Semi-Annual Financial Report 30.6.2018

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

"ELASTRON S.A. – STEEL SERVICE CENTERS" GROUP

According to IAS 34 «Interim Financial Reporting», the article 5 of Law 3556/2007 and the executive Decisions of the Board of the Capital Market Commission

September 2018

ELASTRON STEEL SERVICE CENTERS

CONTENTS

	Statement by the Board of Directors' Representatives	4
	Semi-Annual Report of the Board of Directors ELASTRON S.A.	5
	Independent Auditor's Report	16
1.	Statement of Financial Position of June 30th 2018	17
2.	Statement of Income and Other Comprehensive Income	18
3.	Statement of Changes in Equity	19
4.	Statement of Cash Flows	20

NOTES ON THE FINANCIAL STATEMENTS

1.	General Information	21
2.	Significant accounting principles used by the Group	21
2.1	New standards, interpretations and amendments of existing standards	21
2.2	Basis for preparation of Financial Statements	26
2.3	Consolidation	27
2.4	Foreign exchange translations	28
2.5	Consolidated financial statements	29
2.6	Tangible fixed assets	30
2.7	Intangible Assets	30
2.8	Investment property	30
2.9	Non-current assets held for sale and discontinued operations	30
2.10	Impairment review on tangible and intangible assets	30
2.11	Segment Reporting	30
2.12	Borrowing Cost	31
2.13	Financial Assets (a) Financial Assets measured at fair value with changes registered in the results (b) Financial derivatives and hedging instruments (c) Investments held to maturity (d) Financial assets available for sale (e) Recognition, write-off, estimation of fair value (f) Impairment of financial assets	31
2.14	Inventories	32
2.15	Trade receivables	32
2.16	Cash and cash equivalents	33
2.17	Share Capital and Reserves	33
2.18	Loans	33
2.19	Income Tax – Deferred Income Tax	33
2.20	Employee Benefits	34
2.21	Provisions	35
2.22	De-recognition of financial assets and liabilities	35
2.23	Recognition of income (a) Income from sale of goods (b) Income from provision of services (c) Income from interest (d) Income from dividends	36
2.24	Leases	37
2.25	Dividend Distribution	37
2.26	Government Grants	37
2.27	Earnings per share	37
2.28	Long-term receivables / liabilities	37
2.29	Related parties	37
2.30	Capital Management	37

3.	Financial Risk Management Credit Risk Liquidity Risk Market Risk	38
4.	Fair value of financial assets	41
5.	Significant accounting estimations and judgments by management	42
6.	Analysis of tangible fixed assets	42
7.	Investment property	44
8.	Analysis of receivables	44
9.	Analysis of inventory	46
10.	Securities	46
11.	Derivatives	47
12.	Analysis of cash reserves	47
13.	Analysis of all equity accounts	47
14.	Analysis of other liabilities	49
15.	Analysis of loans	50
16.	Analysis of deferred taxes	51
17.	Analysis of post-employment benefits	52
18.	Analysis of tax liabilities	53
19.	Segment Reporting	53
20	Analysis of other results	54
21.	Analysis of earnings per share	58
22.	Transactions with related parties	58
23.	Contingent liabilities – receivables	60
24.	Dividends	61
25.	Staff Information	61
26.	Government grants	62
27.	Liabilities related to Financial Leasing	62
28.	Exchange rates	63
29.	Events after the end of the reporting period	63

ELASTRON
STEEL SERVICE CENTERS

STATEMENT BY THE BOARD OF DIRECTORS' REPRESENTATIVES

(Pursuant to article 5 of Law 3556/2007)

We hereby certify and declare that, to the best of our knowledge, the semi-annual financial statements of the Société Anonyme Company "ELASTRON S.A. – STEEL SERVICE CENTERS" for the period 01.01.2018 – 30.06.2018, which were prepared in accordance with the applicable accounting standards, truly reflect the assets and liabilities, the equity and results of the issuer as well as of the companies included in the consolidation, which are considered aggregately as a whole, according to the provisions of paragraphs 3 to 5 of article 5, 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 Semi-Annual Management Report of the Board of Directors truly reflects the information required according to paragraph 6, article 5 of Law 3556/2007 and the authorized decisions issued by the Hellenic Capital Market Commission's Board of Directors.

Aspropyrgos, 25 September 2018

The signatories

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

SEMI-ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS of ELASTRON S.A. for the period from January 1st to June 30th 2018

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%	4,768,000.00	Full
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Commerce and processing of steel products	33.33% (Joint venture)	800,000.00	Equity
PHOTODEVELOPMENT S.A.	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTODIODOS S.A.	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.3%	265,533.70	Full
PHOTOENERGY S.A.	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 S.A.	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropyrgos	Production of electric energy from Photovoltaic stations	100.00%	80,000	Full
THRACE GREENHOUSES S.A.	Xanthi	Production of agricultural products from glasshouse cultivations	49.09%	2,700,000	Equity
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 during the first half of the year reaching € 53.3 million from € 42.4 million in the same period of the year 2017. Gross profit stood at € 6.1 million or 11.4% of total sales, versus € 6.8 million or 16.1% of total sales in the corresponding period of year 2017. Results before interest and taxes (EBIT) amounted to € 1.2 million versus € 2.5 million in the previous year whereas results before interest, taxes, depreciation and amortization (EBITDA) settled at € 2.2 million versus € 3.7 million in the first half of 2017. Finally, the results before taxes settled at losses of € 0.3 million versus earnings of € 1.0 million in the previous year.

On the parent company level, the turnover settled at € 52.6 million versus € 41.7 million in the previous year posting an increase of 26%, whereas gross profit amounted to € 5.7 million or 10.8% of total sales, compared to € 6.4 million or 15.4% of total sales in the first half of 2017. The results before interest, taxes, depreciation and amortization (EBITDA) amounted to € 1.6 million versus € 3.2 million, whereas the results before taxes settled at losses of € 0.6 million compared to earnings of € 1.3 million in the same period of 2017.

The above improvement of the consolidated turnover reflects the higher business activity of the Group's steel unit, the higher price level during the first half of the year, the maintenance of exports at 30% as percentage of the Group's sales, as well as the targeted entrance into new product and geographic markets. However the downward trend of the raw material prices internationally, as result of the tariffs imposed by USA on steel imports, was depicted immediately in the domestic market and resulted into compressed operating profit margins. At the same time the higher purchase cost of raw materials compared to the first half of 2017 generated significant financing needs in terms of working capital resulting into higher financial expenses. The above factors were the main determinants of the Group's financial performance during the first half of the year.

Following and in order to provide additional and complete information, we present the Company's financial ratios for the 1st half of 2018:

	Group		Company	
(a) FINANCIAL STRUCTURE	**2018**	**2017**	**2018**	**2017**
Noncurrent assets / Total assets	50%	51%	47%	52%
Current assets / Total assets	50%	49%	53%	48%
Equity / Total Liabilities	100%	160%	118%	182%
Current assets / Short-term liabilities	204%	203%	256%	218%
(b) EFFICIENCY AND PERFORMANCE				
Net earnings before taxes / Sales	N/A	2%	N/A	3%
Net earnings before taxes / Equity	N/A	2%	N/A	2%
Sales / Equity	80%	60%	77%	59%
(c) CAPITAL STRUCTURE				
Net liabilities / Equity	100%	68%	85%	60%
Net bank liabilities / Equity	73%	49%	63%	44%
Net bank liabilities / EBITDA	22.2	7.8	27.0	8.2

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 of the First Half 2018

Developments in the Group's Sectors

With the completion of the third quarter of the year already, the Group continues to implement its strategic planning in order to face the new challenges in the market. Specifically, there is an ongoing reorganization of operations in the steel business unit based on investments on new machinery equipment aiming at a higher production capacity. The above is combined with actions towards the containment of the production cost, whereas at the same time, the Group plans the expansion of the production facilities in the area of Aspropyrgos in order to more effectively cover the international markets. Also, based on the assessment of the modern trends in the wider construction and building market, the Group considers new investments in order to shift its focus to higher added value products.

In the agricultural sector, the Group continues to implement the approved investment program of the company Thrace Greenhouses with the production facilities expected to reach an area of about 180,000 square meters within the first half of 2019.

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/B'/27-03-2007) as it is currently in effect in the framework of Law 3299/2007 (Article 3, paragraph 1, case e, sub-case xi). The amount of the investment accounted for 12.8 million Euros and the corresponding grant settled at 4.5 million Euros, with the full amount being received.

The investment plan included the following:

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

The aforementioned investments 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.

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

Annual Ordinary General Meeting

On 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	0.00	0.00
Total	**237,161**	**140,853.71**
Cancellation of treasury shares via share capital decrease	-226,484	-133,791.23
Balance 30.06.2018	**10,677**	**7,062.48**

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.

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.

On 30/06/2018, the company and the group held cash and cash reserves of € 2.4 million and € 3.0 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 first half of 2018:

Amounts in € million	Loans 30.06.2018	Effect on results before tax (+ / -)
Group	51.6	0.5
Company	45.5	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 first half of 2018:

Amounts in € million	Sight and term deposits 30.06.2018	Effect on results before tax (+ / -)
Group	3.0	0.03
Company	2.4	0.02

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	30.06.2018	30.06.2017
Total debt	45,468,450.00	30,550,050.00
Minus: Cash and cash equivalents	2,368,099.32	3,921,902.49
Net debt	**43,100,350.68**	**26,628,147.51**
Total equity	68,483,080.49	70,111,992.68
EBITDA	1,593,852.82	3,233,161.97
Equity / Net debt	**1.59**	**2,63**
Equity / Net debt	**27.04**	**8.24**

Group Data	30,06,2018	30,06,2017
Total debt	51,646,190.20	32,484,698.20
Minus: Cash and cash equivalents	2,952,318.05	4,144,903.12
Net debt	**48,693,872.15**	**28,339,795.08**
Total equity	67,084,615.83	65,794,772.73
EBITDA	2,196,922.82	3,656,143.61
Equity / Net debt	**1.38**	**2.32**
Net debt / EBITDA	**22.16**	**7.75**

F. Future Outlook

With regard to the remaining of the year, the financial performance of the Group is expected to depend significantly on the volatility of raw material prices internationally, which are reflected in the selling prices, as result of the trade war taking place between USA and China due the respective tariffs that have been imposed by the European Union on the imports from third countries. Also, the gradual recovery of the domestic economic environment is creating more favorable conditions for business activity in general, however the demand for steel products will remain low, although improved, given the lack of large scale construction and building investment projects in the public and private sector.

