Board of Directors Annual Financial Report

Independent Auditor's Report

&

Annual Financial Reports

(1st January 2018 – 31st December 2018)

FITCO S.A.

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Board of Directors Annual Financial Report

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns the current financial year 2018 (1 January 2018 - 31 December 2018). This Report was prepared in accordance with the relevant provisions CL 2190/1920.

This report details financial information on the Company FITCO METAL WORKS S.A. (hereinafter referred to for the purpose of brevity as “FITCO” or “Company”) for the current financial year 2018, important events that took place during the said period and their effect on the annual financial statements. It also stresses the main risks and uncertainties with which Company faced during the year and finally sets out the important transactions between the issuer and its affiliated parties. The Company has no branch stores.

A. Performance and Financial Standing of FITCO

During the year of 2018 the recovery in the euro area slightly increased, which had positive effects on the Group’s sales. The average copper’s price was Euro 5.519 per ton for the financial year of 2018, compared to the financial year of 2017, which was Euro 5.453 per ton, and the average price of zinc was Euro 2.467 per ton, compared to financial year of 2017, which was Euro 2.561 per ton.

Turnover for the financial year of 2018 rose to Euro 81.7 million increased by 24.7%, compared to the amount of Euro 65.5 million, of the past financial year. The increase in turnover was due to the increase of the sales volume by 7.8% and the improvement of the product mix. The earnings before interest, taxes and depreciation and amortiation (EBITDA) turned into profits of Euro 1.1 million for the year of 2018, compared to prior year, which were profits of Euro 2.0 million, and they were mainly affected by the provision for the valuation of inventories, in accordance with IAS 2, by Euro -0.6 million from the decrease of metal prices at the close of 2018. Specifically , the consolidated adjusted earnings before interest, taxes and depreciation and amortization (a-EBITDA), which isolate the effect of the metal prices and reflect better the operating profitability of the Company, were Euro 2.2 million for the year of 2018 and increased by 15.8% , compared to the financial year 2017, which were Euro 1.9 million. The earnings before interest and taxes (EBIT) consider to loss of Euro 0.1 million, compared to the financial year 2017, which was profits of Euro 0.8 million. Finally, net results (losses) after taxes were Euro 0.3 million, compared to the year of 2017, which were Euro 0.1 million.

During 2018, the initiatives about the cost savings were continued as well as production restructuring programs through optimization and reorganization of production processes. For these purposes, the Company proceeded to limited investments, which included mainly some necessary improvements – upgrades to existing machinery, with total cost of Euro 0.2 million.

Also, the net debt for the fiscal year was Euro 17.1 million, compared to prior year, which amounted to Euro 13.7 million.

B. Financial standing

The ratios, which express the Company's financial position, had the following evolution:

Numbers	31/12/2018	31/12/2017
Liquidity Current Assets/Current Liabilities	0.97	0.84
Leverage Equity/ Loans & Borrowings	0.86	1.11
Return on Invested Capital Operating Profit (Loss)/ Equity + Loans & Borrowings	-0.4%	2.8%
Return on Equity Net Profit (Loss)/Equity	-2.2%	-0.5%

C. Corporate Social Responsibility and Sustainable Development

Reference to non-Financial Information

FITCO is 100% subsidiary of ELVALHALCOR S.A. The non-Financial Information Report of ELVALHALCOR includes information about the major production subsidiaries that are consolidated. More specifically, includes information about FITCO S.A. The subsidiaries which represent more than 1% of the consolidated turnover of ELVALHALCOR, are the most important and are also presented in the Sustainability Report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI-Standards). For more information visit the following websites:

- http://www.elvalhalcor.com/investor-relations/reports-presentations/annual-reports/ , and
- www.fitco.gr .

Environment

FITCO, considering the big environmental issues that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and by minimizing its environmental footprint.

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

Human resources

One of the main advantages of Fitco is the quality of human capital that is credited in large part for its hitherto successful course. For this reason, the company attaches great importance to the selection, evaluation and reward its staff.

Fitco's policy is to attract highly quality individuals for optimal and timely needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment, through transparent procedures.

Fitco within its responsible operation has established a code of values and behaviour of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is increased.

Moreover, FITCO seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting virtually the employment in the region.

Health and Safety

FITCO cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work.

In 2018, further steps were taken to improve the security culture while the training of employees to create a safe working environment intensified. FITCO's virtue is the recording and reporting of "near misses" something that is key element for improving and advancing worker safety.

