible bonds, basic and diluted earnings per share are identical and have been based on the following profit/loss (-) attributable to the ordinary shareholders and weighted-average numbers of ordinary shares outstanding.

A. Profit/loss (-) attributable to ordinary shareholders

Amounts in EUR thousands	For the year ended 31 December 2017	2016
Profit/loss (-) attributable to the owners of the Company	73,680	-6,383

B. Weighted-average number of ordinary shares outstanding

In thousands of shares	2017	2016
Issued ordinary shares at 1 January	259,190	233,165
Effect of shares issued related to the mergers	0	22,032
Weighted-average number of ordinary shares at 31 December	259,190	255,197

The number of equity shares in 2017 remains equal with 2016 as no share capital increase occurred during the year. Regarding 2016 the weighted average number of ordinary shares takes into consideration the issuance of new shares (including the elimination of treasury shares) after the completion of the merger with ELVAL, ALCOMET, DIATOUR and the business combination with EUFINA on 26 February 2016.

C. Earnings per share

The basic and diluted earnings per share are as follows:

Earnings per share (in EUR per share)	2017	2016
Basic and diluted	0.2843	-0.0250

11. Employee benefits

Amounts in EUR thousands	Note	2017	2016
Net defined benefit liability		29,724	26,868
Liability for social security contributions	27	10,056	9,164
Total employee benefit liabilities		**39,780**	**36,032**
Non-current		29,724	26,868
Current		10,056	9,164

For details on the related employee benefit expenses, see Note 12.

A. Post-employment plans

The following post-employment plans exist:

Defined contribution plans

All the employees of Viohalco's companies are insured for their main pension by the respective social insurance organizations as required by the local legislation. Once the contributions have been paid, Viohalco's companies have no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due, and as such are included in employee benefit expenses.

Defined benefit plans

The employees of Viohalco's companies in some countries, mainly in Greece and Bulgaria, are entitled to receive a lump sum when they retire. This lump sum is determined in accordance with the years of service and the salary at the retirement date. This obligation meets the definition of defined benefit plans and charges the accumulated benefits through profit or loss in each period with a corresponding increase of the retirement liability. Benefits paid to pensioners during each period are charged against this liability. Viohalco's companies' liability for personnel benefits as of 31 December 2017 and 2016 is EUR 29,724 thousand and EUR 26,868 thousand respectively. These plans are unfunded.

B. Movement in net defined benefit liability

The following table shows the reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

Amounts in EUR thousands	Note	2017	2016
Balance at 1 January		**26,868**	**25,405**
Included in profit or loss			
Current service cost		1,350	1,175
Past service credit		93	355
Termination loss		1,652	1,456
Interest cost/income (-)		415	487
Liability for social security contributions	12	**3,510**	**3,474**
Included in OCI			
Remeasurement loss/gain (-)			
Actuarial loss/gain (-) arising from:			
- Demographic assumptions		-46	613
- Financial assumptions		543	875
- Experience adjustements		1,391	-880
		1,888	**607**
Other			
Benefits paid		-2,539	-2,619
Foreign exchange differences		**-2**	**0**
		-2,541	**-2,619**
Balance at 31 December		**29,724**	**26,868**

During the Financial year 2017, Viohalco and its companies paid EUR 2.5 million (2016: EUR 2.6 million) in benefits in respect of employees who left during the year. An additional cost that arose due to these payments was recognized (termination loss of EUR 1.7 million – 2016: EUR 1.5 million). More specifically, in the cases of dismissal, voluntary withdrawals with benefit payment and retirement, the additional cost is the difference between the benefit paid and the amount recorded in the defined benefit liability for the respective employees.

C. Defined benefit obligation

(a) Actuarial assumptions

The following were the weighted average principal actuarial assumptions at the reporting date:

Amounts in EUR thousands	2017	2016
Discount rate	1.47%	1.62%
Price inflation	1.52%	1.52%
Future salary growth	1.58%	1.55%
Plan duration (in years)	13.32	13.51

Assumptions regarding future mortality have been based on Swiss mortality table EVK2000.

(b) Sensitivity analysis

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

Amounts in EUR thousands	2017	2016
Sensitivity 1 (discount rate plus 0.5%) - % Difference in DBO	-6.36%	-6.52%
Sensitivity 2 (discount rate minus 0.5%) - % Difference in DBO	6.99%	7.17%
Sensitivity 3 (salary growth rate plus 0.5%) - % Difference in DBO	6.68%	6.87%
Sensitivity 4 (salary growth rate minus 0.5%) - % Difference in DBO	-6.16%	-6.33%

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized on the statement of financial position. The methods and the formula of the assumptions used for the defined analysis have not changed compared to the previous year.

The expected maturity analysis of undiscounted pension benefits is as follows:

Amounts in EUR thousands	2017	2016
Less than a year	1,135	1,599
Between 1 and 2 years	646	189
Between 2 and 5 years	2,783	1,375
Over 5 years	28,515	28,411
Total	**33,079**	**31,574**

12. Employee benefit expenses

Amounts in EUR thousands	Note	2017	2016
Wages and salaries		206,312	195,395
Social security contributions		48,144	41,566
Defined contribution plans		1,182	593
Defined benefit plans	11	3,510	3,474
Other employee benefits		10,768	10,877
Total		**269,915**	**251,906**
Employee benefits have been allocated as follows:			
Cost of goods sold		186,032	173,880
Selling and distribution expenses		32,895	32,285
Administrative expenses		46,406	43,252
Other expenses	8	2,047	2,488
Capitalised employee benefits in projects under construction		2,536	0
Total		**269,915**	**251,906**

13. Income taxes

A. Amounts recognised in profit or loss

Amounts in EUR thousands	2017	2016
Current tax	-26,333	-19,917
Deferred tax	53,289	6,232
Income tax expense (-)	**26,956**	**-13,685**

B. Reconciliation of effective tax rate

Amounts in EUR thousands		2017		2016
Profit/loss (-) before income tax expense		**56,839**		**6,756**
Statutory income tax expense rate in Greece		-16,485		-1,959
Non-deductible expenses for tax purposes		-4,651		-10,305
Tax-exempt income		7,311		1,414
Recognition of previously unrecognised tax losses, thin capitalization allowance or temporary differences of a prior period		46,137		7,244
Effect of tax rates in foreign jurisdictions		2,521		-2,204
Current-year losses for which no deferred tax asset is recognised		-1,868		-2,960
Tax-exempt reserves recognition		0		-346
Other taxes		169		-623
Additional tax charges which resulted from tax authorities' audit		-6,500		0
Derecognition of previously recognised deferred tax assets		-764		-3,947
Prior year income tax adjustments		1,086		0
Income tax expense reported in the statement of profit or loss (-) at the effective tax rate	**-47%**	**26,956**	**203%**	**-13,685**

According to Greek laws N. 4334/2015 and N. 4336/2015, the corporate income tax rate for legal entities in Greece is set at 29% for fiscal year 2017 (2016: 29%). In 2017, subsidiaries of Viohalco (mainly ElvalHalcor S.A, Sidenor S.A. and Sovel S.A) recognized deferred tax assets equal to EUR 46 million, the majority of which relates to tax losses from previous years and to thin capitalization rules. These deferred tax assets are expected to be offset against taxable profits in the next few years. For further information refer to section C of this Note. Additionally, non-deductible expenses for tax purposes decreased by EUR 5.6 million mainly due to non-recognition of deferred tax assets at consolidation level, on gains which resulted (at subsidiary level) from mergers and acquisitions which took place in the comparative period. Effect of tax rates in foreign jurisdictions, is positive and equal to EUR 2.5 million, while in 2016 amounted to EUR -2.2 million. This variation is due to better results achieved in jurisdictions where the tax rate is lower than in Greece (for example Bulgaria).

In early 2017, the Italian tax authorities imposed taxes to ElvalHalcor S.A. (subsidiary of Viohalco), based on the assumption that the company had "Permanent establishment" through the related company Alurame SpA (also subsidiary of Viohalco) for the years 2009-2014. ElvalHalcor S.A., denied the case of "Permanent establishment" or any other violation and reached to an agreement with the tax authority. Through the agreement it was achieved to pay the amount in four years, minimizing the effect on its cash flow. The total amount was EUR 6.5 million and it was charged against the current year's profit.

C. Movement in deferred tax balances

2017

						Net balance at 31 December		
Amounts in EUR thousands	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Foreign exchange differences**	**Other**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	-144,319	4,130	0	-4	-261	**-140,453**	940	-141,393
Intangible assets	1,127	-430	0	0	-3	**694**	3,524	-2,829
Investment property	-13,539	-657	0	0	0	**-14,196**	116	-14,312
Available-for-sale financial assets	1,213	-33	2	0	0	**1,182**	1,188	-6
Thin capitalisation	4,683	28,476	0	0	0	**33,159**	33,159	0
Derivatives	-140	-650	-1,406	419	703	**-1,075**	111	-1,187
Inventories	502	497	0	0	0	**999**	1,036	-37
Loans and borrowings	-3,284	588	0	0	0	**-2,696**	1,122	-3,818
Employee benefits	6,024	701	519	0	149	**7,392**	7,392	0
Provisions	1,914	6,002	0	0	2	**7,919**	7,973	-54
Other items	-1,811	221	0	-26	112	**-1,504**	6,211	-7,715
Tax losses carried forward	14,599	14,443	0	11	0	**29,052**	29,052	0
Tax assets/liabilities (-) before set-off	**-133,032**	**53,289**	**-885**	**400**	**702**	**-79,527**	**91,824**	**-171,351**
Set-off tax							-73,039	73,039
Net tax assets/liabilities (-)						**-79,527**	**18,785**	**-98,312**

Amounts in EUR thousands	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Other	Net balance at 31 December: Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-153,861	8,665	0	400	477	**-144,319**	7,171	-151,490
Intangible assets	1,734	-597	0	0	-9	**1,127**	1,870	-742
Investment property	-13,299	83	0	0	-323	**-13,539**	301	-13,840
Available-for-sale financial assets	1,347	-358	12	0	212	**1,213**	1,213	0
Thin capitalisation	2,965	1,718	0	0	0	**4,683**	4,683	0
Derivatives	-1,974	2,130	-216	-28	-52	**-140**	1,691	-1,831
Inventories	603	-654	0	0	553	**502**	502	0
Loans and borrowings	-3,556	323	0	0	-52	**-3,284**	160	-3,444
Employee benefits	5,688	251	114	0	-29	**6,024**	6,024	0
Provisions	4,576	-2,478	0	0	-183	**1,914**	2,697	-783
Other items	-2,906	1,337	0	-208	-34	**-1,811**	1,743	-3,554
Tax losses carried forward	18,983	-4,188	0	-8	-188	**14,599**	14,599	0
Tax assets/liabilities (-) before set-off	**-139,700**	**6,232**	**-91**	**155**	**372**	**-133,032**	**42,652**	**-175,684**
Set-off tax							-27,921	27,921
Net tax assets/liabilities (-)						**-133,032**	**14,731**	**-147,763**

Deferred tax assets relating to tax losses carried forward are recognised only if it is probable that they can be offset against future taxable profits. At each balance sheet date, Viohalco and its subsidiaries assess whether the realization of future tax benefits is sufficiently probable based on approved business plans. On 31 December 2017, the accumulated tax losses carried forward available for future use amounted to EUR 579 million (31 December 2016: EUR 625 million). Viohalco's companies have recognised deferred tax asset on tax losses of EUR 29 million (31 December 2016: EUR 15 million) because management considered it probable that future taxable profits would be available against which such losses can be used. EUR 26 million relate to Viohalco subsidiaries located in Greece, EUR 1 million relate to UK subsidiaries, EUR 1 million to Bulgarian subsidiaries and the rest EUR 1 million to subsidiaries in other jurisdictions. This deferred tax asset corresponds to losses equal to EUR 116 million (31 December 2016: EUR 74 million).

Based on these estimates regarding the future tax profitability, deferred tax assets have not been recognised in respect of tax losses carried forward for an amount of EUR 463 million (EUR 552 million in 2016) with expiration date between 2018 and 2022.

According to the provisions of articles 49 and 72 of the Greek Law 4172/2013 concerning thin capitalization, net interest expense is deductible from current year's tax profits, if it is equal or less than 30% of EBITDA (40% for 2016) and any excess can be settled with future tax profits without time limitations. Based on the current approved business plans, EUR 28.5 million were recognised in 2017, as deferred tax asset, relating to thin capitalisation. As at 31 December 2017, the balance of the respective tax asset was equal to EUR 33 million.

14. Inventories

Amounts in EUR thousands	2017	2016
Merchandise	64,495	72,388
Finished goods	318,042	213,355
Semi-finished goods	134,576	126,909
By-products & scrap	31,812	23,711
Work in progress	52,195	35,693
Raw and auxiliary materials, consumables and packaging materials	404,748	385,363
Total	**1,005,867**	**857,419**

In 2017, the amount of inventories recognised as expense during the period and included in "Cost of sales" was EUR 2.6 billion (2016: EUR 2.1 billion).

Inventories have been reduced by EUR 4.4 million in 2017 as a result of the write-down to net realizable value (2016: EUR 3.4 million). This amount was charged to profit or loss in "Cost of sales". Besides the write-down, inventories were higher as at 31 December 2017, compared to 31 December 2016, due to increased purchases in order to meet the expected increase in sales quantities and due to higher metal prices.

Inventories with a carrying amount of EUR 141 million are pledged as security for borrowings received by Viohalco's companies (See Note 26).

15. Trade and other receivables

Amounts in EUR thousands	Note	2017	2016
Current assets			
Trade receivables		381,835	456,083
Construction contracts in progress		26,758	11,081
Less: Impairment losses		-53,512	-43,113
Net trade receivables		**355,081**	**424,052**
Advance payments		9,752	2,360
Cheques and notes receivable & cheques overdue		31,334	25,978
Receivables from related parties	36	33,533	25,272
Tax assets		46,324	44,537
Other debtors		48,218	68,308
Receivables from dividends of equity-accounted investees		580	579
Less: Impairment losses		-15,083	-14,898
Net other receivables		**154,659**	**152,135**
Total		**509,740**	**576,187**
Non-current assets			
Other non-current receivables		6,346	6,320
Total		**6,346**	**6,320**
Total receivables		**516,086**	**582,507**

Viohalco and its companies have not concentrated their credit risk in relation to receivables from customers, since they have a wide range and a large number of customers.

