

VIOHALCO

FINANCIAL
RESULTS
FOR THE FISCAL
YEAR



2018

REGULATED INFORMATION
INSIDE INFORMATION

FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

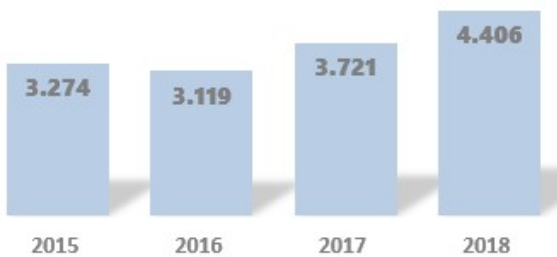
Brussels, 21 March 2019 – Viohalco S.A. (Euronext Brussels: VIO, Athens Stock Exchange: BIO), hereafter “Viohalco” or “the Company”, today announces its financial results for the year ended 31 December 2018.

**Maintaining positive momentum in revenue and profitability
Revenue exceeds EUR 4.4 billion**

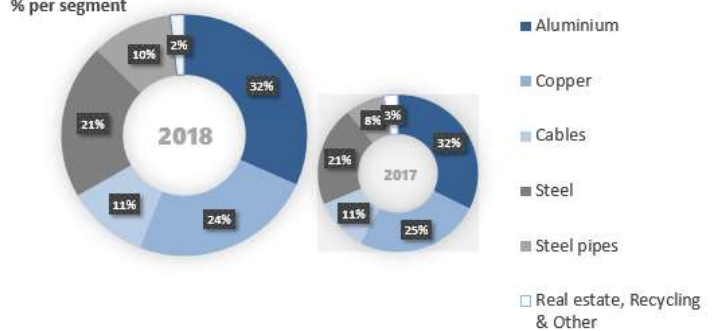
Highlights

- **Year of growth and improved profitability across core metal segments**
- **Continuous investments to meet end market trends**
- **Consolidated revenue** amounted to EUR 4,406 million, up 18% year-on-year (2017: EUR 3,721 million)
- **Consolidated adjusted EBITDA** (a-EBITDA) equal to EUR 317 million, up 12% (2017: EUR 284 million); **consolidated EBITDA** of EUR 332 million, an increase of 10% (2017: EUR 303 million);
- **Consolidated profit before income tax** amounted to EUR 96 million, up 68% year-on-year (2017: EUR 57 million).

Revenue in EUR million



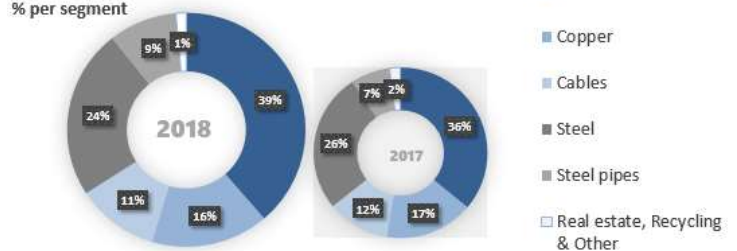
% per segment



a-EBITDA in EUR million



% per segment



Overview

Viohalco continued to leverage its strong track record in 2018, achieving a year of revenue growth and profitability, with all core metal segments showing improved results.

The 16% revenue growth in the aluminum segment was supported by positive market trends and an improved product mix. Meanwhile, the execution of the EUR 150 million investment programme, aimed at enhancing Elval's plant production capacity and efficiency (Greek aluminium rolling division), has commenced. This investment will be pivotal in strengthening the Company's position in growing end-markets, including the automotive industry.

The copper segment revenue grew by 13% for the year, supported by volume growth. Amidst increasing competition, investments into production facilities permitted production capacity enhancements, thus allowing the companies to further diversify their product portfolio.

The steel segment taking advantage of its recent investments achieved 20% revenue growth in 2018, as a result of higher sales volumes, better plant utilization and continued new product development. US steel tariffs affected supply and demand dynamics in Turkey, Southeastern Europe and the MENA region, while price increases in critical production materials presented further headwinds in 2018.

It has been a positive year for the steel pipes segment, which reported record sales, marking a significant increase by 59% year-on-year in revenue. In addition to a number of large onshore projects in the USA and Europe, several offshore projects were successfully executed, including the first deep-sea offshore pipes project for the segment.

The cables segment saw the development of a steady pipeline of new projects and completion of significant existing assignments in 2018. Despite lower than expected capacity utilisation at the Fulgor plant, the cables segment achieved higher sales volumes and an improved sales mix. This led to revenue growth of 16% for the year, supported by improved performance across key existing markets and further penetration into new markets.