D. Main Risks and Uncertainties

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

Credit Risk

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

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

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

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

Investments

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

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

Guarantees

The Company’s policy consists in not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis. The guarantees that the Group has given are in low level and do not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding absolutely necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Noted that on the 31st of December, 2018, the Company held an amount of Euro 0.95 million of cash and the necessary approved (but unused) credit lines, so it can easily serve short and medium term obligations.

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

Market Risk

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

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

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

Exchange rate risk
The Company is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of the Company, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD and GBP.

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

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

Interest rate risk

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

The interest rate risk can be reduced, because a share of the Company's loans has fixed interest rates.

Capital management
The Company's policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Company and to allow Company activities to expand in the future. The Board of Directors monitors the return on capital employed which is defined by the

Company as net results divided by total equity. Also, the Board of Directors observes the level of dividends to ordinary shareholders.

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

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

Macro-economic environment

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

Considering, however, the following:

1. The nature of the Company's operations, as exporting,
2. The financial standing of the Company,
3. The production capacity of the units

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

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

E. Goals and Prospects

For the year 2019, the Company will continue to have as its main strategic goal to increase market shares in industrial products and to strengthen its activity in new markets that haven't been affected by the economic downturn. In addition, the current year, the optimal management of working capital and the reduction of net borrowing are our main priority. To this direction, on 01/03/2019 the General Assembly of FITCO SA decided to increase its share capital by cash payment amounted to Euro 5.0 million, which was completed with the registration decision 1534150 / 01-04-2019 at GEMI.

The Chairman of the Board of Directors

Nikolaos Koudounis

Independent auditor's report

To the Shareholders of "FITCO SA"

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of FITCO SA (Company) which comprise the balance sheet as of 31 December 2018, the statements of profit and loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920.

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2018 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

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

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Greek Accounting Standards and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Athens, 24 July 2019
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701

FINANCIAL STATEMENTS

For the period 1/1/2018-31/12/2018

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND MEMBER OF THE B.o.D.	THE GENERAL MANAGER AND MEMBER OF THE B.o.D.	THE CHIEF FINANCIAL OFFICER AND MEMBER OF THE B.o.D.
NIKOLAOS KOUDOUNIS ID No. AE 012572	ANDREAS GONTZES ID No. X 170406	VASILEIOS GONTZES ID No. X 561428	SPYRIDON KOKKOLIS ID No AN 659640

I. Statement of Financial Position

EUR	*Note*	2018	2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	24,334,145	25,321,519
Intangible assets and goodwill	10	62,988	83,651
Investment property	11	1,711,035	1,737,372
Trade and other receivables	14	1,867	38,378
		26,110,036	**27,180,920**
Current Assets			
Inventories	13	14,886,271	16,157,480
Trade and other receivables	14	6,037,664	10,530,323
Derivatives	15	222,439	-
Cash and cash equivalents	16	950,425	584,211
		22,096,799	**27,272,014**
Total Assets		**48,206,834**	**54,452,934**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	10,384,770	10,384,770
Other reserves	17	7,340,535	7,603,340
Retained earnings/(losses)	17	(2,130,961)	(2,131.074)
Equity attributable to owners of the company		**15,623,331**	**15,857,036**
LIABILITIES			
Non-Current Liabilities			
Loans and Borrowings	18	4,562,300	-
Deferred tax liabilities	12	4,446,772	5,358,164
Employee benefits	19	352,149	324,224
Grants	20	529,467	577,852
		9,890,688	**6,260,240**
Current Liabilities			
Trade and other payables	21	9,199,705	17,888,099
Contract liabilities	27	1,542	-
Loans and Borrowings	18	13,511,779	14,254,750
Derivatives	15	8,776	192,809
		22,721,802	**32,335,658**
Total Liabilities		**32,612,490**	**38,595,898**
Total Equity and Liabilities		**48,206,834**	**54,452,934**

The attached notes on pages 6 to 39 constitute an integral part of these Financial Statements.