A. Transfer of trade receivables

Viohalco and its subsidiaries, enter into factoring agreements (with recourse) to sell trade receivables for cash proceeds. These trade receivables are not being derecognised from the statement of financial position, because substantially all of the risk and rewards are still retained by Viohalco - primarily credit risk. The amount received on transfer is recognised as a secured bank loan.

Amounts in EUR thousands	2017	2016
Carrying amount of trade receivables transferred to banks	136,609	122,859
Carrying amount of associated liabilities	90,872	95,924

As at 31 December 2017 and 2016, Viohalco companies had not used the total amount of credit line provided by the factoring companies.

Related loans are included in the line "secured bank loans" in Note 26 "Loans and Borrowings".

B. Litigations

During 2010, the subsidiary Corinth Pipeworks S.A. initiated in Greece and Dubai legal actions against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 million (EUR 20.8 million as at 31 December 2017), plus legal interest of 12%.

Following a series of court proceedings, the Dubai Court of Cassation, on 19 March 2014, finally upheld the appeal of the subsidiary of 26 September 2013, confirmed the amount due to the subsidiary and cancelled the previous decision of the Court which had recognised the counterclaim raised by the customer in the course of the litigation and had ordered the off-setting of this counterclaim with the subsidiary's claim. The case was then referred back to the Court of Appeal, which examined the validity of the counterclaim and had appointed a tripartite of accounting experts.

A report was issued by the experts in December 2016 and confirmed that the counterclaim is not supported by any document.

At the hearing of 5 June 2017, the Court of Appeal rejected the counterclaim raised by the subsidiary's customer and obliged the latter to pay an amount of USD 24 million. The former customer lodged an appeal before the Court of Cassation challenging the aforesaid decision of the Court of Appeals.

Finally, on 17 September 2017, the Court of Cassation issued its judgment and ruled;

- to reject the counterclaim of the former customer
- to accept the amount due to the Corinth Pipeworks.

The above-mentioned Court of Cassation judgment issued against the former customer will be enforceable in the UAE and various other countries in the Middle East.

Corinth Pipeworks will initiate the enforcement procedures against the assets of the customer that are located within any of the above-mentioned countries. In addition, the subsidiary, in order to ensure its rights, has imposed provisional seizure on real estate assets of third parties who are involved in the case in accordance with the decision of the Court of First Instance of Athens (issued under the proceedings of interim measures).

The company recorded in 2010 an impairment loss of USD 12.5 million (EUR 10.4 million as at the reporting date) against this receivable. In the course of the continuous assessment of the case and in accordance with IAS 39, the subsidiary booked an additional impairment loss of USD 10.5 million (EUR 8.9 million) to reflect the prospected recoverability of that receivable, as of today. The total impairment loss for the certain receivable amounts to EUR 19.3 million. However, the subsidiary will continue any and all actions required to collect the full amount of that receivable.

C. Construction contracts in progress

Amounts in EUR thousands	2017	2016
Amount of contract revenue recognised	71,474	58,412
Gross amount due from customers for contract work	26,758	11,081
For contracts in progress at the balance sheet date: -Aggregate amount of costs incurred and recognized profit (less recognized losses	23,947	0
Amount of retentions	551	116

D. Credit and market risks and impairment losses

Information about Viohalco companies' exposure to credit and market risks, and impairment losses for trade and other receivables is included in Note 30.

16. Cash and cash equivalents

Amounts in EUR thousands	2017	2016
Cash in hand and at banks	3,553	2,875
Short-term bank deposits	164,685	168,909
Total	**168,239**	**171,784**

Short term deposits have duration of less than 90 days and are available for use.

17. Property, plant and equipment

A. Reconciliation of carrying amount

Amounts in EUR thousands	Land, plants & other buildings	Machinery	Furniture and other equipment	Under construction	Total
Cost					
Balance as at 1 January 2017	**895,295**	**2,376,215**	**60,761**	**72,653**	**3,404,924**
Effect of movement in exchange rates	-1,146	-6,476	11	836	**-6,775**
Additions	12,026	17,704	3,238	75,314	**108,282**
Disposals	-622	-3,970	-481	-583	**-5,655**
Reclassification to (-) /from investment property	-7,981	0	0	0	**-7,981**
Reclassification to assets held for sale	0	-5,694	0	0	**-5,694**
Other reclassifications	8,083	60,962	990	-71,352	**-1,317**
Write offs	-2	-1,920	-204	-74	**-2,201**
Balance as at 31 December 2017	**905,652**	**2,436,821**	**64,315**	**76,794**	**3,483,582**
Accumulated depreciation					
Balance as at 1 January 2017	**-293,832**	**-1,272,089**	**-51,138**	**-4,708**	**-1,621,768**
Effect of movement in exchange rates	554	3,582	111	0	**4,247**
Depreciation	-18,639	-110,583	-3,311	0	**-132,534**
Disposals	300	2,257	389	0	**2,946**
Write offs	0	1,123	201	0	**1,324**
Reclassification to/from (-) investment property	4,835	0	0	0	**4,835**
Impairment loss	0	-464	0	0	**-464**
Reclassification to assets held for sale	0	1,472	0	0	**1,472**
Other reclassifications	-1,123	1,187	-71	0	**-8**
Balance as at 31 December 2017	**-307,906**	**-1,373,516**	**-53,820**	**-4,708**	**-1,739,950**
Carrying amount as at 31 December 2017	**597,746**	**1,063,304**	**10,495**	**72,086**	**1,743,632**

Amounts in EUR thousands	Land, plants & other buildings	Machinery	Furniture and other equipment	Under construction	Total
Cost					
Balance as at 1 January 2016	**884,766**	**2,153,677**	**63,445**	**225,281**	**3,327,169**
Effect of movement in exchange rates	2,552	-17,805	246	-6,388	**-21,396**
Additions	5,204	19,260	3,246	82,185	**109,895**
Disposals	-228	-3,419	-340	-761	**-4,749**
Reclass due to spin off	-20	-734	-1,536	0	**-2,290**
Reclassification to (-) /from investment property	-1,156	0	0	0	**-1,156**
Other reclassifications	4,181	227,752	-348	-227,659	**3,926**
Write offs	-5	-2,515	-3,951	-4	**-6,475**
Balance as at 31 December 2016	**895,295**	**2,376,215**	**60,761**	**72,653**	**3,404,924**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2016	**-265,686**	**-1,188,608**	**-53,578**	**-4,708**	**-1,512,581**
Effect of movement in exchange rates	-4,433	11,601	-255	0	**6,913**
Depreciation	-17,657	-99,168	-3,042	0	**-119,867**
Disposals	18	1,933	321	0	**2,272**
Reclass due to spin off	20	734	1,536	0	**2,290**
Write offs	0	1,418	3,881	0	**5,299**
Reversal of previously recognized impairment loss	4,291	0	0	0	**4,291**
Impairment loss	-10,384	0	0	0	**-10,384**
Balance as at 31 December 2016	**-293,832**	**-1,272,089**	**-51,138**	**-4,708**	**-1,621,768**
Carrying amount as at 31 December 2016	**601,463**	**1,104,126**	**9,623**	**67,945**	**1,783,156**

"Other reclassifications" line includes transfers of assets which were initially reported in the column "assets under construction" and upon completion, were transferred to the columns that describe their nature. Some of these assets have been transferred to "Intangible Assets". In 2016, "other reclassifications" also include items which were transferred from inventory to PP&E.

B. Leased Buildings and Machinery

Viohalco's companies lease buildings and machinery under a number of finance leases. Leased equipment secures lease obligations.

The net carrying amount of finance leases is as follows:

Amounts in EUR thousands	2017	2016
Buildings		
Cost	1,394	1,394
Accumulated depreciation	-407	-337
Net carrying amounts	**987**	**1,057**
Machinery		
Cost	19,679	9,865
Accumulated depreciation	-938	-337
Net carrying amounts	**18,741**	**9,528**

C. Security

Property, plant & equipment with a carrying amount of EUR 1,180 million are mortgaged as security for borrowings received by Viohalco's companies (see Note 26).

D. Property, plant and equipment under construction

The most important items in property, plant and equipment under construction as of 31 December 2017 concern the following:

- the ongoing investment regarding the installation of the third continuous casting line in Oinofyta's aluminium rolling plant,
- Steel segment's projects that related to the refurbishing of Dojran Steel's rolling mill and the installment of new machinery, aiming to increase product variety, improve quality and further decrease production costs.
- Capital expenditure for cables segment largely attributable to capacity improvements at Fulgor plant in order to meet the expected future needs and productivity improvement projects at the Hellenic Cables and Icme Ecab plants.

Capitalized borrowing costs related to property, plant and equipment under construction amount to EUR 100 thousand (2016: EUR 104 thousand), which have been calculated using an average capitalization rate of 5.3% (2016: 5.3%).
Additions in assets under construction also include capitalized depreciation equal to EUR 426 thousand and capitalized employee benefits equal to EUR 2,536 thousand.

E. Transfer to and from investment property

During 2017, some properties of Viohalco companies were transferred to investment property (see Note 19), because they will no longer be used for own purposes and are expected to be leased to third parties in the near future. As a result, a reclassification of properties with a carrying amount of EUR 3.3 million (2016: EUR 10.4 million) was made from property, plant and equipment to investment property. On the other hand EUR 115 thousand were transferred from investment property to PP&E during 2017 (2016: EUR 9.3 million).

F. Transfer to assets held for sale

In 2017, machinery owned by the subsidiary of Viohalco, Sofia Med S.A, with EUR 4.2 million net book value, was transferred to current assets held-for-sale, since the company has set a plan for the sale of these assets, within 2018 (see also Note 22).

G. Impairment loss of property, plant and equipment

On 31 December 2017, an impairment test was performed for each Cash Generating Unit (further CGU), for which indications of impairment loss existed as at 31 December 2017. The identified indications of impairment concerned the losses incurred by certain CGUs over the last years. For the calculation of recoverable amount per CGU, cash flow projections based on a period of five years were used. The results of this test concluded that the property, plant and equipment used by these CGUs were not impaired at 31 December 2017, since the recoverable amount of each CGU exceeded the respective carrying amount.

During 2017, an impairment loss was recorded on the carrying amount of certain machinery (EUR 464 thousand), which is no longer used by Viohalco's companies and is not expected to bring economic benefits in the future since these assets became obsolete.

In 2016, an impairment loss of EUR 10.4 million was recorded and included in "Other expense" in profit or loss. Impairment losses relate primarily to land, and the recoverable amount was based on its fair value less costs of disposal.

H. Reversal of impairment loss of property, plant and equipment

A test has also been performed for CGUs, for which indications for reversal of previously recorded impairment loss existed at 31 December 2017. These indications concerned the improvement of expected performance of certain CGUs over the following years. However, the result of the test was that no impairment loss should be reversed in 2017. In 2016, impairment loss of EUR 4.3 million, related to land, was reversed.

I. Change in estimates

During 2017, there were no changes in estimates related to to property, plant and equipment. In 2016, within the context of the reassessment of the property, plant & equipment residual values and useful lives, management of Corinth Pipeworks S.A. and ETEM Bulgaria S.A. (subsidiaries of Viohalco) extended the useful lives of buildings and machinery while Sofia Med S.A. (subsidiary of Viohalco) extended the useful lives of some major machinery items.

The change in accounting estimate resulted in a reduction of the depreciation charge for 2016, equal to EUR 7.4 million.

18. Goodwill and intangible assets

A. Reconciliation of carrying amount

Amounts in EUR thousands	Goodwill	Development costs	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2017	**3,132**	**498**	**21,176**	**28,017**	**2,894**	**55,715**
Effect of movement in exchange rates	0	0	0	-82	-11	**-93**
Additions	0	181	610	3,161	0	**3,952**
Disposals	0	0	-43	0	0	**-43**
Write-offs	0	0	0	-3	-112	**-115**
Reclassifications	0	-1	469	915	-65	**1,317**
Balance as at 31 December 2017	**3,132**	**678**	**22,212**	**32,006**	**2,705**	**60,733**
Accumulated amortization and impairment loss						
Balance as at January 1 2017	**-1,500**	**-451**	**-4,873**	**-23,170**	**-1,064**	**-31,058**
Effect of movement in exchange rates	0	0	0	51	10	**60**
Amortization for the period	0	-51	-813	-2,417	-89	**-3,370**
Disposals	0	0	43	0	0	**43**
Write-offs	0	0	0	3	112	**115**
Reclassifications	0	1	95	-396	307	**8**
Balance as at 31 December 2017	**-1,500**	**-501**	**-5,548**	**-25,928**	**-725**	**-34,202**
Carrying amount as at 31 December 2017	**1,632**	**177**	**16,664**	**6,078**	**1,981**	**26,531**

Amounts in EUR thousands	Goodwill	Development costs	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2016	**3,132**	**571**	**19,653**	**32,161**	**2,565**	**58,083**
Effect of movement in exchange rates	0	0	0	-1	-14	**-15**
Additions	0	4	244	1,643	80	**1,971**
Disposals	0	0	0	-19	-84	**-102**
Write-offs	0	-114	-22	-2,871	-99	**-3,106**
Reclass due to spin off	0	37	0	-3,620	565	**-3,018**
Reclassifications	0	0	1,300	722	-119	**1,903**
Balance as at 31 December 2015	**3,132**	**498**	**21,176**	**28,017**	**2,894**	**55,715**
Accumulated amortization and impairment loss						
Balance as at 1 January 2016	**-1,500**	**-518**	**-4,101**	**-27,326**	**-1,039**	**-34,484**
Effect of movement in exchange rates	0	0	0	3	-93	-90
Amortization	0	-10	-789	-1,817	-66	-2,682
Disposals	0	0	0	19	0	19
Write-offs	0	114	22	2,869	99	3,105
Reclass due to spin off	0	-37	0	3,288	-232	3,018
Reclassifications	0	0	-5	-205	266	56
Balance as at 31 December 2016	**-1,500**	**-451**	**-4,873**	**-23,170**	**-1,064**	**-31,058**
Carrying amount as at 31 December 2016	**1,632**	**47**	**16,303**	**4,847**	**1,829**	**24,657**

B. Amortisation

The amortization of trademarks & licenses with finite useful lives, software programs and other intangible assets is allocated to the cost of inventory and is included in "cost of sales" when inventory is sold, as trademarks & licenses and software programs are mainly used directly for the production of products and they are considered as production overheads. The amortization of intangible assets not used for production is allocated to administrative expenses.