As for the real estate segment, River West | IKEA and Mare West Retail Park on the retail side, as well as Wyndham Grand Athens and K29 on the hospitality side continued to outperform, while at the same time there was continued progress in several development projects.

Looking ahead, Viohalco's companies – which are well positioned to take advantage of the opportunities presented in the markets - will remain focused on strengthening their market positions through ongoing investment programmes, technological innovation and continuous operational efficiency improvements.

Financial Overview

<i>Amounts in EUR thousands</i>	2018	2017*
Revenue	4,406,185	3,721,311
Gross profit	396,775	362,215
EBITDA	331,857	302,546
a-EBITDA	317,025	284,207
EBIT	200,044	167,452
a-EBIT	185,212	149,114
Net finance cost	-102,499	-110,432
Profit before tax	95,612	56,839
Profit for the period	85,852	83,794
Profit / Loss (-) attributable to owners of the Company	76,112	73,680

* Re-presented. Reconciliation vs figures published in the 2017 Annual Report is provided in the consolidated financial statements

- EBITDA, EBIT, adjusted EBITDA and adjusted EBIT are considered Alternative Performance Measures (APMs). For definitions and further information please refer to Appendix C.

Viohalco's consolidated revenue for 2018 was EUR 4,406 million, 18% higher compared to EUR 3,721 million in 2017, mostly as a result of increase in sales volumes in all core segments.

Consolidated EBITDA increased by 10% year-on-year to EUR 332 million in 2018 (2017: EUR 303 million), mainly driven by stronger results in the aluminium and steel pipes segments.

Net finance cost decreased to EUR 102.5 million (2017: EUR 110.4 million), due to credit spread reductions which have been implemented gradually to all Viohalco companies throughout the year.

Viohalco's **consolidated profit before income tax** for the year was EUR 95.6 million, compared to EUR 56.8 million in 2017.

Consolidated profit for the period amounted to EUR 85.9 million, slightly higher than 2017 (EUR 83.8 million) despite the significant increase in profit before tax. This is due to the recognition of deferred tax assets relating to carried forward tax losses and to thin capitalization rules during 2017.

<i>Amounts in EUR thousands</i>	31/12/2018	31/12/2017
Fixed & intangible assets	1,989,868	1,935,410
Other non-current assets	67,224	50,299
Non-current assets	2,057,092	1,985,709
Inventory	1,142,309	1,005,867
Trade and other receivables (<i>inc. contract assets</i>)	668,633	509,740
Cash and cash equivalents	163,676	168,239
Other current assets	13,976	14,534
Current assets	1,988,594	1,698,380
Total assets	4,045,685	3,684,089
Equity	1,304,624	1,229,218
Loans and borrowings	896,806	718,716
Other non-current liabilities	172,160	195,113

Non-current liabilities	1,068,965	913,829
Loans and borrowings	902,555	977,071
Trade and other payables (<i>inc. contract liabilities</i>)	739,391	544,414
Other current liabilities	30,150	19,557
Current liabilities	1,672,096	1,541,041
Total equity and liabilities	4,045,685	3,684,089

Capital expenditure for the year amounted to EUR 196 million, leading to a 4% increase of non-current assets. **Depreciation and amortization** for the year equal to EUR 136 million.

Working capital increased by 10% compared to 2017, mainly due to higher production and sales volumes, which affected all working capital components (inventory, receivables and payables).

Viohalco companies' net **debt** increased to EUR 1,636 million (2017: EUR 1.528 million) to support the growth achieved within 2018. Total gross debt comprises 50% long term and 50% short term facilities. During the year there was a shift of facilities from current liabilities to non-current, as a result of debt restructuring actions fulfilled for certain Viohalco subsidiaries.

Performance by business segment

Amounts in EUR thousands	Revenue		EBITDA		a-EBITDA		EBIT		EBT	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Segments										
Aluminium	1,397,322	1,206,018	144,079	125,389	122,665	102,423	89,565	69,260	70,278	52,022
Copper	1,065,500	940,940	53,500	58,424	50,658	46,895	41,706	44,537	21,119	19,846
Cables	474,734	407,971	32,208	30,297	35,564	33,246	18,541	17,452	-3,961	-4,459
Steel	916,581	765,243	74,002	71,191	74,312	75,156	37,812	35,956	9,115	3,315
Steel pipes	470,174	294,991	25,536	11,489	29,345	20,645	17,918	2,332	8,612	-8,149
Real estate	8,388	9,159	4,607	5,565	4,597	5,565	297	1,298	-1,507	112
Recycling	45,626	66,005	2,952	6,896	3,256	6,728	273	4,179	-1,807	1,672
Other activities	27,860	30,984	-5,027	-6,705	-3,372	-6,450	-6,068	-7,563	-6,238	-7,520
Total	4,406,185	3,721,311	331,857	302,546	317,025	284,207	200,044	167,452	95,612	56,839

Aluminium

In 2018, the aluminium segment increased its sales volumes and its **revenue** increased by 16% to EUR 1,397 million. **Profit before income tax** amounted to EUR 70 million (2017: EUR 52 million).

