Annual Financial Report 31.12.2018

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

"ELASTRON S.A. – STEEL SERVICE CENTER"

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

April 2019

CONTENTS

STATEMENT BY REPRESENTATIVES OF THE BOARD OF DIRECTORS
(Pursuant to article 5 Law 3556/2007)

We hereby certify and declare that, to the best of our knowledge, the annual financial statements of the S.A. company 'ELASTRON S.A. – STEEL SERVICE CENTERS' for the period 01.01.2018 – 31.12.2018, which were prepared in accordance with the applicable International Financial Reporting Standards, truly reflect the assets and liabilities, the equity and the Company's results, as well as those of companies included in the consolidation, which are considered aggregately as a whole, according to the provisions of paragraphs 3 to 5 of article 4, Law 3556/2007 and the authorized decisions issued by the Hellenic Capital Market Commission's Board of Directors.

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

Aspropyrgos, 10 April 2019

The signatories

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

ELASTRON
STEEL SERVICE CENTERS

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF ELASTRON S.A.
for the period from January 1st to December 31st 2018

The annual Financial Report of the fiscal year 2018 was prepared according to the provisions of L. 4548/2018, L. 3556/2007 and the executive Decisions issued by the Board of Directors of the Hellenic Capital Market Commission.

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

COMPANY	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
NORTHERN GREECE METAL PRODUCTS S.A.	Thessaloniki	Commerce and processing of steel products	100.00%	6,368,000.00	Full
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Commerce and processing of steel products	33.33% (Joint Venture)	800,000.00	Equity
PHOTODEVELOPMENT SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTODIODOS SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.3%	265,533.70	Full
PHOTOENERGY SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
ILIOSKOPIO SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOKYPSELI SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropyrgos	Production of electric energy from Photovoltaic stations	100.00%	80,000	Full
THRACE GREENHOUSES S.A.	Aspropyrgos	Production of agricultural products from glasshouse cultivations	49.09%	2,700,000	Equity
KALPINIS SIMOS BULGARIA EOOD	Sofia, Bulgaria	Commerce and processing of steel products	100.00%	10,000	Full

* The participation cost does not include any impairment.

A. Financial Development and Performance

The Group's turnover posted significant improvement reaching € 108.5 million from € 90.4 million in the previous year posting an increase of 20%. Gross profit stood at € 11.5 million or 10.6% of total sales versus € 13.3 million or 14.7% of total sales in 2017, whereas results before interest and taxes (EBIT) amounted to € 1.6 million versus € 6.9 million in the previous year. The results before interest, taxes, depreciation and amortization (EBITDA) settled at earnings of € 3.6 million versus earnings of € 9.4

million in 2017. Finally, the results before taxes settled at losses of € 1.1 million versus earnings of € 3.1 million in the previous year. It is noted that the results of the year 2017 had been affected by extraordinary gains of € 2.7 million.

On the parent company level, the turnover settled at € 107.2 million versus € 89.1 million in the previous year posting an increase of 20%, whereas gross profit amounted to € 10.7 million or 10.0% of total sales, compared to € 12.4 million or 13.9% of total sales in 2017. The results before interest, taxes, depreciation and amortization (EBITDA) settled at € 1.8 million versus € 5.2 million, whereas the results before taxes settled at losses of € 2.8 million compared to earnings of € 0.7 million in 2017. It is noted that the results of the year were affected by an impairment provision of € 1.3 million in relation to a business interest versus a corresponding provision of € 0.7 million in the previous year.

The major factors contributing to the above turnover improvement comprised in synopsis the higher percentage rate of exports, above 33% out of the total activity, the stronger market share in Greece, the greater spectrum of products sold, the diverse product mix in sales along with the higher participation of the produced goods, as well as the partial increase in sale prices. However the strong volatility observed in raw material prices during the year, mainly due to the constraints imposed with regard to the free movement of steel products following the trade tariffs imposed by the US on imports from China, as well as the political and economic instability of countries with significant export activity in terms of steel products, was directly reflected in the domestic market resulting into lower operating profit margins. At the same time the financing of the Group’s higher activity levels along with the rising cost of raw materials maintained a relatively high financing cost for the Group. All the above were the major determinant factors for the Group’s results in year 2018.

Following and with the objective to provide additional information, the Group’s and the Company’s financial ratios with regard to major financial figures are presented below:

	Group		Company	
(a) FINANCIAL STRUCTURE	**2018**	**2017**	**2018**	**2017**
Noncurrent assets / Total assets	54%	52%	53%	48%
Current assets / Total assets	46%	48%	47%	52%
Equity / Total Liabilities	113%	110%	120%	136%
Current assets / Short-term liabilities	258%	194%	274%	262%
(b) EFFICIENCY AND PERFORMANCE				
Net earnings before taxes / Sales	N/A	3.5%	N/A	0.8%
Net earnings before taxes / Equity	N/A	4.6%	N/A	1.0%
Sales / Equity	164%	134%	161%	129%
(c) CAPITAL STRUCTURE				
Net liabilities / Equity	89%	91%	83%	73%
Net bank liabilities / Equity	59%	58%	58%	46%
Net bank liabilities / EBITDA	10.9	4.2	21.9	6.2

B. Alternative Performance Measures

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

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

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

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

C. Information on Environmental and Labor Issues

a) Information on Environmental Issues

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

The Group recognizes its obligations against the environment and the need to continuously improving its environmental performance. This in turn allows the Group to attain a balanced economic growth aligned with the environmental protection.

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

The Group cares about the continuous update as well as education of the personnel in environmental issues and takes care for the training of its employees in environmental protection issues.

b) Information on Labor Issues

The respect to the human being and safety constitute an indispensable part of the Group's policy. For this reason the minimization of the probability of accidents and the creation of a work environment that respects the health, the integrity and the personality of the employees constitute fundamental values and principles for the Group.

The Group complies fully with the effective legislation and regulations whereas at the same time it applies a detailed framework of rules, safety, professional behavior, prevention and management of accidents, which is constantly being revised and reviewed so that it responds to its current operating needs and is aligned with the international best practices of the sector which it activates in.

At the same time, the Group places strong emphasis on the training of personnel in the issues of hygiene, safety and prevention, whereas systematic audits and inspections take place in order to ensure the application and compliance of the relevant safety rules.

The promotion of the principle of equal opportunities and the protection of diversity constitute top priorities for the Group. The Management does not make any discrimination in hiring, the selection, the remuneration, the assignment of duties or in any other labor activity. The factors exclusively taken into consideration comprise the experience, the personality, the educational background, the efficiency and the skills of the individuals.

The Group encourages and recommends to all employees to respect the diversity of each employee or supplier or customer, and also not to accept any kind of behavior which may be associated with discrimination of any type.

D. Significant Events during the Financial Year 2018

Developments in the Group's Sectors

On the management level, the Group continued its investment plan aiming at the upgrade of existing machinery equipment and the purchase of new production machinery targeting lower production cost and therefore higher participation of own produced goods in the aggregate product mix. At the same time, foreseeing the need for further optimization of its supply chain and capacity in terms of facilities given the stronger business activity, the Company proceeded with the acquisition of adjacent land plots where it plans to build new warehouse and industrial facilities.

In the agricultural sector, the Group continued to implement the construction of the last part in the production facilities of Thrace Greenhouses SA. With the completion of the respective investment plan within the first half of 2019, the total production facilities will cover an area of 180,000 sqm making the company as one of the largest players of agricultural products in Greece. It is worth noting that the absorption of the aggregate production by some of the largest retail chains in Greece indicates the high quality of products and the Group's ability to diversify its activities by adding new markets and sectors.

Finally, the results in the Group's energy unit posted a small drop following a lower production level due to weaker sunlight activity compared to the year 2017.

Implementation of Investment Plans

The decision no. 70161/28-06-2018 of the Deputy Minister of Finance and Development approved the completion of the business plan of ELASTRON SA which was submitted and accepted according to the inclusion decision no. 16985/ΔΒΕ 2029/22-12-2006/v.3299/2004 (Gov. Gaz. 421/Β'/27-03-2007) as it is currently in effect in the framework of Law 3299/2007 (Article 3, paragraph 1, case e, sub-case xi). The amount of the investment accounted for 12.8 million Euros and the corresponding grant settled at 4.5 million Euros, with the full amount being received.

The investment plan included the following:

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

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

The parent Company submitted in June 2013 to the Ministry of Development and Competitiveness a new subsidized investment program under the auspices of L. 3908/2011 for the modernization of the mechanical and building machinery, amounting to € 3.4 million. The rate of subsidy in this program is set at 15%. In May 2014, the parent Company's investment plan was approved and included in the category of General Entrepreneurship of the General Business Plans of article 6 of Law 3908/2011. In November 2017, the Company filled an audit request with regard to the completion and certification of the commencement of the production activity in relation to the particular investment, whereas in February 2018, the Company collected an amount of 146.5 thousand Euros which corresponds to 2/7 of the respective grant. Within fiscal year 2019, the certification audit concerning the completion of the investment's financial and physical objective was completed and relevant announcements are expected to be made.

The affiliated company THRACE GREENHOUSES (as it emerged from the merger of the companies ELASTRON AGRICULTURAL SA and THRACE GREENHOUSES SA) is implementing an investment which concerns the expansion of the existing unit of hydroponic cultivation of glasshouse agricultural products, amounting to 12.2 million Euros in total. The particular investment plans (one plan per company) have been classified under the provisions of the investment Law 3908/2011 which provides for a 40% grant of the total investment cost. Until today, the Company has collected part of the corresponding grant amounting to € 950 thousand. Within the year 2019 the validation audit concerning the completion of 50% of the financial and physical object of the investment was fulfilled and the Company will proceed with the relevant announcements. The completion rate with regard to the particular investment settled at 90%.

Annual Ordinary General Meeting

On 21.06.2018, the Ordinary General Shareholders' Meeting took place at the Company's registered offices. 29 shareholders attended the General Meeting (either in person or through a legal representative), who own 11,847,138 shares or 64.35% of the paid up share capital. The General Meeting proceeded with the following resolutions:

1. Approval of the reports of the Board of Directors and Certified Auditor on the Parent and Consolidated Financial Statements for financial year 2017.
2. Approval of the Parent and Consolidated Financial Statements for financial year 2017, and the decision was made to not distribute dividend.
3. Approval of the release of members of the Board of Directors and the Certified Auditor from all liabilities for compensation regarding the management and audit of financial year 2017.
4. Approval of the election of Mr. Efstr. Karalis as Ordinary Certified Auditor and Mr. V. Valassas as Deputy Certified Auditor from the audit firm SOL S.A. for the financial year 2018 and approval of their fees.
5. Approval of the fees-remuneration of members of the Board of Directors for financial year 2017 and pre-approval of their remuneration for fiscal year 2018.
6. Granting of permission, based on article 23, paragraph 1 of P.L. 2190/1920, to the members of the Board of Directors and the Company's directors to participate in the Management of the Group's companies and of affiliated entities.
7. Decision for the cancelation of 10,677 treasury shares with nominal value EUR 1.0 per share and the reduction of the Company's share capital by the amount of 10,677 Euros in line with the amendment of article 5 of its Articles of Association. The decision will be completed with the finalization of the approval procedures by the pertinent authorities.
8. No other announcement was made.

All the issues on the daily agenda were approved unanimously, namely with a percentage of 100% of those present.

Treasury shares

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

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

At the same time with the decision of the same Ordinary General Meeting on 09/06/2016 it was decided the purchase of up to 1,830,016 shares of the Company which represent 9.94% of the current share capital. The purchase price range was approved between twenty (20) cents and one Euro and fifty cents (1.50) per share. According to the above decision, the Company proceeded up until 21/06/2018, which was the date of the Ordinary General Meeting, into the purchase of 10,677 treasure shares with the total acquisition value of 7,027.96 Euros (average price without expenses and transaction commissions at € 0.6582 / share).

	Shares	Value
Year 2012	184,350	107,441.43
Year 2013	27,130	17,758.82
Year 2014 (up to the G.M.)	1,520	1,277.36
Year 2014 (up to the G.M.)	6,070	3,624.10
Year 2015	6,115	3,182.75
Year 2016	11,976	7,569.25
Year 2017	0.00	0.00
Year 2018	10,677	7,062.48
Total	**247,838**	**147,916.19**
Cancellation of treasury shares via share capital decrease	-247,838	-147,916.19
Balance 31.12.2018	**0**	**0.00**

Tax audit

Since the fiscal year 2011, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS SIMOS SA, and also since the year 2014 all Group companies, have been included in the tax audit of the Certified Auditors as it is provided by the clauses of article 65A of Law 4174/2013, as they were amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not included in the tax audit of the Certified Auditors, it is estimated that there is no reason for the formation of any provision. As result, on 31.12.2018 the company and the group have formed no provisions regarding tax-unaudited fiscal years.

ELASTRON SA and the other Group companies have assigned a Certified Auditor the tax audit of the fiscal year 2018. The particular audit is under progress and the relevant tax certificate is expected to be granted after the release of the financial statements of year 2018. If until the completion of the tax audit certain additional tax liabilities emerge, then it is estimated that these will not have any material impact on the financial statements.

E. Risks and Uncertainties

According to the Act of Legislative Content (Gov. Gaz. 65 A'/28-06-2015) the Greek banking system entered into a bank holiday whereas capital controls were imposed in the country concerning the free transfer of capital domestically as well as abroad. Specifically, special authorization processes concerning the payments toward suppliers abroad were imposed which in turn generated significant delays in the processing of transactions, whereas the financial results of the companies were affected by additional operating and administrative costs.
In the above context, ELASTRON Group, thanks to its long-term relations with major suppliers abroad and also due to the significant dispersion of its liquidity in Greece and abroad, managed to maintain a steady flow of raw material supplies and continued on uninterrupted manner its operations although under especially unfavorable market conditions. It should be noted however, that with the passage of time, the regulatory framework of capital controls has significantly improved and as result the measure does not materially affect the ordinary activities of the Company and the Group.

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

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

1) Credit risk

Due to the great dispersion of its clientele (no client exceeds 5% of total sales), the Group does not have a significant concentration of credit risk. Based on the credit policy approved by the Group companies' Board of Directors, all new clients are examined on an individual basis in terms of their creditworthiness prior to the proposal of the standard payment terms. Credit limits are set for each client; these are reviewed depending on ongoing conditions and, if necessary, the sales and collection terms are adjusted. As a rule, customer credit limits are determined on the basis of the insurance limits set for them by the insurance companies. While monitoring credit risk of customers, such are grouped according to their credit profile, the maturity of their receivables and any prior collection problems that may have emerged. Customer receivables mainly include the Group's wholesale clients.

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

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

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

Maturity of Trade Receivables	Group	Company
Up to 30 days	1,677,336.14	1,766,117.66
31 to 90 days	8,309,224.52	8,309,223.55
91 to 180 days	7,010,375.93	6,172,000.00
Over 180 days	4,275,047.02	4,526,452.45
Intra-group transactions	(340,187.26)	0.00
Total	**20,931,796.35**	**20,773,793.66**
Provisions for doubtful receivables	(3,218,980.72)	(3,046,630.50)
Total	**17,712,815.63**	**17,727,163.16**

2) Liquidity risk

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

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

The following table presents an analysis of the Company's and Group's liabilities, based on their expiration and remaining duration as at 31.12.2018.

Group	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	13,291,913.10	1,540,000.00	28,210,000.00	**43,041,913.10**
Suppliers and other liabilities	7,258,524.74	285,913.74	4,250,955.60	**11,795,394.08**
Grants (deferred income)	0.00	0.00	3,960,555.07	**3,960,555.07**
Total	**20,550,437.84**	**1,825,913.74**	**36,421,510.67**	**58,797,862.25**

Company	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	12,206,000.01	1,540,000.00	28,210,000.00	**41,956,000.01**
Suppliers and other liabilities	7,000,785.42	285,913.75	3,270,012.20	**10,556,711.37**
Grants (deferred income)	0.00	0.00	2,935,668.95	**2,935,668.95**
Total	**19,206,785.43**	**1,825,913.75**	**34,415,681.15**	**55,448,380.33**

Within the year 2019, the Company refinanced the short-term part of its long-term bank debt amounting to € 6 million with new maturity date on 31.12.2020. The particular amount is depicted as short-term liability in the Statement of Financial Position of the company and the group.

On 31.12.2018, the Company and the Group possessed cash and cash equivalents of € 3.5 and 3.8 million respectively.

3) Market risk

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

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

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

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

- **Foreign exchange risk**

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

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

Foreign currency is purchased in advance in order for the Company to limit its foreign exchange risk emerging from inventory purchase. The total liabilities of the Group as of 30.06.2018 are covered by equivalent purchases in advance of foreign currency and as a result there is no foreign exchange risk associated with the fluctuations of the US Dollar.

An increase by 10% of the Euro versus the US$ and of the Euro versus the RON on 30 June would affect the equity and the results by negligible amounts for the Company.

- **Interest rate risk**

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

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

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rates of loans (Euribor) would be 1% higher/lower on average during the year 2018:

Amounts in € million	Loans 31.12.2018	Effect on results before tax (+ / -)
Group	43.0	0.4
Company	42.0	0.4

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

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

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rate on term deposits would be 1% higher/lower on average during the year 2018:

Amounts in € million	Sight and term deposits 31.12.2018	Effect on results before tax (+ / -)
Group	3.8	0.04
Company	3.5	0.04

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

- **Risk of Capital**

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

Company Data	31.12.2018	31.12.2017
Total debt	41,956,000.01	37,133,158.05
Minus: Cash and cash equivalents	3,522,383.90	5,410,747.70
Net debt	**38,433,616.11**	**31,722,410.35**
Total equity	66,479,203.07	69,248,172.69
EBITDA	1,754,324.14	5,153,241.37
Equity / Net debt	**1.73**	**2.18**
Net debt / EBITDA	**21.91**	**6.16**

Group Data	31.12.2018	31.12.2017
Total debt	43,041,913.10	45,255,386.57
Minus: Cash and cash equivalents	3,770,665.02	5,930,121.94
Net debt	**39,271,248.08**	**39,325,264.63**
Total equity	66,375,523.44	67,648,703.51
EBITDA	3,595,814.94	9,404,350.92
Equity / Net debt	**1.69**	**1.72**
Net debt / EBITDA	**10.92**	**4.18**

F. Future Outlook

With the first quarter of the current year already completed, the estimates and projections about the full year 2019 are conservatively optimistic in anticipation of various developments on the international and domestic environment. More specifically, the potential improvement and conflict resolution of the trade relations between US and China in relation to tariffs imposed by US in its steel imports from China is expected to contribute towards higher raw material prices and the improvement of the Group's financial results. At the same time it is noted that the European Union contemplates a scenario of imposing tariffs on steel products imported by the Union. This measure, if implemented, is going to boost the Group's export activity. On the domestic level, the resolution of various problems in the sector and the progress realized on the front of restructuring actions is expected to generate improvements on the level of competition. At the same time, the Group continuously evaluates the ever changing conditions of the Greek market taking into account the intention of companies already active in the domestic market but also of foreign companies to implement their investment plans.