C. Reclassifications

Reclassifications mainly relate to intangible assets recorded initially in projects under construction (in property, plant and equipment) and upon the completion of the project, they are transferred to the column which describes their nature.

D. Intangible assets with indefinite useful lives

All intangible assets have finite useful life (see Note 5.10), except for the following assets, included in trademarks and licenses category:

i. Intangible assets recognized for the CGU "Fulgor"
   a. Trade Name "Fulgor" (carrying amount of EUR 1.4 million as at 31 December 2017)
      It relates to the sector of medium voltage submarine cables and terrestrial high voltage cables that Fulgor was operating prior to its acquisition by Hellenic Cables in 2011 and which has revealed significant economic benefits. Based on the analysis of relevant factors (e.g. knowledge, longstanding engagement with a wide range of clientele, future development of the sector), the useful life of the brand was considered indefinite.

   b. License of Port use in Soussaki, Corinth (carrying amount of EUR 8.3 million as at 31 December 2017). Fulgor holds a license for permanent and exclusive use of a port located in the premises of the factory in Soussaki, Corinth. The port is necessary for the production of submarine cables of medium and high voltage. Since the acquisition of the subsidiary, significant investments for the upgrade and expansion of production capacity in producing high-voltage submarine cables took place. Since 2014, the production started as planned. The useful life of the asset is considered indefinite, since the use of these port facilities is for an indefinite period of time, in the context of the significant development of the sector.

ii. Intangible assets recognized for the CGU "Reynolds" (carrying amount of EUR 1.5 million as at 31 December 2017).
    Upon the completion of the acquisition of Reynolds Cuivre by Genecos, an intangible asset related to the brand name "Reynolds" was recognized, as significant economic benefits are expected from its use. Based on the analysis of relevant factors (e.g. knowledge of the relevant market, wide range of clientele, expected future developments), the useful life of the brand was considered indefinite.

E. Impairment testing

(a) Intangible assets recognized for the CGU "Fulgor"

As these intangible assets do not generate independent cash inflows, it was considered appropriate to carry out the impairment test on the basis of the Cash Generating Unit (CGU) of Fulgor production plant, which incorporates these assets. In order to evaluate the value in use, cash flow projections based on estimates by management covering a five-year period were used. These estimates take into consideration the contracts that the company has already signed, as well as contracts that are expected to be announced in Greece and abroad.

Cash flows after the first five years were calculated using an estimated growth rate of 1.4%, which mainly reflects management's estimates for the growth prospects of the high voltage submarine cable sector. The rate used to discount these cash flows is from 8.6 % to 9.4% for the five year period and 9.2% for the terminal value and was based on the following:

- Risk free rate was determined according to AAA Eurozone rates and has a range from -0.75% for the five years to 0.44% for the terminal value.
- The country risk for operating in Greece determined in the range of 2.9-3.3% for the first five years and 3% for the terminal value.
- The market risk premium was determined at 5.7%

The results of this test indicated that the recoverable amount as at December 31, 2017 exceeds the carrying amount of the CGU amounting to EUR 149.7 million by EUR 157.9 million.

Despite the fact that the commodity prices for copper and aluminium are part of the assumptions for the impairment test performed, due to the hedging activities undertaken and the customized nature of the products sold by Fulgor, the value of the business unit is not significantly affected by fluctuations in commodity prices.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	Change in rates required for the recoverable amount to equal the carrying amount
Discount rate	8.6 % to 9.4%	+7.80%
Terminal growth	1.40%	-11.20%

(b) Intangible assets recognized for the CGU "Reynolds"

The recoverable amount of the CGU that includes this intangible asset (Reynolds Cuivre S.A.) was estimated based on the present value of the future cash flows expected to be derived from the CGU (value in use).

Cash flows after the first five years were calculated using an estimated growth rate of 0.5%, which reflects management's estimates for the growth prospects for the market. The rate used to discount these cash flows is 5.0% for the five year period and for the terminal value and was based on the following:

- Risk free rate was determined according to AAA Eurozone rates and has a range from -0.7% for the five years to 0.4% for the terminal value.
- The market risk premium (which includes country risk for operating in France) was determined at 5.7%

The results of this test indicated that the recoverable amount as at 31 December 2017 exceeds the carrying value of the CGU amounting to EUR 6.7 million by EUR 1 million.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	Change in rates used required for the recoverable amount to equal the carrying amount
Discount rate	5.0%	+8.7%
Terminal growth	0.5%	-10.0%

19. Investment property

A. Reconciliation of carrying amount

Amounts in EUR thousands	2017	2016
Balance as at 1 January	**155,553**	**156,012**
Acquisitions	10,180	6,423
Disposals	-178	0
Impairment loss	0	-8,213
Reversal of impairment loss	149	3,369
Transfers from property, plant and equipment	3,261	10,428
Transfers to property, plant and equipment	-115	-9,272
Depreciation	-3,603	-3,194
Balance as at 31 December	**165,247**	**155,553**
Gross carrying amount	238,979	220,544
Accumulated depreciation and impairment losses	-73,733	-64,991
Net carrying amount as at 31 December	**165,247**	**155,553**

The table below summarizes the most important properties held by Viohalco and its subsidiaries:

Real estate	Location	'000 m^2 (1)
Ikea store & River West shopping mall	96, Kifissos Av., Egaleo, Greece	124.2
Hotel (Wyndham Grand Athens)	Karaiskaki Square, Athens, Greece	23.5
Industrial buildings & offices (ex BIC plant)	Oinofyta, Greece	10.4
Mare West (former premises of Corinth Pipeworks)	Corinth, Greece	14.2
Office Complex	115, Kiffissias Ave., Athens, Greece	38.9
Office Complex	57, Ethnikis Antistasseos St., Halandri, Greece	6.9
Office Complex	26, Apostolopoulou St., Halandri, Greece	10.9
Office Building	53A, Nikola Vaptzarov Blvd, Sofia , Bulgaria	7.3

(1) refers to built surface

Investment property comprises a number of commercial properties that are either leased to third parties currently or will be in the foreseeable future. Each of these leases is indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average renewal periods last for four years. No contingent rents are charged.

B. Measurement of fair value – Accumulated impairment losses

The accumulated impairment loss carried forward amounts to EUR 45 million. Based on our assessment, during the current period, there were neither indications for impairment loss nor indications for reversal of previously recorded impairment losses. The fair value of investment property held by Viohalco and its subsidiaries in the real estate development sector amounts to EUR 171.4 million (31 December 2016: EUR 158.1 million).

On 31 December 2016, an impairment test was performed on all real estate assets (individual assets), either owner occupied or held as investment property. For investment property assets, an impairment loss of EUR 8.2 million was recorded and included in the line "Other expense" in profit or loss. Impairment losses relate primarily to land and buildings, and the recoverable amount was based on its fair value less costs of disposal. Asset valuations were also used to identify if previously recognized impairment losses could be reversed. As a result of this, EUR 3.4 million were reversed and included in the line "Other income" of the consolidated statement of profit or loss.

During 2017, Viohalco invested an amount of EUR 10.2 million (EUR 6.4 million in 2016) for the acquisition and improvement of investment properties. The most significant investments comprise the purchase (EUR 3.5 million) and the long term leasing (EUR 6.7 million) of land and former industrial facilities, respectively, adjacent to River West – IKEA shopping center. The refurbishment works for the transformation of the building on Aghiou Konstantinou str. into aparthotel should also be included in the most important capex transactions of 2017. Finally, during 2017 some properties of Viohalco companies with carrying amount of EUR 3.3 million were transferred from property, plant and equipment to investment property because they will no longer be used for own purposes.

20. Equity-accounted investees

A. Reconciliation of carrying amount of associates

Amounts in EUR thousands	2017	2016
Balance as at 1 January	**17,594**	**16,452**
Share of profit / loss (-) net of tax	-181	-1,240
Dividends received	-299	-725
Effects on movement in exchange rates	-581	2,997
Additions	501	110
Share capital reduction	-78	0
Balance as at 31 December	**16,956**	**17,594**

B. Financial information per associate

2017

Company	Principal place of business	Segment	Associate/ JV	Current Assets	Non-Current Assets	Non-current liabilities	Current liabilities	Revenue	Profit or loss from continuing operations	Direct ownership interest	Ultimate ownership interest
UACJ ELVAL CONSULTING S.A.	Greece	Aluminium	Associate	221	3	0	-119	197	20	50.00%	45.72%
DOMOPLEX LTD	Cyprus	Steel	Associate	2,829	2,395	0	-4,115	3,645	-40	45.00%	45.00%
ZAO TMK-CPW	Russia	Steel Pipes	Associate	26,720	7,622	-14	-11,321	54,135	444	49.00%	39.09%
SMARTREO	Australia	Steel	Associate	853	3,103	-3,101	-1,263	3,891	-1,111	50.00%	50.00%
AWM SPA	Italy	Steel	Associate	9,301	7,137	-2,985	-5,650	6,388	40	34.00%	34.00%
HC ISITMA A.S.	Turkey	Copper	Joint Venture	379	633	-6	-99	1,177	243	50.00%	45.72%
U.E.H.E.M GmbH	Germany	Aluminium	Associate	8,033	73	0	-7,128	36,263	452	49.00%	44.81%

2016

Company	Principal place of business	Segment	Associate/ JV	Current Assets	Non-Current Assets	Non-current liabilities	Current liabilities	Revenue	Profit or loss from continuing operations	Direct ownership interest	Ultimate ownership interest
UACJ ELVAL CONSULTING S.A.	Greece	Aluminium	Associate	496	3	0	-74	462	185	50.00%	50.00%
DOMOPLEX LTD	Cyprus	Steel	Associate	2,574	2,814	0	-4,240	2,852	-200	45.00%	45.00%
ZAO TMK-CPW	Russia	Steel Pipes	Associate	24,036	9,526	-25	-8,528	41,590	-2,316	49.00%	36.24%
SMARTREO	Australia	Steel	Associate	691	3,531	-2,731	-799	2,711	-1,155	50.00%	49.96%
AWM SPA	Italy	Steel	Associate	8,667	6,885	-3,791	-3,857	11,233	257	34.00%	34.00%
HC ISITMA A.S.	Turkey	Copper	Joint Venture	164	1,051	-304	-75	5,832	-77	50.00%	34.14%
U.E.H.E.M GmbH	Germany	Aluminium	Associate	7,169	114	0	-6,718	23,102	316	49.00%	49.00%

During 2017, Jostex Ltd (subsidiary of Viohalco) participated in Smartreo's Share capital increase with EUR 501 thousand.

Aforementioned financial information is presented considering the following:

(a) There are no restrictions on the ability of joint ventures or associates to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity.

(b) The financial statements of joint ventures or associates are used in applying the equity method and as of the same date with that of Viohalco.

(c) There are no unrecognized share of losses of a joint venture or associate, both for the reporting period and cumulatively.

C. Description of associates and joint venture

UACJ ELVAL CONSULTING (former AFSEL) is a joint establishment between ElvalHalcor and UACJ Corp.. It is active in the promotion of aluminium products to manufacturers of automotive heat exchangers in Europe.

UEHEM is a joint establishment between ElvalHalcor and UACJ Corp.. It markets aluminium products to manufacturers of automotive heat exchangers in Europe.

ISITMA is a joint venture between ElvalHalcor and Cantas AS. It is active in the manufacture of pre-insulated copper tubes in Turkey.

SMARTREO manufactures prefabricated reinforcing steel for the Australian market using Synthesis™ in conjunction with other state-of-the-art technologies at a high-tech facility situated in Wacol, Brisbane. The company is a joint establishment between Sidenor and Thiess, one of Australia's biggest construction companies.

AO TMK-CPW is a joint stock company between Corinth Pipeworks and AO TMK, the largest manufacturer of steel pipes in Russia and one of the top three globally. AO TMK-CPW has its production facilities in Polevskoy, Russia, where it manufactures pipes and hollow structural sections.

AWM is developing, designing and manufacturing high-technology machines for the processing of reinforcement steel such as standard and special mesh welding machines, high-speed wire straightening and cutting machines, lattice girder machines, cold rolling lines, automatic mesh cutting and bending machines and special machines for production of tunnel reinforcement.

DOMOPLEX is a Cyprus-based company active in the manufacturing and trading of welded wire mesh for the reinforcement of concrete.

21. Other investments

Amounts in EUR thousands	2017	2016
Balance as at 1 January	**9,291**	**9,783**
Additions	400	211
Disposals	0	-611
Change in fair value through profit or loss	-111	-119
Change in fair value through equity	122	-24
Reclassifications	-130	51
Balance as at 31 December	**9,573**	**9,291**

Other investments are substantially available-for-sale financial assets and include the following:

Amounts in EUR thousands	2017	2016
Listed securities		
-Greek equity instruments	130	321
-International equity instruments	2,508	2,508
-Mutual funds	2,381	2,262
Unlisted securities		
-Greek equity instruments	4,146	4,144
-International equity instruments	386	46
-Other	20	11
	9,573	**9,291**

22. Assets held for sale

In 2017, machinery owned by the subsidiary of Viohalco, Sofia Med S.A, with net book value equal to EUR 4.2 million, was transferred to current assets held-for-sale from property, plant and equipment since the company has set a plan for the sale of these assets, within 2018.

The cost of these assets is EUR 5.7 million and the accumulated depreciation is EUR 1.5 million.

The company assigned to an external, independent valuer to determine the fair value of these assets. The valuation technique which was considered the most appropriate was the cost approach. This approach is commonly adopted for specialized plant & equipment particularly and it considers the current replacement costs of replicating the manufacturing facility, including the costs of transportation, installation and start-up.

The most significant unobservable inputs used were the following:
Functional obsolescence < 5%
Economical obsolescence = 10%
Effective life 75% of Actual Asset life.
According to the valuation, the fair value of the assets, less costs to sell, was equal to EUR 5.4 million, which is higher than the carrying amount, therefore the assets were re-classified based on their carrying amount.