The global market for aluminium flat rolled products ('FRP') has remained favourable throughout 2018 with notable positive developments in Europe and the US. Demand for flat rolled products was mainly driven by the transportation and industrial sectors, together with a significant global upward trend in demand for packaging products. The product mix was further optimized by focusing on niche value-added aluminum sheets and coils in all industry sectors. Most notably, the combined sales volumes of the Greek aluminium rolling division grew by 7%, while sales volumes of Bridgnorth Aluminium grew 18%, driven mostly by share gains in the lithographic segment. Sales of the extrusion unit of the aluminium segment were in line with expectations, further supported by the re-opening of production facilities at the Greek plant.

As part of the previously announced EUR 150 million investment programme, Elval invested EUR 47 million in 2018 for the erection of the new four-stand-tandem aluminium hot finishing mill, the first parts of which will be delivered in H1 2019. Orders have also been placed for the purchase of supplementary machinery and upgrades of the existing one. Elval's investment programme will continue during 2019, with estimated production expected to commence in Q1 2020. Following the hot finishing mill's installation, the plant's hot rolling capacity will more than double, while future additional investments will increase final production respectively.

Consistent demand for high-strength and lightweight aluminum solutions, coupled with Elval's investment programme, ensures the Company is well-positioned to pursue its strategic growth initiatives while maintaining a customer centric culture. In 2019, Elval intends to further develop innovative products and solutions, leveraging its internal technology unit, as well its collaborations with Elkeme Research Center and its strategic partners UACJ Corporation.

As for the extrusion sector, following the Investment Agreement with Gestamp, a leading global company that specialises in the design, development and manufacture of metal components and structural systems for the automotive industry, the segment intends to initiate the implementation of a three-year investment programme in Etem Bulgaria's plant which will be intended to the installation of a new extrusion line and related machinery, further enhancing the segment's position in the automotive sector.

Copper

In 2018, the copper segment saw significant growth in sales volumes and increased utilisation rates, that led to improved segment results. **Revenue** stood at EUR 1,066 million versus EUR 941 million in the prior year. **Profit before income tax** amounted to EUR 21.1 million.

All companies within the copper segment continued to grow sales, supported by volume growth. Overall volume of sales grew by 8.8%, surpassing the growth rate of demand in the market, supported mainly from the improved performance of flat rolled products. Metal prices for 2018 remained broadly stable with a decline registered at year-end resulting in a neutral result from metal, in contrast to the metal profit of 2017. Nevertheless, adjusted EBITDA increased year-on-year owing to the successful implementation of strategic initiatives.

In H2 2018, copper companies in Greece and Bulgaria successfully renegotiated their loans resulting in a reduction in the effective interest rate and an extension in the maturity term of the loans.

The competitive landscape for the copper segment evolved significantly in 2018. To further reinforce their competitive positioning, the companies in this segment continued to progress their respective investment programmes. Halcor's investment in the copper tubes mill was successfully completed, increasing overall production capacity by 5,000 tonnes. As for Sofia Med, the Company commissioned a hot dip tinning line for strips, facilitating access to markets and products with high demand and added value, and a new furnace in the foundry, doubling capacity for standard copper alloys.

For 2019, conditions in the market are expected to be mixed. While the growth rate of demand in tubes will probably remain low, the new capacity of the tubes mill could be exhausted very fast as it is directed towards products and customers with increasing demand. Production of copper and alloy rolled products can also keep increasing at very good rates, as global demand is expected to remain strong and there is still significant unutilized capacity in Sofia Med's rolling mill. Finally, the investments in higher value added products are gradually improving the portfolio and profitability of the segment.

Steel

Amidst a mixed and volatile environment in 2018, the steel segment successfully increased sales volumes by approximately 6% and **revenue** by 20% to EUR 917 million, mainly by developing its reinforcing steel sales to the Balkan region and Cyprus, as well as wire rod and merchant bars sales. As for the prices, compared to international finished goods prices, they were significantly improved as a result of customer service and strategic positioning in regional markets. Increased sales led to improved utilisation of the plants, allowing for further operational efficiencies and the opportunity to capitalise on recent investments, such as the induction furnaces in the two Greek plants rolling mills. It should also be noted that throughout 2018, the steel segment contended with price increases in critical production materials, CO₂ and electricity base prices in Bulgaria.