On the company level, the restructuring of business activities is under progress aiming at the adoption of new trends observed in the broader construction market, as well as at a greater penetration of the international markets. At the same time, the Management implements its plan on the further reduction of operating cost and the allocation of the non-operating fixed assets with the objective to gradually deleverage its balance sheet and also diversify the sources of capital in order to finance the new investments.

G. Transactions with Related Parties

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

(a) Intra-company sales / purchases on 31.12.2018 and 31.12.2017 respectively:

	SALES / REVENUES			
PURCHASES / EXPENSES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	2,746,197.08	2,746,197.08
THRACE GREENHOUSES S.A.	5,904.10	0.00	0.00	5,904.10

PHOTOENERGY S.A.	51,948.75	0.00	0.00	51,948.75
PHOTODEVELOPMENT S.A.	116,362.09	0.00	0.00	116,362.09
PHOTODIODOS S.A.	102,055.41	0.00	0.00	102,055.41
PHOTOKYPSELI S.A.	35,100.43	0.00	0.00	35,100.43
ILIOSKOPIO S.A.	48,353.74	0.00	0.00	48,353.74
PHOTOISHIS LTD	13,687.50	0.00	0.00	13,687.50
NORTHERN GREECE METAL PRODUCTS S.A.	80,166.33	0.00	0.00	80,166.33
TOTAL	**453,578.34**	**0.00**	**2,746,197.08**	**3,199,775.43**

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

(b) Intra-company receivables / liabilities on 31.12.2018 and 31.12.2017 respectively:

	RECEIVABLES			
LIABILITIES	**ELASTRON S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**COMPANIES OF PHOTOVOLTAIC STATIONS**	**TOTAL**
ELASTRON S.A.	0.00	50,460.61	0.00	**50,460.61**
THRACE GREENHOUSES S.A.	350,000.00	0.00	0.00	**350,000.00**
PHOTOENERGY S.A.	167,145.12	0.00	0.00	**167,145.12**
PHOTODEVELOPMENT S.A.	465,181.18	0.00	0.00	**465,181.18**
PHOTODIODOS S.A.	412,081.86	0.00	0.00	**412,081.86**
PHOTOKYPSELI S.A.	80,951.64	0.00	0.00	**80,951.64**
ILIOSKOPIO S.A.	155,921.43	0.00	0.00	**155,921.43**

PHOTOISHIS LTD	476,406.04	0.00	0.00	**476,406.04**
NORTHERN GREECE METAL PRODUCTS S.A.	4,436,090.32	0.00	0.00	**4,436,090.32**
BALKAN IRON GROUP SRL	167,370.00	0.00	0.00	**167,370.00**
KALPINIS SIMOS BULGARIA EOOD	805,000.00	0.00	0.00	**805,000.00**
TOTAL	**7,516,147.59**	**50,460.61**	**0.00**	**7,566,608.20**

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

	GROUP		COMPANY	
	1.1-31.12		1.1-31.12	
	2018	2017	2018	2017
c) Transactions and remuneration of Board Members & senior executives				
Transactions and remuneration of Board Members	639,685.56	606,962.24	639,685.56	606,962.24
Transactions and remuneration of senior executives	95,200.00	150,189.75	95,200.00	84,000.00
Transactions and remuneration of other related entities	51,205.09	55,672.50	51,205.09	55,672.50
Receivables from senior executives and Board members	0.00	0.00	0.00	0.00
Liabilities to senior executives and Board members	0.00	0.00	0.00	0.00

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

6. EXPLANATORY REPORT (Article 4, par. 7&8, L.3556/2007)

a) Structure of the Company's share capital

On 31.12.2018 the Company's share capital amounted to 18,410,839 Euro and was divided into 18,410,839 common registered shares with a nominal value of 1.00 euro each.

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

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

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

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

Shareholders exercise their rights in relation to the Company's Management only through the General Meetings. Shareholders have a pre-emptive right to each future increase of the Company's Share Capital, according to their participation in the existing share capital, as stipulated by the provisions of law 4548/2018.

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

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

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

Each shareholder is entitled to participate in the General Meeting of the Company's shareholders, either in person or through a representative. All shareholders have the right to participate and vote in the General Meeting. The exercise of such rights does not require the blockage of the beneficiary's shares nor any other corresponding procedure, which limits the ability to sell and transfer shares during the period from the record date of beneficiaries and the date of the General Meeting. The individual or entity which has the capacity of shareholder at the beginning of the fifth (5^{th}) day prior to the initial General Meeting date (record date) is entitled to participate in the General Meeting (first and repetitive meeting). The above record date is valid even in the case of a previously postponed or repetitive meeting provided that this previously postponed or repetitive meeting takes place no later than thirty (30) days from the record date. If such a condition does not occur or if, for the case of the repetitive general meeting, there is release of a new invitation according to the provisions of article 130, Law 4548/2018, then the individual or entity which has the capacity of shareholder at the beginning of the third (3^{rd}) day prior to the previously postponed or repetitive general meeting date (record date) is entitled to participate in this general meeting. The proof of shareholders' capacity may be presented via any legal means and in any case through the information provided to the company from the central securities depository if the latter offers registry services, or through the registered intermediary parties participating in the central securities depository in any other case.
Only those who carry the shareholder capacity during the record date are considered from the Company to have the right to participate and vote in the General Meeting.

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

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

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

b) Limits on transfer of Company shares

There are no limitations on the transfer of Company shares.

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

The following table presents the Company's shareholders with significant holdings of its share capital, according to data from the last General Meeting of 21.06.2018 and the most recently published data:

SHAREHOLDER	TOTAL NUMBER OF SHARES 18,410,839	PERCENTAGE OF SHARE CAPITAL
KALPINIS ATHANASIOS	3,104,250	16.86%
KALPINI ELVIRA	2,070,500	11.25%
SIMOS N. PANAGIOTIS	1,583,687	8.60%
SIMOS P. NIKOLAOS	900,000	4.89%
SIMOU DOMINIKI	900,000	4.89%
SAKELLARIOU NIKOLAOS	900,000	4.89%
SAKELLARIOU CHRISTOS	900,000	4.89%

d) Shares providing special control rights

There are not such shares.

e) Limitations on voting rights

There are no limitations on voting rights.

f) Agreements among Company shareholders

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

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

There are no relevant rules that other than those stated by Law 4548/2018.

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

a) According to article 24, paragraph 1b of L. 4548/2018, the Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the disclosure requirements of L. 4548/2018, to increase the Company's share capital with the issue of new shares, through a decision by the Board of Directors that is made with a majority of at least 2/3 of its total members. In this case, the Company's share capital may be increased up to three times the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors has a 5-year effect and may be renewed. There is currently no such decision in effect.

According to article 113 of L. 4548/2018, by means of a decision by the General Meeting, a stock option plan can be issued to members of the Board of Directors and to staff, with the form of stock options according to the specific terms of such a decision. The General Meeting decision defines the maximum number of shares that may be issued, which according to law cannot exceed 1/10 of existing shares. Also, the price and sale terms towards beneficiaries are set as well as the maximum number of shares that can be acquired if beneficiaries exercise their rights. The Board of Directors, by means of a relevant decision, defines any other relevant detail not provided for by the General Meeting. There is currently no such decision in effect.

b) According to article 49 of L. 4548/2018, the Board of Directors may convene a General Meeting of shareholders, with the objective to decide on the purchase of treasury shares. In case of any relevant decision approved, the General Meeting will define the terms and conditions of the stock repurchases in accordance with the legislation in effect.

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

There are no such agreements.

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

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

CORPORATE GOVERNANCE STATEMENT

Introduction

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

- Law 3016/2002, which imposes the participation of non-executive and independent non-executive members in the Board of Directors of Greek listed companies, the establishment and operation of an internal control service, as well as the adoption of internal operation regulations.
- L. 4548/2018 concerning the reformation and amendment of societe anonyme law.
- Law 3873/2010, which incorporate the EU Directive 2206/46/EC in Greek law and operates as a reminder for the need to establish the Code and constitutes its "founding base".
- Law 4449/2017 (which replaced Law 3693/2008) which adjusted the Greek legislation according to the provisions of Directive 2014/56/EU of the European Parliament and the Council of 16th April 2014, regarding the establishment of the Audit Committee and its duties and responsibilities.

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

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

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

- NORTHERN GREECE METAL PRODUCTS S.A. (subsidiary). The Company participates by 100%.
- BALKAN IRON GROUP SRL (joint venture). The company participates by 33.3%.
- KALPINIS – SIMOS BULGARIA EOOD (subsidiary). The company participates by 100.00%
- PHOTODEVELOPMENT SA (subsidiary). The company participates by 98.6%
- PHOTODIODOS SA (subsidiary). The company participates by 98.3%
- PHOTOENERGY SA (subsidiary). The company participates by 97.5%
- ILIOSKOPIO SA (subsidiary). The company participates by 97.5%
- PHOTOKYPSELI SA (subsidiary). The company participates by 97.5%
- PHOTOISXIS MEPE (subsidiary). The company participates by 100.00%
- THRACE GREENHOUSES SA (joint venture). The company participates by 49.09%

Moreover, according to article 4 par. 7 of L. 3556/2007 the direct or indirect participations in the company's share capital (number of shares at 18,410.839 according to the decision of 21.06.2018 by the Ordinary General Meeting of shareholders) are the following:

- Athanasios Kalpinis of Andreas with 3,104,250 shares (16.86% - direct participation)
- Elvira Kalpini of Andreas with 2,070,500 shares (11.25% - direct participation)
- Panagiotis Simos of Nikolaos with 1,583,687 shares (8.60% - direct participation)
- Nikolaos Simos of Panagiotis with 900,000 shares (4.89% - direct participation)
- Dominiki Simou of Panagiotis with 900,000 shares (4.89% - direct participation)
- Sakellariou Nikolaos with 900,000 shares (4.89% - direct participation)
- Sakellariou Christos with 900,000 shares (4.89% - direct participation)

There are no significant indirect participations.

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

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

h) The rules for appointment and replacement of Board members are those mentioned in L. 4548/2018 and are described in detail in the following section.

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

General Meeting of Shareholders

The General Meeting of shareholders is the highest-level body of the Company and is entitled to decide on any corporate affair. Its legal decision also binds shareholders that are not present or who disagree. The General Meeting is the only one responsible to also decide on issues of article 117 of L. 4548/2018. The General Meeting of shareholders is convened by the Board of Directors and meets regularly at least once each financial year and always until the 10th day of the 9th month, at the latest, from the end of each financial year and as an Extraordinary meeting whenever deemed necessary by company needs. The Meeting takes place at the company's domicile or at any other location within the Attica periphery.

The General Meeting may convene through teleconference as well as with a long-distance participation of shareholders, under the conditions defined each time by the relevant legislation.
The Chairman of the Board temporarily acts a Chairman of the General Meeting, or if he is unavailable his deputy or an individual appointed by such. Whoever is appointed by the temporary Chairman serves as secretary temporarily.
After the list of shareholders' that have a voting right in the meeting is approved, then the General Meeting proceeds with electing the formal Chairman and formal secretary of the meeting.
Shareholders with the right to participate in the General Meeting may be represented in such by a proxy.
The General Meeting, with the exception of the repeated General Meetings and equivalent to the latter meetings, is convened at least twenty days prior to the general meeting date. The invitation includes at least the location with the exact address, date and time of the meeting, the daily agenda issues clearly, the shareholders that have the right to participate, as well as exact information on the manner in which shareholders will be able to participate in the meeting and exercise their rights. Also the invitation includes information provided by article 121, paragraph 4, Law 4548/2018. Apart from the release of invitation in GEMI, the full text of the invitation is published in the company's website and is released in a manner that ensures the immediate and without any discretion access to it, via means which according to the judgment of the board of directors are deemed as reliable for the dissemination of the above information towards to the investor community, such as via printed or electronic means of a national or Pan-European range.

The General Meeting is at quorum and meets in a valid manner on the daily agenda issues when shareholders that represent at least 1/5 of the paid up share capital are present or being represented at the meeting. If this quorum is not achieved during the first meeting, then a repeated meeting is convened in twenty (20) days from the day of the cancelled meeting, with a release of the invitation at least ten (10) full days prior to the new meeting. The repeated meeting is at quorum and meets validly on the issues of the initial daily agenda regardless of the portion of the paid up share capital represented in such. Furthermore a new invitation is not required if the initial invitation includes information about the place and the time of the repeated meeting, under the condition that the time period between the cancelled meeting and the repeated meeting is no shorter than five (5) days.
The decisions of the General Meeting are made with absolute majority of the votes represented in such.

Exceptionally, the General Meeting is at quorum and meets validly on the issues of the daily agenda if shareholders representing one half (1/2) of the paid up share capital are present or represented, when referring to decisions defined in article 130, paragraph 3, Law 4548/2018.
If the quorum of the previous paragraph is not achieved during the first meeting, then the first repeated meeting is convened according to paragraph 2 of the previous article, while the repeated meeting is at quorum and meets validly on the issues of the initial daily agenda when shareholders representing one fifth (1/5) of the paid up share capital are present or represented. Furthermore a new invitation is not required if the initial invitation includes information about the place and the time of the repeated meeting, under the condition that the time period between the cancelled meeting and the repeated meeting is no shorter than five (5) days.

Shareholders' rights and their exercise

Any shareholder has the right to participate and vote at the company's General Meeting. The exercise of such rights does not require the blockage of the beneficiary's shares or any other process, which limits the ability to sell and transfer shares during the period between the record date of beneficiaries and the date of the General Meeting. The individual or entity which has the capacity of shareholder at the beginning of the fifth (5th) day prior to the initial General Meeting date (record date) is entitled to participate in the General Meeting. The above record date is valid even in the case of a previously postponed or repetitive meeting provided that this previously postponed or repetitive meeting takes place no later than thirty (30) days from the record date. If such a condition does not occur or if, for the case of the repetitive general meeting, there is release of a new invitation according to the provisions of article 130, Law 4548/2018, then the individual or entity which has the capacity of shareholder at the beginning of the third (3rd) day prior to the previously postponed or repetitive general meeting date (record date) is entitled to participate in this general meeting. The proof of shareholders' capacity may be presented via any legal means and in any case through the information provided to the company from the central securities depository if the latter offers registry services, or through the registered intermediary parties participating in the central securities depository in any other case. Against the

company, only the individual or entity which has the capacity of shareholder at the particular record date is entitled to participate in the General Meeting and vote on the daily agenda's items.
The shareholder participates in the General Meeting and votes either in person or through a proxy. Proxies that act on behalf of more than one shareholders may vote separately for each shareholder. Shareholders may appoint a proxy either for one or for as many meetings that may take place within a defined time period. Legal entities participate in the General Meeting through their representatives. The shareholder proxy is obliged to disclose to the Company, prior to the beginning of the General Meeting, any specific event that may be useful to shareholders in assessing the risk of the proxy serving other interests than those of the represented shareholder. According to the definition of the present paragraph, there might be conflict of interests specifically when the proxy:

a) is a shareholder that exercises control on the Company or is another legal entity controlled by the shareholder,
b) is a member of the Board of Directors or generally the management of the Company or of a shareholder that exercises control on the Company, or another legal entity that is controlled by a shareholder who exercises control on the Company,
c) is an employee or certified public accountant of the Company or shareholder that exercises control on the Company, or another legal entity controlled by the shareholder who exercises control on the Company,
d) is a spouse or first degree relative with one of the persons mentioned above in cases (a) through (c).

The appointment and revocation or replacement of a proxy or the shareholder's delegate is applied in written or through electronic mail and disclosed to the Company at least forty eight (48) hours prior to the date of the General Meeting.
Ten (10) days prior to the Ordinary General Meeting, the Company releases the annual financial statements and reports by the Board of Directors and auditor on its website.

With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to convene an Extraordinary General Meeting of shareholders, setting the date of such, which cannot be more than forty five (45) days from the day the request was delivered to the Chairman of the Board. If a General Meeting is not convened by the Board of Directors within twenty (20) days from the delivery of the relevant request, then the meeting takes place by the requesting shareholders, at the expense of the Company, by means of a decision by the court, which is issued during the injunction process. This decision states the place and time of the meeting, as well as the daily agenda.

With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to list additional issues on the daily agenda of the General Meeting that has already been set, if the relevant request is received by the Board at least fifteen (15) days prior to the General Meeting. This request must be accompanied by a justification or by a draft resolution to be approved by the General Meeting and the revised daily agenda is published thirteen (13) days prior to the date of the General Meeting and at the same time provided to shareholders electronically on the company's website, together with the justification or draft resolution submitted by the shareholders, according to those stated in article 123 par. 4 of L. 4548/2018.

The Board of Directors provides shareholders, according to those stated by article 123, paragraph 3 of Law 4548/2018, at least six (6) days prior to the date of the General Meeting, access to the draft resolutions submitted by shareholders representing one twentieth (1/20) of the paid up share capital, on issues that have been included in the initial or revised daily agenda, if the relevant request is received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

The Board of Directors is not obliged to enlist the issues on the daily agenda or publish or disclose such together with the justification and draft resolutions submitted by shareholders according to the above paragraphs, if the content of such is apparently against the law or moral ethics.

With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Chairman of the General Meeting is obliged to postpone the decision making process only once, for all or specific issues, by General Meeting, defining the day when the meeting will re-convene for decision making that is stated on the shareholders' request, which however cannot be more than twenty (20) days from the day of the postponement. The General Meeting that follows the postponement is considered a continuance of the previous and thus the disclosure requirements of the shareholders' invitation are not repeated and new shareholders cannot take part in the Meeting, according to the provisions of articles 124 paragraph 6 of L. 4548/2018.

Following a request of any shareholder that is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting the specifically required information on the Company's affairs, to the extent that such are relevant to the daily agenda issues. The Board of Directors may respond collectively to shareholders' requests that include the same content. There is no obligation to provide information when the relevant information is available on the company's website, especially in the form of questions and answers. Also, with the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors is obliged to announce to the Ordinary General Meeting the amounts paid during the past two-years for any cause by the Company to Board Members or Managers or other employees, as well as any other benefits paid towards such individuals for any cause or for any contract of between the company and such. In all the above cases, The Board of Directors may decline the provision of such information for reasonable cause, stating the relevant justification in the minutes. Such a reasonable cause may consist according to the circumstances the representation of requesting shareholders in the Board of Directors, according to articles 79 or 80 of L. 4548/2018.

Following a request by shareholders that represent one tenth (1/10) of the paid up share capital, which is submitted to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide to the General Meeting information on the development of corporate affairs and the financial position of the Company. The Board of Directors may decline the provision of such information for reasonable cause, which is stated in the minutes. Such a reasonable cause may consist according to the circumstances the representation of requesting shareholders in the Board of Directors, according to articles 79 or 80 of L. 4548/2018, given that the respective Board members have received the relevant information in an adequate manner.

Following a request by shareholders that represent one twentieth (1/20) of the paid of share capital, the voting process concerning any issue of the daily agenda is conducted by open voting.

Company Shareholders, that represent at least one twentieth (1/20) of the paid up share capital, have the right to request an audit of the Company by the Court. The audit is ordered if actions that violate the provisions of law or the Articles of Association or decisions by the General Meeting, are assumed. In any case, the audit request must be submitted within three (3) years from the approval of the financial statements of the year when the alleged actions took place.