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 30.06.2018 and 30.06.2017 respectively:

	SALES / REVENUES				
PURCHASES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**CORUS KALPINIS SIMOS SA**	**TOTAL**
ELASTRON S.A.	0.00	0.00	860,437.08	0.00	**860,437.08**
THRACE GREENHOUSES S.A.	0.00	0.00	0.00	0.00	**0.00**
PHOTOENERGY S.A.	25,659.38	0.00	0.00	0.00	**25,659.38**
PHOTODEVELOPMENT S.A.	57,848.44	0.00	0.00	0.00	**57,848.44**
PHOTODIODOS S.A.	51,036.56	0.00	0.00	0.00	**51,036.56**
PHOTOKYPSELI S.A.	17,329.69	0.00	0.00	0.00	**17,329.69**
ILIOSKOPIO S.A.	24,166.41	0.00	0.00	0.00	**24,166.41**
PHOTOISHIS LTD	6,738.28	0.00	0.00	0.00	**6,738.28**
NORTHERN GREECE METAL PRODUCTS S.A.	0.00	0.00	0.00	0.00	**0.00**
TOTAL	**182,778.75**	**0.00**	**860,437.08**	**0.00**	**1,043,215.83**

ELASTRON STEEL SERVICE CENTERS

PURCHASES	SALES / REVENUES				
	ELASTRON S.A.	THRACE GREENHOUSES SA	NORTHERN GREECE METAL PRODUCTS S.A.	CORUS KALPINIS SIMOS S.A.	TOTAL
ELASTRON S.A.	0.00	0.00	1,273,267.98	0.00	**1,273,267.98**
THRACE GREENHOUSES S.A.	183.2	0.00	0.00	0.00	**183.2**
PHOTOENERGY S.A.	25,659.38	0.00	0.00	0.00	**25,659.38**
PHOTODEVELOPMENT S.A.	57,848.44	0.00	0.00	0.00	**57,848.44**
PHOTODIODOS S.A.	51,036.56	0.00	0.00	0.00	**51,036.56**
PHOTOKYPSELI S.A.	17,329.69	0.00	0.00	0.00	**17,329.69**
ILIOSKOPIO S.A.	24,166.41	0.00	0.00	0.00	**24,166.41**
PHOTOISHIS LTD	6,738.28	0.00	0.00	0.00	**6,738.28**
NORTHERN GREECE METAL PRODUCTS S.A.	19,793.59	0.00	0.00	0.00	**19,793.59**
TOTAL	**202,755.55**	**0.00**	**1,273,267.98**	**0.00**	**1,476,023.52**

(b) Intra-company receivables / liabilities on 30.06.2018 and 31.12.2017 respectively:

LIABILITIES	RECEIVABLES			
	ELASTRON S.A.	NORTHERN GREECE METAL PRODUCTS S.A.	NORTHER N GREECE METAL PRODUCT S S.A.	TOTAL
ELASTRON S.A.	0.00	1,069,395.98	0.00	**1,069,395.98**
THRACE GREENHOUSES S.A.	0.59	0.00	0.00	**0.59**
PHOTOENERGY S.A.	207,751.78	0.00	0.00	**207,751.78**
PHOTODEVELOPMENT S.A.	540,059.26	0.00	0.00	**540,059.26**
PHOTODIODOS S.A.	481,101.54	0.00	0.00	**481,101.54**
PHOTOKYPSELI S.A.	95,928.06	0.00	0.00	**95,928.06**
ILIOSKOPIO S.A.	185,262.72	0.00	0.00	**185,262.72**
PHOTOISHIS LTD	542,390.04	0.00	0.00	**542,390.04**
NORTHERN GREECE METAL PRODUCTS S.A.	2,575,277.77	0.00	0.00	**2,575,277.77**
BALKAN IRON GROUP SRL	155,700.00	0.00	0.00	**155,700.00**
KALPINIS SIMOS BULGARIA EOOD	795,000.00	0.00	0.00	**795,000.00**
TOTAL	**5,578,471.76**	**1,069,395.98**	**0.00**	**6,647,867.74**

LIABILITIES	RECEIVABLES			
	ELASTRON S.A.	NORTHERN GREECE METAL PRODUCTS S.A.	COMPANI ES OF PHOTOVO LTAIC STATIONS	TOTAL
ELASTRON S.A.	0.00	1,166.00	61,568.86	**62,734.86**

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

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2018	2017	2018	2017
c) Transactions and remuneration of Board Members & senior executives				
Transactions and remuneration of Board Members	128,925.41	119,000.00	128,925.41	119,000.00
Transactions and remuneration of senior executives	44,200.00	42,250.00	44,200.00	42,250.00
Transactions and remuneration of other related entities	8,900.93	8,900.93	8,900.93	8,900.93
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.

H. Significant Events after the reporting date of the Statement of Financial Position

The Ordinary General Meeting of shareholders on 21/06/2018 approved the cancelation of 10,677 treasury shares with total acquisition value of 7,027.96 Euros (average price without expenses and transaction commissions at € 0.6582 / share) according to the provisions of article 16 of P.L. 2190/1920. The above cancelation occurred during the second half of the year.

I. Release of Interim Financial Statements

The Interim Financial Statements have been compiled according to the International Financial Reporting Standards and have approved by the Board of Directors of the Company on 25/09/2018, whereas they have been posted on the company's website http://www.elastron.gr .

ΣΟΛ Crowe SOL

ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ

Report on Review of Interim Financial Information

Towards the shareholders of the Company

"ELASTRON STEEL SERVICE CENTERS S.A."

Introduction

We reviewed the accompanying condensed separate and consolidated statement of financial position of the Company **"ELASTRON S.A. – STEEL SERVICE CENTERS"** as well as of its subsidiaries for 30 June 2018 and the relevant condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows of the six month period that ended on that date, as well as the selected explanatory notes that comprise the interim condensed financial reporting, which constitutes an integral part of the semi-annual financial report required under Law 3556/2007. The Company's Management has the responsibility of drafting and presenting this interim condensed financial information according to the International Financial Reporting Standards, as have been adopted by the European Union and are applicable to Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is the expression of a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying critical analysis and other review procedures. The scope of the review is substantially less than an audit conducted in accordance with International Standards on Auditing as they have been adopted by the Greek Legislation and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on the conducted review, nothing has come to our attention causing us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, 26 September 2018

EFSTATHIOS I. KARALIS

Certified Auditor Accountant

:ified Auditor Reg. No. 40311

ΣΟΛ Crowe SOL

ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ

Chartered Auditors Accountants S.A. (SOL S.A.)
a member of Crowe Horwath International
3 Fokionos Negri Street, 11257 Athens Greece
Certified Auditors Association Reg. No. 125

1. *Statement of Financial Position*

(Amounts in €)		GROUP		COMPANY	
	Note	30.06.2018	31.12.2017	30.06.2018	31.12.2017
ASSETS					
Non Current Assets					
Self-used tangible assets	6	60,466,023.61	60,710,059.19	43,640,808.34	41,949,547.54
Investment property	6.7	3,137,031.34	3,183,622.15	3,137,031.34	3,183,622.15
Intangible assets	6	86,829.49	95,496.02	86,829.36	95,495.89
Investment in associates, subsidiaries and joint ventures	2,3	2,951,948.48	3,014,829.54	9,475,533.70	8,775,533.70
Long term receivables	8	198,551.27	203,385.32	2,594,681.52	3,585,316.51
Total Non Current Assets		**66,840,384.19**	**67,207,392.22**	**58,934,884.26**	**57,589,515.79**
Current Assets					
Inventories	9	33,561,628.67	29,026,896.44	33,561,628.67	29,023,084.82
Customers	8	26,502,544.00	21,792,803.22	26,423,766.88	21,603,224.88
Other receivables	8	4,003,061.33	5,343,976.78	5,218,986.29	6,338,529.06
Securities	10	28,560.00	27,300.00	28,560.00	27,300.00
Cash and cash equivalents	12	2,952,318.05	5,930,121.94	2,368,099.32	5,410,747.70
Derivatives	11	0.00	0.00	0.00	0.00
Total Current Assets		**67,048,112.05**	**62,121,098.38**	**67,601,041.16**	**62,402,886.46**
Total Assets		**133,888,496.24**	**129,328,490.60**	**126,535,925.42**	**119,992,402.25**
EQUITY					
Shareholders' equity					
Share capital	13	18,421,516.00	18,421,516.00	18,421,516.00	18,421,516.00
Share premium	13	11,171,177.70	11,171,177.70	11,171,177.70	11,171,177.70
Other reserves	13	21,310,724.79	21,310,724.79	21,295,815.78	21,295,815.78
Treasury shares	13	-7,062.48	-7,062.48	-7,062.48	-7,062.48
Retained earnings	13	16,159,160.51	16,724,436.57	17,601,633.49	18,366,725.69
Total shareholders' equity		**67,055,516.52**	**67,620,792.58**	**68,483,080.49**	**69,248,172.69**
Minority interest	13	29,099.31	27,910.93		
Total Equity		**67,084,615.83**	**67,648,703.51**	**68,483,080.49**	**69,248,172.69**
LIABILITIES					
Long-Term liabilities					
Loans	15	24,750,000.00	20,300,000.00	24,750,000.00	20,300,000.00
Provisions for employee benefits	17	566,681.94	544,977.55	564,339.01	542,634.62
Grants (deferred income)	26	4,370,940.94	5,278,094.42	2,981,757.57	3,458,993.81
Liabilities from financial leases	27	1,302,751.85	853,137.94	1,302,751.88	853,137.97
Deferred income tax	16	2,823,797.54	2,586,982.68	1,974,615.03	1,816,326.15
Provisions		42,000.00	42,000.00	0.00	0.00
Total Long-term Liabilities		**33,856,172.27**	**29,605,192.59**	**31,573,463.49**	**26,971,092.55**
Short-Term Liabilities					
Suppliers	14	3,959,149.79	5,638,116.83	3,917,149.07	5,606,595.76
Other liabilities	14	1,530,768.03	1,072,413.12	1,282,182.25	924,705.22
Liabilities from financial leases	27	561,600.12	322,975.64	561,600.12	322,975.64
Derivatives		0.00	85,702.34	0.00	85,702.34
Short-Term Loans	15	26,896,190.20	24,955,386.57	20,718,450.00	16,833,158.05
Total Short-Term Liabilities		**32,947,708.14**	**32,074,594.50**	**26,479,381.44**	**23,773,137.01**
Total Liabilities		**66,803,880.41**	**61,679,787.09**	**58,052,844.93**	**50,744,229.56**
Total Equity and Liabilities		**133,888,496.24**	**129,328,490.60**	**126,535,925.42**	**119,992,402.25**