All these resulted in an increase in **profit before income tax** to EUR 9.1 million. Improvement in profitability was however constrained by a decline in international scrap prices in Q4 2018, which resulted in metal losses.

In the USA, steel import tariffs affected the steel segment indirectly, especially after tariffs to Turkish steel imports were doubled. Quotas imposed by the EU proved insufficient to counterbalance this effect. Demand for steel in the Greek market remained low, while an improvement in the market conditions of Romania enabled the steel segment to capitalise and expand on its strategic position in this market.

With regards to key operational developments in the segment, strategic expansion in special bar quality ('SBQ') steel progressed through new investments, while new products were launched in SBQs, wire rods and merchant bars - the latter as a consequence of the recent investment in Dojran Steel plant.

In 2019, further volume growth is foreseen especially in wire rods, SBQs and reinforcing steel in markets outside Greece. Furthermore, new quotas introduced by the EU are expected to be more effective in balancing regional price pressures created by US tariffs.

Steel pipes

Revenue for the steel pipes segment amounted to EUR 470 million in 2018, a 59% increase year-on-year (2017: EUR 295 million), driven mostly by record sales volume. **Profit before income tax** reached EUR 8.6 million, compared to a loss of EUR 8.1 million in 2017.

In 2018, the steel pipes segment commenced its first deep-sea offshore pipes project, Karish. This is a strategic project in the Southeastern Mediterranean at a maximum depth of 1,750m and a highly demanding project that only limited companies worldwide could deliver. During the year, a number of other offshore projects in the North Sea and the Baltic region were successfully executed along with large-scale onshore projects in mature markets across Europe and the USA.

The market position of the steel pipes segment was further enhanced by qualifications received from major companies such as BP, Shell and Technip, as well as by the manufacture of products for new applications, such as HFI pipes for reel-lay applications and LSAW pipes for offshore projects. Combined with the full integration of the concrete weight coating facility in its strategic plan, the steel pipes segment now has a clear competitive advantage when it comes to offshore projects.

Looking forward, the global economic environment in which the company operates remains volatile, as a result of the imposition of tariffs and antidumping duties by the USA. Despite these headwinds, Corinth Pipeworks remains focused on maintaining its revenue growth, through the penetration of new geographical and product markets. The market trend for new pipeline projects together with the backlog of previously-awarded contracts give rise to optimism for 2019. The company has been awarded both offshore and onshore projects for the supply of pipes for pipelines that will be

constructed in Europe, the Middle East, the North Sea and North America, showing a significant geographical spread and product diversification.

Cables

Cables segment **revenue** amounted to EUR 475 million in 2018, 16% up from EUR 408 million the previous year. **Loss before income tax** amounted to EUR 4 million, while **adjusted EBITDA** amounted to EUR 35.6 million in 2018, versus EUR 33.2 million in 2017. The increase is attributable to the stronger performance of cables products, as the profitability from cables projects was in line with results achieved in 2017.

In the cables business, a steady pipeline of new projects was built up during H2 2018, while significant assignments, such as the interconnection of Tennet's wind parks, Borkum Riffgrund 2 and Trianel, were successfully completed. Delays to project awards, especially in H1 2018, led to lower than expected capacity utilisation at the Fulgor plant during the year. Despite these issues, the cables products business achieved higher sales volumes, which were up 6.3% compared to 2017, along with an improved sales mix. The main drivers of the enhanced performance were the improved performance in the Greek market, further penetration into new markets, such as the Nordic countries and the Middle East, and solid demand for telecom and signalling cables in Europe and the Middle East.

Investments in the cables segment amounted to EUR 44 million in 2018, largely attributable to the expansion and upgrade of the submarine unit at Fulgor's plant to meet expected future demand levels and improve productivity at the Hellenic Cables and Icme Ecab plants.

During 2018, the re-profiling of the segment's debt was completed, resulting in a total of EUR 88 million of debt being re-profiled at improved terms.

With the pipeline of new contracts developing and the growth potential of the offshore cables business, the outlook for the business is positive. We expect Fulgor to operate at high capacity utilisation rates throughout 2019, which will support the segment's profitability in the year ahead. Simultaneously, completion of the above-mentioned investment programme will further strengthen Fulgor's ability to capitalise on favourable market trends.