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

Composition and operation of the Board of Directors

The Board of Directors consists of 3 to 15 members. The exact number of members is defined by the General Meeting.
The term of Board members is three-years (without excluding their re-election) and is extended automatically until the end of the term, during which the immediately next Ordinary General Meeting must convene and until the relevant decision is taken, which however cannot exceed four years.
Following its election, the Board of Directors convenes and is formed into a body by electing the Chairman, one or two Vice- Chairmen and one or two Chief Executive Officers of the company. The Chairman is substituted, when absent or unable, for all his responsibilities by the A' Vice-Chairman and the latter is substituted, when absent or unable, by a member that is appointed as such by a Board decision.
In case of resignation, death or in any other way loss of the capacity of Board member or members, the remaining Board members may continue the management and representation of the company without replacing the members absent, with the condition that the number of the remaining members is at least three (3) and is over half of total members, as such were numbered before the realization of the above events.

The remaining Board members, given that such are at least three (3), may elect members in replacement of those resigned, deceased or who lost their member capacity in any other way. The above election is effective for the remaining period of the term of the member that is replaced, while the decision of the election is submitted to the disclosure requirements and is announced by the Board of Directors at the immediately forthcoming General Meeting, which can replace the elected members, even if the issue has not been listed on the daily agenda.
In any case, the remaining Board members, regardless of their number, may convene a General Meeting with the exclusive objective of electing a new Board of Directors.

The Board of Directors meets at the company's domicile whenever deemed necessary by the company's needs, following an invitation from the Board's Chairman. During 2018, the company's Board of Directors convened 40 times. The executive Board members participated in the majority of meetings, while the non-executive members in about 1/3 of the meetings.
The Board of Directors is at quorum and convenes validly, when half plus one member are present or represented at the meeting, however the total number of members present cannot be less than three (3). To establish quorum possible fractions are omitted.

A member that is absent may be represented by another member. Each member can represent only one member absent.
The decisions by the Board of Directors are made validly with absolute majority of the present and represented members, excluding the case of article 5 par. 2 of the company's Articles of Association, but also the cases when stated otherwise by law.

The members of the company's Board of Directors that participate in any way in the management of the company, as well as its managers, are not permitted to act without the permission of the General Meeting on their own behalf or on behalf of third parties, on actions that are subject to one of the objectives aimed by the company and to participate as general partners or single partners or shareholders in companies that aim at such objectives. Exceptionally, the company's Board members that participate in any way in the management of the company, as well as its managers are permitted to participate in the board of directors and management of companies that are related to the company, according to the provisions of law. In case of violation of the above limitation, the provisions of par. 2 and 3 of article 98 of L. 4548/2018, as currently in effect, apply.

Information about the Members of the Board of Directors

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

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

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

Condensed CVs of Board members

Andreas Kalpinis

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

Athanasios Kalpinis

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

Panagiotis Simos

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

Elvira Kalpini

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

Stilianos Koutsothanassis

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

Anastasios Mpinioris

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

Konstantinos Gianniris

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

Georgios Kouvaris

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

Dimitrios Paparisteidis

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

Christos Sakellariou

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

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

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

Audit Committee

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

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

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

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

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

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

Duties and Responsibilities of the Audit Committee

- Assesses the completeness and consistency of the financial statements, the compliance with the law, the regulations, the Corporate Governance Code and the Internal Regulation of Operation, and informs accordingly the Board of Directors.
- Informs the Board of Directors about the findings of the mandatory audit and analyzes its contribution to the integrity of the company's financial information.
- Reviews, assesses and examines the preparation process of the financial information, namely the mechanisms, the production systems, the flow and dissemination of the financial information as well as of the other information published via any available mean (for example stock exchange

releases, press releases) and presents proposals and recommendations in order to ensure its integrity.

- Reviews the most important issues and risks which may affect the company's financial statements as well as the significant judgments and estimates of the management during their preparation.
- Assesses the performance and the independence of the ordinary auditors and receives from the ordinary auditor a report with the relevant audit findings. It calls for meetings with the regular auditor of the Company without the presence of the members of the Management at least twice a year. It submits proposals to the Board of Directors regarding the appointment of the Certified Auditors Accountants, the approval of their remuneration and monitors their selection process. It ensures the independence of the ordinary auditor according to the articles 21, 22, 23, 26, 27, as well as the article 6 of the EU Regulation no. 537/2014 and the objectivity and effectiveness of the audit procedure.
- Examines the ability of provision of non-audit services from the Certified Auditors Accountants according to the article 5 of the EU Regulation, no. 537/2014.
- Assesses the performance of the Internal Control Department and receives every quarter a report with the results of the conducted audits which it then presents to the Board of Directors. It approves the annual audit plan which is submitted from the Internal Control Service and proposes the implementation of extraordinary audits. It guides the Internal Control Service so that the latter operates according to the international audit standards and also it ensures the independence and effectiveness of its operation.
- Reviews in periodical basis the internal control, risk management and quality assurance systems and also it monitors their effectiveness.
- Examines and informs the Board of Directors about conflicts of interest.
- Reviews the financial reports prior to their approval by the Board of Directors in order to assess the completeness and the consistency of these in relation to the information that has been submitted, as well as in relation to the accounting principles applied by the company and informs accordingly the Board of Directors.
- Convenes regularly, at least four times per annum, or even extraordinarily, keeps the minutes of the meetings and presents quarterly reports of the Internal Control Service to the Board.
- Monitors the audit reports of the tax and supervisory authorities and reviews the sufficiency of the measures which are taken for the compliance with the recommendations of the above authorities.
- During its meetings, invites and discusses with any person whose contribution is viewed as important in the fulfillment of the Committee's mission.

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

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

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

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

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

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

During 2018, the Committee convened twice, during which all members were present.

Other management or supervisory bodies or committees of the company

There are no other management and supervisory bodies.

Policy of diversity for the managerial, administrative and supervisory bodies

The diversity in the Board of Directors as well as in the other administrative and supervisory bodies of the company is based on a series of elements which indicatively include the gender, the age, the cultural and educational background, the nationality, the professional experience, the skills, knowledge and time of prior service.

The appointment of the members of Board of Directors and the Senior Managers is based on meritocracy and the candidates are being evaluated according to objective criteria and with the aim to protect the assets, the strategic planning and the expansion of the company.

Internal control and risk management systems

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

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

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

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

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

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

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

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

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

Aspropyrgos, 10 April 2019

THE CHAIRMAN OF BOD
PANAGIOTIS SIMOS

Report by Independent Certified Auditor/Accountant

Towards the Shareholders of the Company

"ELASTRON S.A. – STEEL SERVICE CENTERS"

Audit Report on the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the Company **"ELASTRON S.A. – STEEL SERVICE CENTERS"** (the Company), which consist of the separate and consolidated statement of financial position of 31 December 2018, the separate and consolidated statements of income and other comprehensive income, statements of changes in equity and cash flow statements for the year ended on the aforementioned date, as well as the summary of significant accounting principles and methods and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company "ELASTRON S.A. – STEEL SERVICE CENTERS" and its subsidiaries (the Group) as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as such have been adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters Of the Company and the Group	Treatment of Key Audit Matters
Inventory (Valuation)	
The Group's inventory on 31 December 2018 and 31 December 2017 amounted to 32,350 thous. Euros and 29,027 thous. Euros respectively representing approximately 26% of total assets. The Group values the inventories at the lowest value between the acquisition cost or the production cost and their net liquidation value. The net liquidation value is estimated according to the current sale prices of inventories. The Group does not utilize any hedging strategies with regard to its main operating inventory. As result, any changes in the prices of metals may correspondingly affect the results via the depreciation or appreciation of inventories. The Group's disclosures with regard to its accounting policy applied for the valuation of inventories are included in note 2.14 of the financial statements.	*Our auditing approach included among others the following audit procedures:* -Assessment of the policies, the methodology and internal controls which support the inventory management policy adopted by the Group. -Monitoring of the inventory accounting process in the Company's storage facilities and sample-based auditing of the materials -Analytical procedures with regard to the movement of inventories and reconciliation of the accounting balance with the analytical warehouse balance -Review of an inventory sample in order to confirm the correct calculation of the acquisition cost based on the invoices of purchases and audit of the proper allocation of the production expenses -Based on the current selling prices, it was calculated the net liquidation value on a large sample basis and a comparison against the cost of the final inventory was made. -Confirmation of the adequacy and appropriateness of the disclosures in note 2.14 of the financial statements.
Trade Receivables (Recoverability)	
The trade receivables of the Group on 31st December 2018 amounted to € 17,713 thousand. The above balances include a provision of impairment of € 3,219 thousand. The Management adopted the new accounting standard IFRS since 1st January 2018. According to this standard the Management makes an estimate of the required provision for impairment regarding expected, and not with regard to realized, credit losses. The assessment is based on significant judgments and estimates the Management makes taking into account among others the sector's characteristics, the history of collectability concerning the receivables under consideration, the market conditions and the insurances or guarantees that have been granted against the particular receivables. Given the significance of the above trade receivables and the important estimates and judgments made by the Management for determining the recoverable amount, we view the assessment of the provision impairment regarding the above trade receivables as one of the key audit matters. The Group's disclosures in relation to the accounting policy and the other information concerning the impairment test of the above trade receivables are included in notes 2.1 and 2.13 of the parent and consolidated financial statements.	*Our auditing approach focused among others on the following auditing procedures:* -Evaluation of the policies and application of the internal controls applied by the Group with regard to the recoverability of receivables. -We assessed whether the methodology for the estimation of the recoverable amount has been appropriately applied in accordance with IFRS 9. - Testing on a sample basis in order to verify the accuracy and completeness of the data utilized by the Group in the calculation model as well as the maturity of the balances of receivables. -We collected and evaluated other elements such as the minutes of the Board of Directors and the letters from the lawyers supporting the judgment and estimates of the Group regarding the recoverability of the receivables. -Assessment of the adequacy of disclosures included in the notes 2.1 and 2.3 to the financial statements regarding this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Management Report for which reference is made to the "Report on Other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors and to any other information which is required by special law provisions or any information that the Company incorporated optionally into the Annual Financial Report according to Law 3556/2007, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. Management Report of Board of Directors

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

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

b) In our opinion the Management Report of the Board of Directors has been compiled according to the effective legal requirements of articles 43a and 107A and of the paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920, whereas its contents correspond to the attached [separate and consolidated] financial statements for the year ended on 31/12/2018.

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

2. Additional Report to the Audit Committee

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

3. Provision of Non-Audit Services

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

4. Auditor's Appointment

We have been appointed for the first time statutory auditors of the Company by the dated 30/06/1993 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of 26 years based on the annual decisions of the Annual General Meetings of Shareholders.

Athens, 12 April 2019

EFSTATHIOS I. KARALIS
Certified Auditor
SOEL Registration Number 40311
SOL S.A.
Member of CroweGlobal
3 Fokionos Negri Str., 11257 Athens Greece
Certified Auditors Association Reg. No. 125

ELASTRON
STEEL SERVICE CENTERS

1. Statement of Financial Position

(Amounts in €)		GROUP		COMPANY	
	Note	31.12.2018	31.12.2017	31.12.2018	31.12.2017
ASSETS					
Non Current Assets					
Self-used tangible assets	6	60,423,807.04	60,710,059.19	45,747,042.18	41,949,547.54
Investment property	6.7	3,078,490.98	3,183,622.15	3,078,490.98	3,183,622.15
Intangible assets	6	78,162.97	95,496.02	78,162.84	95,495.89
Investment in associates, subsidiaries and joint ventures	2,3	3,223,000.27	3,014,829.54	8,475,533.70	8,775,533.70
Long term receivables	8	539,101.90	203,385.32	6,949,749.01	3,585,316.51
Total Non Current Assets		**67,342,563.16**	**67,207,392.22**	**64,328,978.71**	**57,589,515.79**
Current Assets					
Inventories	9	32,349,708.40	29,026,896.44	32,345,896.78	29,023,084.82
Customers	8	17,712,815.63	21,792,803.22	17,727,163.16	21,603,224.88
Other receivables	8	3,971,173.48	5,343,976.78	3,976,700.85	6,338,529.06
Securities	10	26,460.00	27,300.00	26,460.00	27,300.00
Cash and cash equivalents	12	3,770,665.02	5,930,121.94	3,522,383.90	5,410,747.70
Total Current Assets		**57,830,822.53**	**62,121,098.38**	**57,598,604.69**	**62,402,886.46**
Total Assets		**125,173,385.69**	**129,328,490.60**	**121,927,583.40**	**119,992,402.25**
EQUITY					
Shareholders' equity					
Share capital	13	18,410,839.00	18,421,516.00	18,410,839.00	18,421,516.00
Share premium	13	11,171,177.70	11,171,177.70	11,171,177.70	11,171,177.70
Other reserves	13	21,310,425.16	21,310,724.79	21,295,516.15	21,295,815.78
Treasury shares	13	0.00	-7,062.48	0.00	-7,062.48
Retained earnings	13	15,451,190.14	16,724,436.57	15,601,670.22	18,366,725.69
Total shareholders' equity		**66,343,632.00**	**67,620,792.58**	**66,479,203.07**	**69,248,172.69**
Minority interest	13	31,891.44	27,910.93	0.00	0.00
Total Equity		**66,375,523.44**	**67,648,703.51**	**66,479,203.07**	**69,248,172.69**
LIABILITIES					
Long-Term liabilities					
Loans	15	28,210,000.0	20,300,000.00	28,210,000.00	20,300,000.00
Provisions for employee benefits	17	655,593.35	544,977.55	652,950.42	542,634.62
Grants (deferred income)	26	3,960,555.07	5,278,094.42	2,935,668.95	3,458,993.81
Liabilities from financial leases	27	1,016,099.33	853,137.94	1,016,099.33	853,137.97
Deferred income tax	16	2,537,262.92	2,586,982.68	1,600,962.46	1,816,326.15
Provisions		42,000.00	42,000.00	0.00	0.00
Total Long-term Liabilities		**36,421,510.67**	**29,605,192.59**	**34,415,681.16**	**26,971,092.55**
Short-Term Liabilities					
Suppliers	14	5,668,828.37	5,638,116.83	5,618,995.82	5,606,595.76
Other liabilities	14	1,303,482.99	1,072,413.12	1,095,576.22	924,705.22
Liabilities from financial leases	27	571,827.49	322,975.64	571,827.49	322,975.64
Derivatives	11	299.63	85,702.34	299.63	85,702.34
Short-Term Loans	15	14,831,913.10	24,955,386.57	13,746,000.01	16,833,158.05
Total Short-Term Liabilities		**22,376,351.58**	**32,074,594.50**	**21,032,699.17**	**23,773,137.01**
Total Liabilities		**58,797,862.25**	**61,679,787.09**	**55,448,380.33**	**50,744,229.56**
Total Equity and Liabilities		**125,173,385.69**	**129,328,490.60**	**121,927,583.40**	**119,992,402.25**

2. *Statement of Income & Other Comprehensive Income*

		GROUP		COMPANY	
(Amounts in €)	**Note**	**1.1 – 31.12.18**	**1.1 – 31.12.17**	**1.1 – 31.12.18**	**1.1 – 31.12.17**
Sales	19	108,540,202.03	90,428,224.54	107,237,863.38	89,077,882.55
Cost of sales	20	-97,079,802.13	-77,173,772.44	-96,547,902.44	-76,665,853.52
Gross profit / (loss)		**11,460,399.90**	**13,254,452.10**	**10,689,960.94**	**12,412,029.03**
Other income	20	2,694,851.31	4,290,559.26	2,165,326.18	1,801,370.29
Distribution expenses	20	-8,810,865.28	-7,468,979.45	-8,810,865.28	-7,468,979.45
Administration expenses	20	-2,956,757.45	-2,672,872.05	-2,707,092.27	-2,524,254.50
Other expenses	20	-828,110.89	-479,376.09	-1,629,583.05	-976,902.81
Earnings / (losses) before interest and taxes (EBIT)		**1,559,517.59**	**6,923,783.77**	**-292,253.48**	**3,243,262.56**
Financial income	20	135,876.13	97,233.78	321,620.63	226,636.76
Financial cost	20	-2,998,932.92	-3,116,489.87	-2,783,351.11	-2,802,580.87
Income/(expenses) of companies consolidated with the equity method	20	208,170.73	-773,591.57	0.00	0.00
Earnings / (losses) before taxes (EBT)		**-1,095,368.47**	**3,130,936.11**	**-2,753,983.96**	**667,318.45**
Income Tax	20	-28,488.95	-730,872.53	136,365.95	-642,257.91
Earnings / (losses) after taxes (EAT) (a)		**-1,123,857.42**	**2,400,063.58**	**-2,617,618.01**	**25,060.54**
Attributed to:					
Shareholders of the parent		-1,127,837.93	2,396,545.74	-2,617,618.01	25,060.54
Minority interest		3,980.51	3,517.84		
Other comprehensive income / (expenses) after taxes (b)	20	-4,168.32	-99,657.69	-4,168.32	-100,948.95
Total comprehensive income/ expenses after taxes (a) + (b)		**-1,128,025.74**	**2,300,405.89**	**-2,621,786.33**	**-75,888.41**
Attributed to:					
Shareholders of the parent		-1,132,006.25	2,296,888.04	-2,621,786.33	-75,888.41
Minority interest		3,980.51	3,517.85		
Earnings / (losses) after taxes per share – basic (in €)	21	-0.0612	0.1301	-0.1421	0.0014
Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)		**3,595,814.94**	**9,404,350.92**	**1,754,324.14**	**5,153,241.37**

3. Statement of Changes in Equity

(A) STATEMENT OF CHANGES IN GROUP'S EQUITY

		Corresponding to shareholders of the parent			Minority interest	Total Equity
		Share Capital	Share Premium	Reserves & Retained earnings		
Balance on 01.01.2017		**18,421,516.00**	**11,171,177.70**	**35,731,210.84**	**24,393.08**	**65,348,297.62**
Total comprehensive income / (expenses) for the period		0.00	0.00	2,296,888.04	3,517.85	2,300,405.89
Purchase of treasury shares		0.00	0.00	0.00	0.00	0.00
Cancellation of treasury shares		0.00	0.00	0.00	0.00	0.00
Balance on 31.12.2017		**18,421,516.00**	**11,171,177.70**	**38,028,098.88**	**27,910.93**	**67,648,703.51**
Net Profit / (Loss) for the period recorded in total		0.00	0.00	-1,132,006.25	3,980.51	-1,128,025.74
Effect from IFRS 9		0.00	0.00	-141,539.81	0.00	-141,539.81
Cancellation of treasury shares		-10,677.00	0.00	7,062.48	0.00	-3,614.52
Balance on 31.12.2018		**18,410,839.00**	**11,171,177.70**	**36,761,615.30**	**31,891.44**	**66,375,523.44**