23. Derivatives

The following table sets out the carrying amount of derivatives:

Amounts in EUR thousands	2017	2016
Non-current assets		
Forwards	2	253
Forwards contracts	259	0
Total	**262**	**253**
Current assets		
Forwards	2,166	4,670
Futures contracts	5,440	3,263
Total	**7,606**	**7,933**
Non-current liabilities		
Forwards	1,281	4,366
Total	**1,281**	**4,366**
Current liabilities		
Forwards	5,097	7,007
Futures contracts	3,781	2,851
Total	**8,878**	**9,858**

Hedge accounting

Viohalco's companies hold derivative financial instruments for cash flow and fair value hedges.
The abovementioned derivative financial instruments cover risks from:
- Changes in the prices of metals
- Fluctuations of foreign exchange rates
- Changes in loan interest rates

The maturity and the nominal value of derivatives held by Viohalco's companies match the maturity and nominal value of the underlying assets / liabilities (hedged items).
Derivatives held by Viohalco's companies concerns mainly:
- Future contracts to hedge the risk from the change of the price of metals listed in LME (London Metal Exchange) and used in production of Viohalco's companies (i.e. mainly copper, aluminium and zinc). Such hedges are designated as cash flow hedges.
- F-X Forward and F-X swaps to hedge the risk from the change in exchange rate of US Dollar and British Pound (i.e. currencies to which Viohalco's companies are mainly exposed). Such hedges are either designated as fair value or cash flow hedges depending on the item hedged. F-X Forwards and F-X swaps when used for hedging f-x risk on outstanding receivables and suppliers denominated in foreign currency these instruments are designated under fair value hedging. F-X forwards when used for hedging f-x risk on the forecasted sales of goods or purchase of materials executed in foreign currency f-x forward is hedging instruments designated under the cash flow method.
- Interest rate swaps to offset the impact of future changes in interest rates. Such hedges are designated as fair value hedges, when the hedged risk is associated with a fixed rate debt obligation, and as cash flow hedges when the hedged risk is associated with a floating rate debt obligation.

Derivatives are recognised when Viohalco's companies enter into the transaction in order either to hedge the fair value of receivables, liabilities or commitments (fair value hedges) or highly probable transactions (cash flow hedges).
The change in fair value recognized in equity under cash flow hedging as of 31 December 2017 will be recycled to the

consolidated statement of profit or loss during the next years, as some of the hedged events are expected to occur (the forecasted transactions will take place or the hedged items will affect P&L statement) within 2018 and some others at a later stage.

Viohalco's companies' results from the hedging activities recorded in the statement of profit or loss are presented for metal future contracts and foreign exchange contracts in the "Revenue" and the "Cost of sales" while for interest rate swaps in the "Finance income / expenses (-)". The amounts recognized in the consolidated statement of profit or loss are the following:

Amounts in EUR thousands	2017	2016
Gain / loss (-) on future contracts	-5,096	-5,667
Gain / loss (-) on FX forwards contracts	-6,584	-2,676
Gain / loss (-) on interest rate swaps	0	686
	-11,680	**-7,658**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Hedging reserve) as at 31 December 2017 will be recycled to profit or loss during the next financial years.

24. Capital and reserves

A. Share capital and share premium

The share capital of the Company amounts to EUR 141,894 thousand divided into 259,189,761 shares without nominal value. Holders of shares are entitled to one vote per share at the general meetings of the Company.

Share premium of the Company amounts to EUR 457,571 thousand.

B. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

C. Nature and purpose of other reserves

(a) Statutory reserve

Pursuant to the Belgian tax legislation, the companies are obliged, from their fiscal year profits, to form 5% as a legal reserve until it reaches 10% of their paid share capital. The distribution of the legal reserve is prohibited.

Pursuant to Greek company law, the companies are obliged to allocate each year at least 5% of its annual net profits to its statutory reserve, until this reserve equals at least 1/3 of the company's share capital. The distribution of the statutory reserve is prohibited but it can be used to offset losses.

(b) Fair value reserve

Fair value reserve is comprised of:

- the hedging reserve which include the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss; and
- the cumulative net change in the fair value of the available-for-sale financial assets until the assets are derecognised or impaired.

(c) Special reserves

This category relates to reserves formed by the application of the provisions of certain developmental laws which were granting tax benefits to companies that invested their retained earnings rather than distribute them to the shareholders. More specifically, the aforementioned reserves include profits that have already been taxed or have been permanently exempted from income tax, after the lapse of a specified period beginning from the completion of the investments they concern.

(d) Tax exempt reserves

This category relates to reserves formed by the application of the provisions of certain tax laws and are exempt from income tax, provided that they are not distributed to the shareholders. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.

D. Reconciliation of other reserves

Amounts in EUR thousands	Statutory reserves	Fair value reserve	Special reserves	Tax exempt reserves	Other reserves	Total
Balance as at 1 January 2017	**31,975**	**-1,750**	**58,759**	**294,860**	**11,719**	**395,563**
Other comprehensive income	0	4,972	0	0	0	**4,972**
Transfer of reserves and other movements	1,200	0	943	1,357	-626	**2,874**
Acquisition of NCI	29	0	0	57	0	**85**
Change in ownership interests	2,324	160	51	1,667	-1,081	**3,122**
Balance as at 31 December 2017	**35,528**	**3,382**	**59,753**	**297,941**	**10,012**	**406,616**

Amounts in EUR thousands	Statutory reserves	Fair value reserve	Special reserves	Tax exempt reserves	Other reserves	Total
Balance as at 1 January 2016	**14,870**	**3,874**	**19,927**	**222,134**	**75,876**	**336,681**
Other comprehensive income, net of tax	0	-1,259	0	0	-434	**-1,693**
Transfer of reserves and other movements	1,470	0	13	27,559	-189	**28,852**
Changes in ownership interests	15,636	-4,364	38,819	45,167	-63,535	**31,723**
Balance as at 31 December 2016	**31,975**	**-1,750**	**58,759**	**294,860**	**11,719**	**395,563**

Acquisition of NCI and change in ownership interests are further explained in Note 31.

25. Capital management

Viohalco and its companies' policy consists in maintaining a strong capital structure so as to keep the confidence of investors, creditors and the market and enable the future development of their activities. The Board of Directors monitors the return on capital which is defined as net results divided by total equity less non-controlling interests. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Board of Directors tries to maintain an 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. In this context, the Board of Directors monitors the Return on Capital Employed (ROCE) index, otherwise the Return on Invested Capital (ROIC) index, which is defined as Earnings before Interest and Tax (EBIT) divided by total Capital Employed, (i.e. equity and debt). The Board of Directors seeks opportunities and examines feasibility to leverage Viohalco's companies with relatively high ROCE (in every case higher than the cost of debt) and deleverage companies that go through a relatively low ROCE performance period.

26. Loans and borrowings

A. Overview

Amounts in EUR thousands	2017	2016
Non-current liabilities		
Secured bank loans	113,559	103,101
Unsecured bank loans	31,039	41,484
Secured bond issues	531,808	593,615
Unsecured bond issues	19,834	57,481
Finance lease liabilities	22,476	9,042
Total	**718,716**	**804,723**
Current liabilities		
Secured bank loans	191,859	176,037
Unsecured bank loans	471,156	490,389
Current portion of secured bank loans	93,509	116,855
Current portion of unsecured bank loans	13,382	7,790
Current portion of secured bond issues	194,340	92,343
Current portion of unsecured bond issues	10,152	9,902
Current portion of finance lease liabilities	2,673	1,176
Total	**977,071**	**894,491**
Total loans and borrowings	**1,695,787**	**1,699,214**

Information about the Viohalco's companies' exposure to interest rate, foreign currency and liquidity risk is included in Note 30.

The maturities of non-current loans are as follows:

Amounts in EUR thousands	2017	2016
Between 1 and 2 years	145,190	472,212
Between 2 and 5 years	499,926	305,266
Over 5 years	73,600	27,245
Total	**718,716**	**804,723**

The effective weighted average interest rates of the main categories of loans and borrowings at the reporting date are as follows:

2017	Carrying amount	Interest rate
Bank loans (non-current)-EUR	239,069	4.89%
Bank loans (non-current)-GBP	12,399	2.02%
Bank loans (current)-EUR	608,222	5.45%
Bank loans (current)-USD	25,549	5.77%
Bank loans (current)-GBP	21,008	3.17%
Bond issues-EUR	756,134	4.43%
Finance lease liabilities-EUR	25,149	6.06%

2016	Carrying amount	Interest rate
Bank loans (non-current)-EUR	256,382	4.66%
Bank loans (non-current)-GBP	12,848	2.97%
Bank loans (current)-EUR	583,418	5.58%
Bank loans (current)-USD	31,579	5.70%
Bank loans (current)-GBP	46,254	1.36%
Bond issues-EUR	753,341	4.41%
Finance lease liabilities-EUR	10,217	4.80%

The majority of loans of Viohalco's companies are denominated in Euro.

At the end of 2017, in the energy sector the syndicated bond loans issued by Corinth Pipeworks and Hellenic Cables back in 2013, with a total outstanding balance of EUR 89 million were transferred to short term borrowings as they are maturing at the end of 2018. The companies, however, are currently negotiating with the banks in the syndication, the refinancing of these bond loans along with the conversion of a portion of other short term borrowings to long term and management of both subsidiaries strongly believe that these negotiations will be successfully concluded within 2018.

In the steel segment, prolongation and re-profiling requests have been submitted to the banks for the syndicated bond loans of Sidenor and Sovel maturing in 2020 (EUR 252 million) and approvals are expected before the end of June.

Meanwhile, prior to the restructuring of the non-ferrous sector in late November 2017, both merging companies have successfully renegotiated and refinanced their outstanding syndicated bond loans. More specifically, Halcor negotiated the extension of its bond loan with an outstanding balance of EUR 162.5 million with initial maturity in December 2018, to 2022 with a partial repayment on the signing of EUR 35 million in total, so the prolongation has been applied to the balance of EUR 127.5 million. Additionally, Elval refinanced its two outstanding bond loans, with balances of EUR 33.7 and EUR 65.3 million, with the issuance of a new bond loan of EUR 199 million maturing in 2022.

Moreover, in December 2017 the aluminium rolling division of ElvalHalcor signed a loan contract of EUR 70 million with European Investment Bank (EIB) for up to 8 years, for the financing part of its new EUR 150 million investment program.

Further to the above, Bulgarian subsidiary Sofia Med, is negotiating the renewal of its syndicated loan (EUR 60 million) for an additional seven year period with the banks and a new capital expenditure financing facility with EBRD for the same period.

The average interest rate on outstanding current bank loans as of 31 December 2017 is 5.4% (5.2% as at 31 December 2016).

Mortgages and pledges in favour of banks have been recorded on the fixed assets and inventories of subsidiaries. The carrying amount of assets mortgaged or pledged is EUR 1,321 million.

For the bank loans of Viohalco's companies, there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident of covenants' breach in 2017.

B. Finance leases liabilities

Finance lease liabilities are payable as follows:

Amounts in EUR thousands	2017	2016
Future minimum lease payments		
Up to 1 year	4,167	2,278
From 1 to 5 years	16,342	6,892
Over 5 years	30,546	2,781
Total	**51,055**	**11,951**
Less: Future finance lease interest charges	-25,906	-1,734
Present value finance lease obligations	**25,149**	**10,217**

Finance lease liabilities have increased compared to 2016 mainly due to the new finance lease of land and former industrial facilities, adjacent to River West – IKEA shopping center.

C. Reconciliation of movements of liabilities to cash flows from financing activities

Amounts in EUR thousands	Loans and Borrowings	Finance Leases	Total
Balance at 1 January 2017	**1,688,996**	**10,218**	**1,699,214**
Changes from financing cash flows			
Proceeds from loans and borrowings	285,370	0	285,370
Repayment of borrowings & finance lease liabilities	-306,268	-2,650	-308,918
Total changes from financing cash flows	**-20,898**	**-2,650**	**-23,548**
Others changes			
Capitalised borrowing costs	100	0	100
New finance leases	0	16,454	16,454
Interest expense	100,566	1,069	101,635
Interest paid	-97,249	0	-97,249
Effect of changes in foreign exchange rates	-877	58	-819
Total others changes	**2,540**	**17,581**	**20,121**
Balance at 31 December 2017	**1,670,638**	**25,149**	**1,695,787**

27. Trade and other payables

Amounts in EUR thousands	Note	2017	2016
Suppliers		404,878	375,155
Notes payable		63,123	56,934
Down payments from customers		11,744	15,019
Social security funds	11	10,056	9,164
Amounts due to related parties	36	2,691	2,593
Sundry creditors		18,452	12,578
Deferred income		174	1,148
Accrued expenses		30,681	25,562
Taxes - duties		20,908	21,128
Total		**562,706**	**519,280**
Non-current balance of trade and other payables		18,292	12,477
Current balance of trade and other payables		544,414	506,804
Balance as at 31 December		**562,706**	**519,280**

The fluctuation in trade and other payables mainly mainly relates to increased purchases of raw materials during 2017 for the ongoing projects, the purchase of materials to serve the expected increase in sales quantities, along with the fact the LME prices were higher in the last months of 2017 compared to ones at the end of 2016.

28. Grants

Amounts in EUR thousands	Note	2017	2016
Balance at 1 January		**46,468**	**50,549**
Collection of grants		609	70
Amortisation of grants	8	-3,986	-4,116
Other		0	-34
Foreign exchange differences		-3	0
Ending Balance		**43,088**	**46,468**

Government grants have been received for investments in property, plant and equipment. All conditions attached to the grants received by Viohalco's companies were met as of 31 December 2017.

29. Provisions

Non-current

Amounts in EUR thousands	Pending court rulings	Other provisions	Total
Balance as at 1 January 2017	**210**	**3,653**	**3,863**
Foreign exchange differences	0	-37	-37
Additional provisions of the fiscal year	0	1,546	1,546
Reclassifications from / to(-) short term provisions	-72	5	-67
Provisions reversed	0	-231	-231
Provisions used	0	-658	-658
Balance as at 31 December 2017	**138**	**4,279**	**4,416**

Amounts in EUR thousands	Pending court rulings	Other provisions	Total
Balance as at 1 January 2016	**215**	**2,794**	**3,009**
Foreign exchange differences	0	-160	-160
Additional provisions of the fiscal year	34	15	49
Reclassifications from / to(-) short term provisions	0	1,848	1,848
Provisions reversed	0	-844	-844
Provisions used	-39	0	-39
Balance as at 31 December 2016	**210**	**3,653**	**3,863**

Current

Amounts in EUR thousands	Pending court rulings	Other provisions	Total
Balance as at 1 January 2016	**88**	**327**	**415**
Foreign exchange differences	0	-4	-4
Additional provisions of the fiscal year	261	257	518
Reclassifications from / to(-) long term provisions	72	-5	67
Provisions used	-149	-197	-346
Balance as at 31 December 2017	**273**	**377**	**650**

Amounts in EUR thousands	Pending court rulings	Other provisions	Total
Balance as at 1 January 2016	**0**	**1,428**	**1,428**
Foreign exchange differences	0	-19	-19
Additional provisions	88	205	293
Provisions used	0	-1,286	-1,286
Balance as at 31 December 2016	**88**	**327**	**415**

Other provisions mainly relate to provisions for open tax years and provisions related to environmental obligations.

30. Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy.

31 December 2017 Amounts in EUR thousands	Carrying amount	First Level	Second Level	Third Level	Total
Other investments	9,573	5,020	1,607	2,945	**9,573**
Derivative financial assets	7,868	5,691	2,177	0	**7,868**
	17,440	**10,711**	**3,784**	**2,945**	**17,440**
Derivative financial liabilities	-10,159	-8,427	-1,731	0	**-10,159**
	7,282	**2,284**	**2,053**	**2,945**	**7,282**

31 December 2016 Amounts in EUR thousands	Carrying amount	First Level	Second Level	Third Level	Total
Other investments	9,291	4,932	1,345	3,014	**9,291**
Derivative financial assets	8,186	4,304	3,882	0	**8,186**
	17,477	**9,237**	**5,227**	**3,014**	**17,477**
Derivative financial liabilities	-14,224	-12,409	-1,815	0	**-14,224**
	3,253	**-3,173**	**3,412**	**3,014**	**3,253**

The various levels are as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Loans and borrowings

The following table shows reconciliation between opening and closing balances for Level 3 financial assets:

Amounts in EUR thousands	Available-for-sale financial assets	Financial instruments at fair value through profit or loss
Balance at 1 January 2016	2,976	9
Additions	35	0
Disposals	-121	0
Impairment loss (-)/ Reversal of impairment loss	3	0
Reclassification	111	0
Balance at 31 December 2016	**3,005**	**9**
Balance at 1 January 2017	3,005	9
Additions	400	0
Impairment loss (-)/ Reversal of impairment loss	-111	0
Reclassification	-349	-9
Balance at 31 December 2017	**2,945**	**0**

B. Measurement of fair values

(a) Valuation techniques and significant unobservable inputs

The fair values of financial assets that are traded in active markets (stock markets e.g. derivatives, shares, bonds, mutual funds) are set according to the published prices that are valid on the reporting date. The fair value of financial assets is determined by their offer price, while the fair value of financial liabilities is determined by their bid price.

The fair values of financial assets that are not traded in active markets are set through the use of valuation techniques and standards that are based on market data on the reporting date.

The fair values of financial liabilities, for the purpose of being recorded in financial statements, are estimated based on the present value of the future cash flows that arise from specific contracts using the current interest rate that is available for Viohalco and its companies for the use of similar financial-credit means.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

The financial assets, such as unlisted shares that are not traded in an active market whose measurement is based on the Viohalco's companies' forecasts for the issuer's future profitability are classified under Level 3.

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Derivatives	*Market comparison technique*: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Broker quotes	Not applicable
Equity securities traded in active markets	*Market value*: Price as traded in active market	Not applicable	Not applicable
Equity securities not traded in active markets	*Discounted cash flows*: The fair value of shares not traded in an active market is defined based on the estimates of Viohalco and its companies for the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the discounted interest rate	- Risk-free rate: 0.9% - Market risk premium: 5.1% - Expected tax expense rate: 29% - WACC (rounded): 7.5%	The estimated fair value would increase (decrease) if: • the estimated risk-free rate, market risk premium and WACC were lower (higher) • the estimated cash flows were higher (lower) • the expected income tax rate was lower (higher)

(b) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or from Level 1 to Level 2 in 2017 or in 2016.

C. Financial risk management

Viohalco and its companies are exposed to credit, liquidity and market risk due to the use of its financial instruments. This Note sets forth information on their exposure to each one of the above risks, their objectives, the policies and procedures applied to risk measurement and management and Viohalco's Capital Management (Note 25). More quantitative particulars on these disclosures are included in the entire range of the Consolidated Financial Statements.

The risk management policies are applied in order to identify and analyze the risks facing Viohalco and its companies, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are examined from time to time so as to take into account any changes in the market and the companies' activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department, which performs ordinary and extraordinary audits relating to the implementation of procedures, whereas the results of such audits are notified to the Board of Directors.

C.1. Credit risk

Credit risk is the risk of the financial loss to Viohalco and its companies, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the companies' receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Amounts in EUR thousands	Notes	2017	2016
Trade & Other receivables - current	15	509,740	576,187
Trade & Other receivables - non-current	15	6,346	6,320
Subtotal		**516,086**	**582,507**
Other investments	21	9,573	9,291
Cash and cash equivalents	16	168,239	171,784
Derivatives	23	7,868	8,186
		185,679	**189,262**
Grand Total		**701,765**	**771,768**

(a) Trade and other receivables

Viohalco companies' exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the companies' management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. No client exceeds 10% of consolidated sales and, consequently, commercial risk is spread over a large number of clients.

Viohalco's companies have established a credit policy on the basis under which each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms are proposed to such customer. Viohalco's companies review includes external ratings, if they are available, and in some cases bank references. 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. As a rule, 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 mainly include mainly wholesale customers of Viohalco's companies. Any customers characterized as being "high risk" are included in a special list of customers and subsequent sales must be paid in advance. Depending on the background of the customer and its status, Viohalco's companies demand real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

Viohalco's companies record an impairment loss that represents its estimate of incurred losses in respect of trade and other receivables.

At 31 December, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Amounts in EUR thousands	2017	2016
Greece	221,028	196,823
Other EU Member States	174,703	240,782
Other European countries	53,576	37,417
Asia	26,388	32,000
America	23,310	59,864
Africa	13,324	10,901
Oceania	3,757	4,719
Total	**516,086**	**582,507**

At 31 December, the ageing of trade and other receivables that were not impaired was as follows:

Amounts in EUR thousands	2017	2016
Neither past due nor impaired	422,491	493,913
Overdue		
- Up to 6 months	63,646	50,071
- Over 6 months	29,949	38,523
Total	**516,086**	**582,507**

Subsidiaries' management believe that the unimpaired amounts that are past due up to 6 months and over 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

The movement in impairment of trade and other receivables is as follows:

Amounts in EUR thousands	2017	2016
Balance as at 1 January	**58,011**	**58,027**
Impairment loss recognized	14,168	1,735
Amounts written off	-1,651	-759
Impairment loss reversed	-271	-1,529
Foreign exchange differences	-1,663	537
Balance as at 31 December	**68,595**	**58,011**

An impairment loss of EUR 8.9 million concerns a former customer in the Middle-East (see Note 15.B), while the remaining amount of EUR 5.3 million relates to certain customers that have indicated that they will probably not be able to pay their outstanding balances, mainly due to economic circumstances.

The following collateral exists for securing receivables from customers:

Amounts in EUR thousands	2017	2016
Bank letters of guarantee	28,653	29,099
Guarantees for securing receivables from customers	3,405	4,849
Total	**32,057**	**33,947**

(b) Cash and cash equivalents

Viohalco and its companies held cash and cash equivalents of EUR 168 million at 31 December 2017 (2016: EUR 172 million). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from Aa3 to Caa2 based on ratings of Moody's.

C.2. Liquidity risk

Liquidity risk is the risk that Viohalco and its companies will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach to manage liquidity is to ensure, as much as possible, that they will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

In order to avoid liquidity risks, Viohalco and its companies estimate the expected cash flows for the next year when preparing the annual budget and monitor the monthly rolling forecast of its cash flows for the next quarter, so as to ensure sufficient cash on hand to meet its operating needs, including coverage of its financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

The companies monitor their cash needs through Steelmet S.A., Viohalco's subsidiary, which agrees upon financing terms with the credit institutions in Greece and other countries.

Exposure to liquidity risk

Financial liabilities and derivatives based on contractual maturity are broken down as follows:

2017

Amounts in EUR thousands	Carrying amount	<1 year	1 - 2 years	2 -5 years	>5 years	Total
Liabilities						
Bank loans	914,503	786,625	40,926	94,443	24,855	**946,849**
Bond issues	756,134	230,443	125,771	448,644	49,920	**854,778**
Finance lease obligations	25,149	4,167	4,353	11,990	30,546	**51,055**
Derivatives	10,159	8,878	1,281	0	0	**10,159**
Trade and other payables	562,706	545,813	10,789	7,434	1,143	**565,178**
	2,268,651	**1,575,925**	**183,118**	**562,511**	**106,463**	**2,428,018**

2016

Amounts in EUR thousands	Carrying amount	<1 year	1 - 2 years	2 -5 years	>5 years	Total
Liabilities						
Bank loans	935,655	813,631	107,901	30,287	13,824	**965,644**
Bond issues	753,341	126,470	379,775	282,334	57,194	**845,773**
Finance lease obligations	10,217	1,620	2,041	5,540	2,810	**12,011**
Derivatives	14,224	9,858	3,427	939	0	**14,224**
Trade and other payables	519,280	506,804	11,905	7,891	227	**526,826**
	2,232,719	**1,458,383**	**505,049**	**326,990**	**74,055**	**2,364,478**

Viohalco's companies have syndicated loans that contain certain financial covenants. The ratios most commonly used are "Total liabilities / total equity", "Net debt / total sales" and "Current assets / current liabilities". A future breach of covenants may require the companies to repay the loans earlier than indicated in the above table. Under the agreement, the covenants are monitored on regular basis by Steelmet S.A. and regularly reported to companies' management to ensure compliance with the agreements.

C.3. Market risk

Market risk is the risk that changes in the market prices – such as commodity prices, foreign exchange rates and interest rates - will affect Viohalco and its companies income or the value of their financial instruments. Viohalco's companies use derivatives to manage market risk.

All such transactions are carried out through Steelmet S.A. Generally, the companies seek to apply hedge accounting to manage volatility in profit or loss.

(a) Currency risk:

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

Over time, Viohalco's companies hedge the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases, as well as to the receivables and liabilities in foreign currency. Viohalco's companies enter mainly into 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 reporting date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may also be covered 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 Viohalco's companies' operating activities.

The investments of Viohalco and its companies in their subsidiaries are not hedged, because these exchange positions are considered to be long-term and have been made mainly in Euro.

The summary quantitative data about Viohalco and its companies' exposure to currency risk as reported is as follows.

2017

Amounts in EUR thousands	EURO	USD	GBP	BGN	RSD	RON	Other	Total
Trade and other receivables	396,631	44,991	26,478	14,919	3,533	20,362	9,172	516,086
Loans and borrowings	-1,628,574	-25,549	-33,407	-3,897	0	-4,339	-21	-1,695,787
Trade and other payables	-448,532	-51,264	-16,142	-29,056	-656	-12,804	-4,252	-562,706
Cash & cash equivalents	137,753	20,827	1,500	4,973	390	2,066	729	168,239
	-1,542,721	**-10,995**	**-21,570**	**-13,061**	**3,267**	**5,284**	**5,629**	**-1,574,168**
Derivatives for risk hedging (Nominal Value)	0	-118,710	-12,253	0	0	0	2	-130.961
Exposure	**-1,542,721**	**-129,706**	**-33,823**	**-13,061**	**3,267**	**5,284**	**5,631**	**-1,705,565**

2016

Amounts in EUR thousands	EURO	USD	GBP	BGN	RSD	RON	Other	Total
Trade and other receivables	412,682	86,906	29,272	24,843	1,676	18,529	8,599	582,507
Loans and borrowings	-1,619,926	-34,816	-32,910	-3,988	0	-5,677	-1,897	-1,699,214
Trade and other payables	-348,349	-80,284	-23,783	-50,732	-1,016	-14,201	-914	-519,280
Cash & cash equivalents	134,099	19,599	7,381	7,052	424	1,322	1,908	171,784
	-1,421,494	**-8,595**	**-20,040**	**-22,826**	**1,084**	**-27**	**7,694**	**-1,464,204**
Derivatives for risk hedging (Nominal Value)	671	-45,767	-25,081	0	0	0	-117	-70,294
Exposure	**-1,420,824**	**-54,362**	**-45,121**	**-22,826**	**1,084**	**-27**	**7,578**	**-1,534,498**

Line "Derivative for risk hedging", includes also derivatives that relate to highly probable transactions, which have not been yet recognized as assets or liabilities in the consolidated statement of financial position. Euro denominated amounts are included for totals' reconciliation purposes.

The following exchange rates have been applied during the year.

	Average exchange rate		Year end spot rate	
	2017	**2016**	**2017**	**2016**
USD	1.13	1.11	1.20	1.05
GBP	0.88	0.82	0.89	0.86
BGN	1.96	1.96	1.96	1.96
RSD	121.34	123.08	118.47	123.40
RON	4.57	4.49	4.66	4.54

Viohalco is primarily exposed to changes of Euro against US dollar, pound sterling, DINAR or RON. A reasonably possible strengthening (weakening) of Euro against these currencies as at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The Bulgarian currency LEV is not analysed below due to its fixed currency rate at 1.956 BGN/EUR.

	Profit or loss		Equity, net of tax	
Effect In EUR thousands	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
2017				
USD (10% movement)	1,190	-1,190	9,209	-9,209
GBP (10% movement)	2,192	-2,192	2,401	-2,401
RSD (10% movement)	-232	232	-232	232
RON (10% movement)	-375	375	-375	375
2016				
USD (10% movement)	4,942	-4,942	2,954	-2,954
GBP (10% movement)	4,102	-4,102	1,619	-1,619
RSD (10% movement)	-99	99	-99	99
RON (10% movement)	2	-2	2	-2

(b) Interest rate risk:

Viohalco's companies during the prolonged low interests period have adopted a flexible policy of ensuring that between 0 % and 20% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed–rate instruments and partly by borrowing at a float rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. The interest rate profile of Viohalco's companies' interest-bearing financial instruments, as reported is as follows.