II. Statement of Profit and Loss

EUR	*Note*	2018	2017
Revenue	5	**81,683,747**	**65,493,284**
Cost of Sales	7	(79,776,880)	(63,237,505)
Gross Profit		**1,906,868**	**2,255,778**
Other Income	6	467,735	1,048,348
Selling and Distribution expenses	7	(973,986)	(810,968)
Administrative expenses	7	(1,231,055)	(840,198)
Impairment loss on receivables and contract assets		(34,699)	(100,412)
Other Expenses	6	(268,132)	(723,017)
Operating profit / (loss)		**(133,270)**	**829,532**
Finance Income	8	326	418
Finance Costs	8	(1,225,690)	(879,667)
Net Finance income / (cost)		**(1,225,365)**	**(879,249)**
Profit/(Loss) before income tax		**(1,329,648)**	**(49,717)**
Income tax expense	12	1,022,998	(23,047)
Profit/(Loss) for the year		**(335,637)**	**(72,764)**

Attributable to:		
Owners of the Company	(335,637)	(26,671)
Non-controlling Interests		
	(335.637)	**(26.671)**

The attached notes on pages 6 to 39 constitute an integral part of these Financial Statements.

III. Statement of Other Comprehensive Income

EUR	2018	2017
Profit / (Loss) of the period from continued operations	**(335,637)**	**(72,764)**
Items that will never be reclassified to profit or loss		
Profit from Revaluation of Fixed Assets to Fair Value	-	190,862
Remeasurements of defined benefit liability	(21,620)	(10,829)
Related tax	6,270	(53,688)
Total	**(15,350)**	**126,345**
Items that are or may be reclassified to profit or loss		
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	599,280	(362,995)
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(192,809)	70,662
Related Tax	(117,877)	84,777
Total	**288,595**	**(207,557)**
Other comprehensive income / (expense) after tax	**273,245**	**(81,212)**
Total comprehensive income / (expense) after tax	**(62,392)**	**(153,975)**

The attached notes on pages 6 to 39 constitute an integral part of these Financial Statements

IV. Statement of Equity Movements

	EUR	Share capital	Fair Value Reserves	Other Reserves	Revaluation Reserves	Results carried forward	Total
	Balance as at 1 January 2017	**10,384,770**	**70,662**	**327,284**	**7,715,344**	**(2,487,049)**	**16,011,011**
	Net Profit/ (Loss) for the period	-	-	-	-	(72,764)	**(72,764)**
	Other comprehensive income	-	(72,044)	-	-	(9,167)	**(81,211)**
	Total Comprehensive income	**-**	**(72,044)**	**-**	**-**	**(81,931)**	**(153,976)**
	Transactions with the shareholder's directly in equity						
	Transfer of reserves	-	-	-	(437,905)	437,905	-
	Total	**-**	**-**	**-**	**(437,905)**	**437,905**	**-**
	Balance as at 31 December 2017	**10,384,770**	**(1,382)**	**327,284**	**7,277,439**	**(2,131,075)**	**15,857,035**
	Balance as at 1 January 2018	**10,384,770**	**(1,382)**	**327,284**	**7,277,439**	**(2,131,075)**	**15,857,035**
Note 27	**Adoption of IFRS 9**	-	-	-	-	(200,301)	**(200,301)**
	Balance as at 1 January 2018 after adjustment	**10,384,770**	**(1,382)**	**327,284**	**7,277,439**	**(2,331,376)**	**15,656,734**
	Net Profit/ (Loss) for the period	-	-	-	-	(335,637)	**(335,637)**
	Other comprehensive income	-	288,595	-	-	(15,350)	**273,245**
	Total Comprehensive income	**-**	**288,595**	**-**	**-**	**(350,986)**	**(62,392)**
	Transactions with the shareholder's directly in equity						
	Transfer of reserves	-	-	-	(551,400)	551,400	-
	Total	**-**	**-**	**-**	**(551,400)**	**551,400**	**-**
	Balance as at 31 December 2018	**10,384,770**	**287,213**	**327,284**	**6,926,039**	**(2,130,960)**	**15,594,344**

The attached notes on pages 6 to 39 constitute an integral part of these Financial Statements.