(B) STATEMENT OF CHANGES IN COMPANY'S EQUITY

		Corresponding to shareholders of the parent			Total Equity
		Share Capital	Share Premium	Reserves & Retained earnings	
Balance on 1.1.2017		**18,421,516.00**	**11,171,177.70**	**39,731,367.40**	**69,324,061.10**
Total comprehensive income / (expenses) for the period		0.00	0.00	-75,888.41	-75,888.41
Purchase of treasury shares		0.00	0.00	0.00	0.00
Purchase of treasury shares		0.00	0.00	0.00	0.00
Balance on 31.12.2017		**18,421,516.00**	**11,171,177.70**	**39,655,478.99**	**69,248,172.69**
Net Profit / (Loss) for the period recorded in total		0.00	0.00	-2,621,786.33	-2,621,786.33
Effect from IFRS 9		0.00	0.00	-143,568.77	-143,568.77
Cancellation of treasury shares		-10,677.00	0.00	7,062.48	-3,614.52
Balance on 31.12.2018		**18,410,839.00**	**11,171,177.70**	**36,897,186.37**	**66,479,203.07**

ELASTRON
STEEL SERVICE CENTERS

4. Statement of Cash Flows

(Amounts in €)	GROUP		COMPANY	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Operating Activities				
Earnings before Tax (EBT)	-1,095,368.47	3,130,938.11	-2,753,983.96	667,318.45
Plus / minus adjustments for:				
Depreciation & amortization	2,986,091.23	2,769,870.72	2,202,157.00	2,148,465.76
Depreciation of grants	-949,793.88	-289,303.57	-155,579.38	-238,486.95
Provisions	25,585.66	65,942.13	25,285.66	39,955.00
Impairment of assets	30,609.74	59,300.00	1,319,598.60	799,300.00
Results (income, expenses, profit and loss) from investment activity	-133,155.43	-1,895,563.88	14,961.26	5,230.02
Debit interest and related expenses	2,778,820.27	3,116,489.87	2,563,238.46	2,802,580.87
	3,642,789.12	6,957,673.38	3,215,677.64	6,224,363.15
Plus/minus adjustments for changes in working capital accounts or those related to operating activities				
Decrease / (increase) of inventories	-3,322,811.96	-6,498,152.10	-3,322,811.96	-6,501,955.98
Decrease / (increase) of receivables	4,892,701.08	-5,333,476.39	2,659,152.45	-7,855,433.86
(Decrease) / increase of liabilities (apart from banks)	-1,282,077.65	1,187,978.56	-1,360,588.03	3,041,888.04
Minus:				
Debit interest and related expenses paid	-2,821,916.71	-2,704,626.13	-2,520,146.52	-2,376,658.25
Taxes paid	-2,819.59	16,580.99	-4,694.69	16,136.86
Total inflows/(outflows) from operating activities (a)	**1,105,864.29**	**-6,374,021.69**	**-1,333,411.11**	**-7,451,660.04**
Investment Activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	0.00	44,538.63	-1,000,000.00	-368,000.00
Purchase – Sale of Securities	0.00	105,297.50	0.00	105,297.50
Purchase of tangible and intangible fixed assets	-862,330.61	-1,778,234.31	-3,602,004.19	-1,777,943.99
Proceeds from sales of tangible and intangible assets	530,000.00	23,726.89	30,000.00	22,000.00
Change in consolidation method	0.00	-303,731.26	0.00	0.00
Interest received	900.25	6,659.87	815.28	0.00
Dividends received	0.00	0.00	0.00	6,443.72
Total cash inflows/(outflows) from investment activities (b)	**-331,430.36**	**-1,901,742.68**	**-4,571,188.91**	**-2,012,202.77**
Financial Activities				
Proceeds from share capital increase	70,320,000.00	71,910,000.00	70,320,000.00	71,910,000.00
Loan repayments	-72,490,377.06	-61,942,780.70	-65,540,249.99	-60,780,888.70
Repayment of liabilities from financial leases	-763,513.79	-478,682.15	-763,513.79	-478,682.15
Total cash inflows/(outflows) from financial activities (c)	**-2,933,890.85**	**9,488,537.15**	**4,016,236.22**	**10,650,429.15**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-2,159,456.92**	**1,212,772.78**	**-1,888,363.80**	**1,186,566.34**
Cash and cash equivalents at the beginning of the period	5,930,121.94	4,717,349.16	5,410,747.70	4,224,181.36
Cash and cash equivalents at the end of the period	**3,770,665.02**	**5,930,121.94**	**3,522,383.90**	**5,410,747.70**

Notes on the Financial Statements

1. General information

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

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

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

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

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

The Annual Financial Statements of 31.12.2018 was approved by the Company's Board of Directors on 10.04.2019.

2. Significant accounting principles used by the Group

2.1 New standards, interpretations and amendments to existing standards

New standards, amendments of standards and interpretations have been issued and are mandatory for annual accounting periods beginning on or after 1st January 2018.
During the fiscal year 2018, the Group adopted the standards IFRS 15 and IFRS 9. Unless it is otherwise started, all other amendments and interpretations that are in effect for the first time in year 2018 do not affect the Group's financial statements. The Group did not proceed with early adoption of any standards, interpretations or amendments issued by the IASB and adopted by the European Union and which are not mandatory in the year 2018.

Standards and Interpretations mandatory for the current fiscal year 2018

IFRS 9 "Financial Instruments"

On 24 July 2014 the Board issued the final version of IFRS 9, which includes the classification and measurement, the impairment and the hedge accounting. The standard will replace IAS 39 and all previous versions of IFRS 9. IFRS 9 is mandatory for annual periods beginning on or after 1 January 2018 and has been adopted by the European Union on 22 November 2016.

During the fiscal year 2017, there was an assessment of the impact and repercussions deriving from the application of IFRS 9. In this context it has been concluded that the financial instruments will be accounted for in the same manner with IAS 39. Specifically:

- The financial instruments held by the Group as of today, will be still measured on the same basis with IFRS 9 and as a result no significant impact emerged with regard to the classification and measurement of the financial assets due to the adoption of the new IFRS.
- Moreover, there was no effect with regard to the financial liabilities of the Group given that the guidance of the new IFRS affects only the accounting treatment of the financial liabilities which are determined at fair value via the results whereas the Group possesses no such liabilities.
- With regard to the new impairment model which requires the recognition of provisions for impairment based on the expected credit losses, the Group and the Company adopted IFRS 9 by utilizing the modified retrospective approach, meaning that the impact due to the transition was recognized on cumulative basis in the "Results carried forward" whereas the comparative amounts were not revised. During the initial adoption of IFRS 9, after the assessment made by the

management of both the Group and the Company, the simplified approach of the standard was applied for the impairment of the expected credit losses concerning the trade and other receivables as of 01/01/2018.

The effect on the financial statements of the Group and the Company as of 01.01.2018 is as follows:

	GROUP				COMPANY			
	31/12/2017	IFRS 15 Adjustments	IFRS 9	1/1/2018 Adjusted	31/12/2017	IFRS 15 Adjustments	IFRS 9	1/1/2018 Adjusted
Customer receivables	21,792,803.22	0.00	-196,583.14	21,596,220.08	21,603,224.88	0.00	-199,401.07	21,403,823.81
Results carried forward	16,724,436.57	0.00	-141,539.86	16,582,896.71	18,366,725.69	0.00	-143,568.77	18,223,156.92
Deferred tax	2,586,982.68	0.00	-55,043.28	2,531,939.40	1,816,326.15	0.00	-55,832.30	1,760,493.85

IFRS 15 "Revenue from Contracts with Customers"

On 28 May 2014 the IASB issued the IFRS 15 "Revenue from Contracts with Customers", which constitutes the new standard regarding the recognition of income including the amendments on the standard issued on 11 September 2015. These are of mandatory adoption in accounting periods beginning on or after 1st January 2018.
The IFRS 15 supersedes the IAS 18 "Revenue", IAS 11 "Construction contracts" and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
In April 2016, the IASB issued clarifications to IFRS 15 regarding the adoption of its principles.
Since January 2018, the Group and the Company adopted the new standard by applying the modified retrospective approach without proceeding into any adjustments concerning the comparative information. The new standard had no effect on the interim condensed consolidated financial statements during the adoption given that no significant changes emerged in comparison with the previously applied accounting policy. The adoption of the standard had no impact on the results carried forward and no adjustments were required for the transition into the new standard.
According to requirements of the new standard, the Group concluded that the future discounts on the sales volume generate a right for which a relevant provision must be made and recognized at the time of its exercise or expiration. The Group provides its customers with discounts on the sales volume depending on the limits defined in contracts signed between the two parties. All these discounts are accounted for within the financial year and therefore the application of the new standard has zero effect on the annual consolidated financial statements.

IFRIC 22 Interpretation "Foreign currency transactions and Advance consideration"

The Interpretation 22 was released by the IASB on 8 December 2016 and clarifies the accounting for foreign currency transactions including the receipt or the payment of consideration in advance. Specifically, it applies for the foreign currency transactions where an entity recognizes a non-monetary asset or liability arising from the payment or the receipt of consideration in advance before the entity recognizes the related item as expense or revenue. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognizes the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance, the date of transition is determined for each payment or receipt.
The interpretation is applicable for annual periods beginning on or after 1 January 2018 and was adopted by the European Union on the March 28th, 2018.
The interpretation has no effect on the financial position or/and the financial performance of the Group and the Company.

IAS 40 "Investment Property" Transfer of Investment Property

The amendments to IAS 40 issued by the IASB on 8 December 2016 clarify that an entity can transfer a property to, or from investment properties, when and only when, there is evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. A change in management's intentions for the use of a property, in isolation, is not evidence of a change in use to support a transfer.

The amendment is applicable for annual periods beginning on or after 1 January 2018 and was adopted by the European Union on the 14th of March 2018. No impact emerged from the adoption of the standard.

The standards, amendments and improvements of standards that are not applicable in the company are presented below in titles

IFRS 4 "Insurance Contracts" (Amendment) "Application of the new IFRS 9 with IFRS 4". IFRS 2 Share-based Payment (Amendment) "Classification and measurement of share-based payment transactions".

Annual Improvements to IFRSs 2014-2016 Cycle

The following amendments of the Cycle 2014 – 2016 were issued by the Board on 8 December 2016, are applicable for periods beginning on or after 1 January 2018 and were adopted by the European Union on 7th of February 2018.

IFRS 1 first time adoption of international financial reporting standards

The amendment eliminates the "Short-term exceptions from IFRS" which were required from the Section E of the IFRS 1 under the reasoning that they have already served their purpose and they are not any longer necessary.

IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of the standard.

The amendment clarified the application scope of the standard by defining that certain of the disclosures are valid for the participations of the entity that have been classified as held for sale, except for the obligation referring to the provision of condensed financial information. The amendment is applied for accounting periods beginning on or after 1st January 2017. As held for sale, held for distribution or discontinued activities according to the IFRS 5 "Non-current assets held for sale and discontinued activities".

IAS 28 (Amendment) "Measuring an Associate or Joint Venture at fair value"

The amendment clarifies that the option given 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 a 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.

Standards and Interpretations mandatory for subsequent periods and have not been early adopted by the Company (or and the Group)

IFRS 16 "Leases"

On 13 January 2016 the International Accounting Standards Board (IASB) issued the IFRS 16 which supersedes the IAS 17. The objective of the standard is to ensure that lessors and lessees provide useful information that presents fairly the substance of the transactions concerning leases. The FIRS 16 introduces a single lessee accounting model on lessee's side, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. With regards to the accounting, on the lessor's side, the IFRS 16 substantially incorporates the requirements of the IAS 17. Consequently, lessors continue to classify leases as operating or finance, and follow different lessor accounting for each type of contract. The new standard is applicable for annual periods beginning on or after 1 January 2019, and was approved by the European Union on 31st of October 2017.

Transition in IFRS 16

The Group intends to adopt IFRS 16 for the first time on 1 January 2019, applying the modified retrospective approach. Based on this approach:
-The Group will recognize a liability measured at its present value, as arising from discounting the remaining leases through the incremental borrowing cost effective on the date of the Standard's initial application.

-Furthermore, it will recognize a right to use an asset by measuring that right at an amount equal to the corresponding liability that will be recognized.
Any impact from the adoption will be recorded as an adjustment in the results carried forward on 1/1/2019, without any amendment in the comparative information.
-Moreover, the Group has decided to adopt the exemption provided in the Standard with respect to determination of leases, and, in particular, the applicable practices under IFRS 16. This practically means that IFRS 16 will be applied to contracts that have already been recognized as leases as of 1/1/2019 under the application of IAS 17 and IFRIC 4.
Also, the Group will also make use of exemptions to the Standard in respect of short-term leases (with term of less than 12 months at the date of the initial adoption of the standard) and for low value fixed assets leases.
With respect to the discount rate, the Group has decided to apply a single discount rate to every category of leases with similar characteristics (such as leases with corresponding duration, for similar fixed assets and in a corresponding economic environment).

Estimated effect in the Statement of Financial Position (increase / (decrease) on 31st December 2018:	**GROUP**	**COMPANY**
Assets		
Fixed Assets (Utilization rights)	628,291.26	223,634.46
Deferred tax receivables	15,622.39	3,226.66
	643,913.65	**226,861.12**
Liabilities		
Liabilities from leasing contracts	687,294.43	233,108.91
	687,294.43	**233,108.91**
Net effect in Equity	**-43,380.78**	**-6,247.79**
Estimated effect in the Statement of Comprehensive Income (increase / (decrease) on 31st December 2018:	**GROUP**	**COMPANY**
Depreciation (included in cost of goods sold)	-35,311.14	-6,681.11
Depreciation (included in administration expenses)	-72,951.57	-71,999.76
Expenses from operating leases (included in cost of goods sold)	69,004.68	27,004.68
Expenses from operating leases (included in administration expenses)	80,223.82	79,023.82
Operating results	40,965.79	27,347.63
Financial expenses	-27,917.15	-9,215.69
Income tax	-3,624.79	-4,895.62
Earnings after taxes	**9,423.85**	**13,236.32**

IFRS 9 (Amendments) "Financial Instruments-Prepayment features with negative compensation"

The Board issued on 12 October 2017 amendments to the standard IFRS 9 in order to provide with the option to value financial instruments with prepayment features either at the net depreciated cost or at the fair value via the other comprehensive income. Such financial instruments allow or require from the counterparty in a contract agreement either to fully repay the obligation or to collect an indemnity for the premature termination of the contract.

The amendment is applied in the annual accounting periods beginning on or after 1st January 2019 and was adopted by the European Union on 22nd March 2018. The amendment is (not) expected to have (any material) impact on the financial statements of the Company and the Group.

IFRIC 23 Interpretation "Uncertainty over Income Tax Treatments"

Interpretation 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. In such case should be considered:

-- whether tax treatments should be considered collectively or independently and on the assumption that the examinations will be done by the taxation authorities having full knowledge of all relevant information:
-- it is probable that the taxation Authorities will accept the entity's determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates and
-- an entity has to reassess its judgments and estimates if facts and circumstances change.
IFRIC 23 is applicable for annual periods beginning on or after 1 January 2019.
The Management is in the process of assessing the effect on the companies of the Group.

Standards and Amendment of Standards that have not been adopted by the European Union

IFRS 17 "Insurance Contracts"

On May 18, 2017, the IASB issued the IFRS 17 which supersedes the existing standard IFRS 4. IFRS 17 establishes the principles for the recording, valuation, presentation and the disclosures of the insurance contracts with the aim to provide a more unified approach in terms of valuation and presentation for all insurance contracts.

According to the requirements of IFRS 17 the valuation of insurance obligations is not performed at the historic cost but instead at the current value in a prudent manner and with the use of:

- unbiased expected weighted estimates of future cash flows based on updated assumptions,
- discount rates that reflect the characteristics of the contracts' cash flows,
- estimates with regard to financial and non-financial risks that emerge from the issuance of insurance contracts.

The new standard is applicable for annual accounting periods beginning on or after 1 January 2021.

Annual Improvements in IFRS, Cycle 2015-2017

The following amendments of the 2015-2017 Cycle were issued by the Board in December 2017, have applications in periods beginning from or after 1st January 2019 and have not been adopted by the European Union. The following amendments are not expected to have any material impact on the financial statements of the Company (or and the Group) unless it is stated otherwise.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements

The amendments of IFRS 3 clarify that when an economic entity acquires the control of an entity which previously constituted a joint entity, then the economic entity should proceed and value the business interest which previously held in the particular entity.
The amendments of IFRS 11 clarify that an entity that participates, but has no control over another joint entity, may acquire joint control in the joint entity whose business activity comprises a company operation as defined in IFRS 3. In such cases, the business interests previously held in the joint entity are not being valued anew.

IAS 12 Income Taxes

The Board by amending the IAS 12 clarified that an economic entity should record the entire tax effects arising from the distribution of dividends on the results, the other comprehensive income or the equity, depending on where the entity recorded the initial transaction from which the distributed earnings and then the dividend emerged.

IAS 23 Borrowing Costs

The amendments clarify that if the borrowing that was received especially for the acquisition of an asset is remaining as pending and the relevant asset is ready to be used as initially planned or is ready for sale, then the balance of borrowing should be included in the capital of the general borrowings during the calculation phase of the capitalization rate.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

The Board, in October 2017, issued amendments on the IAS 28 "Investments in Associates and Joint Ventures". With this amendment, the Board clarified that the exception in IFRS 9 is valid only for the business interests that are being monitored on an accounting basis with the equity method. The entities

should apply the IFRS 9 in the other interests in associate companies and joint ventures, including the long-term interests where the equity method is not being applied and which in essence constitute part of the net investment in these associate companies and joint ventures.
The amendment is applied in the annual accounting periods beginning on or after 1st January 2019.

IAS 19 (Amendment) "Employee Benefits" - Modification, Curtailment or Settlement of a Defined Benefit Plan"

The International Accounting Standards Board on 7th February 2018 issued an amendment on IAS 19 according to which it clarified the manner based on which the service cost should be determined when changes emerge in a defined benefit plan. According to IAS 19 in case of amendment, curtailment or arrangement, the recalculation of the net liability or asset with regard to the defined benefits is required. The amendment of IAS 19 provides that the revised assumptions should be used, meaning the ones that had been used during the re-estimation of the net liability or asset needed for the determination of the service cost and the net interest for the remaining period after the change in the plan.
Also, with the amendment of IAS 19, further clarification is provided with regard to the effect of a amendment, curtailment or arrangement in the assets with regard to any limitation in the recognition of the net receivable or asset (maximum limit of asset).
The amendment is applied in the annual accounting periods beginning on or after 1st January 2019. The amendment is (not) expected to have (any material) impact on the financial statements of the Company and the Group.

<u>Amendments to References to the Conceptual Framework in IFRS (released on 29th March 2018)</u>

On 29th March 2018, the International Accounting Standards Board released the revised conceptual framework which redefines:
-The purpose of the financial information,
-The quality features of the financial statements,
-The definitions of the asset, the liability, the net worth as well as the income and expenses,
-The recognition criteria and the guidance with regard to the time of the write-off of the assets and liabilities in the financial statements,
-The basis of valuation and the guidance concerning the manner by which they should be used, and
-Concepts and guidance with regard to the presentation and the disclosures.

The scope of the revision of the conceptual framework is to assist in the preparation of the financial statements based on the adoption of consistent accounting policies for transactions and other events which are not governed by the scope or the application of existing standards or when a standard provides the option to select from a set of accounting policies. Furthermore, the scope of the revision is to assist all involved parties to further and better comprehend and interprete the standards.

The IASB (International Accounting Standards Board) also issued an attached document, Amendments to References of the Conceptual Framework, which determines the amendments of the standards affected, in order to update these references to the conceptual framework.