Real estate

The **revenue** of the segment amounted to EUR 8.4 million in 2018, down 8% compared to 2017. **Loss before income tax** amounted to EUR 1.5 million, versus a gain of EUR 0.1 million in 2017, due to the decrease in revenue in combination with increased operational expenses, as a result of the development works in progress, aiming to the optimum use and the increase in rental income from currently idle properties.

In 2018, the River West|IKEA Shopping Center recorded increase in rental income and footfall of 6.5% and 10%, respectively, while the current occupancy rate is 100%. Meanwhile, Mare West Retail Park achieved rental income and footfall increase of 5% and 10%, respectively.

Other notable developments in 2018 in the segment include the completion of demolition works on the long-term, leased Mouzaki property, while the turnover and occupancy rates of Hotel "Wyndham Grand Athens" and the "K29" apartment hotel outperformed expectations. Construction works commenced on a Leadership in Energy and Environmental Design ('LEED') certified office building with completion recorded in January 2019 and occupancy rate of approximately 90% at the time. A new 1,700sqm office building in Maroussi was acquired through a financial lease and, in November 2018, Noval Property REIC obtained a license from the Hellenic Capital Market Commission to operate as a Real Estate

Investment Company and an internally managed Alternative Investment Fund. Establishment of Noval Property REIC is in progress.

Looking ahead, the segment will focus on further increasing the rental income and footfall at River West|IKEA and Mare West, through the launch of new marketing and communications strategies. River West's expansion plans are to progress and the construction of a 7,000 sqm athleisure park is scheduled at Mare West. The construction of a 23,000 sqm. retail building on the Mouzaki property is expected to commence in 2019, while development of a LEED certified office complex is scheduled for H2 2019. Various development options are being explored across the remaining real estate assets, in parallel with potential new acquisitions.

Recycling

Recycling segment **revenue** decreased by 31% year-on-year, while **result before income tax** amounted to a loss of EUR 1.8 million, compared to a gain of EUR 1.7 million in 2017, primarily due to weaker top-line performance and increased production costs. More specifically, protectionist trade policies adopted by China and Serbia, both key markets for non-ferrous and ferrous, respectively, caused significant disruption in the normal course of business. Hazardous waste continued to support segment profitability, while end-of-life waste streams maintained volume levels, albeit with increased production costs due to new investments.

In 2019, the global scrap trade market is expected to normalise and support growth in ferrous and non-ferrous. Overall, the recycling segment will continue to assess and adopt new technologies and processes, which will increase quality and recovery rates from recycled materials, in order to strengthen profitability and support expansion to new 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 6.2 million, compared with EUR 7.5 million in 2017. This was mainly due to improved results of subsidiaries operating in the technology segment.

Subsequent events

On January 7th, 2019, the Board of Directors of Viohalco's wholly owned subsidiary Etem Bulgaria SA, the extrusion branch of the aluminium segment of Viohalco SA, decided the spin-off of the production of extruded aluminium profiles business and the additional processing of aluminium profiles for the automotive industry business into two subsidiaries of Etem Bulgaria. The aforementioned decision will serve the purposes of an Investment Agreement (the 'Agreement') that Etem Bulgaria has entered into with Gestamp, a leading global Group specialized in the design, development and manufacturing of metal components and structural systems for the automotive industry. As part of the Agreement, two joint ventures will be established which will focus on the extrusion and processing of aluminium profiles for the automotive industry, in which an investment programme will be implemented, in the next three years, for the installation of a new extrusion line and related machinery for further processing of aluminium profiles in Bulgaria.

On February 5th, 2019, the subsidiary ElvalHalcor announced the decision of its' Board of Directors to commence the proceedings of the transformation of the branch in Pogoni-Ioannina, manufacturing plant of all types of coin blanks and rings into a newly founded company limited by shares ("Société anonyme") in accordance with the third section of par. 2 of article 52 of L. 4172/2013, as replaced by article 23, par. 6.c., of L. 4223/2013.

On February 21st, 2019, the U.S. Department of Commerce (the 'DoC') announced its affirmative final determinations in the antidumping duty investigations initiated in early 2018 on imports of large diameter welded pipe from Canada, Greece, Korea and Turkey. Similar determinations about imports from China and India were announced in December 2018. In the Greece investigation, the DoC assigned an antidumping duty rate of 9.96% for Corinth Pipeworks S.A. The U.S. International Trade Commission (the 'ITC') is scheduled to make its final determinations on or about April 5, 2019. If the ITC makes an affirmative final determination that imports of large diameter welded pipe from Greece threaten material injury to the domestic industry, the DoC will issue an anti-dumping order with the above percentage. If, however, the ITC makes a negative determination of injury, the investigation will be terminated.