V. Statement of Cash Flows

EUR	2018	2017
Cash flows from operating activities		
Profit/ (Loss) after taxes	(335,637)	(72,764)
Adjustments for:		
Tax	(1,022,998)	23,047
Depreciation and Amortization	**1,220,199**	**1,180,379**
Depreciation of tangible assets	1,221,586	1,207,186
Depreciation of intangible assets	20,661	21,578
Depreciation of investment property	26,637	-
Amortization of grants	(48,385)	(48,385)
Finance Income	(326)	(418)
Interest charges & related expenses	1,225,690	879,667
(Profit) / loss from sale of tangible assets	-	235,332
Impairment/ (Reversal of Impairment) on intangible assets	-	(776,694)
Loss from assets and investment property write off	-	168,427
Impairment of inventories	587,487	
Impairment/ (Reversal of Impairment) of receivables	34,699	101,554
(Other provisions)/Reversal of provisions	280,502	-
	1,989,617	**1,738,530**
Decrease / (increase) in inventories	1,271,209	(4,303,915)
Decrease / (increase) in receivables	4,492,659	(5,652,347)
(Decrease) / Increase in liabilities (minus banks)	(8,611,844)	11,166,892
	(2,847,976)	**1,210,630**
Interest charges & related expenses paid	(1,225,690)	(879,667)
Net Cash flows from operating activities	**(2,084,049)**	**2,069,493**
Cash flows from investing activities		
Purchase of tangible assets	(234,212)	(626,943)
Purchase of intangible assets	-	(10,003)
Interest received	326	418
Net Cash flows from investing activities	**(233,886)**	**(636,529)**
Cash flows from financing activities		
Loans received	6,533,113	-
Loans settlement	(3,848,964)	(1,170,573)
Net cash flows from financing activities	**2,684,149**	**(1,170,573)**
Net (decrease)/ increase in cash and cash equivalents	**366,214**	**262,392**
Cash and cash equivalents at the beginning of period	584,211	321,822
Cash and cash equivalents at the end of period	**950,425**	**584,214**

The attached notes on pages 6 to 39 constitute an integral part of these Financial Statements.

Notes to the Financial Statements

1. Information about the Company

FITCO Metal Works S.A. or "FITCO", or "the Company" was established in 2005 and it is registered in the Register of Societes Anonyme G.C.Registry. : 6489301000.

The term of the company has been set to 50 from publication of its Articles of Association, namely until 2055 and it is a subsidiary of ElvalHalcor S.A. and member of Viohalco SA/NV.

FITCO produces extruded and rolled products of copper, zinc, brass and other copper alloys. The Company is vertically integrated and is a leader in the production of brass tubes and bars.

The financial statements of the "Company" are included in the consolidated financial statements of the parent Company ELVALHALCOR S.A.

The main activities of the Company are the production and the trading of extruded products of brass.

The Company is mainly active in Greece, Italy, Germany, United Kingdom, Bulgaria, Poland, Serbia, Portugal and Turkey.

The "Company" is seated Athens, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525. The Company's main ofices as well as the contact address are at the 53rd km. National Road Athens-Lamia, Inofyta, Pr. of Viotia, GR 320 11. For more information about the Company and its activities, please visit the Company's website (***www.fitco.gr).***

2. Basis of preparation of the Financial Statements

(a) Compliance Statement
The Financial Statements have been prepared in accordance with the IFRS as adopted by the European Union, and these IFRS may be different from the IFRS which International Accounting Standards Board issues.
The Financial Statements ended on December 31, 2018, have been approved by the Company's Board of Directors on July 23, 2019.

(b) Basis of Measurement
The Financial Statements have been prepared in accordance with the historical cost basis.

(c) Operating Currency and Presentation

The Financial Statements are presented in Euro, which is the operating currency of the "Company". The amounts reported in the Financial Statements are in Euro and they are rounded to the nearest unit (any differences in totals are due to rounding).

(d) Application of Estimates and Judgments

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

The previous assessments and related assumptions are reconsidered on an ongoing basis. These reconsiderations are recognized in the current and in any subsequent period.

Significant informations about the areas where exist uncertainty of the assessments and critical decisions about the implementation of accounting policies, with effect on the amounts of the Financial Statements, are presented in the following notes:

Significant Assessments

- Evaluation of assets which aren't measured in fair value : The Group makes assessments for impairment of assets that aren't measured in fair value (Investments in subsidiaries and associates, Intangible assets).

3. Changes in the Accounting Policies

New Standards, Amendments to Existing Standards and Interpretations: Certain new standards, amendments to existing standards and interpretations that are mandatory for periods beginning on or after 1.1.2018 have been issued. The Company's evaluation regarding the effect of those new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for periods beginning from the current financial year

IFRS 9 "Financial Instruments"

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. The effect from applying the standard to the "Company" is described in note 27.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity recognises revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The effect from applying the standard to the "Company" is described in note 27.