Amounts in EUR thousands	Nominal amount 2017	2016
Fixed-rate instruments		
Financial liabilities	-55,282	-49,468
Variable-rate instruments		
Financial liabilities	-1,640,505	-1,649,746

Fair value sensitivity analysis for fixed-rate instruments

Viohalco does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and does not currently use derivatives (interest rate swaps) as hedging instruments under a fair value or cash flow hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect either profit or loss or equity.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 0.25% in interest rates of variable-rate instruments at the reporting date would have increased/ decreased (-) profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency exchange rate, remain constant.

Variable rate Amounts in EUR thousands	Profit or loss 0.25% increase	0.25% decrease
2017		
Financial liabilities	-2,881	2,881
Cash flow sensitivity (net)	**-2,881**	**2,881**
2016		
Financial liabilities	-2,928	2,928
Cash flow sensitivity (net)	**-2,928**	**2,928**

(c) Derivatives assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur:

Amounts in EUR thousands	Carrying amount 31 December 2017	1 - 6 months	6 - 12 months	>1 year	Total 31 December 2017
Forwards					
Assets	1,368	1,342	23	2	**1,368**
Liabilities	-6,323	-2,862	-2,181	-1,281	**-6,323**
Future contracts					
Assets	5,699	4,715	725	259	**5,699**
Liabilities	-1,558	-1,558	0	0	**-1,558**
	-814	**1,637**	**-1,432**	**-1,019**	**-814**

Amounts in EUR thousands	Carrying amount 31 December 2016	1 - 6 months	6 - 12 months	>1 year	Total 31 December 2016
Forwards					
Assets	3,770	3,545	225	0	**3,770**
Liabilities	-11,374	-5,051	-1,956	-4,366	**-11,374**
Future contracts					
Assets	3,030	2,595	435	0	**3,030**
Liabilities	-2,851	-2,844	-6	0	**-2,851**
	-7,424	**-1,755**	**-1,303**	**-4,366**	**-7,424**

(d) Commodity price risk

The commodity markets have experienced and are expected to continue to experience price fluctuations. Viohalco therefore uses future contracts to minimize exposure to commodity price volatility. Viohalco has exposures to the following commodities: aluminium, copper, zinc, lead and nickel.

As of 31 December 2017, the derivative net balance of future contracts as reported in the statement of financial position, per commodity is: Copper EUR 1,060 thousand, Aluminium EUR 644 thousand, Lead EUR 179 thousand and Nickel EUR 34 thousand.

Due to the hedging activities performed, Viohalco would not expect any material impact from significant fluctuations in commodity prices. Specifically, all metal price fixing sales and purchase contracts are netted daily and the change in the net open commodity is generally hedged by LME future contracts so that Viohalco's companies are not exposed to commodity price risk.

These hedges are designated in a cash flow hedge accounting relationship.

C.4. Risk of macroeconomic and financial environment in Greece

The macroeconomic and financial environment in Greece, where most of Viohalco's subsidiaries are located, is showing signs of improvement, however uncertainties still exist.

After the completion of the recapitalization of the Greek banks, at the end of 2015, and following the EUR 86 billion bailout program between the institutions and the Greek government, the Eurogroup and the institutions finalized their discussion on the second and third review of the Greek programme (between June 2017 and March 2018), which paved the way to release the third and fourth tranches of financial assistance to Greece, amounting to EUR 8.5 and 6.7 billion respectively. As a result, Moody's proceeded with the upgrade of the country's credit rating from Caa2 to B3.

It should be noted that the capital controls that are in force in Greece since June 2015 have been loosened further, but still remain until the date of approval of the financial statements and they have not prevented Viohalco to continue its activities as before. Cash flows from operational activities have not been disrupted.

Additionally, Viohalco's strong customer base outside Greece (84% of revenue) along with its established facilities abroad minimize the liquidity risk which may arise from the uncertainty of the economic environment in Greece.

Viohalco follows up closely and on a continuous basis the developments in both the international and domestic environment and timely adapts its business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on their operations. For further information on developments which took place during 2018, in the international environment, refer to Note 37.

Viohalco's debt amounting to EUR 1,696 million comprises of 42% and 58% of long term and short term facilities respectively. Taking into account EUR 168 million of cash & cash equivalents (17% of short term debt), Viohalco's Net Debt amounts to EUR 1,528 million. Loans and borrowings are held with banks and financial institutions, which are rated from Aa3 to Caa2 based on ratings of Moody's. Approximately 90% of these loans and borrowings is held with Greek banks. Long term facilities have an average maturity of three years. Short term facilities are predominately revolving credit facilities, which are reviewed annually with anniversaries spread throughout the year and, within those revolving credit limits, short term loans of various maturities are drawn and when matured are renewed automatically if needed. There are sufficient credit limits in place to serve working capital requirements and refinance short term loans.

Regarding Brexit that is under process, on 29 March 2017 United Kingdom notified the European Council of its intention to leave the European Union, in accordance with Article 50 of the Treaty on European Union. On 29 April 2017, the European Council – made up of the heads of state or government of the 28 EU countries – adopted a set of political guidelines, which define the framework for the negotiations and set out the EU's overall positions and principles. A year later, on 19 March 2018, the negotiators of the European Commission and the United Kingdom presented the progress made in the negotiation of a draft agreement on the withdrawal of the United Kingdom from the European Union. As a result, On 23 March 2018, the European Council (Art. 50) welcomed the agreement reached on parts of the legal text and called for intensified efforts to make progress on the remaining withdrawal issues.

Viohalco is currently assessing the nature and extent of risks and uncertainties that could arise as a result of Brexit and the impact on the future performance and position of its business.

The magnitude of Brexit's impact cannot be quantified at this stage, as the negotiations between the UK Government and the European Union on the exact terms are still in progress. However, Viohalco is considering various scenarios in order to adjust its strategy in a way that will minimize the effect on its operations.

31. Subsidiaries

The Viohalco's subsidiaries and the percentages of financial interest held by the parent company at the end of the reporting period are as follows:

Subsidiary companies	Country	Financial Interest 2017	Financial Interest 2016
AEIFOROS S.A.	GREECE	90.00%	90.00%
AEIFOROS BULGARIA S.A.	BULGARIA	90.00%	90.00%
AL - AMAR S.A.	LIBYA	90.00%	90.00%
ALUBUILD SRL	ITALY	100.00%	100.00%
ALURAME SPA	ITALY	95.13%	88.56%
ANOXAL S.A.	GREECE	91.44%	100.00%
ANAMET DOO	SERBIA	97.72%	100.00%
ANAMET S.A.	GREECE	97.72%	100.00%
ANTIMET S.A.	GREECE	100.00%	100.00%
ATTIKI S.A.	GREECE	75.00%	75.00%
BASE METALS S.A.	TURKEY	71.82%	66.86%
BRIDGNORTH LTD	U.K	75.00%	75.00%
CENERGY HOLDINGS S.A.	BELGIUM	79.78%	73.95%
CLUJ INTERNATIONAL TRADE SRL	ROMANIA	100.00%	100.00%
CORINTH PIPEWORKS S.A.	GREECE	79.78%	73.95%
CPW AMERICA Co	USA	79.78%	73.95%
DE LAIRE LTD	CYPRUS	79.78%	73.95%
DIA.VI.PE.THI.V. S.A.	GREECE	92.92%	90.98%
DOJRAN STEEL LLCOP	FYROM	100.00%	100.00%
ELVAL COLOUR S.A.	GREECE	91.44%	100.00%
ELVAL COLOUR IBERICA S.A.	SPAIN	91.44%	-
ELVALHALCOR S.A.	GREECE	91.44%	-
ELVAL INDUSTRIAL S.A.	GREECE	-	100.00%
ELKEME S.A.	GREECE	90.57%	90.12%
ENERGY SOLUTIONS S.A.	BULGARIA	95.42%	94.54%
ERGOSTEEL S.A.	GREECE	54.65%	49.51%
ERLIKON S.A.	GREECE	99.95%	99.95%
ETEM ALBANIA S.A.	ALBANIA	100.00%	100.00%
ETEM BULGARIA S.A.	BULGARIA	100.00%	100.00%
ETIL S.A.	GREECE	100.00%	69.98%
ETEM COMMERCIAL S.A.	GREECE	100.00%	100.00%
ETEM SCG	SERBIA	100.00%	100.00%
ETEM SYSTEMS LLC	UKRAINE	100.00%	100.00%
ETEM SYSTEMS SRL	ROMANIA	100.00%	100.00%
FITCO S.A.	GREECE	91.44%	68.28%
FLOCOS S.A.	GREECE	89.85%	88.30%
FULGOR S.A.	GREECE	79.78%	73.95%
GENECOS S.A.	FRANCE	95.13%	88.06%
HALCOR S.A.	GREECE	-	68.28%
HALCOR R & D S.A.	GREECE	64.01%	47.80%
HELLENIC CABLES S.A.	GREECE	79.78%	73.95%
HUMBEL LTD	CYPRUS	79.78%	73.95%
ICME ECAB S.A.	ROMANIA	78.66%	72.91%
INOS BALCAN DOO	SERBIA	97.72%	100.00%
IWM S.A.	BULGARIA	90.00%	90.00%
INTERNATIONAL TRADE S.A.	BELGIUM	95.13%	88.56%
JOSTDEX LIMITED	CYPRUS	100.00%	99.92%
LESCO ROMANIA S.A.	ROMANIA	51.86%	48.06%
LESCO EOOD	BULGARIA	79.78%	73.95%
METAL AGENCIES LTD	U.K	95.13%	85.56%
METAL VALIUS DOO	SERBIA	97.72%	100.00%
METAL VALIUS LTD	BULGARIA	97.72%	100.00%
METALCO S.A.	BULGARIA	100.00%	100.00%
METALIGN S.A.	BULGARIA	100.00%	100.00%
METALLOURGIA ATTIKIS S.A.	GREECE	50.00%	50.00%
MKC GMBH	GERMANY	95.13%	88.56%
NOVAL S.A.	GREECE	100.00%	100.00%
NOVOMETAL DOO	FYROM	97.72%	100.00%
PORT SVISHTOV WEST S.A.	BULGARIA	73.09%	73.09%
PRAKSIS S.A.	GREECE	61.00%	61.00%

Subsidiary companies	Country	Financial Interest 2017	Financial Interest 2016
PRAKSIS BG S.A.	BULGARIA	61.00%	-
PRISTANISHTEN KOMPLEX SVILOSA EOOD	BULGARIA	-	73.09%
PROSAL TUBES S.A.	BULGARIA	100.00%	100.00%
REYNOLDS CUIVRE S.A.	FRANCE	95.13%	88.06%
ROULOC S.A.	GREECE	91.44%	-
SANIPARK S.A.	GREECE	100.00%	100.00%
SIDEBALK STEEL DOO	SERBIA	100.00%	100.00%
SIDENOR INDUSTRIAL S.A.	GREECE	100.00%	100.00%
SIDERAL SHRK	ALBANIA	99.95%	99.82%
SIDEROM STEEL SRL	ROMANIA	100.00%	100.00%
SIGMA IS S.A.	BULGARIA	100.00%	69.28%
SYMETAL S.A.	GREECE	91.44%	100.00%
SOFIA MED AD	BULGARIA	92.39%	71.81%
SOVEL S.A.	GREECE	92.95%	92.93%
STEELMET CYPRUS LTD	CYPRUS	91.09%	82.51%
STEELMET PROPERTIES S.A.	GREECE	91.09%	82.51%
STEELMET ROMANIA S.A.	ROMANIA	95.13%	88.56%
STEELMET S.A.	GREECE	91.09%	82.51%
STOMANA INDUSTRY S.A.	BULGARIA	100.00%	100.00%
TECHOR S.A.	GREECE	91.44%	68.28%
TECHOR ROMANIA S.A.	ROMANIA	91.44%	68.28%
TEPRO METAL AG	GERMANY	95.13%	88.56%
TERRA MIDDLE EAST AG	GERMANY	95.13%	88.56%
THERMOLITH S.A.	GREECE	63.00%	63.00%
TEKA SYSTEMS S.A.	GREECE	50.01%	50.01%
VEMET S.A.	GREECE	100.00%	100.00%
VEPAL S.A.	GREECE	91.44%	100.00%
VET S.A.	GREECE	79.78%	73.95%
VIANATT S.A.	GREECE	97.72%	100.00%
VIENER S.A.	GREECE	96.45%	93.44%
VIEXAL S.A.	GREECE	97.72%	91.54%
VIOMAL S.A.	GREECE	45.72%	50.00%
VITRUVIT S.A.	GREECE	100.00%	100.00%
WARSAW TUBULARS TRADING SP.ZO	POLAND	79.78%	73.95%

The ultimate controlling entity is Viohalco S.A. For all the above entities Viohalco does exercise control, by holding the majority of the voting rights, directly and/or indirectly and these entities are reported as subsidiary companies.

The percentages reported on the above table represent the financial interest held directly and indirectly by Viohalco. For example if Viohalco holds 70% of company A and company A holds 70% of company B then in the table above it will be presented that Viohalco holds 49% of financial interest in company B.

The transactions described below had an effect on the holding percentage of several subsidiaries in the above list.

ElvalHalcor S.A. transaction

On 30 November 2017, Halcor S.A. (subsidiary of Viohalco) announced the merger by absorption of the company Elval S.A. (subsidiary of Viohalco) and the change of the trade name to ElvalHalcor S.A.

Through this merger by absorption, a substantial, strongly export-oriented, industrial and financial entity has been formed, in the non-ferrous metals processing sector, listed on the ATHEX.

Before the transaction, Viohalco controlled 100% of Elval's voting rights and 68.28% of Halcor's voting rights. After the merger, Viohalco controls 91.44% of ElvalHalcor's voting rights.

The financial interest of Viohalco to subsidiaries where either Elval S.A. or Halcor S.A. was a shareholder, has changed due to this transaction.

Acquisition of NCI

During 2017, Sidenor S.A. (subsidiary of Viohalco), acquired the non-controlling interests of Etil S.A. (30%) and Sigma S.A. (1%), both subsidiaries of Sidenor S.A.

Other minor acquisitions of non-controlling interests took place in 2017, without significant effect in the consolidated financial statements.

NCI effect

Due to the transactions described above, along with some other minor changes in the structure of Viohalco, an increase in non-controlling interests (NCI) equal to EUR 23 million was recognized. The respective decrease in equity attributable to owners of the Company was EUR 25 million.