ELASTRON
STEEL SERVICE CENTERS

2. Statement of Comprehensive Income

		GROUP		COMPANY	
(Amounts in €)	**Note**	**1.1 – 30.06.18**	**1.1 – 30.06.17**	**1.1 – 30.06.18**	**1.1 – 30.06.17**
Sales	19	53,310,160.07	42,378,140.23	52,634,192.61	41,690,095.18
Cost of sales	20	-47,234,288.88	-35,557,671.70	-46,955,806.27	-35,284,741.14
Gross profit / (loss)		**6,075,871.19**	**6,820,468.53**	**5,678,386.34**	**6,405,354.04**
Other income	20	1,369,092.52	681,310.52	1,072,135.28	814,870.52
Distribution expenses	20	-4,250,608.01	-3,569,783.68	-4,250,608.01	-3,569,783.68
Administration expenses	20	-1,501,226.31	-1,271,658.64	-1,396,669.95	-1,233,954.40
Other expenses	20	-482,545.00	-181,187.23	-494,516.97	-181,187.23
Earnings / (losses) before interest and taxes (EBIT)		**1,210,584.39**	**2,479,149.50**	**608,726.69**	**2,235,299.25**
Financial income	20	48,865.04	88,595.57	99,362.54	160,367.37
Financial cost	20	-1,481,837.20	-1,142,681.86	-1,272,888.56	-1,082,528.87
Income/(expenses) of companies consolidated with the equity method	20	-62,881.06	-386,135.11		
Earnings / (losses) before taxes (EBT)		**-285,268.83**	**1,038,928.10**	**-564,799.33**	**1,313,137.75**
Income Tax	20	-265,814.86	-531,245.39	-187,288.88	-482,253.23
Earnings / (losses) after taxes (EAT) (a)		**-551,083.69**	**507,682.71**	**-752,088.21**	**830,884.52**
Attributed to:					
Shareholders of the parent		-552,272.08	506,019.42	-752,088.21	830,884.52
Minority interest		1,188.39	1,663.29		
Other comprehensive income / (expenses) after taxes (b)	20	57,996.01	-46,560.05	57,996.01	-42,952.94
Total comprehensive income/ expenses after taxes (a) + (b)		**-493,087.68**	**461,122.66**	**-694,092.20**	**787,931.58**
Attributed to:					
Shareholders of the parent		-494,276.06	459,459.36	-694,092.20	787,931.58
Minority interest		1,188.38	1,663.30		
Earnings / (losses) after taxes per share – basic (in €)	21	(0.0300)	0.0275	(0.0408)	0.0451
Earnings / (losses) before interest, tax, depreciation and amortization (EBITDA)		**2,196,922.81**	**3,656,143.61**	**1,593,852.82**	**3,233,161.97**

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**
Net Profit / (Loss) for the period recorded in total		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
Μείωση δικαιωμάτων μειο/φίαςμέσω A.M.K θυγατρικών		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	-494,276.06	1,188.38	-493,087.68
Share premium account		0.00	0.00	0.00	0.00	0.00
Transfer of profit into reserves		0.00	0.00	0.00	0.00	0.00
Effect due to IFRS 9		0.00	0.00	-71,000.00	0.00	-71,000.00
Balance on 30.06.2018		**18,421,516.00**	**11,171,177.70**	**37,462,822.82**	**29,099.31**	**67,084,615.83**

(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**
Net Profit / (Loss) for the period recorded in total		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	-694,092.20	-694,092.20
Effect due to IFRS 9		0.00	0.00	-71,000.00	-71,000.00
Purchase of treasury shares		0.00	0.00	0.00	0.00
Balance on 30.06.2018		**18,421,516.00**	**11,171,177.70**	**38,890,386.79**	**68,483,080.49**

ELASTRON
STEEL SERVICE CENTERS

4. Statement of Cash Flows

(Amounts in €)	GROUP		COMPANY	
	1.1-30.06.2018	1.1-30.06.2017	1.1-30.06.2018	1.1-30.06.2017
Operating Activities				
Earnings before Tax (EBT)	-285,268.83	1,038,928.10	-564,799.33	1,313,137.75
Plus / minus adjustments for:				
Depreciation & amortization	1,522,335.31	1,243,305.39	1,091,205.78	1,064,174.00
Depreciation of grants	-535,996.89	-66,311.28	-106,079.65	-66,311.28
Provisions	21,704.39	23,063.94	21,704.39	23,063.94
Impairment of assets	150,000.00	77,880.00	450,000.00	77,880.00
Results (income, expenses, profit and loss) from investment activity	117,446.93	396,690.79	19,517.67	10,555.68
Debit interest and related expenses	1,481,837.20	1,009,232.89	1,272,888.56	1,082,528.87
	2,472,058.11	3,722,789.83	2,184,437.42	3,505,028.96
Plus/minus adjustments for changes in working capital accounts or those related to operating activities				
Decrease / (increase) of inventories	-4,534,732.23	-4,485,416.70	-4,538,543.85	-4,485,416.70
Decrease / (increase) of receivables	-3,609,465.30	-2,902,485.04	-2,955,838.36	-2,896,642.93
(Decrease) / increase of liabilities (apart from banks)	-2,245,848.23	1,788,645.22	-2,989,239.85	1,808,032.09
Minus:				
Debit interest and related expenses paid	-1,344,761.57	-1,048,345.78	-1,102,796.62	-1,124,514.30
Taxes paid	-4,831.31	6,061.01	-4,525.88	-38.99
Total inflows/(outflows) from operating activities (a)	**-9,267,580.53**	**-2,918,751.46**	**-9,406,507.14**	**-3,193,551.87**
Investment Activities				
Acquisition of subsidiaries, associates, joint ventures and other investments	0.00	0.00	-1,000,000.00	0.00
Purchase – Sale of Securities	0.00	105,297.50	0.00	105,297.50
Purchase of tangible and intangible fixed assets	-1,625.31	-2,253,846.87	-339,013.63	-2,253,556.55
Proceeds from sales of tangible and intangible assets	524,000.00	22,000.00	24,000.00	22,000.00
Interest received	762.56	3,620.75	761.00	3,620.75
Dividends received	0.00	0.00	0.00	0.00
Total cash inflows/(outflows) from investment activities (b)	**523,137.25**	**-2,122,928.62**	**-1,314,252.63**	**-2,122,638.30**
Financial Activities				
Proceeds from share capital increase	0.00	0.00	0.00	0.00
Amounts collected from issued / received Loans	39,650,000.00	39,800,000.00	39,650,000.00	39,800,000.00
Loan repayments	-33,396,272.00	-35,027,034.70	-31,484,800.00	-34,786,088.70
Repayment of liabilities from financial leases	-487,088.61	0.00	-487,088.61	0.00
Dividends payable	0.00	0.00	0.00	0.00
Total cash inflows/(outflows) from financial activities (c)	**5,766,639.39**	**4,772,965.30**	**7,678,111.39**	**5,013,911.30**
FX differences on cash flows	0.00	0.00	0.00	0.00
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-2,977,803.89**	**-268,714.78**	**-3,042,648.38**	**-302,278.87**
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 of Agricultural 31/12/16 – Change in consolidation method - Merger	0.00	-303,731.26	0.00	0.00
Cash and cash equivalents at the end of the period	**2,952,318.05**	**4,144,903.12**	**2,368,099.32**	**3,921,902.49**

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 Semi-Annual Report of 30.06.2018 was approved by the Company's Board of Directors on 25.09.2018.

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 have mandatory application for annual accounting periods beginning on 1 January 2017 or after. The effect from the adoption of these new standards, amendments and interpretations is presented below.

Standards and Interpretations mandatory for the current financial 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. The financial assets are valued at the net-depreciated cost, at the fair value through the results, or at the fair value through the other comprehensive income, based on the business model of the company with regard to the management of financial assets and the conventional cash flows of the financial assets. Apart from the credit risk of the entity, the classification and measurement of the financial liabilities has not changed in comparison to existing requirements. 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 main impact arising from the revised standard on the financial assets of the Group and the Company is the following: The Group and Company applied the simplified approach of the standard for the impairment of the expected credit losses concerning the trade and other receivables as of 01/01/2018. The result was the increase of the provisions for doubtful receivables of the Group and the Company by € 100 thousand and the decrease of deferred tax liabilities by € 29 thousand via a respective effect on the balance of the account “Results carried forward” by € 71 thousand.