IFRS 4 (Amendments) "Applying IFRS 9 *Financial instruments* with IFRS 4 *Insurance contracts*"

The amendments introduce two approaches. The amended standard: a) gives all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) gives companies, whose activities are predominantly connected with insurance, an optional temporary exemption from applying IFRS 9 until 2021. The entities that have elected to defer the application of IFRS 9 continue to apply the existing financial instruments standard—IAS 39. No effect is expected from the application of the standard to the Company.

IFRS 2 (Amendments) "Classification and measurement of Shared-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 the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

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

Standards and Interpretations effective for subsequent periods

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

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

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect of the standard on the Group is expected to create the need for recognition of an asset right of use of € 100 thousand with a corresponding liability.

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

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

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

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

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of Business combinations" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 & IAS 8 (Amendments) "Definition of the Essential" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

<u>IFRS 11 "Joint arrangements"</u>

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

<u>IAS 12 "Income taxes"</u>

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

<u>IAS 23 "Borrowing costs"</u>

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Adoption of IFRS 16

<u>IFRS 16</u>

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Company is reviewing all of the leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect the accounting for the Company's operating leases. As at the reporting date, the Company have non-cancellable operating lease commitments for which they expect to recognise right-of-use assets of approximately € 100 thousands on 1 January 2019 and respective lease liabilities.

The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intend to apply the simplified transition approach and will not restate comparative amounts for the prior year to the first adoption.

4. Significant Accounting Principles

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements.

4.1 Foreign currency

Transactions and Balances

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

4.2 Financial assets

(a) Non-Derivative Financial Instruments

The financial instruments, except of derivatives, consist of shares and other debt securities, receivables and other receivables, cash and cash equivalents, loans and long-term liabilities, trade and other payables. These instruments are classified by the Company based on the purpose for which they were acquired. Management decides for the appropriate classification of the investment at the time of acquisition. Investments are derecognised when the rights to receive cash flows from investments expire or the investments are transferred with all the risks and rewards of ownership. Initially, financial assets are recognized at fair value plus the cost of acquisition, except for those that are in fair value. The measurement of the instruments is done according to their classification.

(b) Trade and Other Receivables

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

(c) Cash and Cash Equivalents

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

(d) Available-for-Sale Financial Assets

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

(e) Fair Value

The fair value of financial assets, which are traded in active markets, is determined by the current market price. The fair value of non-traded assets is determined using valuation techniques, such as analysis of recent transactions, reference to comparable items traded and discounted cash flow.

(f) Loans

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

Loans are classified as "Short-term Liabilities" unless the Company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern.

4.3 Derivatives and Hedge Accounting

Derivatives are booked at their fair value. The method of recognizing earnings and losses depends on whether the derivatives are used as hedging instruments or as held for trading. Derivatives, at the date of the transaction, are determined as hedges of the fair value of a receivable, a liability or a commitment (fair value hedge), or as hedge of highly probable transactions (cash flow hedge).

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

(a) Fair Value Hedging

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

(b) Cash Flow Hedging

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

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

4.4 Share Capital

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

4.5 Property, Plant and Equipment

(a) Recognition and Measurement

The Company uses property, plant and equipment in the area of production, supply of goods and services or for administrative purposes, which are presented in the Statement of Financial Position in their adjusted value, which is their fair value at the adjustment date, minus the subsequent accumulated depreciations and impairments. The revaluations take place in regular intervals, and due to this, the accounting values don't differ from the values which would be determined if fair value had been used at the maturity of every reference period. Any goodwill is a result of the revaluations of property, plant and equipment is posted in the Statement of Other Comprehensive Income and is directly transferred to equity in the fixed assets' revaluation reserve, except for the amount that inverses a previous impairment loss for the same asset, which had been posted previously to the income statement. The reduction in the fair value is a result of the revaluation of the property, plant and equipment and it is recognised in the income statement, except for the amount that inverses a previous goodwill for the same asset and this goodwill had been posted in the fixed assets' revaluation reserve.

Means of transport and other mechanical equipment are recorded at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

(b) Depreciation

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

➢ Buildings	20-50	years
➢ Machinery & equipment	1-40	years
➢ Transportation equipment	4-15	years
➢ Furniture and fixtures	1-8	years

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

4.6 Intangible Assets

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

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

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

The industrial property rights are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets.

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

4.7 Investment Property

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

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

4.8 Inventories

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

4.9 Impairment

(a) Non-Derivative Financial Assets

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

Objective evidence that a financial asset is impaired include:

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

Financial Assets at Amortized Cost

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

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

Financial assets available for sale

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

(b) Non-financial assets

For non-financial assets, other than investment property, inventories and deferred tax asset, the book value is examined at each balance sheet date for impairment. The assets with indefinite life are examined annually for impairments.