Outlook

The Viohalco companies' robust performance in 2018 demonstrates their resilience to volatile market conditions and ability to leverage their competitive advantages derived from a continued focus on technological innovation, ongoing investments into production facilities and new product development, along with their long-standing relationships with a diverse, blue-chip customer base around the world.

Looking ahead, the companies aim to maintain positive momentum in their performance. Their strategic focus remains to be generating revenue growth through further diversification into new product and geographical market segments, whilst further enhancing competitive positioning and operational efficiency through continued investments into the businesses.

Statement of the Auditor

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Benoit Van Roost, has confirmed that the audit procedures on the consolidated financial statements, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

Financial Calendar

Date	Publication / Event
22 May 2019	Presentation of 2018 financial results to the analysts (Athens Stock Exchange)
28 May 2019	Annual General Meeting 2019
26 September 2019 ⁽¹⁾	Half Yearly 2019 results

The Annual Financial Report for the period 1 January 2018 – 31 December 2018 will be published on 24 April 2019⁽²⁾ and will be posted on the Company's website, www.viohalco.com, on the website of the Euronext Brussels www.euronext.com, as well as on the Athens Stock Exchange website www.helex.gr.

Notes: ⁽¹⁾ versus previously announced 30 September 2019

⁽²⁾ versus previously announced 26 April 2019

About Viohalco

Viohalco is the Belgium based holding company of a number of leading metal processing companies in Europe. It is listed on Euronext Brussels (VIO) and the Athens Stock Exchange (BIO). Viohalco's subsidiaries specialise in the manufacture of aluminium, copper, cables, steel and steel pipes products, and are committed to the sustainable development of quality, innovative and value added products and solutions for a dynamic global client base. With production facilities in Greece, Bulgaria, Romania, Russia, North Macedonia, Turkey, the Netherlands and the United Kingdom, Viohalco companies collectively generate annual revenue of EUR 4.4 billion. Viohalco's portfolio includes a dedicated technology and R&D segment, as well as recycling activities and waste management services. In addition, Viohalco and its companies own real estate investment properties, mainly in Greece, which generate additional income through their commercial development.

For more information, please visit our website at www.viohalco.com.

Contacts

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Appendix A – Consolidated statement of profit or loss

<i>Amounts in EUR thousands</i>	For the year ended 31 December	
	2018	2017*
Revenue	4,406,185	3,721,311
Cost of sales	-4,009,411	-3,359,096
Gross profit	396,775	362,215
Selling and distribution expenses	-82,835	-78,641
Administrative expenses	-117,586	-104,815
Impairment loss on receivables and contract assets	-328	-13,897
Other income / expenses	4,018	2,591
Operating result (EBIT)	200,044	167,452
Net finance cost	-102,499	-110,432
Share of profit/loss (-) of equity-accounted investees, net of tax	-1,934	-181
Profit before tax	95,612	56,839
Income tax	-9,760	26,956
Profit for the period	85,852	83,794
Profit/Loss (-) attributable to:		
Owners of the Company	76,112	73,680
Non-controlling interest	9,740	10,114
	85,852	83,794
Earnings per share (EUR per share)		
Basic and diluted	0.29	0.28

* Re-presented. Reconciliation vs figures published in the 2017 Annual Report is provided in the consolidated financial statements

Appendix B – Consolidated statement of financial position

<i>Amounts in EUR thousands</i>	As at	
	31 December 2018	31 December 2017
ASSETS		
Non-current assets		
Property, plant and equipment	1,783,812	1,743,632
Intangible assets and goodwill	32,346	26,531
Investment property	173,710	165,247
Equity - accounted investees	32,066	16,956
Other investments	8,539	7,949
Derivatives	3	262
Trade and other receivables	6,315	6,346
Contract costs	108	-
Deferred tax assets	20,193	18,785
	2,057,092	1,985,709
Current assets		
Inventories	1,142,309	1,005,867
Trade and other receivables	551,205	509,740
Contract assets	117,428	-
Contract costs	1,872	-
Derivatives	7,009	7,606
Assets held for sale	4,223	4,223
Other investments	-	1,624
Income tax receivables	872	1,082
Cash and cash equivalents	163,676	168,239
	1,988,594	1,698,380
Total assets	4,045,685	3,684,089
EQUITY		
Equity attributable to owners of the Company		
Share capital	141,894	141,894
Share premium	457,571	457,571
Translation reserve	-26,227	-24,535
Other reserves	404,370	406,616
Retained earnings	196,142	125,087
	1,173,749	1,106,633
Non-controlling interest	130,875	122,586
Total equity	1,304,624	1,229,218
LIABILITIES		
Non-current liabilities		
Loans and borrowings	896,806	718,716
Derivatives	101	1,281
Employee benefits	31,624	29,724
Grants	39,618	43,088
Provisions	4,071	4,416
Trade and other payables	8,324	18,292
Contract liabilities	19	-
Deferred tax liabilities	88,402	98,312
	1,068,965	913,829
Current liabilities		
Loans and borrowings	902,555	977,071
Trade and other payables	661,544	544,414
Contract liabilities	77,847	0
Current tax liabilities	16,115	10,029
Derivatives	13,498	8,878
Provisions	538	650
	1,672,096	1,541,041
Total liabilities	2,741,062	2,454,871
Total equity and liabilities	4,045,685	3,684,089