The effect on the financial statements of the Group and the Company on 31/12/2017 is as follows:

	GROUP				COMPANY			
	31/12/2017	IFRS 15 Adjustments	IFRS 9 Adjustments	1/1/2018	31/12/2017	IFRS 15 Adjustments	IFRS 9 Adjustments	1/1/2018
Customer receivables	21,792,803.22	0.00	-100,000.00	21,692,803.22	21,603,224.88	0.00	-100,000.00	21,503,224.88
Results carried forward	16,724,436.57	0.00	-71,000.00	16,653,436.57	18,366,725.69	0.00	-71,000.00	18,295,725.69
Deferred tax	2,586,982.68	0.00	-29,000.00	2,557,982.68	1,816,326.15	0.00	-29,000.00	1,787,326.15

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.
The IFRS 15 supersedes the IAS 18, IAS 11 and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
The new standard establishes a single, five-step model that shall be used for revenue arising from a contract with a customer (with limited exemptions) in order to improve the comparability among the companies of the same sector, of different sectors and of different capital markets. The requirements of the standard will be applied also for the recognition and measurement of gains and losses from the sale of certain non-financial assets that do not constitute production from the entity’s usual activities (e.g. sales of property, plant and equipment or intangible assets). Further disclosures shall be required, including an analysis of the total revenue, information in relation to return obligations, changes in the balance of the contract’s assets and liabilities between the periods and critical judgments and estimates. The IFRS 15 was adopted by the European Union on 22 September 2016.

Clarifications to IFRS 15 “Revenue from Contacts with Customers”

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the basic principles of the Standard but provide clarification on how to apply these policies. The amendments clarify how to identify performance obligations recognized as a contract, how to determine whether an entity is a principal or an agent and how is determined whether the revenue from granting a license should be recognized as transferred at a point in time or over time. The amendment is applied for annual periods beginning on or after 01/01/2018 and was adopted by the European Union on 31st October 2017.

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.

IFRS 4 (Amendment) “Applying IFRS 9 with IFRS 4”

The Board issued on 12 September amendments to IFRS 4 in order to address, concerns about applying the new standard IFRS 9 Financial Instruments before the application of the new Board amended IFRS 4. The amendments introduce two approaches: overlay approach and temporary exemption. The amended standard shall:
• Allow all companies that issue insurance contracts to recognize in OCI, rather than profit or loss, the volatility that may arise when IFRS 9 is applied before the new insurance contracts.
• Provide to companies with activities predominantly connected with insurance an optional temporary exemption to defer the application of IFRS 9 until 2021. The entities which will postpone the application of IFRS 9 will continue applying the existing standard IAS 39 for the financial instruments.
The amendment is applicable for annual periods beginning on or after 1 January 2018 and was approved by the European Union on November 3rd, 2017.

IFRIC 22 Interpretation “Foreign currency transactions and Advance consideration”

The Interpretation 22 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.

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.

IFRS 2 (Amendment) "Share-based Payments- Classification and measurement of share-based payment transactions"

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is applicable for annual periods beginning on or after 1 January 2018 and was approved by the European Union on 26th of February 2018.

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 cliassified 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.

Πρότυπα και Διερμηνείες υποχρεωτικά για μεταγενέστερες περιόδους που δεν έχουν εφαρμοστεί νωρίτερα από την Εταιρεία (ή και τον Όμιλο)

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.

The Company and the Group are in the process of assessing the effect from IFRS 16. The standard will mainly affect the accounting treatment of the Group’s operating leases. During the balance sheet date, the Group and the Company had non-revocable commitments for operating leases of approximately € 375 thousand. However, it has not been determined yet to which extent these commitments will lead to the recognition of assets and liabilities concerning future payments, as well as how such an accounting treatment would impact the profit and affect the classification of cash flows of both the Group and the Company. The above is due to the fact that some of these commitments may be exempted from the requirements of the standard on the basis that they are short-term ones and of non-significant value, whereas some other commitments may not fulfill the criteria required for their classification as leases according to IFRS 16. The Group and the Company are expected to complete the assessment of the effects from the adoption of the new standard until the end of the year 2018.

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 (or and 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.

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.

Annual Imrovements 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 intial 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. The amendment is (not) expected to have (any material) impact on the financial statements of the Company (or and the Group).

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

The International Accounting Stadards 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 (or and the Group).

Amendments to References to the Conceptual Framework in IFRS

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.

2.2 Basis for Preparation of the Financial Statements

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

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

The preparation of the financial statements in accordance with generally accepted accounting principles requires the use of evaluations and assumptions that affect the balances of asset and liabilities accounts, the disclosure of contingent receivables and payables on the preparation date of the financial statements, as well as the reported income during the financial periods in question. Even though these specific evaluations are based on the Management's (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%	4,768,000.00	Full
BALKAN IRON GROUP S.R.L.	Bucharest, Romania	Commerce and processing of steel products	33.33% (Joint venture)	800,000.00	Equity
PHOTODEVELOPMENT S.A.	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.6%	325,500	Full
PHOTODIODOS S.A.	Aspropyrgos	Production of electric energy from Photovoltaic stations	98.3%	265,533.70	Full
PHOTOENERGY S.A.	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 S.A.	Aspropyrgos	Production of electric energy from Photovoltaic stations	97.5%	175,500	Full
PHOTOISXYS LTD	Aspropyrgos	Production of electric energy from Photovoltaic stations	100.00%	80,000	Full
THRACE GREENHOUSES S.A.	Xanthi	Production of agricultural products from glasshouse cultivations	49.09%	2,700,000	Equity
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 ful method. The business interests held in companies that were consolidated according to the equity method in the financial statements of the Group as of 30/06/2018 are analyzed below:

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
BALKAN IRON GROUP SRL	432,726.43	415,182,59	800,000.00	800,000.00
THRACE GREENHOUSES SA	2,519,222.05	2,599,646.95	2,700,000.00	2,700,000.00
Total	**2,951,948.48**	**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 - 30 years
Mechanical Equipment etc.	10 - 30 years
Vehicles	10 - 20 years
Other Equipment	3.3 - 15 years

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

2.7 Intangible Assets

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

2.8 Investment property

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

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

Investments property is valued according to the acquisition cost method (in the exact manner as operational property) and 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 operations

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

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

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

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

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

2.10 Impairment review of tangible and intangible assets

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

2.11 Segment reporting

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

segment is defined as a geographic area where products and services are provided and which is subject to different risks and returns than other areas.

2.12 Borrowing Cost

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

2.13 Financial Assets (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.

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 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).

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.

When there is evidence of impairment of trade receivables, then their book value is reduced to their recoverable amount which is equivalent to the present value of the expected future cash flows discounted with the initial effective interest rate. In a later stage, interest charges based on the same interest rate on the impaired (new book) value are also recorded.

2.16 Cash and cash equivalents

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

2.17 Share capital and reserves

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

2.18 Loans

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

2.19 Income Tax – Deferred Income Tax

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

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

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

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

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

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

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

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

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

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

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

2.20 Employee benefits

(a) Short-Term Benefits:

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

(b) Post-employment benefits

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

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

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

(c) Benefits of service termination

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

(d) State Pension Plans

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

2.21 Provisions

Conditions for recording provisions:

- Legal Commitment

Contract, Legislation, or other application of the Law.

- or Constructive Obligation

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

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

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

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

2.22 De-recognition of financial assets and liabilities

Financial assets

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

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

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

Financial liabilities

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

2.23 Recognition of income

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

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

Income recognition is carried out as follows:

(a) Income from sale of goods

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

(b) Income from provision of services

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

(c) Interest income

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

(d) Income from dividends

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

The IFRS 15 specifies the requirements concerning income or revenue recognition applied in all customer-based contracts apart from those contracts which are governed by other standards.

IFRS 15 supersedes the previous standards (and interpretations) related to the revenues or income:

- IAS 18 Revenue
- IAS 11 Construction Contracts
- SIC 13 Revenue – Barter Transactions Involving Advertising Services
- IFRIC 13 Customer Loyalty Programs
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 18 Transfers of Assets from Customers

The economic entity recognizes the revenue in order to depict the transfer of the promised goods or services to its customers at an amount which reflects the exchange consideration which the economic entity estimates that it is fair to receive for these goods or services. The standard establishes a five-step model as per below:

Step 1 Definition of the contract
Step 2 Determination of the obligations with regard to the execution of the contract
Step 3 Determination of the transaction price
Step 4 Allocation of the transaction price
Step 5 Recognition of the revenue when the obligations with regard to the execution of the contract have been fulfilled

This model is applied for revenues arising from a customer contract (with limited exceptions) regardless of the type of the income transaction or the sector. The standard is applied also for the recognition and measurement of earnings and losses from the sale of non financial assets which are not included in the ordinary activities of the Group (for example sales of fixed assets or intangible fixed assets).

The Group recognizes an income when it fulfils 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.