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

Impairment is recognized, if the accounting values are greater than the estimated recoverable amount.

Impairments is recognized in the Income Statement.

The impairment of the goodwill can't be reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount, until it doesn't exceed the asset's carrying value (net of depreciation) that would have been determined if the impairment loss hadn't be posted.

4.11 Employee Benefits

(a) Short-term Benefits

The staff's short-term benefits in cash and kind are posted as expenses when they become accrued. A liability is recognized for the amount which is expected to be paid as benefit to the Company's staff and executives, if there is a legal or contractual obligation to pay this amount as a result of employee services and if this obligation can be reliably measured.

(b) Defined-contribution Plans

The defined-contribution plans are plans for the period after the employee has ceased to work, and during this period the Company is pays a defined amount to a third legal entity without any other obligation.

(c) Defined-Benefit Plans

The defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation which is posted in the balance sheet for the defined-benefit plans is the present value of the future benefit of the employee for the services he supplied in the current period or previously, less the fair value of the program's assets.

The defined benefit is calculated in annual basis by an independent actuary using the projected unit credit method.

The changes in the liability for defined-benefit plans that are related to actuarial gains and losses, are recognized directly in the Statement of Comprehensive Income. The discount rate corresponds to the rate of the index applying to the low credit risk European bonds "iBoxx – AA-rated Euro corporate bond 10+ year". Interests and other expenses which are related to the defined-benefit plans are recognized to the Income Statement.

When there is a change in the benefits of a plan or the plan shrinks, the change which is related to the past service cost or the profit/loss from the shrinkage is directly posted to the Income Statement. The Group recognizes profits and losses from the settlement of a plan, when this settlement is realized.

(d) Benefits for Employment Termination

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

(e) Benefits and Participation-in-Earnings Plans

The Company posts a liability and an expense about benefits and participation in earnings. This amount is calculated in the after-tax earnings, less any reserves required by law.

4.11 Provisions

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

4.12 Income

(a) Sales of goods

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

(b) Services

Revenues from services are recognized in the period which the services are rendered, based on the stage in completion of the service in relation to the services as a whole.

(c) Income from Interest

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

(d) Income from Dividends

Dividends are recognized as income when the right of the Company to receive payment is established.

(e) Income from rents

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

4.13 Government Grants

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

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

4.14 Leases

Leases of property, plant and equipment, which the Company substantially maintains all the risks and benefits of ownership are classified as finance leases. Financial leasing is capitalised from the moment the lease begins at the lower amount between the fixed asset's fair value and the present value of the minimum lease payments, less accumulated depreciation and any accumulated impairment losses. The corresponding lease liabilities, which are net of finance expenses, are depicted in *"Liabilities"*. The part of the financial expense, which is related to the finance lease, is recognized in profit and loss during the term of the lease.

Leases where substantially the risks and the benefits of the ownership are retained by the lessor are classified as operating leases. The payments for operating leases are recognized in profit and loss during the term of the lease.

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

4.15 Income Tax

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

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

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

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

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

4.16 Borrowing Cost

The borrowing cost that is directly linked with the purchase, construction or production of fixed assets for which a considerable amount of time is required so they can be completed for use or sale, is added to the cost of those assets until the time when this assets will be available for use or sale. Revenue from temporary placements of committed funds to finance the above assets as well as the collection of subsidies reduce the cost of borrowing that is capitalized. In any other case the cost of borrowing is affecting the Income Statement of the fiscal year. To the extent that general borrowing is used for the purchase of an asset, the cost of borrowing for capitalization can be estimated using a capitalization rate to the investment costs for that asset.