The amendment is applicable from the parties applying accounting policies based on the conceptual framework in the annual accounting periods beginning on or after 1st January 2020.

IAS 1 and IAS 8 (Amendments) "Definition of Material"

The amendments clarify the definition of what is material and how it should be implemented, including guidance on the definition that has so far been reported in other IFRSs. The definition of material, which is an important accounting concept in IFRS, helps companies to decide whether the information should be included in their financial statements. The updated definition amends IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendment ensures that the definition of material is consistent across all IFRS standards. The amendment shall apply from or after 1 January 2020.

IFRS 3 (Amendment) "Business Combinations"

The amendment concerns the improvement of the company's definition in order to help companies determine whether or not they are acquiring a business or group of assets. The modified business definition focuses on the output of a business, which is the supply of goods and services to customers, while the former definition focused on returns in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.
Companies are required to apply the amended definition of the entity to acquisitions on or after 1 January 2020.

2.2 Basis for Preparation of the Financial Statements

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

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

2.3 Consolidation

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

COMPANY	DOMICILE	BUSINESS ACTIVITY	PARTICIPATION STAKE	PARTICIPATION COST	CONSOLIDATION METHOD
NORTHERN GREECE METAL PRODUCTS S.A.	Thessaloniki	Commerce and processing of steel products	100.00%	6,368,000.00	Full
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Commerce and processing of steel products	33.33% (Joint Venture)	800,000.00	Equity
PHOTODEVELOPMENT SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTODIODOS SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.3%	265,533.70	Full
PHOTOENERGY SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
ILIOSKOPIO SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOKYPSELI SA	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropyrgos	Production of electric energy from Photovoltaic	100.00%	80,000	Full

		stations			
THRACE GREENHOUSES S.A.	Aspropyrgos	Production of agricultural products from glasshouse cultivations	49.09%	2,700,000	Equity
KALPINIS SIMOS BULGARIA EOOD	Sofia, Bulgaria	Commerce and processing of steel products	100.00%	10,000	Full

* The participation cost does not include any impairment.

In the second half 2017, ELASTRON SA implemented the acquisition of the additional percentage of 50% of TATA ELASTRON SA which was until then held by the company BRITISH STEEL NEDERLAND INTERNATIONAL B.V. Following the above acquisition, the final participation of the parent company in the share capital of TATA ELASTRON SA, which was renamed into NORTHERN GREECE METAL PRODUCTS S.A., has reached 100%. The purchase price settled at € 368 thousand. TATA ELASTRON was established in 2007 and comprised the 2nd joint venture (50-50) between ELASTRON and BRITISH STEEL NEDERLAND BV. The company possesses modern facilities in the area of Sindos in Thessaloniki whereas its business objective is the production, processing and distribution of steel products with application in the areas of construction, industry, energy and marine shipping.

ELASTRON SA valued the assets and liabilities of TATA ELASTRON SA at fair value according to the provisions and requirements of IFRS 3. The measurements of the fair value of the fixed assets are conducted by independent certified appraisers with the appropriate experience and knowledge in the field of the valuation of properties and mechanical equipment.

The company NORTHERN GREECE METAL PRODUCTS S.A. up until 30/06/2017 was included in the consolidated financial statements with the equity method whereas from the second half of 2017 and going forward it is consolidation according to the full method. The business interests held in companies that were consolidated according to the equity method in the financial statements of the Group as of 31/12/2018 are analyzed below:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
BALKAN IRON GROUP SRL	445,330.77	415,182.59	800,000.00	800,000.00
THRACE GREENHOUSES SA	2,777,669.50	2,599,646.95	2,700,000.00	2,700,000.00
Total	**3,223,000.27**	**3,014,829.54**	**3,500,000.00**	**3,500,000.00**

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

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

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

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

2.4 Foreign Exchange translations

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

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

2.5 Consolidated Financial Statements

(a) Subsidiaries

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

(b) Related – Associate Companies

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

(c) Joint Ventures (Entities under joint control)

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

2.6 Tangible Fixed Assets

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

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

Fixed asset category	Economic Life
Buildings/ Building Installations etc.	10 - 33 years
Mechanical Equipment etc.	10 - 33 years
Vehicles	06 - 20 years
Other Equipment	03 - 20 years

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

2.7 Intangible Assets

Intangible assets include software, which is valued at acquisition cost minus amortization. The amortization is estimated using the straight line method throughout the useful life of such assets, which is approximately up to 10 years. The expenditures required for the maintenance of software are recorded as expenses when they occur. The expenditures made for the development of certain software products that are controlled by the Group (in-house developments) are recorded as intangible assets when the following conditions are fulfilled: a) a certain asset is generated; b) it is likely that the generated asset will result into future economic benefits; and c) the development cost can be reliably estimated. Such expenditures include personnel fees and proportional general expenses. In case of software replacement from a new product, if the old one is not being used any longer then it is deleted from the Registry of Fixed Assets and its net book value affects the results for the year. In case of software upgrade, the particular cost is added to the acquisition cost and the amortization is calculated in the new acquisition cost. The economic life is reviewed on annual basis.

2.8 Investment property

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

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

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

2.9 Non-current assets held for sale and discontinued activities

Accounting treatment of the assets that are held for sale and presentation and disclosure of the discontinued activities:

The non-current assets held for sale are classified as held for sale if their net book value is going to be recovered through their sale and not through their continuous use. This condition is considered to be valid only if the sale is very likely to occur and the asset is readily available for sale in its existing condition. The Management must be willing to make the sale which is expected to occur either based on the time period defined in the contractual commitment or within a year from the above classification.

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

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

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

a) Represents a separate and significant part of business activities or a geographic area of business operations,
b) Comprises part of a unified and coordinated program in the liquidation (sale) of a large part of activities or a geographic area of operations or
c) It is a subsidiary which was acquired exclusively with the prospect to be resold.

2.10 Impairment review of tangible and intangible assets

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

2.11 Segment reporting

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

2.12 Borrowing Cost

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

2.13 Financial Assets (instruments)

A financial instrument constitutes any contract which generates a financial asset in a company and a financial liability or an equity participation in another company.

Initial Recognition

The Group measures the financial assets and financial liabilities during the initial recognition at fair value plus/minus the transaction costs which are related to the acquisition of financial assets or the issuance of financial liabilities respectively. The Group initially recognizes the trade receivables which do not incorporate any significant financing part in their transaction price.

The financial assets are being classified according to the business model of the economic entity concerning the management of the financial assets and their contractual cash flows.

The Group has a business model via which it manages the financial assets whereas this model reflects the manner by which the Group manages the assets in order to generate cash flows. In order for a financial asset to be classified and valued at the net book value or at the fair value via the comprehensive income, cash flows should emanate from them and be "solely payments of interest and principal" (SPPI) on the initial capital. This assessment is referred to as SPPI test and is reviewed at the level of financial items. The business model defines whether the cash flows will derive from the collection of contractual cash flows, sale of financial assets or from both. The Group reassesses the business model at each reporting period in order to determine if the business model has changed in comparison with the previous reporting period. For the current reporting periods of the current fiscal year, the Group did not detect any change in its business model.

Subsequent Measurement

The financial assets are being classified in one of the following three categories, which in turn determine their subsequent measurement:

- The net depreciated cost
- The fair value via the other comprehensive income and
- The fair value via the results

A financial asset is measured at the amortized or net depreciated cost whenever the following two conditions are simultaneously in effect:

- The financial asset is owned for holding purposes and for the collection of the contractual cash flows embedded in the asset, and
- The contractual terms of the asset lead, in certain dates, into cash flows which are exclusively payments of capital and interest on the outstanding balance of the capital.

A financial asset is measured at fair value via the other comprehensive income whenever the following two conditions are simultaneously in effect:

- The asset is being held for both the collection of the contractual cash flows embedded in this and its sale, and
- The contractual terms of the asset lead in certain dates into cash flows which are exclusively payments of capital and interest on the outstanding balance of the capital.

A financial asset is measured at fair value via the results when it is not classified under the two previous categories. However upon the initial recognition, an economic entity may select irrevocably for certain investments in participating securities to depict subsequent changes in their fair value through the other comprehensive income. Otherwise, these would have been measured at fair value and would have been accounted for via the results.

There is also the option, upon the initial recognition, for the economic entity to determine irrevocably a financial asset as being measured at fair value through the results if by this manner the entity is in position to either reduce notably or to eliminate an inconsistency in the measurement or the recognition (sometimes referred to as "accounting inconsistency") which otherwise would have emerged from the measurement of the financial assets or liabilities, or from the recognition of the profits or losses on these according to different bases.
The economic entity reclassifies financial assets whenever it modifies the business model it applies for their management.

Embedded Derivatives

According to IFRS 9, if the host contract in a financial item that also includes embedded derivatives is a financial asset, then the principles of classification and measurement described above are being applied for the entire hybrid contract. In other words, there is no requirement for separating the derivative from the host contract as it was the case by IAS 39.
A separation may be required under certain conditions when the host contract is not a financial asset.

Impairment of Financial Assets

IFRS 9 introduces a new impairment model for financial assets, which is the one of the expected credit losses.
A loss allowance or provision against the expected credit losses is recognized in the financial assets which are measured at the net amortized cost or at fair value through the other comprehensive income.
The economic entity should recognize a loss provision equal with the expected credit losses of the 12-month period. If the credit risk of a financial instrument significantly increases as compared to the initial

recognition, then the economic entity recognizes a loss provision at an amount equal to the expected credit losses during the entire life of the financial instrument (lifetime expected credit losses).

The Group and the Company applies the simplified approach of IFRS 9 for the calculation of the expected credit losses regarding the trade receivables during their entire life. At each balance sheet date, the Group performs an impairment test of receivables by using a table for the calculation of expected credit losses (ECL). As result, the Group recognizes a percentage loss based on the ECL during the entire life of the trade receivables at each reporting period. This percentage is calculated on the basis of historic data, current market conditions as well as future estimates at the end of each reporting period taking into account the terms of the credit insurance of trade receivables as well as other insurances (pledges written on the ownership of debtors, personal guarantees and bank letters of guarantee).

Termination of recognition of financial assets and liabilities

The de-recognition model of IFRS 9 remains the same with the one of IAS 39. If the contractual rights of the economic entity on the cash flows of an asset cease to exist or the contractual obligations have been fully repaid, then the economic entity will de-recognize the financial instrument or the financial liability from the statement of financial position.

Hedge Accounting

The new hedge accounting model offered by IFRS 9 relates the hedge accounting (which continues to be optional as in the case of IAS 39) with the risk management activities undertaken by the companies during the hedging process of the financial and non-financial risks.
IFRS 9 offers more options regarding the hedging instruments as it includes the use of non-derivative financial assets or financial liabilities, which are being measured at fair value through results.
IFRS 9 allows for the hedging of a component item of a financial instrument if this item is distinctly recognizable and the changes in the cash flows or the fair value can be reliably measured and estimated.
With regard to the hedge effectiveness control, IFRS 9 introduces principle-based criteria without certain arithmetic limits. According to the new standard, a hedging relation should cover the entire requirements of effectiveness as per below:

- There is economic relation between the hedged item and the hedging instrument,
- The effect of the credit risk does not exceed the changes in the value arising from the above relation, and
- The hedging coefficient is determined according to the actual quantities of the hedged item and the hedging instrument.

The rebalancing of the hedging relation (adjustments made in predefined quantities of the hedged item or the hedging instrument within an existing hedging relation) according to IFRS 9 is being treated on an accounting basis as continuation of the hedging relation.

2.14 Inventories

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

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

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

2.15 Trade receivables

The trade receivables are initially recognized at fair value and then are being valued at the net cost minus provisions from impairments, by utilizing the effective (real) interest rate method.

The Group initially recognizes the trade receivables when the part of financing incorporated in their transaction price is not significant.

The trade receivables include bills of exchange and notes receivables from the customers.

The Group and the Company applies the simplified approach of IFRS 9 for the calculation of the expected credit losses regarding the trade receivables during their entire life. At each balance sheet date, the Group performs an impairment test of receivables by using a table for the calculation of expected credit losses (ECL). As result, the Group recognizes a percentage loss based on the ECL during the entire life of the trade receivables at each reporting period. This percentage is calculated on the basis of historic data, current market conditions as well as future estimates at the end of each reporting period taking into account the terms of the credit insurance of trade receivables as well as other insurances (pledges written on the ownership of debtors, personal guarantees and bank letters of guarantee).

2.16 Cash and cash equivalents

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

2.17 Share capital and reserves

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

2.18 Loans

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

2.19 Income Tax – Deferred Income Tax

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

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

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

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

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

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

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

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

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

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

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

The provisions of article 23 of Law 4579/2018 (Gov. Gaz. A’ 201/03.12.2018) superseded the article 58 of the Income Tax Code (Law 4172/2014). According to the new provisions, the tax rate imposed on earnings from business activity concerning legal persons and legal entities is reduced by one percentage point per annum, beginning for the income generated in the tax year 2019. Specifically for the income of tax year 2018, the tax rate of 29%, already in effect, will be applicable, whereas for the income generated in tax year 2019, the new tax rate settles at twenty eight percent (28%), for the income of tax year 2020 at twenty seven percent (27%), for the income of tax year 2021 at twenty six percent (26%) and for the income of tax year 2022 and going forward the tax rate settles at twenty five percent (25%). Therefore after 3/12/2018 the tax rates of article 58 of Income Tax Code L. 4172/2013 as it is in effect are incrementally decreasing from 29% to 25% without any pre-condition. Regarding the tax rates which will be the basis for the calculation of the deferred taxes we note that in paragraph “Income taxes” of the IAS 12 the following are stated: “…The deferred tax assets and liabilities will be measured according to the tax rates expected to be applicable during the particular year when the respective tax asset or liability will be settled taking into account the tax rates (and the tax legislation) that has been established or materially established, until the balance sheet date…” Therefore the calculation of deferred taxes was based on the new tax rates as per above, meaning according their effect during the particular year when the respective tax asset or liability will be settled.

2.20 Employee benefits

(a) Short-Term Benefits:

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

(b) Post-employment benefits

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

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

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

(c) Benefits of service termination

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

(d) State Pension Plans

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

2.21 Provisions

Conditions for recording provisions:

- Legal Commitment

Contract, Legislation, or other application of the Law.

- or Constructive Obligation

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

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

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

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

2.22 De-recognition of financial assets and liabilities

Financial assets

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

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

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

Financial liabilities

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

2.23 Recognition of income

Income includes the fair value of sales of goods and the provision of services, net of VAT, custom duties and discounts and refunds.

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

Income recognition is carried out as follows:

(a) Income from sale of goods

The Group recognizes an income when it fulfills a contract-based obligation to a customer each time with the delivery of the good or the provision of the service (which coincides with the time where the control of the good or service is being transferred to the customer). If a contract includes more than one contractual obligation, the total value of the contract is allocated into the separate obligations based on the separate values of sale. The amount of the income which is being recognized is the amount that has been allocated into the respective contractual obligation which has been fulfilled, on the basis of the price consideration which the Group expects to receive based on the terms of the contract. Any variable price consideration is included in the amount of the revenue that is being recognized, to the extent that the particular amount will not be probably offset in the future.
The rights for future discounts based on the sales volume, are assessed by the company, in order to be determined whether they comprise essential or material rights which the customer would not have obtained if the customer had not previously signed a particular contractual agreement. For all these rights the company assesses the probability of their exercise and later on, the part of income which corresponds to the particular right is recognized when the right is either exercised or expires.
According to requirements of the new standard, the Group concluded that the future discounts on the sales volume generate a right for which a relevant provision must be made and recognized at the time of its exercise or expiration. The Group provides its customers with discounts on the sales volume depending on the limits defined in contracts signed between the two parties. All these discounts are accounted for within the financial year and therefore the application of the new standard has zero effect on the annual consolidated financial statements.

(b) Income from provision of services

Income from provision of services is recognized during the period when the service is rendered, during the period of the provision of service to the customer, always in relation with the completion rate of the service provided.

(c) Interest income

Interest income is recognized proportionally on time basis (accruals principle) and with the use of the effective tax rate. Whenever there is an impairment of receivables, the book value of these receivables is reduced to their recoverable amount which is the present value of the expected future cash flows discounted with the initial effective tax rate where the discount is allocated as interest income.

(d) Income from dividends

Dividends are recognized as income whenever the right of the shareholders to collect them is being finalized (meaning after the approval granted by the General Meeting).

2.24 Leases

The Group as Lessor has only operating leases, whereas as lessee has both operating and financial leases.

The Group as Lessee

Leases where risks and benefits of ownership are transferred from the lessor to the lessee are classified as financial leases, regardless of whether the ownership is eventually transferred or not. In this case, the fixed asset and liability are recorded at the lowest of the present value of minimum benefits guaranteed by the lessor or the fair value of the asset. Financial lease payments include the amount of principal and the financial expense. The financial expense should be allocated in the results so as to provide a fixed rate on the balance of the liability. The fixed assets that were acquired via a financial leasing agreement are depreciated at the shortest period between the economic life of the fixed assets and their leasing term.
A lease is classified as financial or operating based on the essence of the transaction and not the type of contract.

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

The Group as lessee

The receipts emanating from operating leases are recorded as income based on the straight line method along the leasing term. The respective leased fixed assets are included in the statement of financial position according to their nature.

2.25 Dividend distribution

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

2.26 Government Grants

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

2.27 Earnings per share

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

2.28 Long-term Receivables / Liabilities

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

2.29 Related parties

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

2.30 Capital management

It is the Group's policy to maintain a strong capital base in order to retain investors' and creditors' confidence and so that its future development will be supported. Management monitors equity, which it considers aggregately, with the exception of minority interest, so that the debt equity ratio (except for Company deposits) will amount to less than between 2 and 2.5 to 1.
In accordance with Codified Law 4548/2018, regarding société anonymes (SAs), limitations are imposed in relation to equity, as follows:
The acquisition of treasury shares, with the exception of acquisition with the intent of distribution to employees, cannot exceed 10% of the paid share capital and cannot result in the decrease of equity to an amount less than the amount of the share capital augmented by (a) the reserves for which distribution is prohibited by Law or the Articles of Association, (b) the other credit items of the equity, which are not allowed to be distributed and (c) the amounts of the credit items in the statement of income which are not realized earnings.
In the event where the company's total equity amounts to less than ½ of share capital, the Board of Directors is obligated to convene a General Meeting, within a period of six months from the end of the financial year, which will decide on the dissolution of the Company or the adoption of another measure.

At least 1/20 of net earnings are deducted annually in order to form a statutory reserve, which is used exclusively to counterbalance, before any dividend distribution, any debit balance of the statement of income. The formation of this reserve is rendered optional when its amount reaches at least 1/3 of the share capital.

The payment of annual dividends to shareholders in cash, to an amount at least 35% of net earnings, after the deduction of the statutory reserve and the other credit items of the statement of income, which are not due to realized gains, is mandatory. Non dividend distribution is applicable if decided by a General Shareholders' Meeting with increased quorum and by a majority of at least 80% of the fully paid share capital represented in the meeting.

With the decision of the general meeting which is based on increased quorum and by majority, earnings which are distributable as a minimum dividend may be capitalized and allocated to all shareholders in the form of shares calculated at their nominal value.