Appendix C – Alternative Performance Measures (APMs)

Introduction

Viohalco management has adopted, monitors and reports internally and externally P&L alternative performance measures ('APMs'), namely EBITDA, EBIT, 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.

General Definitions

EBITDA

EBITDA is defined as profit for the period 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 profit for the period before:

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

a-EBITDA

a-EBITDA is defined as profit for the period 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

Readers' attention is drawn to the fact that EBITDA and EBIT account for net finance costs, while a-EBITDA and a-EBIT account for net interest costs.

Net Debt

Net Debt is defined as the total of:

- Long term borrowings,
- Short term borrowings,

Less:

- Cash and cash equivalents.

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), and
- (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 of **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 inventory in the non-ferrous segments (i.e. Aluminum, Copper and Cables) is treated as being held on a permanent basis (minimum operating stock), and not hedged, in the ferrous segments (i.e. Steel and Steel Pipes), no commodities hedging occurs.

Reconciliation Tables

EBIT and EBITDA

Amounts in EUR thousands	2018								
	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Recycling	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	70,278	21,119	-3,961	9,115	8,612	-1,507	-1,807	-6,238	95,612
Adjustments for:									
Share of profit/loss (-) of equity-accounted investees, net of tax	-322	1,957	-	952	-653	-	-	-	1,934
Finance Income/Cost	19,609	18,630	22,502	27,745	9,959	1,804	2,081	170	102,499
EBIT	89,565	41,706	18,541	37,812	17,918	297	273	-6,068	200,044
Add back:									
Depreciation & Amortization	54,515	11,795	13,667	36,190	7,618	4,310	2,678	1,041	131,813
EBITDA	144,079	53,500	32,208	74,002	25,536	4,607	2,952	-5,027	331,857

Amounts in EUR thousands	2017								
	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Recycling	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	52,022	19,846	-4,459	3,315	-8,149	112	1,672	-7,519	56,839
Adjustments for:									
Share of profit/loss (-) of equity-accounted investees, net of tax	-125	150	-	560	-402	-	-	-	183
Finance Income/Cost	17,363	24,541	21,912	32,082	10,884	1,187	2,507	-44	110,432
EBIT	69,260	44,537	17,453	35,957	2,333	1,299	4,179	-7,563	167,454
Add back:									
Depreciation & Amortization	56,129	13,888	12,844	35,234	9,156	4,267	2,717	858	135,093
EBITDA	125,389	58,424	30,297	71,191	11,488	5,566	6,896	-6,705	302,545

a-EBIT and a-EBITDA

Amounts in EUR thousands	2018								
	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Recycling	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	70,278	21,119	-3,961	9,115	8,612	-1,507	-1,807	-6,238	95,612
Adjustments for:									
Net interest cost	19,462	18,799	22,188	28,568	10,136	1,804	2,265	266	103,488
Metal price lag	-22,041	-545	1,679	9,110	173	-	-	-	-11,624
Unrealized gains (-) /losses on fx balances and derivatives	459	-204	7	1,153	1,923	-	121	12	3,471
Impairment/ Reversal of Impairment (-) on fixed assets	-22	-	-	-	-	-	-	1,100	1,078
Exceptional litigation fees and fines / income (-)	120	-	-	-	-	-	3	-	123
Exceptional legal fees	-	-	-	-	906	-	-	-	906
Gains (-) /losses from sales of fixed assets	-105	-305	-16	-3	-23	-10	-4	-11	-478
Out-of-court settlement	-	-	2,000	-	-	-	-	-	2,000
EU ETS allowances	-	-	-	-9,822	-	-	-	-	-9,822
Other exceptional or unusual income (-) /expenses	-	-	-	-	-	-	-	458	458
a-EBIT	68,151	38,863	21,898	38,122	21,727	287	577	-4,413	185,212
Add back:									
Depreciation & Amortization	54,515	11,795	13,667	36,190	7,618	4,310	2,678	1,041	131,813
a-EBITDA	122,665	50,658	35,564	74,312	29,345	4,597	3,256	-3,372	317,025