5. Revenue

The Sales according to the geographical distribution is as follows:

EUR	2018	2017
Greece	19,632,923	17,662,819
European Union	60,370,105	46,585,584
Other European Countries	925,970	732,386
Asia	713,016	433,657
America	-	78,838
Africa	41,753	-
Total	**81,683,747**	**65,493,283**

Breakdown of sales by segment:

EUR	2018	2017
Sale of goods	67,790,603	48,364,362
Rendering of services	3,646,441	4,472,307
Other	10,246,704	12,656,615
Total	**81,683,747**	**65,493,283**

6. Other Operating Income & Expenses

EUR	2018	2017
Other Income		
Grants of the Fiscal Year	-	-
Amortization of Grants	48,385	48,385
Rental income	131,066	100,143
Foreign Exchange Gain	162,981	49,138
Income from reversal of Intangible assets impairment losses	-	776,694
Other Income	125,303	73,988
Total	**467,735**	**1,048,348**

EUR	2018	2017
Other Expense		
Loss from fixed assets write off	-	(168,427)
Loss from sale of Fixed assets	-	(235,332)

Foreign Exchange Losses	(107,439)	(147,117)
Other Expense	(160,693)	(172,141)
Total	**(268,132)**	**723,017**

Net other income-expenses	**199,602**	**325,331**

7. Expenses by Nature

EUR	2018	2017(*)
Cost of inventories recognized as an expense	68.373.212	52.221.329
Employee benefits	4.054.335	3.654.945
Energy	530.689	538.736
Depreciation and amortisation	1.268.585	1.228.763
Taxes - duties	179.807	168.535
Insurance	199.905	173.071
Rental fees	48.744	51.429
Transportation	1.243.187	1.184.389
Promotion & advertising	19.913	17.095
Third party fees and benefits	4.880.669	4.518.692
Other provisions	2.945	831
Gains/(losses) from derivatives	560.646	650.317
Maintenance expenses	150.623	201.908
Travel expenses	66.916	52.898
Other expenses	401,745	225,732
Total	**81,981,921**	**64,888,670**

(*) The amounts for the financial year of 2017 have been modified for comparison purposes.

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

EUR	2018	2017
Employee remuneration & expenses	2,923,922	2,702,721
Social security expenses	786,658	713,224
Defined benefit plan expenses	30,741	21,898
Other employee benefits	313,014	217,102
Total	**4,054,335**	**3,654,945**

The number of staff employed by the Company at the end of the current year was: 118 (2017: 100).

8. Financial Income - Cost

EUR	2018	2017
Interest Income	326	418
Total Income	**326**	**418**

EUR	2018	2017
Interest Expenses	(1,225,690)	(879,667)
Total Income	**(1,225,690)**	**(879,667)**

Financial Income and Cost (net)	**(1.225.365)**	**(879.249)**

9. Fixed Assets

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2017	**1,739,414**	**7,082,917**	**18,801,516**	**227,620**	**888,510**	**533,371**	**29,273,348**
Additions	-	1,000	546,146	11,325	19,094	49,379	**626,943**
Disposals	-	-	(27,688)	-	(646)	(32,616)	**(60,949)**
Write offs	-	-	-	-	-	(305,735)	**(305,735)**
Revaluation	753,746	53,211	1,104	-	-	-	**808,061**
Other reclassifications	-	-	131,237	-	4,241	(135,478)	**(0)**
Balance as at 31 December 2017	**2,493,159**	**7,137,128**	**19,452,315**	**238,945**	**911,199**	**108,921**	**30,341,667**
Accumulated depreciation							
Balance as at 1 January 2017	**-**	**(962,435)**	**(1,755,393)**	**(224,602)**	**(875,494)**	**-**	**(3,817,924)**
Depreciation of the Period	-	(484,254)	(709,595)	(2,357)	(10,980)	-	**(1,207,186)**
Disposals	-	-	-	-	646	-	**646**
Other Reclassifications	-	-	4,315	-	-	-	**4,315**
Balance as at 31 December 2017	**-**	**(1,446,689)**	**(2,460,673)**	**(226,959)**	**(885,828)**	**-**	**(5,020,150)**
Carrying amount as at 31 December 2017	**2,493,159**	**5,690,439**	**16,991,642**	**11,986**	**25,371**	**108,921**	**25,321,517**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2018	**2,493,159**	**7,137,128**	**19,452,315**	**238,945**	**911,199**	**108,921**	**30,341,667**
Additions	-	-	45,760	-	4,710	183,743	**234,212**
Other reclassifications	-	-	49,379	-	-	(49,379)	**-**
Balance as at 31 December 2018	**2,493,159**	**7,137,128**	**19,547,454**	**238,945**	**915,908**	**243,285**	**30,575,879**
Accumulated depreciation							
Balance as at 1 January 2018	**-**	**(1,446,689)**	**(2,460,673)**	**(226,959)**	**(885,828)**	**-**	**(5,020,150)**
Depreciation of the Period	-	(488,417)	(718,072)	(2,342)	(12,754)	-	**(1,221,586)**
Balance as at 31 December 2018	**-**	**(1,935,106)**	**(3,178,746)**	**(229,301)**	**(898,582)**	**-**	**(6,241,736)**
Carrying amount as at 31 December 2018	**2,493,159**	**5,202,022**	**16,368,708**	**9,644**	**17,326**	**243,285**	**24,334,143**

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of Company (see notes 18 & 25).