3. Financial risk management

Risks & Uncertainties

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

time, the regulatory framework of capital controls has significantly improved and as result the measure does not materially affect the ordinary activities of the Company and the Group.

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

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

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

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

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

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

1) Credit risk

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

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

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

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

Maturity of Trade Receivables	Group	Company
Up to 30 days	1,677,336.14	1,766,117.66
31 to 90 days	8,309,224.52	8,309,223.55
91 to 180 days	7,010,375.93	6,172,000.00
Over 180 days	4,275,047.02	4,526,452.45
Intra-group transactions	(340,187.26)	0.00

Total	**20,931,796.35**	**20,773,793.66**
Provisions for doubtful receivables	(3,218,980.72)	(3,046,630.50)
Total	**17,712,815.63**	**17,727,163.16**

2) Liquidity risk

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

The following table presents an analysis of the Company's and Group's liabilities, based on their expiration and remaining duration as at 31.12.2018.

Group	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	13,291,913.10	1,540,000.00	28,210,000.00	**43,041,913.10**
Suppliers and other liabilities	7,258,524.74	285,913.74	4,250,955.60	**11,795,394.08**
Grants (deferred income)	0.00	0.00	3,960,555.07	**3,960,555.07**
Total	**20,550,437.84**	**1,825,913.74**	**36,421,510.67**	**58,797,862.25**

Company	1 to 6 months	6 to 12 months	> 1 year	Total
Loans	12,206,000.01	1,540,000.00	28,210,000.00	**41,956,000.01**
Suppliers and other liabilities	7,000,785.42	285,913.75	3,270,012.20	**10,556,711.37**
Grants (deferred income)	0.00	0.00	2,935,668.95	**2,935,668.95**
Total	**19,206,785.43**	**1,825,913.75**	**34,415,681.15**	**55,448,380.33**

Within the year 2019, the Company refinanced the short-term part of its long-term bank debt amounting to € 6 million with new maturity date on 31.12.2020. The particular amount is depicted as short-term liability in the Statement of Financial Position of the company and the group.

3) Market risk

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

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

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

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

- **Foreign exchange risk**

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

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

Foreign currency is purchased in advance in order for the Company to limit its foreign exchange risk emerging from inventory purchase. The total liabilities of the Group as of 30/06/2018 are covered by equivalent purchases in advance of foreign currency and as a result there is no foreign exchange risk associated with the fluctuations of the US Dollar.

An increase by 10% of the Euro versus the US$ and of the Euro versus the RON on 30 June would affect the equity and the results by negligible amounts for the Company.

- **Interest rate risk**

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

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

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rates of loans (Euribor) would be 1% higher/lower on average during the year 2018:

Amounts in € million	Loans 31.12.2018	Effect on results before tax (+ / -)
Group	43.0	0.4
Company	42.0	0.4

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

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

The impact on the Results and Equity of the Group and Company would be as follows, if the interest rate on term deposits would be 1% higher/lower on average during the year 2018:

Amounts in € million	Sight and term deposits 31.12.2018	Effect on results before tax (+ / -)
Group	3.8	0.04
Company	3.5	0.03

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

- **Risk of capital**

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

Company Data	31.12.2018	31.12.2017
Total debt	41,956,000.01	37,133,158.05
Minus: Cash and cash equivalents	3,522,383.90	5,410,747.70
Net debt	**38,433,616.11**	**31,722,410.35**
Total equity	66,479,203.07	69,248,172.69
EBITDA	1,754,324.14	5,153,241.37
Equity / Net debt	**1.73**	**2.18**
Net debt / EBITDA	**21.91**	**6.16**

Group Data	31.12.2018	31.12.2017
Total debt	43,041,913.10	45,255,386.57
Minus: Cash and cash equivalents	3,770,665.02	5,930,121.94
Net debt	**39,271,248.08**	**39,325,264.63**
Total equity	66,375,523.44	67,648,703.51
EBITDA	3,595,814.94	9,404,350.92
Equity / Net debt	**1.69**	**1.72**
Net debt / EBITDA	**10.92**	**4.18**

4. *Fair value of financial assets*

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

Fair value of a financial item is the amount which is received from the sale of a financial item or paid for the settlement of an obligation in a transaction under normal conditions between two trading parties at the date of its valuation. The fair value of the financial items on 31.12.2018 was based on the best possible estimate on behalf of the Company's Management.

The ranking levels of fair value are the following:

a) official stock exchange prices (without adjustment) in markets with significant trading volumes for similar assets or liabilities (Level 1)

b) inflows, other than stock exchange prices which are included in Level 1, which can be observed for the financial asset or the liability, either directly (for example prices) or indirectly (as derivative of prices) (Level 2), and
c) inflows for the financial asset or the liability which are not based on observable market data (non observable inflows) (Level 3).
The levels in the ranking scale of fair value, within which the measurement of fair value is fully classified, is defined by the inflow of the lowest level which is deemed as significant for the measurement of the entire fair value.

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

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

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

5. Significant accounting estimations and judgments by management

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

Tax unaudited fiscal years

In application of the relevant tax provisions : a) paragraph 1 of article 84 of Law 2238/1994 (unaudited cases concerning income tax), b) paragraph 1 of article 57 of Law 2859/2000 (unaudited cases related to VAT) and c) paragraph 5 of article 9 of Law 2523/1997 (penalties imposed for income tax cases), the right of the Greek State to impose any tax with regard to the fiscal years up to 2011 including, has been waived until 31/12/2017, with the exception of special or extraordinary provisions which may provide for a longer waiving period and under the respective conditions which these provisions stipulate.
Apart from these, based on the jurisprudence of the Council of State and the administrative courts, and in absence of a provision in the Code of Laws regarding Stamp Duties for the waiving of such case, the relevant claim made by the Greek State for imposing stamp duties is subject to a 20-year waiver according to the article 249 of the Civil Code.
For years 2012 up until 2017, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS-SIMOS SA (up until 2016) have been subject to the tax audit of the Certified Auditors according to the provisions of paragraph 5, article 82 of Law 2238/1994 (fiscal years 2012 and 2013) and the provisions of article 65A of Law 4174/2013 (fiscal years 2014 until 2017) as they are in effect, whereas the relevant Tax Compliance Reports were issued. Since 2014, the other companies of the Group have been subject to the tax audit of the Certified Auditors as provided by the provisions of article 65A of Law 4174/2013 as it was amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not subject to the tax audit of the Certified Auditors and remain tax-unaudited up until today, by the pertinent tax authorities, we estimate that any additional taxes that may emerge will not have any material impact on the financial statements. Therefore we view that there is no reason to proceed with any additional provision.
For the fiscal year 2018, ELASTRON SA and the other Group companies have been subject to the tax audit by the Certified Auditors as stipulated by the provisions of article 65a, L. 4174/2013. This audit is in progress and the relevant tax certificates are expected to be granted after the release of the financial statements for year 2018. If new additional tax liabilities emerge up until the completion of the tax audit, then we estimate that these will not have any material effect on the financial statements of the Company and the Group.

6. *Analysis of tangible fixed assets*

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

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value	41,221,751.19	48,988,501.71	1,513,373.67	1,208,623.97	615,989.72	4,842,627.67	98,390,867.93
Accumulated depreciation and impairment	-9,933,128.90	-21,060,949.23	-1,228,113.21	0.00	-520,493.70	-1,659,005.52	-34,401,690.56
Net book value 31.12.17	**31,288,622.29**	**27,927,552.48**	**285,260.46**	**1,208,623.97**	**95,496.02**	**3,183,622.15**	**63,989,177.37**
Book value	42,923,669.65	48,236,682.39	1,496,213.21	1,079,812.21	615,989.72	4,842,627.67	99,194,994.85
Accumulated depreciation and impairment	-11,081,872.96	-20,979,987.60	-1,250,709.87	0.00	-537,826.75	-1,764,136.69	-35,614,533.87
Net book value 31.12.18	**31,841,796.69**	**27,256,694.79**	**245,503.34**	**1,079,812.21**	**78,162.97**	**3,078,490.98**	**63,580,460.98**

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value 31.12.16	**24,471,535.67**	**25,712,353.27**	**301,262.26**	**687,411.02**	**117,686.74**	**3,288,753.33**	**54,579,002.29**
Additions	0,00	1,998,568.39	47,965.93	878,531.57	0.00	0.00	2,925,065.89
Depreciations	-747,116.99	-1,818,658.18	-81,569.28	0.00	-17,395.08	-105,131.18	-2,769,870.71
Sales - write-offs	0.00	-40,470.65	-59,547.11	0.00	0.00	0.00	-100,017.76
Depreciation of assets sold/written-off	0.00	14,756.64	59,546.99	0.00	0.00	0.00	74,303.63
Change of consolidation method	7,564,203.61	2,061,003.01	17,601.67	-357,318.62	-4,795.64	0.00	9,280,694.03
Net book value 31.12.17	**31,288,622.29**	**27,927,552.48**	**285,260.46**	**1,208,623.97**	**95,496.02**	**3,183,622.15**	**63,989,177.37**
Merger of Agric. & consolidation with the equity method	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Additions	1,410,792.10	4,631,383.67	46,604.29	-128,811.76	0.00	0.00	5,959,968.30
Depreciations	-857,617.70	-1,920,733.09	-85,276.22	0.00	-17,333.05	-105,131.17	-2,986,091.23
Sales - write-offs	0.00	-5,517,026.55	-66,692.95	0.00	0.00	0.00	-5,583,719.50
Depreciation of assets sold/written-off	0.00	2,135,518.28	65,607.76	0.00	0.00	0.00	2,201,126.04
Net book value 31.12.2018	**31,841,796.69**	**27,256,694.79**	**245,503.34**	**1,079,812.21**	**78,162.97**	**3,078,490.98**	**63,580,460.98**

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

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value	28,638,288.82	36,340,618.53	1,261,805.32	1,208,623.97	484,749.56	4,842,627.67	72,776,713.87

Accumulated depreciation and impairment	-7,384,384.26	-17,134,128.70	-981,276.14	0.00	-389,253.67	-1,659,005.52	-27,548,048.29
Net book value 31.12.17	**21,253,904.56**	**19,206,489.83**	**280,529.18**	**1,208,623.97**	**95,495.89**	**3,183,622.15**	**45,228,665.58**
Book value	30,049,080.92	40,768,323.94	1,271,248.07	1,079,812.21	484,749.56	4,842,627.67	78,495,842.37
Accumulated depreciation and impairment	-7,954,679.62	-18,440,116.35	-1,026,626.99	0.00	-406,586.72	-1,764,136.69	-29,592,146.37
Net book value 31.12.18	**22,094,401.30**	**22,328,207.59**	**244,621.08**	**1,079,812.21**	**78,162.84**	**3,078,490.98**	**48,903,696.00**

MOVEMENT OF FIXED ASSETS	Land-plots & buildings	Vehicles & Mechanical Equipment	Furniture & other equipment	Assets under construction	Intangible assets	Investment property & fixed assets for sale	Total
Book value 1.1.2017	**21,842,134.08**	**18,593,008.21**	**280,244.03**	**330,092.40**	**112,828.94**	**3,288,753.33**	**44,447,060.99**
Absorption of affiliate 30.06.16	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Additions	0.00	1,998,568.39	76,957.63	878,531.57	0.00	0.00	**2,954,057.59**
Depreciations	-588,229.52	-1,361,099.53	-76,672.48	0.00	-17,333.05	-105,131.18	**-2,148,465.76**
Sales - write-offs	0.00	-33,470.55	0.00	0.00	0.00	0.00	**-33,470.55**
Depreciation of assets sold/written-off	0.00	9,483.31	0.00	0.00	0.00	0.00	**9,483.31**
Net book value 31.12.2017	**21,253,904.56**	**19,206,489.83**	**280,529.18**	**1,208,623.97**	**95,495.89**	**3,183,622.15**	**45,228,665.58**
Additions	1,410,792.10	4,627,243.17	44,221.29	-128,811.76	0.00	0.00	**5,953,444.80**
Depreciations	-570,295.36	-1,429,268.08	-80,129.34	0.00	-17,333.05	-105,131.17	**-2,202,157.00**
Sales - write-offs	0.00	-199,537.76	-34,778.54	0.00	0.00	0.00	**-234,316.30**
Depreciation of assets sold/written-off	0.00	123,280.43	34,778.49	0.00	0.00	0.00	**158,058.92**
Net book value 31.12.2018	**22,094,401.30**	**22,328,207.59**	**244,621.08**	**1,079,812.21**	**78,162.84**	**3,078,490.98**	**48,903,696.00**

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

7. Investment property

	COMPANY & GROUP	
	31.12.2018	31.12.2017
Property at 1 Palaska St., Skaramagkas	4,813,153.99	4,813,153.99
Apartment at Filippiados Str.	29,473.68	29,473.68
Total Value	**4,842,627.67**	**4,842,627.67**

Amortized	-1,764,136.69	-1,659,005.52
Net book value	**3,078,490.98**	**3,183,622.15**

8. Analysis of receivables

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Customers	17,494,656.64	13,971,740.13	17,348,582.56	13,554,061.29
Notes	2,933.11	2,933.11	0.00	0.00
Post-dated cheques	3,434,206.60	10,898,597.86	3,425,211.10	10,965,831.47
Provisions for bad debt	(3,218,980.72)	(3,080,467.88)	(3,046,630.50)	(2,916,667.88)
Total trade receivables	**17,712,815.63**	**21,792,803.22**	**17,727,163.16**	**21,603,224.88**

The Group and the Company applies the simplified approach of IFRS 9 for the calculation of the expected credit losses regarding the trade receivables during their entire life. At each balance sheet date, the Group performs an impairment test of receivables by using a table for the calculation of expected credit losses (ECL). As result, the Group recognizes a percentage loss based on the ECL during the entire life of the trade receivables at each reporting period. This percentage is calculated on the basis of historic data, current market conditions as well as future estimates at the end of each reporting period taking into account the terms of the credit insurance of trade receivables as well as other insurances (pledges written on the ownership of debtors, personal guarantees and bank letters of guarantee).
For the measurement of the expected credit losses, the customers have been classified on the basis of the credit features and their maturity (days of delay) at the reporting date. Prior to the acceptance of an external customer, the Group utilizes external credit related information in order to assess the credibility and creditworthiness of the new customer and therefore to determine its credit limit. The credit limits are reviewed whenever it is deemed appropriate and if needed they are revised on a periodical basis.
The following tables depict the credit risk profile of the customers based on the relevant provisions table of the Group and the Company. Given the fact that the Group's experience in credit losses indicates that the credibility of its customers does not differentiate due to each customer's business activity, the provision for the expected credit losses is based on the maturity of receivables and is not classified by any additional level.

GROUP

Balance of trade receivables – Balances' time delay					
31/12/2018	No time delay	1 – 90 days	91 – 180 days	>181 days	Total
Trade receivables	15,994,199.31	1,082,894.73	110,493.59	3,744,208.72	20,931,796.35
Expected % of credit loss	0.22%	3.77%	12.41%	83.59%	15.38%
Expected credit loss	34,789.33	40,798.18	13,712.80	3,129,680.41	3,218,980.72
Net balance	15,959,409.97	1,042,096.55	96,780.79	614,528.31	17,712,815.63

Balance of trade receivables – Balances' time delay					
1/1/2018	No time delay	1 – 90 days	91 – 180 days	>181 days	Total
Trade receivables	14,828,804.92	5,189,288.75	419,325.42	4,435,852.01	24,873,271.10
Expected % of credit loss	0.64%	0.69%	11.27%	69.86%	13.17%
Expected credit loss	95,164.78	35,870.21	47,250.04	3,098,765.99	3,277,051.02
Net balance	14,733,640.14	5,153,418.54	372,075.38	1,337,086.02	21,596,220.08

COMPANY

Balance of trade receivables – Balances' time delay					
31/12/2018	No time delay	1 – 90 days	91 – 180 days	>181 days	Total
Trade receivables	15,757,957.19	1,082,894.73	110,493.59	3,822,448.15	20,773,793.66
Expected % of credit loss	0.21%	3.77%	12.41%	77.41%	14.67%
Expected credit loss	33,166.61	40,798.18	13,712.80	2,958,952.91	3,046,630.50
Net balance	15,724,790.58	1,042,096.55	96,780.79	863,495.24	17,727,163.16

Balance of trade receivables – Balances' time delay					
1/1/2018	No time delay	1 – 90 days	91 – 180 days	>181 days	Total
Trade receivables	14,279,442.36	5,189,288.75	418,384.72	4,632,776.93	24,519,892.76
Expected % of credit loss	0.65%	0.69%	11.19%	63.47%	12.71%
Expected credit loss	92,964.27	35,870.21	46,826.72	2,940,407.75	3,116,068.95
Net balance	14,186,478.09	5,153,418.54	371,558.00	1,692,369.18	21,403,823.81

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

	GROUP			COMPANY		
	31/12/2018	01.01.2018	31.12.2017	31/12/2018	01.01.2018	31.12.2017
Opening balance	3,277,051.02	3,080,467.88	2,964,186.30	3,116,068.95	2,916,667.88	2,964,186.30
Additional provision (results)	30,609.74	0.00	60,000.00	19,598.60	0.00	60,000.00
Effect from IFRS 9 (in results carried forward 01.01.2018)	0.00	196,583.14	0.00	0.00	199,401.07	0.00
Change of consolidation method	0.00	0.00	163,800.00	0.00	0.00	0.00
Utilization of provision	-88,680.04	0.00	-107,518.42	-89,037.05	0.00	-107,518.42
Total	**3,218,980.72**	**3,277,051.02**	**3,080,467.88**	**3,046,630.50**	**3,116,068.95**	**2,916,667.88**

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

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Receivables from employees	37,688.76	16,890.00	37,563.76	17,052.75
Receivables from other partners - third parties	213,681.49	2,803,982.63	212,832.50	988,845.85
Greek State– income tax receivable	40,050.57	37,813.56	40,008.94	35,896.83
Greek State – receivable of other taxes	3,429,341.82	2,095,353.49	3,429,341.82	2,199,086.12
Receivables from related companies	0.00	0.00	0.00	2,700,810.41
Grants receivable	366,312.21	512,837.10	366,312.21	512,837.10
Provision for doubtful receivables	(115,901.37)	(122,900.00)	(109,358.38)	(116,000.00)
Total	**3,971,173.48**	**5,343,976.78**	**3,976,700.85**	**6,338,529.06**

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Initial balance	122,900.00	116,000.00	116,000.00	116,000.00
Transfer of impairment	(6,641.62)	0.00	(6,641.62)	0.00
Change in consolidation method	0.00	6,900.00	0.00	0.00
Transfer in long term & trade receivables	(357.01)	0.00	0.00	0.00
Total	**115,901.37**	**122,900.00**	**109,358.38**	**116,000.00**

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Given guarantees	52,436.58	55,999.06	38,516.58	42,079.06
Receivables from associates	487,076.55	147,386.26	6,917,874.05	3,543,237.45
Provisions for impairment	(411.23)	0.00	(6,641.62)	0.00
Total	**539,101.90**	**203,385.32**	**6,949,749.01**	**3,585,316.51**

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

9. *Analysis of inventories*

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Merchandise	24,275,089.60	18,365,609.49	24,275,089.60	18,365,609.49
Impairment of merchandise	0.00	0.00	0.00	0.00
Products	5,327,127.68	4,134,726.46	5,327,127.68	4,134,726.46
Orders	1,890,746.71	5,822,046.23	1,890,746.71	5,822,046.23
Raw materials – consumables	856,744.41	704,514.26	852,932.79	700,702.64
Total	**32,349,708.40**	**29,026,896.44**	**32,345,896.78**	**29,023,084.82**

The risk due to loss of inventory from natural disasters, theft etc., is extremely low due to the nature of inventories. There is however risk of impairment due to the volatility of prices globally. The Management of the Group continuously reviews the net liquidation value of inventories and makes the appropriate provisions in order to ensure that the value of inventory in the financial statements coincides with the real value.