2.24 Leases

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

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

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

2.25 Dividend distribution

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

2.26 Government Grants

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

2.27 Earnings per share

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

2.28 Long-term Receivables / Liabilities

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

2.29 Related parties

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

2.30 Capital management

It is the Group's policy to maintain a strong capital base in order to retain investors' and creditors' confidence and so that its future development will be supported. Management monitors equity, which it considers aggregately, with the exception of minority interest, so that the debt equity ratio (except for Company deposits) will amount to less than between 2 and 2.5 to 1.
In accordance with Codified Law 2190/1920, regarding société anonymes (SAs), limitations are imposed in relation to equity, as follows:

The acquisition of treasury shares, with the exception of acquisition with the intent of distribution to employees, cannot exceed 10% of the paid share capital and cannot result in the decrease of equity to an amount less than the amount of the share capital augmented by the reserves for which distribution is prohibited by Law.
In the event where the company's total equity amounts to less than ½ of share capital, the Board of Directors is obligated to convene a General Meeting, within a period of six months from the end of the financial year, which will decide on the dissolution of the Company or the adoption of another measure.
When the Company's total equity reaches below 1/10 of the share capital and the General Meeting does not take the appropriate measures, the Company may be dissolved by a court decision following a claim by anyone with a lawful interest.
At least 1/20 of net earnings are deducted annually in order to form a statutory reserve, which is used exclusively to counterbalance, before any dividend distribution, any debit balance of the retained earnings account. The formation of this reserve is rendered optional when its amount reaches 1/3 of share capital. The payment of annual dividends to shareholders in cash, to an amount at least 35% of net earnings, after the deduction of the statutory reserve and the net result from the measurement of assets and liabilities at fair value, is mandatory. This is not applicable id decided by a General Shareholders' Meeting by a majority of at least 65% of the fully paid share capital.

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

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

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

3. Financial risk management

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.

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.

On 30/06/2018, the Company and the Group had cash and cash reserves of € 2.4 million and € 3.0 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 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 first half of 2018:

Amounts in € million	Loans 30.06.2018	Effect on results before tax (+ / -)
Group	51.6	0.5
Company	45.5	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 first half of 2018:

Amounts in € million	Sight and term deposits 30.06.2018	Effect on results before tax (+ / -)
Group	3.0	0.03
Company	2.4	0.02

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	30.06.2018	30.06.2017
Total debt	45,468,450.00	30,550,050.00
Minus: Cash and cash equivalents	2,368,099.32	3,921,902.49
Net debt	**43,100,350.68**	**26,628,147.51**
Total equity	68,483,080.49	70,111,992.68
EBITDA	1,593,852.82	3,233,161.97
Equity / Net debt	**1.59**	**2.63**
Net debt / EBITDA	**27.04**	**8.24**

Group Data	30.06.2018	30.06.2017
Total debt	51,646,190.20	32,484,698.20
Minus: Cash and cash equivalents	2,952,318.05	4,144,903.12
Net debt	**48,693,872.15**	**28,339,795.08**
Total equity	67,084,615.83	65,794,772.73
EBITDA	2,196,922.82	3,656,143.61
Equity / Net debt	**1.38**	**2.32**
Net debt / EBITDA	**22.16**	**7.75**

4. Fair value of financial assets

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

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

The ranking levels of fair value are the following:

a) official stock exchange prices (without adjustment) in markets with significant trading volumes for similar assets or liabilities (Level 1)
b) inflows, other than stock exchange prices which are included in Level 1, which can be observed for the financial asset or the liability, either directly (for example prices) or indirectly (as derivative of prices) (Level 2), and

c) inflows for the financial asset or the liability which are not based on observable market data (non observable inflows) (Level 3).
The levels in the ranking scale of fair value, within which the measurement of fair value is fully classified, is defined by the inflow of the lowest level which is deemed as significant for the measurement of the entire fair value.

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

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

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

5. Significant accounting estimations and judgments by management

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

Tax unaudited years

Since the fiscal year 2011, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS SIMOS SA, and also since the year 2014 all Group companies, have been included in the tax audit of the Certified Auditors as it is provided by the clauses of article 65A of Law 4174/2013, as they were amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not included in the tax audit of the Certified Auditors, it is estimated that there is no reason for the formation of any provision. As result, on 30/06/2018 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.

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 at acquistion	41,575,035.99	48,726,972.51	1,502,965.80	1,850,929.74	615,989.72	4,842,627.67	99,114,521.43
Accumulated depreciation and impairment	-10,681,321.00	-21,281,842.61	-1,226,716.82	0.00	-529,160.23	-1,705,596.33	-35,424,636.99
Net book value 30.06.18	**30,893,714.99**	**27,445,129.90**	**276,248.98**	**1,850,929.74**	**86,829.49**	**3,137,031.34**	**63,689,884.44**

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
Net book value 31.12.16	**24,471,535.67**	**25,712,353.27**	**301,262.26**	**687,411.02**	**117,686.74**	**3,288,753.33**	**54,579,002.29**
Additions	0,00	1,998,568.39	47,965.93	878,531.57	0.00	0.00	2,925,065.89
Depreciations	-747,116.99	-1,818,658.18	-81,569.28	0.00	-17,395.08	-105,131.18	-2,769,870.71
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 agricultural & consol. via equity method	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Additions	41,701.00	2,087,020.58	30,746.87	642,305.77			2,801,774.22
Depreciations	-436,608.30	-990,711.38	-39,758.29	0.00	-8,666.53	-46,590.81	-1,522,335.31
Sales - write-offs	0.00	-2,482,373.33	-59,685.52	0.00	0.00	0.00	-2,542,058.85
Depreciation of assets sold/written-off	0.00	903,641.55	59,685.46	0.00	0.00	0.00	963,327.01
Net book value 30.06.2018	**30,893,714.99**	**27,445,129.90**	**276,248.98**	**1,850,929.74**	**86,829.49**	**3,137,031.34**	**63,689,884.44**

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 at acquistion	28,679,989.82	38,255,971.17	1,256,453.65	1,850,929.76	484,749.56	4,842,627.67	75,370,721.63
Accumulated depreciation and impairment	-7,677,331.38	-17,743,008.23	-982,196.45	0.00	-397,920.20	-1,705,596.33	-28,506,052.59
Net book value 30.06.18	**21,002,658.44**	**20,512,962.94**	**274,257.20**	**1,850,929.76**	**86,829.36**	**3,137,031.34**	**46,864,669.04**

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
Net 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 associate company 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	41,701.00	2,087,020.58	29,426.87	642,305.79	0.00	0.00	**2,800,454.24**
Depreciations	-292,947.12	-707,302.52	-35,698.80	0.00	-8,666.53	-46,590.81	**-1,091,205.78**
Sales - write-offs	0.00	-171,667.94	-34,778.54	0.00	0.00	0.00	**-206,446.48**
Depreciation of assets sold/written-off	0.00	98,422.99	34,778.49	0.00	0.00	0.00	**133,201.48**
Net book value 30.06.2018	**21,002,658.44**	**20,512,962.94**	**274,257.20**	**1,850,929.76**	**86,829.36**	**3,137,031.34**	**46,864,669.04**

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	
	30.06.2018	31.12.2017
Property at 1 Palaska Str, 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	-1,705,596.33	-1,659,005.52
Net book value	**3,137,031.34**	**3,183,622.15**

8. Analysis of receivables

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Customers	18,621,535.21	13,971,740.13	18,381,891.20	13,554,061.29
Notes	2,933.11	2,933.11	0.00	0.00

Post-dated cheques	10,998,962.83	10,898,597.86	10,998,962.83	10,965,831.47
Provisions for bad debt	(3,120,887.15)	(3,080,467.88)	(2,957,087.15)	(2,916,667.88)
Total trade receivables	**26,502,544.00**	**21,792,803.22**	**26,423,766.88**	**21,603,224.88**

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Initial balance	3,080,467.88	2,964,186.30	2,916,667.88	2,964,186.30
Additional provision (results)	50,000.00	100,000.00	50,000.00	60,000.00
Effect due to IFRS 9	100,000.00	0.00	100,000.00	0.00
Change of consolidation method	0.00	123,800.00	0.00	0.00
Utilization of provision	(109,580.73)	(107,518.42)	(109,580.73)	(107,518.42)
Total	**3,120,887.15**	**3,080,467.88**	**2,957,087.15**	**2,916,667.88**

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

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

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Receivables from employees	29,479.59	16,890.00	29,354.59	17,052.75
Receivables from other partners - third parties	480,335.15	2,678,790.97	185,520.15	988,845.85
Greek State– income tax receivable	41,756.96	163,005.22	39,840.13	35,896.83
Greek State – receivable of other taxes	3,208,077.42	2,095,353.49	3,208,077.42	2,199,086.12
Receivables from related companies	0.00	0.00	1,505,881.79	2,700,810.41
Grants receivable	366,312.21	512,837.10	366,312.21	512,837.10
Provision for doubtful receivables	(122,900.00)	(122,900.00)	(116,000.00)	(116,000.00)
Total	**4,003,061.33**	**5,343,976.78**	**5,218,986.29**	**6,338,529.06**

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Initial balance	122,900.00	116,000.00	116,000.00	116,000.00
Absorption of related	0.00	0.00	0.00	0.00

Change in consolidation method	0.00	6,900.00	0.00	0.00
Utilization of provision	0.00	0.00	0.00	0.00
Total	**122,900.00**	**122,900.00**	**116,000.00**	**116,000.00**

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Given guarantees	61,295.06	55,999.06	37,245.01	42,079.06
Receivables from associates	137,256.21	147,386.26	2,557,436.51	3,543,237.45
Total	**198,551.27**	**203,385.32**	**2,594,681.52**	**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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Merchandise	27,681,553.23	18,365,609.49	27,681,553.23	18,365,609.49
Impairment of merchandise	0.00	0.00	0.00	0.00
Products	5,136,961.64	4,134,726.46	5,136,961.64	4,134,726.46
Impairment of products	0.00	0.00	0.00	0.00
Orders	70,578.34	5,822,046.23	70,578.34	5,822,046.23
Raw materials – consumables	672,535.46	704,514.26	672,535.46	700,702.64
Prepayments for purchases of inventories	0.00	0.00	0.00	0.00
Total	**33,561,628.67**	**29,026,896.44**	**33,561,628.67**	**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 IAS 39, the value of these securities has been impaired.