Transactions that took place in 2016

Absorption of Elval Holdings, Alcomet, Diatour and Eufina by Viohalco S.A

In February 2016, the cross-border merger by absorption of Elval Holdings, Alcomet, Diatour (subsidiaries of Viohalco) and Eufina by Viohalco was completed.

The capital increase related to the merger resulted in the creation of 26,025,115 new shares representing the same number of voting rights in the share capital, with a fair value of EUR 28 million based on the closing price of Euronext on 26 February 2016 (EUR 1.075 per share). The difference between the fair value and the approved capital increase (EUR 24.2 million) has been recognized as share premium (EUR 3.7 million).

As a result of the transaction with Elval, Alcomet and Diatour, Viohalco acquired an additional 25.68% financial interest in Elval (including 1.65% owned by Eufina), an additional 0.64% financial interest in Alcomet and an additional 1.26% financial interest in Diatour through the issuance of new shares.

While the mergers with Viohalco's subsidiaries Elval, Alcomet and Diatour constituted a change in ownership interest, the merger of Viohalco with Eufina was a business combination, and it has been accounted for in accordance with IFRS 3.

The acquisition of Eufina by Viohalco resulted in EUR 7.3 million, gain, which was reported in "Finance Income".

Cenergy Holdings

In December 2016, Cenergy Holdings (subsidiary of Viohalco) announced the completion of the cross-border merger by absorption by Cenergy Holdings of the formerly Greek listed companies, Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings (also subsidiaries of Viohalco).

Before the transaction, Viohalco controlled all the combining entities since it controlled 99.84% of voting rights of Cenergy Holdings, 74.48% of voting rights of Hellenic Cables S.A. Holdings and 85.89% of voting rights of Corinth Pipeworks Holdings S.A. After the completion of the business combination Viohalco controlled 81.93%.

32. Non-controlling interests

The following table summarises the information relating to each of the subsidiaries that have material NCI (at sub-group level in the cases of Cenergy, ElvalHalcor, Sidenor and Halcor in 2016) before any intra-group elimination.

2017

	Cenergy	ElvalHalcor	Sidenor	Bridgnorth	Other	Intragroup eliminations	Total
Amounts in EUR thousands							
NCI percentage	**20.23%**	**8.56%**	**0.00%**	**25.00%**			
Non-current assets	427,441	654,646	335,517	84,652			
Current assets	456,137	682,820	315,542	81,732			
Non-current liabilities	132,789	363,958	250,551	12,508			
Current liabilities	554,494	464,270	377,026	56,176			
Net Assets	**196,295**	**509,237**	**23,481**	**97,700**			
Attributable to NCI by the Companies	**289**	**7,723**	**29,494**	**0**			
Net attributable to the equity holders & NCI of Viohalco	**196,006**	**501,514**	**-6,013**	**97,700**			
Attributable to NCI by Parent Company	**39,652**	**42,930**	**0**	**24,425**			
Carrying amount of NCI	39,941	50,653	29,494	24,425	8,832	-30,760	**122,585**
Revenue	719,596	1,863,320	506,068	224,624			
Profit / Loss (-)	-8,661	68,073	19,215	1,526			
Other comprehensive income	-1,307	360	-121	490			
Total comprehensive income	**-9,969**	**68,433**	**19,094**	**2,017**			
Attributable to NCI by the Companies	**-212**	**847**	**2,829**	**0**			
Net attributable to the equity holders & NCI of Viohalco	**-9,757**	**67,586**	**16,265**	**2,017**			
Attributable to NCI by Viohalco	**-1,974**	**5,785**	**0**	**504**			
Total OCI of NCI	-2,186	6,633	2,829	504	1,077	902	**9,759**
Cash flows from operating activities	19,826	57,331	-3,828	16,681			
Cash flows from investing activities	-20,231	-30,782	-18,705	-4,067			
Cash flows from financing activities	-413	-301	11,576	-13,780			
Net increase/ decrease (-) in cash and cash equivalents	**-818**	**26,248**	**-10,957**	**-1,165**			

2016

Amounts in EUR thousands	Cenergy	Halcor	Sidenor	Bridgnorth	Other	Intragroup eliminations	Total
NCI percentage	**26.05%**	**31.72%**	**0.00%**	**25.00%**			
Non-current assets	431,505	275,813	337,081	92,501			
Current assets	458,866	192,691	272,766	81,998			
Non-current liabilities	240,345	262,475	284,297	20,508			
Current liabilities	443,564	191,308	318,074	58,308			
Net Assets	**206,462**	**14,722**	**7,477**	**95,683**			
Attributable to NCI by the Companies	**501**	**4,758**	**28,306**	**0**			
Net attributable to the equity holders & NCI of Viohalco	**205,961**	**9,964**	**-20,829**	**95,683**			
Attributable to NCI by Parent Company	**53,653**	**3,161**	**0**	**23,921**			
Carrying Amount of NCI	54,154	7,919	28,306	23,921	10,090	-33,857	**90,533**
Revenue	0	1,080,606	378,941	200,423			
Profit / Loss (-)	-1,172	7,782	-12,525	1,741			
Other comprehensive income	0	7,796	-273	-23,342			
Total comprehensive income	**-1,172**	**15,578**	**-12,798**	**-21,601**			
Attributable to NCI by the Companies	**0**	**-1,901**	**1,021**	**0**			
Net attributable to the equity holders & NCI of Viohalco	**-1,172**	**17,479**	**-13,818**	**-21,601**			
Attributable to NCI by Viohalco	**-305**	**5,545**	**0**	**-5,400**			
Total OCI of NCI	-305	3,644	1,021	-5,400	289	-4,513	**-5,266**
Cash flows from operating activities	1,644	252,793	-10,689	-3,702			
Cash flows from investing activities	0	41,438	-12,130	-14,920			
Cash flows from financing activities	62	-284,796	31,945	19,946			
Net increase/ decrease (-) in cash and cash equivalents	**1,706**	**9,434**	**9,125**	**1,323**			

33. Operating leases

A. Leases as lessee

Viohalco and its companies lease buildings and motor vehicles under operating lease agreements.

(a) Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were as follows.

Amounts in EUR thousands	2017	2016
Less than one year	3,936	3,860
Between one and five years	7,552	7,673
More than five years	4	11
Total	**11,492**	**11,543**

(b) Amounts recognized in profit or loss

Amounts in EUR thousands	2017	2016
Lease expense	5,098	5,478

B. Leases as lessor

Viohalco and its companies in the real estate development sector lease out their investment properties (See Note 19).

(a) Future minimum lease collections

At 31 December, the future minimum lease payments under non-cancellable leases were as follows.

Amounts in EUR thousands	2017	2016
Less than one year	7,527	5,858
Between one and five years	37,511	23,467
More than five years	65,201	70,292
Total	**110,239**	**99,617**

(b) Amounts recognized in profit or loss

The figures below are related to investment property that has been recognised in the statement of profit or loss. Operating expenses relate mainly to maintenance cost.

Amounts in EUR thousands	Note	2017	2016
Rental income from investment property	7	8,859	6,544
Direct operating expenses regarding investment properties from which rents are collected		-427	-461
Direct operating expenses that do not generate rental income		-137	-167

34. Commitments

A. Purchase commitments

The below mentioned commitments relate to contracts that the subsidiaries have entered into according to their investment plans, which are expected to be concluded during the next 3 years..

Amounts in EUR thousands	2017	2016
Property, plant and equipment	22,629	8,372

B. Guarantees

Amounts in EUR thousands	2017	2016
Liabilities		
Guarantees to secure liabilities to suppliers	43,252	38,519
Guarantees for securing the good performance of contracts with customers	93,788	76,169
Guarantees for securing the good performance of contracts with suppliers	484	2,581

35. Contingent liabilities

(a) Litigations matters

Please refer to the ongoing claim described in Note 15.

(b) Contingent tax liabilities

The tax filings of the subsidiaries are routinely subjected to audit by tax authorities in most of the jurisdictions in which Viohalco and its companies conduct business. These audits may result in assessments of additional taxes. Viohalco and its companies provide for additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

Viohalco companies believe that their accruals for tax liabilities are adequate for all open tax years based on their assessment of underlying factors, including interpretations of tax law and prior experience.

36. Related parties

A. Equity-accounted investees and other related parties

The following transactions, together with the amounts due from and to as at the period end, have been made with equity-accounted investees and other related parties.

Amounts in EUR thousands	2017	2016
Sales of goods / services		
Associates	91,477	62,918
Joint ventures	19	51
	91,496	**62,969**
Purchases of goods / services		
Associates	5,763	4,689
Joint ventures	1	0
	5,764	**4,689**
Purchase of fixed assets		
Associates	336	169

Closing balances that arise from sales/purchases of goods, services, fixed assets, etc.:

Amounts in EUR thousands	2017	2016
Receivables from related parties:		
Associates	33,380	25,123
Joint ventures	153	149
	33,533	**25,272**
Liabilities to related parties:		
Associates	2,520	2,593
Joint ventures	171	0
	2,691	**2,593**

The outstanding balances from related parties are secured and the settlement of those balances is expected to be performed in cash during the following year, since the balances concern only short-term receivables & payables.

Services to and from related parties as well as sales and purchases of goods are carried out in accordance with the price lists applying to non-related parties.

B. Key management personnel compensation

The table below provides an overview of the transactions with Board members and executive management:

Amounts in EUR thousands	2017	2016
Compensation to BoD members and executives	3,679	3,321

The compensation to directors and executive management in the table above are fixed compensation. No variable compensation, post-employment benefits or share based benefits were paid in 2016 and in 2017.

37. Subsequent events

(a) At the beginning of 2018, an anti-dumping duty (AD) investigation of large diameter welded pipe (nominal diameter above 16.4”) against Greece and five other countries (Canada, China, India, Korea and Turkey) was initiated by the U.S. Department of Commerce based on petitions filed by six U.S. producers. Subsequently as a result of the above petitions, the United States International Trade Commission (USITC) determined affirmatively that there is a reasonable indication of material injury to the domestic U.S. industry by reason of imports of large diameter welded pipe from Canada, China, India, Korea and Turkey. For imports of large diameter welded pipe from Greece the USITC determined that there is a reasonable indication of threat of material injury to the domestic U.S. industry. Corinth Pipeworks is actively participating in and subject to the AD investigation, as the sole producer of large diameter welded pipe in Greece. Furthermore, it is mentioned that in the ordinary course of things the antidumping investigations are normally lengthy, taking more than eight months to complete. Any assessment of the impact of the above investigation towards Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results is considered as premature.

On 8 March 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 percent tariff on steel imports and a 10 percent tariff on aluminium imports in United States of America, with exemptions for Canada and Mexico. Based on these proclamations, US Customs and Border Protection will begin collecting the applicable tariffs on 23 March 2018. On 18 March 2018, the U.S. Department of Commerce (DOC) announced the process for submission of requests for products exclusion from the tariffs on steel and aluminium product imports. The DOC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on 19 March 2018. On 22 March 2018 the Section 232 tariffs on steel and aluminium imports from certain countries including the member countries of the European Union were suspended until 1 May 2018 pending ongoing discussions regarding measures to reduce global excess capacity in steel and aluminium production. By 1 May 2018 the US administration will decide whether to continue to exempt these countries based on the status of the discussions.

Cenergy Holdings is closely monitoring the situation and the new market conditions, as it does on a regular basis, since Corinth Pipeworks is an established supplier in the US steel pipes market. It is noted that the subsidiary mainly supplies products to its US customers that cannot be manufactured in the US, such as 26-inch pipelines. Corinth Pipeworks has already initiated all actions required in cooperation with its US customers in order for them to obtain relief from the tariffs on imports of steel pipes since the products sold in the US market by Corinth Pipeworks are customized unique products which are not produced by local US pipe mills.

Despite the uncertainty surrounding the steel market today, based on the current assessment of available information, the above facts are expected to have limited impact on Corinth Pipeworks', Cenergy Holdings' subsidiary, financial results due to the actions undertaken in order to secure Company's financial position and mitigate any potential adverse effects.

(b) Following the signing of an agreement to acquire 50% of Netherlands-based NedZink B.V. and after approval by the competition authorities, ElvalHalcor will contribute EUR 15 million in order to establish a joint venture with the aim of developing titanium zinc.

(c) ElvalHalcor signed an agreement 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 EUR 150 million for machinery and infrastructure, which has been announced by ElvalHalcor in the context of the agreement with the European Investment Bank on 20 December 2017 for funding.

(d) On 13 April 2018, ElvalHalcor S.A. acquired the assets of Ipiros Metalworks Industry S.A., for the amount of EUR 2.5 million, with a target of reactivating the production of the plant.

(e) On 18 April 2018 ElvalHalcor signed a loan agreement for an amount of EUR 65 million with Commerzbank Aktiengesellschaft with maturity up to 10 years. The purpose of the loan is to finance the acquisition and installation of the new four-stand tandem aluminium hot finishing mill in the Oinofyta plant. The loan is ECA-covered from Euler Hermes Aktiengesellschaft acting for and on behalf of the Federal Republic of Germany.

There are no other subsequent events affecting the consolidated financial information.

38. Auditor's fees

Viohalco's statutory auditors, KPMG Réviseurs d'Entreprises and Renaud de Borman Réviseurs d'Entreprises, and a number of member firms of the KPMG network, received fees for the following services:

	For the year ended 31 December	
Amounts in EUR thousands	**2017**	**2016**
KPMG Reviseurs d'Entreprises		
Audit	233	301
Audit related services	7	53
	240	**354**
Renaud de Borman Reviseurs d'Entreprises		
Audit	10	10
	10	**10**
KPMG Network		
Audit	705	501
Audit related services	32	0
Tax related services	216	79
Other services	181	38
	1,133	**618**
Total	**1,382**	**982**

Auditor's Report on the Consolidated Financial Statements

Statutory auditor's report to the general meeting of Viohalco SA on the consolidated financial statements as of and for the year ended 31 December 2017

In the context of the statutory audit of the consolidated financial statements of Viohalco SA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the audit of the consolidated financial statements for the year ended 31 December 2017, as well as our report on other legal, regulatory and professional requirements. These reports are one and indivisible.