10. Securities

The securities consist of portfolio of shares of companies listed and traded on the Athens Exchange and have been purchased with the objective to realize capital gains from the short-term price fluctuations of their prices. According to the principles of IFRS 9, the particular securities are recorded in the financial statements at fair value via the results (Level 1).

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Value of securities	27,300.00	26,600.00	27,300.00	26,600.00
Revaluation difference in the results	(840.00)	700.00	(840.00)	700.00
Balance	**26,460.00**	**27,300.00**	**26,460.00**	**27,300.00**

11. Derivatives

Derivatives concern forward foreign exchange contracts.

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Forward foreign exchange contracts (Current assets / short-term liabilities)	(299.63)	(85,702.34)	(299.63)	(85,702.34)
Amounts registered in the results	(4,168.32)	(100,948.95)	(4,168.32)	(100,948.95)

12. Analysis of cash reserves

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Cash in hand	12,509.74	12,828.16	4,427.76	4,718.44
Sight & term deposits	3,758,155.28	5,917,293.78	3,517,956.14	5,406,029.26
Total	**3,770,665.02**	**5,930,121.94**	**3,522,383.90**	**5,410,747.70**

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

13. Analysis of all equity accounts

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Share Capital	**18,410,839.00**	**18,421,516.00**	**18,410,839.00**	**18,421,516.00**
Share premium	**11,171,177.70**	**11,171,177.70**	**11,171,177.70**	**11,171,177.70**
Statutory reserve	3,549,983.05	3,549,983.05	3,535,074.04	3,535,074.04
Extraordinary reserves	866,308.15	802,993.02	866,308.15	802,993.02
Tax-exempt reserves subject to special legal provisions	12,086,025.87	12,086,025.87	12,086,025.87	12,086,025.87
Hedging reserves	-299.63	0.00	-299.63	0.00
Reserves of tax-exempt income	404,315.87	404,315.87	404,315.87	404,315.87
Special reserves	4,404,091.85	4,467,406.98	4,404,091.85	4,467,406.98
Total Reserves	**21,310,425.16**	**21,310,724.79**	**21,295,516.15**	**21,295,815.78**
Treasury shares	**0.00**	**-7,062.48**	**0.00**	**-7,062.48**
Retained earnings	16,724,436.57	14,430,779.75	18,366,725.69	18,442,614.10
Transfer in the reserves	0.00	-3,231.22	0.00	0.00
Results for the period	-1,132,006.25	2,296,888.04	-2,621,786.33	-75,888.41
Hedging reserve	299.63	0.00	299.63	0.00
Effect due to IFRS 9	-141,539.81	0.00	-143,568.77	0.00
Accumulated Earnings	**15,451,190.14**	**16,724,436.57**	**15,601,670.22**	**18,366,725.69**
Total equity without minority interest	**66,343,632.00**	**67,620,792.58**	**66,479,203.07**	**69,248,172.69**
Minority interest	31,891.44	27,910.93	0.00	0.00
Total Equity	**66,375,523.44**	**67,648,703.51**	**66,479,203.07**	**69,248,172.69**

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

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

At the same time with the decision of the same Ordinary General Meeting on 09/06/2016 it was decided the purchase of up to 1,830,016 shares of the Company which represent 9.94% of the current share capital. The purchase price range was approved between twenty (20) cents and one Euro and fifty cents (1.50) per share. According to the above decision, the Company proceeded up until 21/06/2018, which was the date of the Ordinary General Meeting, into the purchase of 10,677 treasure shares with the total acquisition value of 7,027.96 Euros (average price without expenses and transaction commissions at € 0.6582 / share).

	Shares	Value
Year 2012	184,350	107,441.43
Year 2013	27,130	17,758.82
Year 2014 (up to the G.M.)	1,520	1,277.36
Year 2014 (up to the G.M.)	6,070	3,624.10
Year 2015	6,115	3,182.75
Year 2016	11,976	7,569.25
Year 2017	0.00	0.00
Year 2018	10,677	7,062.48
Total	**247,838**	**147,916.19**
Cancellation of treasury shares via share capital decrease	-247,838	-147,916.19
Balance 31.12,2018	**0**	**0.00**

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

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

The accumulated earnings of the Group and the Company have increased by amounts of grants, € 4,013,642.46 and € 2,153,024.59 respectively, which according to the provisions of L. 3299/2004 & L. 3908/2011 are not being distributed.

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

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

Company Data	31.12.2018	31.12.2017
Total debt	41,956,000.01	37,133,158.05
Minus: Cash and cash equivalents	3,522,383.90	5,410,747.70
Net debt	**38,433,616.11**	**31,722,410.35**
Total equity	66,479,203.07	69,248,172.69
EBITDA	1,754,324.14	5,153,241.37
Equity / Net debt	**1.73**	**2.18**
Net debt / EBITDA	**21.91**	**6.16**

Group Data	31.12.2018	31.12.2017
Total debt	43,041,913.10	45,255,386.57
Minus: Cash and cash equivalents	3,770,665.02	5,930,121.94
Net debt	**39,271,248.08**	**39,325,264.63**
Total equity	66,375,523.44	67,648,703.51
EBITDA	3,595,814.94	9,404,350.92
Equity / Net debt	**1.69**	**1.72**
Net debt / EBITDA	**10.92**	**4.18**

14. Analysis of suppliers and other liabilities

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Insurance accounts & other taxes	542,076.22	461,312.83	486,286.19	438,582.33
Customer prepayments	617,958.74	498,447.57	604,489.59	484,978.42
Other liabilities / provisions	143,448.03	112,652.72	4,800.44	1,144.47
Total other liabilities	**1,303,482.99**	**1,072,413.12**	**1,095,576.22**	**924,705.22**
Suppliers	**5,668,828.37**	**5,638,116.83**	**5,618,995.82**	**5,606,595.76**

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

15. Analysis of loans

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

Long-term loans

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank loans	28,210,000.00	20,300,000.00	28,210,000.00	20,300,000.00

Short-term loans

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank loans	6,191,913.10	23,307,361.54	5,106,000.01	15,185,133.00
Short-term part of long-term loans	8,640,000.00	1,648,025.03	8,640,000.00	1,648,025.05
Total	**14,831,913.10**	**24,955,386.57**	**13,746,000.01**	**16,833,158.05**

TOTAL LOANS	**43,041,913.10**	**45,255,386.57**	**41,956,000.01**	**37,133,158.05**

	GROUP		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.18	14,831,913.10	28,210,000.00	0.00

	GROUP		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.17	24,955,386.57	20,300,000.00	0.00

	COMPANY		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.18	13,746,000.01	28,210,000.00	0.00

	COMPANY		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 31.12.17	16,833,158.05	20,300,000.00	0.00

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Loans outstanding at beginning of the period	**45,255,386.57**	**28,280,845.82**	**37,133,158.05**	**25,578,124.13**
Loans received	70,320,000.00	71,910,000.00	70,320,000.00	71,910,000.00
Change in consolidation method	0.00	6,595,457.74	0.00	0.00
Interest for the period	2,402,062.99	2,009,648.85	2,101,255.38	1,692,799.18
Total	**117,977,449.56**	**108,795,952.41**	**109,554,413.43**	**99,180,923.31**
Loans repaid	(72,490,377.06)	(61,942,780.73)	(65,540,249.99)	(60,780,888.70)
Interest paid	(2,445,159.40)	(1,597,785.11)	(2,058,163.43)	(1,266,876.56)
Balance of Loans	**43,041,913.10**	**45,255,386.57**	**41,956,000.01**	**37,133,158.05**

16. Analysis of deferred taxes

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

Deferred taxes are as follows:

a) For the Group

	01.01.2017	MERGER OF AFFILIATE	CHANGE OF CONSOLIDATION METHOD	1.1 - 31.12.2017	31.12.2017	1.1 – 31.12.18	31.12.2018
Intangible assets	46,707.29	-6,040.37	-18.03	-11,664.02	28,984.87	-11,662.13	17,322.74
Tangible assets	-4,707,302.50	52,832.80	-885,913.25	-758,728.68	-6,299,111.63	1,547,849.64	-4,751,261.99
Inventories	13,525.76	-4,120.35	0.00	331.08	9,736.49	-5,256.49	4,480.00
Impairment of interest	162,400.00	0.00	0.00	216,035.50	378,435.50	272,802.00	651,237.50
Trade and other receivables	606,020.68	0.00	10,759.00	-10,672.66	606,107.02	-11,822.62	594,284.40
Employee benefits	147,259.43	-1,482.34	1,691.18	-8,071.78	139,396.49	24,581.14	163,977.63
Suppliers and other liabilities	0.00	0.00	-9,495.83	5,183.64	-4,312.19	4,937.15	624.96
Extraordinary levy P/V	22,464.04	0.00	0.00	-22,464.04	0.00	0.00	0.00
Tax loss offset by taxable earnings of subsequent years	2,088,000.00	0.00	0.00	457,766.72	2,545,766.72	-1,769,942.38	775,824.34

Other	12,345.98	0.00	0.00	-4,331.93	8,014.05	-1,766.55	6,247.50
Total	**-1,608,579.32**	**41,189.74**	**-882,976.93**	**-136,616.17**	**-2,586,982.68**	**49,719.76**	**-2,537,262.92**
Directly to equity				-594,256.36		-78,208.72	
In the results				**-730,872.53**		**-28,488.96**	

b) For the Company

	01.01.2017	MERGER OF AFFILIATE	1.1 – 31.12.17	31.12.2017	1.1-31.12.18	31.12.2018
Intangible assets	-6,778.55	0.00	183.67	-6,594.88	1,323.56	-5,271.32
Tangible assets	-4,191,238.85	0.00	-64,403.77	-4,255,642.62	595,423.46	-3,660,219.16
Inventories	9,405.41	0.00	331.08	9,736.49	-5,256.49	4,480.00
Impairment of interest	162,400.00	0.00	216,035.50	378,435.50	272,802.00	651,237.50
Trade and other receivables	606,020.68	0.00	-44,736.70	561,283.98	-11,958.57	549,325.41
Employee benefits	145,777.09	0.00	-7,060.05	138,717.04	24,520.57	163,237.61
Tax loss offset by taxable earnings of subsequent years	2,088,000.00	0.00	-745,300.00	1,342,700.00	-652,700.00	690,000.00
Other	12,345.98	0.00	2,692.36	15,038.34	-8,790.84	6,247.50
Total	**-1,174,068.24**	**0.00**	**-642,257.91**	**-1,816,326.15**	**215,363.69**	**-1,600,962.46**
Directly to equity					-78,997.74	
In the results			**-642,257.91**		**136,365.95**	

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

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

The provisions of article 23 of Law 4579/2018 (Gov. Gaz. A' 201/03.12.2018) superseded the article 58 of the Income Tax Code (Law 4172/2014). According to the new provisions, the tax rate imposed on earnings from business activity concerning legal persons and legal entities is reduced by one percentage point per annum, beginning for the income generated in the tax year 2019. Specifically for the income of tax year 2018, the tax rate of 29%, already in effect, will be applicable, whereas for the income generated in tax year 2019, the new tax rate settles at twenty eight percent (28%), for the income of tax year 2020 at twenty seven percent (27%), for the income of tax year 2021 at twenty six percent (26%) and for the income of tax year 2022 and going forward the tax rate settles at twenty five percent (25%). Therefore after 3/12/2018 the tax rates of article 58 of Income Tax Code L. 4172/2013 as it is in effect are incrementally decreasing from 29% to 25% without any pre-condition. Regarding the tax rates which will be the basis for the calculation of the deferred taxes we note that in paragraph "Income taxes" of the IAS 12 the following are stated: "…The deferred tax assets and liabilities will be measured according to the tax rates expected to be applicable during the particular year when the respective tax asset or liability will be settled taking into account the tax rates (and the tax legislation) that has been established or materially established, until the balance sheet date…" Therefore the calculation of deferred taxes was based on the new tax rates as per above, meaning according their effect during the particular year when the respective tax asset or liability will be settled.

As of 31.12.2018, the effect from the change in the future tax rates is presented below:

	GROUP		COMPANY	
	Prior to the change in the future tax rates	After the change in the future tax rates (L. 4579/2018)	Prior to the change in the future tax rates	After the change in the future tax rates (L. 4579/2018)
	31.12.2018	31.12.2018	31.12.2018	31.12.2018
Opening balance for the year (Deferred Income Tax – Liability)	**-2,586,982.68**	**-2,586,982.68**	**-1,816,326.15**	**-1,816,326.15**
Benefit/(Burden) - Results	-487,666.21	-28,488.96	-170,886.09	136,365.95
Benefit/(Burden) – Other comprehensive income	81,001.89	78,208.72	81,819.09	78,997.74
Ending balance for the year (Deferred Income Tax – Liability)	**-2,993,647.00**	**-2,537,262.92**	**-1,905,393.15**	**-1,600,962.46**

17. Analysis of post-employment benefits

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Balance Sheet liabilities	**655,593.35**	**544,977.55**	**652,950.42**	**542,634.62**
Charges to the Results	**56,719.66**	**51,049.23**	**56,419.66**	**51,048.78**
Actuarial gains / (losses	**85,030.14**	**(1,818.69)**	**85,030.14**	**0.00**
Present value of financed liabilities	0.00	0.00	0.00	0.00
Present value of non-financed liabilities	570,563.21	546,796.24	567,920.28	542,634.62
Balance Sheet Liability	**655,593.35**	**544,977.55**	**652,950.42**	**542,634.62**
Changes in the net liability recognized in the Balance Sheet				
Net liability at beginning of year	544,977.55	507,791.12	542,634.62	502,679.62
Benefits paid	(31,134.00)	(11,093.78)	(31,134.00)	(11,093.78)
Total expense recognized in the results	56,719.66	51,049.23	56,419.66	51,048.78
From merger with Corus Kalpinis Simos	0.00	(950.33)	0.00	0.00
Change of Cons. Method – Merger of Agric.	0.00	0.00	0.00	0.00
Actuarial gains / (losses)	85,030.14	(1,818.69)	85,030.14	0.00
Net liability at end of year	**655,593.35**	**544,977.55**	**652,950.42**	**542,634.62**

Analysis of expenses recognized in the results				
Cost of current employment	37,038.81	39,108.60	36,738.81	39,108.60
Financial cost	8,139.52	7,540.18	8,139.52	7,540.18
Prior service cost	11,541.33	4,400.45	11,541.33	4,400.00
Total expense recognized in the results	**56,719.66**	**51,049.23**	**56,419.66**	**51,048.78**
Allocation of Expense				
Cost of sales	23,029.82	20,538.09	23,029.82	20,538.09
Distribution expenses	20,521.08	19,919.83	20,521.08	19,919.83
Administrative expenses	13,168.76	10,591.31	12,868.76	10,590.86
Total	**56,719.66**	**51,049.23**	**56,419.66**	**51,048.78**

	31.12.2018				
	< 1 year	From 1 to 2 years	From 2 to 5 years	> 5 years	Total
Expected average expiration of the liability for employee benefits of company	0.00	0.00	0.00	**652,950.42**	**652,950.42**
Expected average expiration of the liability for employee benefits of group	0.00	0.00	0.00	**655,593.35**	**655,593.35**

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

18. Analysis of tax liabilities

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Income tax liability	0.00	0.00	0.00	0.00
Credit balance of tax statements to be refunded	(40,050.57)	(37,813.56)	(40,008.94)	(35,896.83)
Tax duties from previous years	0.00	0.00	0.00	0.00
Total	**(40,050.57)**	**(37,813.56)**	**(40,008.94)**	**(35,896.83)**

19. Segment reporting

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

The three business segments are as follows:

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

	01.01 – 31.12.2018				
(Amounts in €)	**STEEL PRODUCTS**	**ENERGY SEGMENT**	**CONSOLIDATION IN THE EQUITY**	**CONSOLIDATION & ARRANGEMENT ENTRIES**	**CONSOLIDATED STATEMENT OF INCOME**
Sales	107,237,863.38	1,302,338.65	0.00	0.00	108,540,202.03
Gross profit / (loss)	10,689,960.94	510,574.34	0.00	259,864.62	11,460,399.90
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	1,372,223.06	804,566.49	0.00	1,419,025.39	3,595,814.94
Earnings / (losses) before interest and taxes (EBIT)	(309,457.49)	447,021.49	208,170.73	1,213,782.86	1,559,517.59
Earnings / (losses) before taxes (EBT)	(2,877,351.38)	264,653.59	0.00	1,517,329.32	-1,095,368.47
Earnings / (losses) after taxes	(2,882,870.51)	241,683.77	0.00	1,517,329.32	-1,123,857.42

	01.01 – 31.12.2017				
(Amounts in €)	**STEEL PRODUCTS**	**ENERGY SEGMENT**	**CONSOLIDATION IN THE EQUITY**	**CONSOLIDATION & ARRANGEMENT ENTRIES**	**CONSOLIDATED STATEMENT OF INCOME**
Sales	89,077,882.55	1,357,304.03	0.00	-6,962.04	90,428,224.54
Gross profit / (loss)	12,412,029.03	582,023.07	0.00	260,400.00	13,254,452.10
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	5,182,221.95	898,710.91	0.00	3,323,418.06	9,404,350.92
Earnings / (losses) before interest and taxes (EBIT)	3,008,685.65	540,863.44	0.00	3,374,234.68	6,923,783.77
Earnings / (losses) before taxes (EBT)	207,863.39	322,334.10	0.00	2,600,738.62	3,130,936.11
Earnings / (losses) after taxes	-424,988.57	224,313.53	0.00	2,600,738.62	2,400,063.58

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

- Domestic Sales (approximately 70%)
- Foreign Sales (approximately 30%)

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

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Sales of Merchandise	38,135,176.90	33,711,910.05	38,135,176.90	33,711,910.05
Sales of Products	70,393,182.88	56,704,090.31	69,090,844.23	55,353,748.32
Other Sales	11,842.25	12,224.18	11,842.25	12,224.18
Total Sales	**108,540,202.03**	**90,428,224.54**	**107,237,863.38**	**89,077,882.55**

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Domestic Sales	73,039,465.18	64,444,198.05	71,737,126.53	63,158,320.64
Foreign Sales	35,500,736.85	25,984,026.49	35,500,736.85	25,919,561.91
Total Sales	**108,540,202.03**	**90,428,224.54**	**107,237,863.38**	**89,077,882.55**