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Value of securities	51,450.00	51,450.00	51,450.00	51,450.00

Revaluation difference in the results	(22,890.00)	(24,150.00)	(22,890.00)	(24,150.00)
Balance	**28,560.00**	**27,300.00**	**28,560.00**	**27,300.00**

11. Derivatives

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Forward foreign exchange contracts Current assets / (short-term liabilities)	0.00	(85,702.34)	0.00	(85,702.34)
Amounts registered in the results	0.00	(100,948.95)	0.00	(100,948.95)

12. Analysis of cash reserves

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Cash in hand	10,349.68	12,828.16	2,285.28	4,718.44
Sight & term deposits	2,941,968.37	5,917,293.78	2,365,814.04	5,406,029.26
Total	**2,952,318.05**	**5,930,121.94**	**2,368,099.32**	**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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Share Capital	**18,421,516.00**	**18,421,516.00**	**18,421,516.00**	**18,421,516.00**
Share premium	**11,171,177.70**	**11,171,177.70**	**11,171,177.70**	**11,171,177.70**
Statutory reserve	3,549,983.05	3,549,983.05	3,535,074.04	3,535,074.04
Extraordinary reserves	802,993.02	802,993.02	802,993.02	802,993.02
Tax-exempt reserves subject to special legal provisions	12,086,025.87	12,086,025.87	12,086,025.87	12,086,025.87
Bonus shares from capitalization of results				
Reserves of tax-exempt income	404,315.87	404,315.87	404,315.87	404,315.87
Special reserves	4,467,406.98	4,467,406.98	4,467,406.98	4,467,406.98
Total Reserves	**21,310,724.79**	**21,310,724.79**	**21,295,815.78**	**21,295,815.78**

Treasury shares	**-7,062.48**	**-7,062.48**	**-7,062.48**	**-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		-3,231.22	0.00	0.00
Results for the period	-494,276.06	2,296,888.04	-694,092.20	-75,888.41
Μεταβολήδικ ,μειοψ, μέσωαυξησης κεφαλαίου				
Effect due to IFRS 9	-71,000.00		-71,000.00	
Accumulated Earnings	**16,159,160.51**	**16,724,436.57**	**17,601,633.49**	**18,366,725.69**
Total equity without minority interest	**67,055,516.52**	**67,620,792.58**	**68,483,080.49**	**69,248,172.69**
Minority interest	29,099.31	27,910.93		
Total Equity	**67,084,615.83**	**67,648,703.51**	**68,483,080.49**	**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 (until GM)	1,520	1,277.36
Year 2014 (after GM)	6,070	3,624.10
Year 2015	6,115	3,182.75
Year 2016	11,976	7,569.25
Year 2017	0.00	0.00
Year 2018	0.00	0.00
Total	**237,161**	**140,853.71**
Cancellation of treasury shares via share capital decrease	-226,484	-133,791.23
Balance on 30.06.2018	**10,677**	**7,062.48**

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

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

The accumulated earnings of the Group and the Company have increased by amounts of grants, € 3,599,845.48 and € 2,103,524.85 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	30.06.2018	30.06.2017
Total debt	45,468,450.00	30,550,050.00
Minus: Cash and cash equivalents	2,368,099.32	3,921,902.49
Net debt	**43,100,350.68**	**26,628,147.51**
Total equity	68,483,080.49	70,111,992.68
EBITDA	1,593,852.82	3,233,161.97
Equity / Net debt	**1.59**	**2,63**
Equity / Net debt	**27.04**	**8.24**

Group Data	30,06,2018	30,06,2017
Total debt	51,646,190.20	32,484,698.20
Minus: Cash and cash equivalents	2,952,318.05	4,144,903.12
Net debt	**48,693,872.15**	**28,339,795.08**
Total equity	67,084,615.83	65,794,772.73
EBITDA	2,196,922.82	3,656,143.61
Equity / Net debt	**1.38**	**2.32**
Net debt / EBITDA	**22.16**	**7.75**

14. Analysis of suppliers and other liabilities

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Insurance accounts & other taxes	461,020.99	461,312.83	262,090.84	438,582.33
Customer prepayments	1,028,269.09	498,447.57	641,907.98	484,978.42
Other liabilities / provisions	41,477.95	112,652.72	378,183.43	1,144.47
Total other liabilities	**1,530,768.03**	**1,072,413.12**	**1,282,182.25**	**924,705.22**
Suppliers	**3,959,149.79**	**5,638,116.83**	**3,917,149.07**	**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.

ELASTRON STEEL SERVICE CENTERS

15. *Analysis of loans*

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

Long-term loans

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Bond loans	24,750,000.00	20,300,000.00	24,750,000.00	20,300,000.00

Short-term loans

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Bank loans	19,262,040.21	23,307,361.54	13,033,000.01	15,185,133.00
Short-term part of bond loans	7,634,149.99	1,648,025.03	7,685,449.99	1,648,025.05
Total	**26,896,190.20**	**24,955,386.57**	**20,718,450.00**	**16,833,158.05**
TOTAL LOANS	**51,646,190.20**	**45,255,386.57**	**45,468,450.00**	**37,133,158.05**

	GROUP		
	< 1 year	From 1 to 5 years	> 5 years
Bank loans 30.06.18	26,896,190.20	24,750,000.00	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 30.06.18	20,718,450.00	24,750,000.00	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	
	30.06.2018	31.12.2017	30.06.2018	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**
Subsidiaries' loans during the acquisition	0.00	0.00		0.00
Loans received	39,650,000.00	71,910,000.00	39,650,000.00	71,910,000.00

Change in consolidation method	0.00	6,595,457.74	0.00	0.00
Interest	1,440,961.38	2,009,648.85	1,248,276.44	1,692,799.18
	86,346,347.95	**108,795,952.41**	**78,031,434.49**	**99,180,923.31**
Loans repaid	(33,396,272.00)	(61,942,780.73)	(31,484,800.00)	(60,780,888.70)
Interest paid	(1,303,885.75)	(1,597,785.11)	(1,078,184.49)	(1,266,876.56)
Interest	**51,646,190.20**	**45,255,386.57**	**45,468,450.00**	**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.

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

Deferred taxes are as follows:

a) For the Group

	01.01.2017	MERGER OF ASSOCIATE	CHANGE IN CONSOLIDATION METHOD	1.1 - 31.12.2017	31.12.2017	1.1 – 30.06.18	30.06.2018
Intangible assets	-25,943.90	1,408.76	-18.03	17,958.16	-6,595.01	362.61	-6,232.40
Tangible assets	-4,707,302.50	52,832.80	-885,913.25	-758,728.68	-6,299,111.63	314,376.46	-5,984,735.17
Installation expenses	72,651.19	-7,449.13	0.00	-29,622.18	35,579.88	-5,899.25	29,680.63
Inventories	13,525.76	-4,120.35	0.00	331.08	9,736.49	-9,736.49	0.00
Impairment of interest	162,400.00	0.00	0.00	216,035.50	378,435.50	87,000.00	465,435.50
Long-term receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade & other receivables	606,020.68	0.00	10,759.00	-10,672.66	606,107.02	43,510.39	649,617.41
Employee benefits	147,259.43	-1,482.34	1,691.18	-8,071.78	139,396.49	11,701.90	151,098.39
Suppliers and other liabilities	0.00	0.00	-9,495.83	5,183.64	-4,312.19	4,312.19	0.00
Extraordinary levy	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	-681,066.72	1,864,700.00
Other	12,345.98	0.00	0.00	-4,331.93	8,014.05	-1,375.95	6,638.10
Total	**-1,608,579.32**	**41,189.74**	**-882,976.93**	**-136,616.17**	**-2,586,982.68**	**-236,814.86**	**-2,823,797.54**
Directly to equity				-594,256.36		-29,000.00	
In the results				**-730,872.53**		**-265,814.86**	

b) For the Company

	01.01.2017	MERGER OF ASSOCIATE	1.1 – 31.12.17	31.12.2017	1.1-30.06.18	30.06.2018
Intangible assets	-24,535.14	0.00	17,940.17	-6,594.97	362.57	-6,232.40

Tangible assets	-4,191,238.85	0.00	-64,403.77	-4,255,642.62	26,452.95	-4,229,189.67
Installation expenses	17,756.59	0.00	-17,756.50	0.09	0.00	0.09
Inventories	9,405.41	0.00	331.08	9,736.49	-9,736.49	0.00
Impairment of interest	162,400.00	0.00	216,035.50	378,435.50	87,000.00	465,435.50
Long-term receivables	0.00	0.00	0.00	0.00	0.00	0.00
Trade & other receivables	606,020.68	0.00	-44,736.70	561,283.98	38,830.43	600,114.41
Employee benefits	145,777.09	0.00	-7,060.05	138,717.04	11,701.90	150,418.94
Tax loss offset by taxable earnings of subsequent years	2,088,000.00	0.00	-745,300.00	1,342,700.00	-304,500.00	1,038,200.00
Other	12,345.98	0.00	2,692.36	15,038.34	-8,400.24	6,638.10
Total	**-1,174,068.24**	**0.00**	**-642,257.91**	**-1,816,326.15**	**-158,288.88**	**-1,974,615.03**
Directly to equity			0.00		-29,000.00	
In the results			**-642,257.91**		**-187,288.88**	

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

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

17. Analysis of post-employment benefits

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

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Balance Sheet liabilities	**566,681.94**	**544,977.55**	**564,339.01**	**542,634.62**
Charges to the Results	**25,754.39**	**51,049.23**	**25,754.39**	**51,048.78**
Actuarial gains / (losses	**0.00**	**0.00**	**0.00**	**0.00**
Present value of financed liabilities	0.00	0.00	0.00	0.00
Present value of non-financed liabilities	566,681.94	544,977.55	564,339.01	542,634.62
Balance Sheet Liability	**566,681.94**	**544,977.55**	**564,339.01**	**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
Contributions paid	(4,050.00)	(11,093.78)	(4,050.00)	(11,093.78)
Total expense recognized in the results	25,754.39	51,049.23	25,754.39	51,048.78
From Merger with Corus Kalpinis Simos	0.00	(950.33)	0.00	0.00
Change in Cons. Method – Merger of Agricultural	0.00	0.00	0.00	0.00