Amounts in EUR thousands	2017								
	Aluminium	Copper	Cables	Steel	Steel pipes	Real estate	Recycling	Other activities	Total
EBT (as reported in Statement of Profit or Loss)	52,022	19,846	-4,459	3,315	-8,149	112	1,672	-7,519	56,839
Adjustments for:									
Net interest cost	18,256	24,389	21,128	30,912	10,541	1,187	2,431	291	109,134
Metal price lag	-24,536	-11,423	3,147	6,539	217	-	-	-	-26,056
Restructuring expenses	-	-	99	-	-	-	-	-	99
Unrealized (gains (-) /losses on fx balances and derivatives	921	-37	924	-687	-2	-	7	-5	1,120
Impairment/ Reversal of Impairment (-) on fixed assets	464	-	-	-	-	-	1	-149	315
Impairment/ Reversal of Impairment (-) on investments	111	-	-	-	-	-	-	-	111
Exceptional provisions on receivables along with the respective insurance income	-	-	-	-	8,883	-	-	-	8,883
Exceptional litigation fees and fines / income (-)	-	-	-	531	-	-	-	-	531
Gains (-) /losses from sales of fixed assets	-944	232	-15	-62	-1	-	-82	74	-798
(Gains)/losses from sales of investments assets (+/-)	-	-	-	-39	-	-	-	-	-39
Other exceptional or unusual income (-) /expenses	-	-	-422	-585	-	-	-17	-	-1,025
a-EBIT	46,293	33,007	20,402	39,922	11,489	1,298	4,011	-7,309	149,114
Add back:									
Depreciation & Amortization	56,129	13,888	12,844	35,234	9,156	4,267	2,717	858	135,093
a-EBITDA	102,423	46,895	33,246	75,156	20,645	5,565	6,728	-6,450	284,207

Segmental Information

2018	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Recycling	Other activities	Total
Revenue	1,397,322	1,065,500	474,734	916,581	470,174	8,388	45,626	27,860	4,406,185
Gross profit	149,335	77,638	40,880	69,626	33,029	3,024	14,227	9,015	396,775
EBIT	89,565	41,706	18,541	37,812	17,918	297	273	-6,068	200,044
Net finance cost	-19,609	-18,630	-22,502	-27,745	-9,959	-1,804	-2,081	-170	-102,499
Share of profit/loss (-) of equity-accounted investees, net of tax	322	-1,957	-	-952	653	-	-	-	-1,934
Profit/Loss (-) before tax	70,278	21,119	-3,961	9,115	8,612	-1,507	-1,807	-6,238	95,612
Income tax	-7,654	-11,578	5,733	3,910	1,177	317	-498	-1,166	-9,760
Profit/Loss (-)	62,624	9,541	1,772	13,025	9,789	-1,190	-2,306	-7,404	85,852

2017	Aluminium	Copper	Cables	Steel	Steel pipes	Real Estate	Recycling	Other activities	Total
Revenue	1,206,018	940,940	407,971	765,243	294,991	9,159	66,005	30,984	3,721,311
Gross profit	123,735	79,533	34,046	70,647	24,841	3,493	19,061	6,860	362,215
EBIT	69,260	44,537	17,452	35,956	2,332	1,298	4,179	-7,563	167,452
Net finance cost	-17,363	-24,541	-21,912	-32,082	-10,884	-1,187	-2,508	44	-110,432
Share of profit/loss (-) of equity-accounted investees, net of tax	125	-150	-	-560	402	-	-	-	-181
Profit/Loss (-) before tax	52,022	19,846	-4,459	3,315	-8,149	112	1,672	-7,520	56,838
Income tax	-15,485	14,292	594	23,114	6,370	-453	-471	-1,006	26,956
Profit/Loss (-)	36,537	34,138	-3,865	26,428	-1,779	-341	1,201	-8,525	83,794

Net Debt

<i>Amounts in EUR thousands</i>	As at	
	31 December 2018	31 December 2017
Long term borrowings	896,806	718,716
Short term borrowings	902,555	977,071
Total Debt	1,799,360	1,695,787
<i>Less :</i>		
Cash and cash equivalents	-163,676	-168,239
Net Debt	1,635,684	1,527,548