20. Analysis of other results

(a) Other income

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

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Income from transport & delivery expenses	1,600,022.05	1,203,483.87	1,600,022.05	1,203,483.37
Rental Income	850.00	600.00	267,920.00	267,720.00
Income from provision of services	79,424.29	33,317.83	79,424.29	33,317.83
Income from Grants	949,793.87	300,782.57	155,579.38	238,486.95
Profit from sale of fixed assets	0.00	0.00	0.00	0.00
Income from previous years	459.10	2,836.09	459.10	2,836.09
Valuation of initial participation in subsidiary, at fair (IFRS 3)	0.00	1,509,778.37	0.00	0.00
Profit from acquisition of share of subsidiary (IFRS 3)	0.00	1,164,177.50	0.00	0.00
Other income	64,302.00	75,583.03	61,921.36	55,526.05
Total	**2,694,851.31**	**4,290,559.26**	**2,165,326.18**	**1,801,370.29**

(b) Other expenses

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

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Doubtful trade and other receivables	24,379.35	60,000.00	19,598.60	60,000.00
Losses from sale of fixed assets	112,848.54	0.00	49,245.00	0.00
Previous years' expenses	9,578.62	33,541.69	9,352.61	33,541.69

Other expenses	251,986.96	144,438.37	251,386.84	143,361.12
Impairment of investments	0.00	0.00	1,300,000.00	740,000.00
Amortization	429,317.42	241,396.03	0.00	0.00
Total	**828,110.89**	**479,376.09**	**1,629,583.05**	**976,902.81**

(c) Expenses

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

	GROUP		
	01.01-31.12.18		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,950,970.65	2,081,999.84	674,349.91
Third party fees & expenses	623,712.70	836,399.34	1,172,635.34
Third party benefits	702,454.09	602,743.73	573,456.12
Taxes - duties	114,963.69	71,398.32	100,304.60
Sundry expenses	803,750.82	4,530,779.72	224,459.49
Depreciation	1,657,677.48	687,544.33	211,551.99
Cost of inventories	91,226,272.70	0.00	0.00
Total	**97,079,802.13**	**8,810,865.28**	**2,956,757.45**

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

	COMPANY		
	01.01-31.12.18		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,950,970.65	2,081,999.84	647,032.22
Third party fees & expenses	569,192.70	836,399.34	1,126,017.80
Third party benefits	633,430.43	602,743.73	496,249.13
Taxes - duties	64,126.08	71,398.32	6,000.15

Sundry expenses	803,750.82	4,530,779.72	217,339.36
Depreciation	1,300,159.06	687,544.33	214,453.61
Cost of inventories	91,226,272.70	0.00	0.00
Total	**96,547,902.44**	**8,810,865.28**	**2,707,092.27**

	COMPANY		
	01.01-31.12.17		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	1,689,254.26	1,790,988.73	630,459.89
Third party fees & expenses	525,549.36	799,082.31	1,085,757.36
Third party benefits	509,095.44	494,937.51	399,236.07
Taxes - duties	69,020.38	76,195.74	4,574.95
Sundry expenses	576,671.82	3,639,076.86	186,989.42
Depreciation	1,262,530.65	668,698.30	217,236.81
Cost of inventories	72,033,731.61	0.00	0.00
Total	**76,665,853.52**	**7,468,979.45**	**2,524,254.50**

(d) Financial expenses – income

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

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Debit interest	2,066,664.46	1,969,511.14	1,950,411.70	1,702,195.20
Other bank expenses and fees	712,155.81	429,057.95	612,826.76	381,852.32
Foreign exchange differences	220,112.65	689,736.78	220,112.65	690,349.35
Losses from derivatives	0.00	28,184.00	0.00	28,184.00
Total	**2,998,932.92**	**3,116,489.87**	**2,783,351.11**	**2,802,580.87**

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

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Credit interest	815.28	6,650.96	815.28	6,443.32
Income from securities	416.50	19,197.50	416.50	19,197.50
Interest receivable from customers	26,476.66	38,273.58	212,221.16	167,852.89
Foreign exchange differences	107,317.65	33,111.74	107,317.65	33,143.05
Profit from derivatives	850.04	0.00	850.04	0.00
Total	**135,876.13**	**97,233.78**	**321,620.63**	**226,636.76**

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

	01.01-31.12.2018		
	Results for the period	Other	Total
THRACE GREENHOUSES SA	178,022.55	0.00	178,022.55
BALKAN IRON GROUP SRL	30,148.18	0.00	30,148.18
Total	**208,170.73**	**0.00**	**208,170.73**

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

(f) Income tax expense

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Income tax of current year / provision	0.00	0.00	0.00	0.00
Deferred taxation	-28,488.95	-730,872.53	136,365.95	-642,257.91
Tax audit differences	0.00	0.00	0.00	0.00
Provision for possible tax differences	0.00	0.00	0.00	0.00
Total	**-28,488.95**	**-730,872.53**	**136,365.95**	**-642,257.91**

(g) Other comprehensive income / expenses after taxes

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Actuarial gains / losses	-61,864.70	1,291.26	-61,864.70	0.00
Result from cash flow hedging minus the corresponding tax	57,696.38	-100,948.95	57,696.38	-100,948.95
Other	0.00	0.00	0.00	0.00
Total	**-4,168.32**	**-99,657.69**	**-4,168.32**	**-100,948.95**

21. Analysis of earnings per share

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Net earnings corresponding to shareholders	-1,127,837.93	2,396,545,74	-2,617,618.01	25,060.54
Number of shares (W. Avg)	18,421,780	18,421,780	18,421,780	18,421,780
Earnings / (losses) per share (€)	**-0.0612**	**0.1301**	**-0.1421**	**0.0014**

22. Transactions with related parties

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

(a) Intra-company sales / purchases on 31.12.2018 and 31.12.2017 respectively

	SALES / REVENUES			
PURCHASES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	2,746,197.08	**2,746,197.08**
THRACE GREENHOUSES S.A.	5,904.10	0.00	0.00	**5,904.10**
PHOTOENERGY S.A.	51,948.75	0.00	0.00	**51,948.75**
PHOTODEVELOPMENT S.A.	116,362.09	0.00	0.00	**116,362.09**
PHOTODIODOS S.A.	102,055.41	0.00	0.00	**102,055.41**
PHOTOKYPSELI S.A.	35,100.43	0.00	0.00	**35,100.43**
ILIOSKOPIO S.A.	48,353.74	0.00	0.00	**48,353.74**
PHOTOISHIS LTD	13,687.50	0.00	0.00	**13,687.50**
NORTHERN GREECE METAL PRODUCTS S.A.	80,166.33	0.00	0.00	**80,166.33**
TOTAL	**453,578.35**	**0.00**	**2,746,197.08**	**3,199,775.43**

	SALES / REVENUES			
PURCHASES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	1,304,490.32	**1,304,490.32**
THRACE GREENHOUSES S.A.	5,021.71	0.00	0.00	**5,021.71**
PHOTOENERGY S.A.	52,040.41	0.00	0.00	**52,040.41**

PHOTODEVELOPMENT S.A.	116,482.09	0.00	0.00	**116,482.09**
PHOTODIODOS S.A.	102,160.41	0.00	0.00	**102,160.41**
PHOTOKYPSELI S.A.	35,157.09	0.00	0.00	**35,157.09**
ILIOSKOPIO S.A.	48,423.75	0.00	0.00	**48,423.75**
PHOTOISHIS LTD	13,687.50	0.00	0.00	**13,687.50**
NORTHERN GREECE METAL PRODUCTS S.A.	32,133.36	0.00	0.00	**32,133.36**
TOTAL	**405,106.32**	**0.00**	**1,304,490.32**	**1,709,596.64**

(b) Intra-company receivables / liabilities on 31.12.2018 and 31.12.2017 respectively:

	RECEIVABLES			
LIABILITIES	**ELASTRON S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**COMPANIES OF PHOTOVOLTAIC STATIONS**	**TOTAL**
ELASTRON S.A.	0.00	50,460.61	0.00	**50,460.61**
THRACE GREENHOUSES S.A.	350,000.00	0.00	0.00	**350,000.00**
PHOTOENERGY S.A.	167,145.12	0.00	0.00	**167,145.12**
PHOTODEVELOPMENT S.A.	465,181.18	0.00	0.00	**465,181.18**
PHOTODIODOS S.A.	412,081.86	0.00	0.00	**412,081.86**
PHOTOKYPSELI S.A.	80,951.64	0.00	0.00	**80,951.64**
ILIOSKOPIO S.A.	155,921.43	0.00	0.00	**155,921.43**
PHOTOISHIS LTD	476,406.04	0.00	0.00	**476,406.04**
NORTHERN GREECE METAL PRODUCTS S.A.	4,436,090.32	0.00	0.00	**4,436,090.32**
BALKAN IRON GROUP SRL	167,370.00	0.00	0.00	**167,370.00**
KALPINIS SIMOS BULGARIA EOOD	805,000.00	0.00	0.00	**805,000.00**
TOTAL	**7,516,147.59**	**50,460.61**	**0.00**	**7,566,608.20**

	RECEIVABLES			
LIABILITIES	**ELASTRON S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**CORUS KALPINIS SIMOS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	1,166.00	61,568.86	**62,734.86**
ELASTRON AGRICULTURAL S.A.	1,609,102.01	0.00	0.00	**1,609,102.01**
PHOTOENERGY S.A.	204,500.00	0.00	0.00	**204,500.00**
PHOTODEVELOPMENT S.A.	495,304.06	0.00	0.00	**495,304.06**
PHOTODIODOS S.A.	444,500.00	0.00	0.00	**444,500.00**
PHOTOKYPSELI S.A.	104,500.00	0.00	0.00	**104,500.00**
ILIOSKOPIO S.A.	184,500.00	0.00	0.00	**184,500.00**

PHOTOISHIS LTD	597,390.04	0.00	0.00	**597,390.04**
NORTHERN GREECE METAL PRODUCTS S.A.	2,025,277.77	0.00	0.00	**2,025,277.77**
BALKAN IRON GROUP SRL	155,700.00	0.00	0.00	**155,700.00**
KALPINIS SIMOS BULGARIA EOOD	780,000.00	0.00	0.00	**780,000.00**
TOTAL	**6,600,773.88**	**1,166.00**	**61,568.86**	**6,663,508.74**

	GROUP		COMPANY	
	1.1-31.12		1.1-31.12	
	2018	2017	2018	2017
c) Transactions and remuneration of Board Members & senior executives				
Transactions and remuneration of Board Members	639,685.56	606,962.24	639,685.56	606,962.24
Transactions and remuneration of senior executives	95,200.00	150,189.75	95,200.00	84,000.00
Transactions and remuneration of other related entities	51,205.09	55,672.50	51,205.09	55,672.50
Receivables from senior executives and Board members	0.00	0.00	0.00	0.00
Liabilities to senior executives and Board members	0.00	0.00	0.00	0.00

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

23. Contingent Liabilities - Receivables

Operating Leases

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Until 1 year	174,740.57	195,992.08	131,540.57	152,792.08
From 1-5 years	301,349.37	398,118.09	128,549.37	225,318.09
After 5 years	378,000.00	421,200.00	0.00	0.00
Total	**854,089.94**	**1,015,310.17**	**260,089.94**	**378,110.17**

Guarantees

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

	31.12.2018	
	GROUP	COMPANY
Guarantees to secure obligations to suppliers	4,345,987.17	4,339,669.17

Guarantees to secure trade receivables	3,151,770.00	3,151,770.00
Other Guarantees	4,646,603.00	3,932,874.59
Total	**12,144,360.17**	**11,424,313.76**

Tax unaudited fiscal years

In application of the relevant tax provisions : a) paragraph 1 of article 84 of Law 2238/1994 (unaudited cases concerning income tax), b) paragraph 1 of article 57 of Law 2859/2000 (unaudited cases related to VAT) and c) paragraph 5 of article 9 of Law 2523/1997 (penalties imposed for income tax cases), the right of the Greek State to impose any tax with regard to the fiscal years up to 2011 including, has been waived until 31/12/2017, with the exception of special or extraordinary provisions which may provide for a longer waiving period and under the respective conditions which these provisions stipulate.
Apart from these, based on the jurisprudence of the Council of State and the administrative courts, and in absence of a provision in the Code of Laws regarding Stamp Duties for the waiving of such case, the relevant claim made by the Greek State for imposing stamp duties is subject to a 20-year waiver according to the article 249 of the Civil Code.
For years 2012 up until 2017, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS-SIMOS SA (up until 2016) have been subject to the tax audit of the Certified Auditors according to the provisions of paragraph 5, article 82 of Law 2238/1994 (fiscal years 2012 and 2013) and the provisions of article 65A of Law 4174/2013 (fiscal years 2014 until 2017) as they are in effect, whereas the relevant Tax Compliance Reports were issued. Since 2014, the other companies of the Group have been subject to the tax audit of the Certified Auditors as provided by the provisions of article 65A of Law 4174/2013 as it was amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not subject to the tax audit of the Certified Auditors and remain tax-unaudited up until today, by the pertinent tax authorities, we estimate that any additional taxes that may emerge will not have any material impact on the financial statements. Therefore we view that there is no reason to proceed with any additional provision.
For the fiscal year 2018, ELASTRON SA and the other Group companies have been subject to the tax audit by the Certified Auditors as stipulated by the provisions of article 65a, L. 4174/2013. This audit is in progress and the relevant tax certificates are expected to be granted after the release of the financial statements for year 2018. If new additional tax liabilities emerge up until the completion of the tax audit, then we estimate that these will not have any material effect on the financial statements of the Company and the Group.

Legal cases

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

24. Dividends

According to Greek commercial law, companies are obligated to distribute at least 35% of earnings after the deduction of taxes and the statutory reserve, to shareholders. The Ordinary General Meeting of Shareholders on 21/06/2018 approved not to distribute any dividend for the financial year 2017.

25. Personnel information

(a) Number of personnel

The number of employees working for the Group and the Company is presented in the following table:

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Regular staff	124	81	110	69

Staff on day-wage basis	137	159	70	94
Total staff	**261**	**240**	**180**	**163**

(b) Personnel's remuneration

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

	GROUP		COMPANY	
	01.01-31.12		01.01-31.12	
	2018	2017	2018	2017
Employee remuneration	3,510,192.98	3,172,897.50	3,489,013.67	3,160,928.93
Employer contributions	928,221.12	858,701.54	922,382.74	852,848.32
Other benefits	243,320.64	45,876.85	243,320.64	45,876.85
Total	**4,681,734.74**	**4,077,475.89**	**4,654,717.05**	**4,059,654.10**

26. Government Grants

	31.12.2018		31.12.2017	
	GROUP	COMPANY	GROUP	COMPANY
Grants on completed investments	7,974,197.57	5,088,693.53	8,341,943.05	5,456,439.01
Grants on the income of the year 2018 / 2017	(949,793.87)	(155,579.38)	(289,303.57)	(238,486.95)
Grants on revenue from previous financial years	(3,063,848.63)	(1,997,445.20)	(2,774,545.06)	(1,758,958.25)
Balance on deferred income	**3,960,555.07**	**2,935,668.95**	**5,278,094.42**	**3,458,993.81**
Received Prepayment	7,607,885.36	4,722,381.32	7,829,105.95	4,943,601.91
Receivable from Grant	366,312.21	366,312.21	512,837.10	512,837.10

The decision no. 70161/28-06-2018 of the Deputy Minister of Finance and Development approved the completion of the business plan of ELASTRON SA which was submitted and accepted according to the inclusion decision no. 16985/ΔΒΕ 2029/22-12-2006/v.3299/2004 (Gov. Gaz. 421/Β'/27-03-2007) as it is currently in effect in the framework of Law 3299/2007 (Article 3, paragraph 1, case e, sub-case xi). The amount of the investment accounted for 12.8 million Euros and the corresponding grant settled at 4.5 million Euros, with the full amount being received.

The parent Company submitted in June 2013 to the Ministry of Development and Competitiveness a new subsidized investment program under the auspices of L. 3908/2011 for the modernization of the mechanical and building machinery, amounting to € 3.4 million. The rate of subsidy in this program is set at 15%. In May 2014, the parent Company's investment plan was approved and included in the category of General Entrepreneurship of the General Business Plans of article 6 of Law 3908/2011. In November 2017, the Company filled an audit request with regard to the completion and certification of the commencement of the production activity in relation to the particular investment, whereas in February 2018, the Company collected an amount of 146.5 thousand Euros which corresponds to 2/7 of the respective grant. Within fiscal year 2019, the certification audit concerning the completion of the investment's financial and physical objective was completed and relevant announcements are expected to be made.

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

27. Financial Leases

The Parent Company has entered into long-term leasing agreements concerning two steel production machineries, with the right to purchase these assets. Since the criteria of IAS 17 are being fulfilled, the agreements have been recognized as financial leases. The particular machineries are included in the fixed assets of the Company's financial statements. The total liability as it emanates from the relevant agreements amounts to € 1,587.93 thousand of which an amount of € 1,016.10 thousand is recorded in the long-term liabilities whereas the balance is recorded in the short-term ones. The time allocation of the financial leasing liabilities on 31.12.2018 and 31.12.2017 for the Company and the Group is as follows:

Fiscal Year 2018

Amounts in €	Liabilities of financial leases	Minus: Future financial debits of financial leases	Total
Within the following year	632,659.76	-60,832.27	571,827.49
From the 2nd until the 5th year	1,058,425.13	-42,325.80	1,016,099.33
After the 5th year	0.00	0.00	0.00
Total	**1,691,084.89**	**-103,158.07**	**1,587,926.82**

Fiscal Year 2017

Amounts in €	Liabilities of financial leases	Minus: Future financial debits of financial leases	Total
Within the following year	369,293.41	-46,317.77	322,975.64
From the 2nd until the 5th year	903,133.50	-49,995.53	853,137.97
After the 5th year	0.00	0.00	0.00
Total	**1,272,426.91**	**-96,313.30**	**1,176,113.61**

During the year 2018, the Company made a capital repayment of € 759,718.53 for financial leases versus € 478,682.15 in fiscal year 2017.

28. Exchange rates

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

31.12.2018

1 € = 4.6540RON (Exchange rate used in the Statement of Financial Position)
1 € = 4.6635RON (Exchange rate used in the Statement of Comprehensive Income)

31.12.2017

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

29. Availability of Financial Reports

The annual Financial Report of ELASTRON Group and its subsidiaries, including the Management Report by the Board of Directors as an inseparable part of such, as well as the Audit Report by the Certified Auditor for the financial year ended on 31.12.2018, have been posted on the company's website http://www.elastron.gr.

30. Events after the end of the reporting period

Within the first quarter of 2019, the subsidiary company METAL-PRO SA proceeded with a share capital increase amounting to € 4,350 thousand whereas the joint venture Thrace Greenhouses SA proceeded into a share capital increase of € 350 thousand. There are no other events after 31/12/2018 which may materially and significantly affect the financial position and the results of the Group.

Aspropyrgos, 9 April 2019

THE CHAIRMAN OF THE BOARD	THE DEPUTY CEO	THE CHIEF FINANCIAL OFFICER
PANAGIOTIS SIMOS	STYLIANOS KOUTSOTHANASIS	VASILIS MANESIS
ID No. AE 063856	ID No. AB 669589	ID No. AE 008927
		Prof. License No. 0072242