ELASTRON
STEEL SERVICE CENTERS

Actuarial gains / (losses)	0.00	(1,818.69)	0.00	0.00
Net liability at end of year	**566,681.94**	**544,977.55**	**564,339.01**	**542,634.62**
Analysis of expenses recognized in the results				
Cost of current employment	19,554.30	39,108.60	19,554.30	39,108.60
Financial cost	3,770.09	7,540.18	3,770.09	7,540.18
Prior service cost	2,430.00	4,400.45	2,430.00	4,400.00
Total expense recognized in the results	**25,754.39**	**51,049.23**	**25,754.39**	**51,048.78**
Allocation of Expense				
Cost of sales	11,898.16	20,538.09	11,898.16	20,538.09
Distribution expenses	12,561.31	19,919.83	12,541.31	19,919.83
Administrative expenses	1,294.92	10,591.31	1,294.92	10,590.86
Total	**25,754.39**	**51,049.23**	**25,734.39**	**51,048.78**

On 30/06/2018 and 31/12/2017, the average expected expiration of the liabilities concerning employee benefits for the Company and the Group was 16.42 years.

18. Analysis of tax liabilities

	GROUP		COMPANY	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Income tax liability	0.00	0.00	0.00	0.00
Credit balance of tax statements to be refunded	(41,756.96)	(37,813.56)	(39,840.13)	(35,896.83)
Tax duties from previous years	0.00	0.00	0.00	0.00
Total	**(41,756.96)**	**(37,813.56)**	**(39,840.13)**	**(35,896.83)**

19. Segment reporting

The Group is organized in separate 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 business segments are as follows:

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

	01.01 – 30.06.2018				
(Amounts in €)	STEEL PRODUCTS	ENERGY SEGMENT	CONSOLIDATION IN EQUITY	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Sales	52,634,192.61	675,967.46		0.00	53,310,160.07
Gross profit / (loss)	5,674,574.72	271,096.47		130,200.00	6,075,871.19
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	1,370,217.52	421,955.30		404,750.00	2,196,922.82
Earnings / (losses) before interest and taxes (EBIT)	562,595.18	243,239.21		404,750.00	1,210,584.39
Earnings / (losses) before taxes (EBT)	-775,101.18	147,162.47	(62,881.06)	405,550.94	-285,268.83

Earnings / (losses) after taxes	-969,481.62	75,728.05	(62,881.06)	405,550.94	-551,083.69

(Amounts in €)	01.01 – 30.06.2017				
	STEEL PRODUCTS	ENERGY SEGMENT	CONSOLIDATION IN EQUITY	CONSOLIDATION & ARRANGEMENT ENTRIES	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Sales	41,690,095.18	688,045.05	0.00	0.00	42,378,140.23
Gross profit / (loss)	6,405,354.04	284,914.49	0.00	130,200.00	6,820,468.53
Earnings / (losses) before interest, taxes, depreciation and amortization (EBITDA)	3,233,161.97	433,986.06	0.00	(11,004.42)	3,656,143.61
Earnings / (losses) before interest and taxes (EBIT)	2,235,299.25	254,854.67	0.00	(11,004.42)	2,479,149.50
Earnings / (losses) before taxes (EBT)	1,313,137.75	142,934.66	(432,927.21)	15,782.90	1,038,928.10
Earnings / (losses) after taxes	830,884.52	93,942.50	(432,927.21)	15,782.90	507,682.71

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

- Domestic Sales (approximately 701%)
- Foreign Sales (approximately 30%)

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

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Sales of Merchandise	18,347,639.07	16,529,045.50	18,347,639.07	16,529,045.50
Sales of Products	34,956,915.30	25,846,465.35	34,280,947.84	25,158,420.30
Other Sales	5,605.70	2,629.38	5,605.70	2,629.38
Total Sales	**53,310,160.07**	**42,378,140.23**	**52,634,192.61**	**41,690,095.18**

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Domestic Sales	36,699,250.40	30,177,168.13	36,023,282.94	29,489,123.08
Foreign Sales	16,610,909.67	12,200,972.10	16,610,909.67	12,200,972.10
Total Sales	**53,310,160.07**	**42,378,140.23**	**52,634,192.61**	**41,690,095.18**

20. Analysis of other results

(a) Other income

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

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017

Income from transport & delivery expenses	753,232.47	577,383.08	753,232.47	577,383.08
Rental Income	300.00	0.00	133,860.00	133,860.00
Income from provision of services	9,828.00	135.00	9,828.00	135.00
Income from Grants	535,996.89	66,311.28	106,079.65	66,311.28
Profit from sale of fixed assets	0.00	0.00	0.00	0.00
Income from previous years	449.10	2,836.09	449.10	2,836.09
Other income	69,286.06	34,645.07	68,686.06	34,345.07
Total	**1,369,092.52**	**681,310.52**	**1,072,135.28**	**814,870.52**

(b) Other expenses

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

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Bad debtors	50,000.00	100,000.00	50,000.00	100,000.00
Losses from sale of fixed assets	49,245.00	1,987.24	49,245.00	1,987.24
Previous years' expenses	9,352.91	24,969.08	9,352.61	24,969.08
Depreciations	252,413.45	54,230.91	0.00	54,230.91
Impairment of investments	0.00	0.00	300,000.00	0.00
Other expenses	121,533.64	0.00	85,919.36	0.00
Total	**482,545.00**	**181,187.23**	**494,516.97**	**181,187.23**

(c) Expenses

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

	GROUP		
	01.01-30.06.18		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	991,421.46	1,045,020.10	335,632.24
Third party fees & expenses	324,302.75	364,707.10	615,518.89
Third party benefits	472,643.19	286,002.28	283,150.54
Taxes - duties	60,786.16	44,447.61	28,570.28
Sundry expenses	420,172.03	2,141,978.34	158,054.00
Depreciation	821,168.93	368,452.58	80,300.36
Cost of inventories	44,143,794.36	0.00	0.00
Total	**47,234,288.88**	**4,250,608.01**	**1,501,226.31**

	GROUP		
	01.01-30.06.17		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	832,913.95	873,652.37	305,144.17
Third party fees & expenses	268,686.17	310,004.96	569,255.75

Third party benefits	405,037.47	242,118.85	170,667.52
Taxes - duties	65,958.69	47,253.13	11,649.07
Sundry expenses	274,681.42	1,763,109.79	112,077.63
Depreciation	804,996.32	333,644.58	102,864.50
Cost of inventories	32,905,397.68	0.00	0.00
Total	**35,557,671.70**	**3,569,783.68**	**1,271,658.64**

	COMPANY		
	01.01-30.06.18		
	COST OF SALES	DISTRIBUTION EXPENSES	ADMINISTRATIVE EXPENSES
Employee fees & expenses	991,421.46	1,045,020.10	320,770.68
Third party fees & expenses	292,002.75	364,707.10	595,541.33
Third party benefits	308,151.08	286,002.28	248,662.88
Taxes - duties	31,423.37	44,447.61	2,157.09
Sundry expenses	420,172.03	2,141,978.34	149,237.61
Depreciation	642,452.84	368,452.58	80,300.36
Cost of inventories	44,270,182.74	0.00	0.00
Total	**46,955,806.27**	**4,250,608.01**	**1,396,669.95**

	COMPANY		
	01.01-30.06.17		
	COST OF SALES	DISTRIBUTIO N EXPENSES	ADMINISTRA TIVE EXPENSES
Employee fees & expenses	832,913.95	873,652.37	305,144.17
Third party fees & expenses	247,286.17	310,004.96	553,393.19
Third party benefits	232,613.59	242,118.85	169,425.15
Taxes - duties	35,368.09	47,253.13	2,907.64
Sundry expenses	274,681.42	1,763,109.79	100,635.06
Depreciation	628,080.23	333,644.58	102,449.19
Cost of inventories	33,033,797.69	0.00	0.00
Total	**35,284,741.14**	**3,569,783.68**	**1,233,954.40**

(d) Financial expenses – income

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

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Debit interest	1,270,267.18	979,833.82	1,115,241.16	940,971.32
Other bank expenses and fees	179,613.64	104,346.45	125,691.02	83,055.96
Foreign exchange differences	31,956.38	46,014.90	31,956.38	46,014.90
Losses from derivatives	0.00	12,486.69	0.00	12,486.69

Total	**1,481,837.20**	**1,142,681.86**	**1,272,888.56**	**1,082,528.87**

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

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Credit interest	16,433.12	32,854.65	66,930.62	104,626.45
Income / profit from securities	1,676.50	22,417.50	1,676.50	22,417.50
Interest receivable from customers	3,049.09	180.37	3,049.09	180.37
Foreign exchange differences	0.00	33,143.05	0.00	33,143.05
Profit from derivatives	27,706.33	0.00	27,706.33	0.00
Total	**48,865.04**	**88,595.57**	**99,362.54**	**160,367.37**

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

	01.01-30.06.2018		
	Results for the period	Stat. of Comperh. Income	Total
THRACE GREENHOUSES SA	(80,424.90)	0.00	(80,424.90)
BALKAN IRON GROUP SRL	17,543.84	0.00	17,543.84
Total	**(62,881.06)**	**0.00**	**(62,881.06)**