We were appointed as statutory auditor by the general meeting of 31 May 2016, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ending 31 December 2018. We have performed the statutory audit of the Company's consolidated financial statements for 5 consecutive financial years.

Report on the audit of the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 3,684,089 thousand and the consolidated statement of profit or loss shows a profit for the year of EUR 83,794 thousand.

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report. We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

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

Key audit matters

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

Financing, liquidity risk and compliance with covenants

We refer to notes 26 "Loans and borrowings", 30 C.2. "Liquidity risk", and 30 C.4. "Risk of macroeconomic and financial environment" of the consolidated financial statements.

— Description

A number of the Company's subsidiaries have significant long-term and short-term borrowings and are thus highly dependent on financial institutions to support their operations.

The Group is in the final stage of negotiations with the banks in order to achieve the conversion of a significant portion of its short-term borrowings to long term. As

long as the refinancing negotiations are not finalized, the Group is exposed to the risk that the Company and its subsidiaries may encounter difficulty in meeting the obligations associated with their financial liabilities.
In addition, various debt agreements contain covenant clauses, which in case of breach, result in creditors obtaining the right to claim early repayment. Failure to comply with these covenants or to obtain a waiver from the creditors would require that loans and borrowings classified as non-current liabilities as of 31 December 2017 to be classified as current liabilities. In addition, the Group would need to find alternative sources of financing to support its operations.

Due to the above, this point was considered as a key audit matter.

— Audit procedures
Our procedures included amongst others:
- Update our understanding of the Group's process and controls to ensure compliance with debt covenants;
- Inspect significant debt agreements to understand their terms and conditions;
- Obtain the Group's calculation of the covenant ratios of the major financing facilities, checking their mathematical accuracy and assessing compliance with the provisions of the respective debt agreements;
- Evaluate the memorandum prepared by management in support of the use of the going concern assumption for the preparation of the consolidated financial statements as of 31 December 2017, despite the ongoing refinancing negotiations with the banks at the date of issuance of the consolidated financial statements;
- Evaluate the adequacy of the relevant disclosures in the consolidated financial statements.

Board of directors' responsibilities for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 the users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:
— Identify and assess the risks of material misstatement of the 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 controls 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 Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee 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 the audit committee 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.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on the other legal, regulatory and professional requirements

Responsibilities of the Board of Directors
The board of directors is responsible for the preparation and the content of the board of directors' annual report on the consolidated financial statements, the statement of the non-financial information attached to the board of directors' annual report on the consolidated financial statements and the other information included in the annual report.

Statutory auditor's responsibilities
In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the consolidated financial statements, the statement of the non-financial information attached to the board of directors' annual report on the consolidated financial statements and the other information included in the annual report, and to report on these matters.

Aspects concerning the board of directors' annual report on the consolidated financial statements and other information included in the annual report
Based on specific work performed on the board of directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 119 of the Companies' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the consolidated financial statements and other information included in the annual report:
- "Viohalco key figures in 2017 (EUR)" included in the section "Viohalco SA"
- the financial data included in the section "Message from the Chairman of the Board of Directors"

KPMG

— the section "Condensed Statutory Balance Sheet and Income Statement"
— Appendix – Alternative performance measures

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

We do not express any form of assurance on the board of directors' annual report on the consolidated financial statements and other information included in the annual report.

The non-financial information required by article 119 §2 of the Companies' Code is included in a separate report attached to the board of directors' annual report on the consolidated financial statements and is a separate section of the annual report. This report on the non-financial information contains the information required by article 119 §2 of the Companies' Code and is consistent with the consolidated financial statements for the same period. The Company has prepared this non-financial information based on framework "GRI" ("Global Reporting Initiative"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the framework "GRI" ("Global Reporting Initiative") mentioned in the board of directors' annual report on the consolidated financial statements. In addition, we do not express any form of assurance regarding the individual elements included in this non-financial information.

Information about the independence
— Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
— The fees for the additional engagements which are compatible with the statutory audit referred to in article 134 of the Companies' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Other aspect
— This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 27 April 2018
KPMG Réviseurs d'Entreprises
Statutory auditor
represented by

Benoit Van Roost
Réviseur d'Entreprises

Condensed Statutory Balance Sheet and Income Statement

In accordance with Article 105 of the Company Code, the non-consolidated accounts are presented hereafter in a summary version of the annual accounts, which does not include all the attachments required by law or the Statutory Auditor's report. The complete version of the annual accounts, as deposited with the National Bank of Belgium, will be available on request from the company's registered office, they will also be available on the website (www.viohalco.com). The statutory Auditor's report on the annual accounts was unqualified.

Statement of financial position

Amounts in euro thousands	As at 31 December 2017
Non- current assets	**1,045,176**
Start-up costs	1,176
Intangible assets	470
Property, plant and equipment	81,694
Financial assets	959,622
Receivables	2,214
Current assets	**25,577**
Receivables	18,930
Cash and cash equivalents	5,413
Deferred charges and accrued income	1,234
Total assets	**1,070,753**
Equity	**1,066,516**
Share capital	141,894
Share premium	528,113
Revaluation	21,054
Reserves	389,365
Retained earnings	-13.910
Liabilities	**4,237**
Non-current payables	125
Current payables	3,939
Accrued charges and deferred income	173
Total equity and liabilities	**1,070,753**

Statement of Profit or Loss

Amounts in euro thousands	For the year ended 31 December 2017
Sales and services	**6,124**
Operating charges	**-25,575**
Miscellaneous goods and services	-6,582
Remuneration, social security and pensions	-1,064
Depreciation and amounts written off on start-up costs, intangible and tangible assets	-3,668
Amounts written off trade debtors	-13.036
Other operating expenses	-1,225
Loss of operating activities	**-19.451**
Finance income	**75,956**
Income from financial assets	7,552
Income from current assets	12
Adjustments to amounts written off financial assets	68,392
Gain on disposal of financial assets	0
Finance expenses	**-4.461**
Debt expenses	-17
Amount written off current assets	0
Other financial expenses	-5
Amounts written off financial assets	-4.439
Profit loss (-) before income tax expense	**52.044**
Income tax expense	**-76**
Profit/Loss (-)	**51,969**

K. Declaration of responsible persons

Statement on the true and fair view of the consolidated financial statements and the fair overview of the management

In accordance with the article 12, §2,3° of the Royal Decree of the 14 November 2007, the members of the executive management, (i.e. Jacques Moulaert, Evangelos Moustakas, Efstratios Thomadakis, Panteleimon Mavrakis) declare that, on behalf and for the account of the Company, to the best of their knowledge:

a) the consolidated financial statements for the year ended 31 December 2017 which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fare view of the equity, Financial position and Financial Performance of the Company, and the entities included in the consolidation as a whole,
b) the management report on the consolidated financial statements includes a fair overview of the development and performance of the business and the position of the Company, and the entities included in the consolidation, together with the description of the main risks and uncertainties with which they are confronted.

L. Glossary

The following explanations are intended to assist the general reader to understand certain terms used in this Annual Report. The definitions set out below apply throughout the annual report, unless the context requires otherwise.

ABB	ABB is a leading global technology company in power and automation that enables utility, industry, and transport and infrastructure customers to improve their performance while lowering environmental impact
Accounts Payable Revenue Ratio	Accounts payable/ Cost of goods sold * 365
Accounts Receivable Revenue Ratio	Accounts receivable/Revenue * 365
Aramco	Saudi Aramco is the state-owned oil company of the Kingdom of Saudi Arabia.
ASTM	American Society for Testing and Material
BCC	the Belgian Companies Code
Belgian GAAP	the applicable accounting framework in Belgium
BG	BG Group is an international exploration and production and LNG company.
Board of Directors or Board	the Board of Directors of the Company from time to time appointed in accordance with the Articles of Association
BP	BP is one of the world's leading integrated oil and gas companies. Provides its customers with fuel for transportation, energy for heat and light, lubricants to keep engines moving, and the petrochemicals products used to make everyday items as diverse as paints, clothes and packaging
BS	British Standards
Cheniere	Energy Houston-based energy company primarily engaged in LNG-related businesses
Chevron	Chevron is one of the world's leading integrated energy companies.
Coverage of Financial Expenses	EBITDA/Financial expenses
DCP Midstream	is an energy company that sits squarely between a growing resource base and expanding petrochemical and energy markets.
Debt/Equity	Total liabilities/equity or (Total assets-equity)/equity
Denbury	Denbury Resources Inc., is an independent oil and natural gas company
DIN	Deutsches Institut für Normung
Domestic Merger	the merger through absorption of Cofidin by the Company in accordance with articles 693 and following of the BCC
EDF	EDF Energy, the UK's largest producer of low-carbon electricity
EEA	the European Economic Area
EN	European Norm
EN/ISO 17025	General requirements for the competence of testing and calibration laboratories
Enbridge	Enbridge, Inc. is an energy delivery company based in Calgary, Canada. It focuses on the transportation, distribution and generation of energy, primarily in North America. As a transporter of energy, Enbridge operates in Canada and the United States, the longest crude oil and liquid hydrocarbons transportation system in the world. As a distributor of energy, it owns and operates Canada's largest natural gas distribution network, providing distribution services in Ontario, Quebec, New Brunswick and New York State
Energy Transfer	Energy Transfer is a Texas-based company that began in 1995 as a small intrastate natural gas pipeline operator and is now one of the largest and most diversified investment grade master limited partnerships in the United States. Growing from roughly 200 miles of natural gas pipelines in 2002 to approximately 71,000 miles of natural gas, natural gas liquids (NGLs), refined products, and crude oil pipelines today, the Energy Transfer family of partnerships remains dedicated to providing exceptional service to its customers and attractive returns to its investors.
EPCO	Energy Planners Company (EPCO) is an energy management and consultation firm. EPCO works with commercial, industrial, and nonprofit clientele to aid them in better understanding how and where energy is consumed in their facility.
FSMA	Financial Services and Market Authority, which succeeded the Belgian Banking, Finance and Insurance Commission as the financial regulatory agency for Belgium on 1 April 2011
FYROM	the Former Yugoslav Republic of Macedonia
General Liquidity	Current Assets/Short term liabilities
Greek Public Natural Gas	DEPA is the public natural gas supply corporation of Greece Corporation (DEPA)
Gross annual return	the gross annual return is calculated on the share price it equals to (change in price from January 1 to 31 December/share price on January)
GRTGAZ	is the natural gas transmission system operator located in Paris, France. The operated system consists of high pressure gas pipelines.
HVAC	Heating, ventilation and air-conditioning
IAS	International Accounting Standards
IFRS	International Financing Reporting Standards, as adopted by the EU
Inventories Revenue Ratio	Inventory/Cost of goods sold * 365
JIS	Japanese Industrial Standards
Kinder Morgan	is the largest energy infrastructure company in North America.

LSAW	Longitudinal Submerged Arc Welded Mill for the production of high-strength offshore and onshore energy pipes
McJunkin	MRC Global is the largest distributor of pipe, valve and fitting products and services to the energy and industrial markets. MRC Global serves the oil and gas industry across the upstream, midstream and downstream sectors as well as the chemical and gas distribution market sectors in the USA.
MITE	Marubeni Itochu Tubulars Europe PLC- Marubeni-Itochu Tubulars Europe plc was established in 2001 to supply steel tubular products for the Oil and Gas Industry. Marubeni-Itochu Tubulars Europe plc is a subsidiary of Marubeni-Itochu Steel Inc and is headquartered in London, United Kingdom.
National Grid	United Kingdom-based utilities company
OGC	a leading organisation in the Sultanate's Oil and Gas sector and managing Oman's major natural gas distribution network
OMV	is an integrated international oil and gas company. It is active in the upstream (Exploration and Production) and downstream businesses (Refining and Marketing as well as Gas and Power). OMV is one of the largest listed industrial companies in Austria.
OSI	Oil States International Inc. oilfield services company with a leading market position as a manufacturer of products for deepwater production facilities and certain drilling equipment, as well as a provider of completion services and land drilling services to the oil and gas industry. Oil States is publicly traded on the NYSE under the symbol "OIS".
PDO	Petroleum Development Oman (PDO) is the major exploration and production company in the Sultanate
Pioneer Pipe Inc	Pioneer is one of the largest full-service construction, maintenance, and fabrication companies in the Midwest, specializing in general, structural, mechanical, and electrical construction, pipe fabrication and installation, steel fabrication and erection, modular fabrication and assembly, and plant maintenance.
Plains All	Plains All American Pipeline is one of the American largest and most admired midstream energy companies in North America. Plains All American Pipeline (Plains) is a publicly-traded master limited partnership that owns and operates midstream energy infrastructure and provides logistics services for crude oil, natural gas liquids (NGL), natural gas, and refined products. It owns an extensive network of pipeline transportation, terminalling, storage and gathering assets in key crude oil and NGL producing basins and transportation corridors, and at major market hubs in the United States and Canada.
RWERWE	is one of Europe's five leading electricity and gas companies.
SAE	Society of Automotive Engineers
SD	Trade Mark
Shell	Shell Global is a global group of energy and petrochemical companies
Snam	an Italian natural gas infrastructure company. The utility mainly operates in Italy and is one of Europe's leading regulated gas utilities
Socar	The State Oil Company of the Azerbaijan Republic (SOCAR) is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan.
Spartan	Spartan Energy Corp. is an oil and gas company based in Calgary, Alberta. Spartan has operations in central Alberta and in southeast Saskatchewan and maintains a multi-year inventory of oil focused horizontal drilling opportunities.
Special Liquidity	(Current Assets-Inventory)/ Short term liabilities
Spectra Energy	Spectra Energy Corp is a S&P500 company headquartered in Houston Texas, that operates in three key areas of the natural gas industry: transmission and storage, distribution, and gathering and processing.
STEG	Tunisian Company of Electricity and Gas or STEG is a Tunisian public company non-administrative. Established in 1962, its mission is the production and distribution of electricity and natural gas on the Tunisian territory. STEG is the second largest Tunisian company by its revenues in 2009.
Subsea	Subsea7 is a world-leading seabed-to-surface engineering, construction and services contractor the offshore energy industry.
THN	Mining profiles
TIGF	Transport et Infrastructures Gaz France offer and develop natural gas transport and storage solutions for the European market
Transparency Law	the law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market
UPN	European Standard channels

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (www.viohalco.com)

Action Public Relations & Publications, www.actionprgroup.com, Art Direction: Σάιμον Πιτσιλλίδης