	01.01-30.06.2017		
	Results for the period	Stat. of Comperh. Income	Total
THRACE GREENHOUSES SA	(86,576.55)	(503.77)	(87,080.32)
NORTHERN GREECE METAL PRODUCTS SA	336,662.64	(6,390.00)	330,272.64
BALKAN IRON GROUP SRL	9,576.42	10,500.88	20,077.30
CONSOL. DIFFER. OF ELASTRON AGRIC. WITH THRACE GREENHOUSES	126,472.60	0.00	126,472.60
Total	**386,135.11**	**3,607.11**	**389,742.22**

(f) Income tax expense

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Income tax of current year / provision	0.00	0.00	0.00	0.00
Deferred taxation	265,814.86	531,245.39	187,288.88	482,253.23
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	**265,814.86**	**531,245.39**	**187,288.88**	**482,253.23**

(g) Other comprehensive income / expenses after taxes

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Foreign exchange differences from consolidation	0.00	(10,500.88)	0.00	0.00
Result from cash flow hedging minus the corresponding tax	57,966.01	(42,952.94)	57,966.01	(42,952.94)
Other	0.00	6,893.77	0.00	0.00
Total	**57,966.01**	**(46,560.05)**	**57,966.01**	**(42,952.94)**

21. Analysis of earnings per share

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Net earnings corresponding to shareholders	(552,272.08)	506,019.42	(752,088.21)	830,884.52
Number of shares (W. Avg)	18,421,780	18,421,780	18,421,780	18,421,780
Earnings / (losses) per share (€)	**(0.0300)**	**0.0275**	**(0.0408)**	**0.0451**

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 30.06.2018 and 30.06.2017 respectively

	SALES / REVENUES				
PURCHASES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**CORUS KALPINIS SIMOS SA**	**TOTAL**
ELASTRON S.A.	0.00	0.00	860,437.08	0.00	**860,437.08**
THRACE GREENHOUSES S.A.	0.00	0.00	0.00	0.00	**0.00**
PHOTOENERGY S.A.	25,659.38	0.00	0.00	0.00	**25,659.38**
PHOTODEVELOPMENT S.A.	57,848.44	0.00	0.00	0.00	**57,848.44**
PHOTODIODOS S.A.	51,036.56	0.00	0.00	0.00	**51,036.56**
PHOTOKYPSELI S.A.	17,329.69	0.00	0.00	0.00	**17,329.69**
ILIOSKOPIO S.A.	24,166.41	0.00	0.00	0.00	**24,166.41**
PHOTOISHIS LTD	6,738.28	0.00	0.00	0.00	**6,738.28**

NORTHERN GREECE METAL PRODUCTS S.A.	0.00	0.00	0.00	0.00	**0.00**
TOTAL	**182,778.75**	**0.00**	**860,437.08**	**0.00**	**1,043,215.83**

	SALES / REVENUES				
PURCHASES	**ELASTRON S.A.**	**THRACE GREENHOUSES SA**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**CORUS KALPINIS SIMOS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	0.00	1,273,267.98	0.00	**1,273,267.98**
THRACE GREENHOUSES S.A.	183.2	0.00	0.00	0.00	**183.2**
PHOTOENERGY S.A.	25,659.38	0.00	0.00	0.00	**25,659.38**
PHOTODEVELOPMENT S.A.	57,848.44	0.00	0.00	0.00	**57,848.44**
PHOTODIODOS S.A.	51,036.56	0.00	0.00	0.00	**51,036.56**
PHOTOKYPSELI S.A.	17,329.69	0.00	0.00	0.00	**17,329.69**
ILIOSKOPIO S.A.	24,166.41	0.00	0.00	0.00	**24,166.41**
PHOTOISHIS LTD	6,738.28	0.00	0.00	0.00	**6,738.28**
NORTHERN GREECE METAL PRODUCTS S.A.	19,793.59	0.00	0.00	0.00	**19,793.59**
TOTAL	**202,755.55**	**0.00**	**1,273,267.98**	**0.00**	**1,476,023.52**

(b) Intra-company receivables / liabilities on 30.06.2018 and 31.12.2017 respectively:

	RECEIVABLES			
LIABILITIES	**ELASTRON S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**NORTHERN GREECE METAL PRODUCTS S.A.**	**TOTAL**
ELASTRON S.A.	0.00	1,069,395.98	0.00	**1,069,395.98**
THRACE GREENHOUSES S.A.	0.59	0.00	0.00	**0.59**
PHOTOENERGY S.A.	207,751.78	0.00	0.00	**207,751.78**
PHOTODEVELOPMENT S.A.	540,059.26	0.00	0.00	**540,059.26**
PHOTODIODOS S.A.	481,101.54	0.00	0.00	**481,101.54**
PHOTOKYPSELI S.A.	95,928.06	0.00	0.00	**95,928.06**
ILIOSKOPIO S.A.	185,262.72	0.00	0.00	**185,262.72**
PHOTOISHIS LTD	542,390.04	0.00	0.00	**542,390.04**
NORTHERN GREECE METAL PRODUCTS S.A.	2,575,277.77	0.00	0.00	**2,575,277.77**
BALKAN IRON GROUP SRL	155,700.00	0.00	0.00	**155,700.00**
KALPINIS SIMOS BULGARIA EOOD	795,000.00	0.00	0.00	**795,000.00**
TOTAL	**5,578,471.76**	**1,069,395.98**	**0.00**	**6,647,867.74**

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

	GROUP		COMPANY	
	1.1-30.06		1.1-30.06	
	2018	2017	2018	2017
c) Transactions and remuneration of Board Members & senior executives				
Transactions and remuneration of Board Members	128,925.41	119,000.00	128,925.41	119,000.00
Transactions and remuneration of senior executives	44,200.00	42,250.00	44,200.00	42,250.00
Transactions and remuneration of other related entities	8,900.93	8,900.93	8,900.93	8,900.93
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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Until 1 year	177,009.65	155,976.37	177,009.65	155,976.37
From 1-5 years	198,552.90	244,624.24	198,552.90	244,624.24
After 5 years	0.00	0.00	0.00	0.00

Total	**375,562.55**	**400,600.61**	**375,562.55**	**400,600.61**

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:

	30.06.2018	
	GROUP	COMPANY
Guarantees to secure obligations to suppliers	2,789,863.16	2,759,863.16
Guarantees to secure trade receivables	3,185,745.00	3,185,745.00
Other Guarantees to third parties	4,284,136.61	4,227,818.61
Total	**10,259,744.77**	**10,173,426.77**

Tax unaudited years

Since the fiscal year 2011, ELASTRON SA, METAL-PRO SA and the absorbed company CORUS KALPINIS SIMOS SA, and also since the year 2014 all Group companies, have been included in the tax audit of the Certified Auditors as it is provided by the clauses of article 65A of Law 4174/2013, as they were amended by the article 56 of Law 4410/2016. For the companies and the fiscal years which were not included in the tax audit of the Certified Auditors, it is estimated that there is no reason for the formation of any provision. As result, on 30/06/2018 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.

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	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Regular staff	75	65	74	65
Staff on day-wage basis	106	80	106	80
Total staff	**181**	**145**	**180**	**145**

(b) Personnel's remuneration

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

	GROUP		COMPANY	
	01.01-30.06		01.01-30.06	
	2018	2017	2018	2017
Employee remuneration	1,912,321.40	1,586,246.06	1,900,607.93	1,586,246.06
Employer contributions	426,658.54	386,735.96	423,510.45	386,735.96
Other benefits	11,389.47	15,004.08	11,389.47	15,004.08
Total	**2,350,369.41**	**1,987,986.10**	**2,335,507.85**	**1,987,986.10**

26. Government Grants

	30.06.2018		31.12.2017	
	GROUP	COMPANY	GROUP	COMPANY
Grants on completed investments	7,970,786.42	5,085,282.42	8,342,556.91	5,456,439.01
Grants on the income of the year 2018 / 2017	(535,996.89)	(106,079.65)	(289,303.57)	(238,486.95)
Grants on revenue from previous financial years	(3,063,848.59)	(1,997,445.20)	(2,774,545.06)	(1,758,958.25)
Balance on deferred income	**4,370,940.94**	**2,981,757.57**	**5,278,094.42**	**3,458,993.81**
Short-term portion	316,272.97	212,159.31	343,214.48	238,486.96
Long-term portion	4,054,667.97	2,769,598.26	4,928,657.68	3,220,506.85
Received Prepayment	7,604,474.21	4,718,970.21	7,829,719.81	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. During the first half of the year, at the phase of the completion of the investment program related to Law 3299/04, the Group returned a proportional to the subsidy amount of € 371 thousand.

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.

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 € 1,864.35 thousand of which an amount of € 1,302.75 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 30/06/2018 for the Company and the Groups is as follows:

Amounts in € thous.	Liabilities of financial leases	Minus: Future financial debits of financial leases	Total
Within the following year	**632,160.11**	-70,559.99	561,600.12
From the 2nd until the 5th year	**1,373,643.87**	-70,892.02	1,302,751.85
After the 5th year	**0.00**	0.00	0.00
Total	**2,005,803.98**	**-141,452.01**	**1,864,351.97**

During the year 2018, the Group made a capital repayment of € 367.81 thousand for financial leases.

28. Exchange rates

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

30.06.2018

1 € = 4.6631RON (Exchange rate used in the Statement of Financial Position)
1 € = 4.6543RON (Exchange rate used in the Statement of Comprehensive Income)

30.06.2017

1 € = 4.5523 RON (Exchange rate used in the Statement of Financial Position)
1 € = 4.5370RON (Exchange rate used in the Statement of Comprehensive Income)

29. Events after the end of the reporting period

The Ordinary General Meeting of shareholders on 21/06/2018 approved the cancelation of 10,677 treasury shares with total acquisition value of 7,027.96 Euros (average price without expenses and transaction commissions at € 0.6582 / share) according to the provisions of article 16 of P.L. 2190/1920. The above cancelation occurred during the second half of the year.

Aspropyrgos, 24 September 2018

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