(b) Assets under Construction

The account “Assets under construction” includes machinery the installation of which has not been completed as at December 31, 2018.

10. Intangible Assets

EUR	Trademarks and Licenses	Software	Total
Cost			
Balance as at 1 January 2017	**99,813**	**156,592**	**256,405**
Additions	-	10,003	**10,003**
Balance as at 31 December 2017	**99,813**	**166,595**	**266,408**
Accumulated Depreciation			
Balance as at 1 January 2017	**(33,055)**	**(128,125)**	**(161,179)**
Depreciation of the Period	(7,778)	(13,800)	**(21,578)**
Balance as at 31 December 2017	**(40,833)**	**(141,925)**	**(182,757)**
Carrying amount as at 31 December 2017	**58,980**	**24,671**	**83,650**

EUR	Trademarks and Licenses	Software	Total
Cost			
Balance as at 1 January 2018	**99,813**	**166,595**	**266,408**
Balance as at 31 December 2018	**99,813**	**166,595**	**266,408**
Accumulated Depreciation			
Balance as at 1 January 2018	**(40,833)**	**(141,925)**	**(182,757)**
Depreciation of the Period	(7,777)	(12,884)	**(20,661)**
Balance as at 31 December 2018	**(48,610)**	**(154,809)**	**(203,418)**
Carrying amount as at 31 December 2018	**51,203**	**11,787**	**62,989**

11. Investment property

Investment property includes seven maisonettes in Kefalonia, which the Company leases to third parties.

EUR	
Balance as at 1 January 2017	**1,746,304**
Revaluation	(8,932)
Balance as at 31 December 2017	**1,737,372**
Balance as at 1 January 201	**1,737,372**
Depreciation	(26.337)
Balance as at 31 December 2018	**1,711,035**

12. Income Tax

Within 2018, the special tax audit of the Company was completed by the statutory auditor in accordance with article 82, paragraph 5 of Law 2238/1994, as in force, for the year 2017 and a Certificate was issued without a reservation.

For the year 2018, the Company has been subject to the tax audit of the Certified Auditors Accountants provided for by the provisions of Article 65A of Law 4174/2013. This audit is in progress and the relevant tax compliance report is expected to be issued after the publication of the financial statements for the year ended 31 December 2018. It is estimated that the outcome of the audit will not have a material impact on the financial statements.

Reconciliation of effective tax rate:

Amounts recognised in profit or loss

EUR	2018	2017
Deferred Tax Expense/(Income)	(1,022,999)	23,047
Tax Expense	**(1,022,999)**	**23,047**

Reconciliation of effective tax rate

		2018		2017
Accounting Profit/loss (-) before income tax		**(1,329,648)**		**(49,717)**
Tax rate in Greece	29%		29%	
At statutory income tax rate		385,598		14,418
Non-deductible expenses for tax purposes		-		(37,465)
Tax-exempt income		637,400		-
	-77%	**1,022,998**	**46%**	**(23,047)**
Income tax expense reported in the statement of profit or loss		**1,022,998**		**(23,047)**

The movement in deferred tax can be presented as follows:

EUR	**Net Balance at 1 January 2017**	**Recognised in profit or loss**	**Recognised in OCI**	**Other**	**Net Balance at 31 December 2017**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	**(5,573,106)**	(176,397)	(53,688)	-	**(5,803,191)**	-	(5,803,191)
Intangible assets	**24,721**	(2,802)	-	-	**22,639**	22,639	-
Investment property	**(506,428)**	2,590	-	-	**(503,838)**	-	(503,838)
Derivatives	**-**	-	84,777	-	**84,777**	84,777	-
Provisions	**433,550**	(7,340)	-	-	**426,210**	426,210	-
Other items	**260,695**	160,183	-	(5,639)	**415,239**	415,239	-
Tax assets/(liabilities) before set-off	**(5,360,568)**	**(23,047)**	**31,089**	**(5,639)**	**(5,358,165)**	**948,865**	**(6,307,029)**
Set-off tax						(948,865)	948,865
Net tax assets/(liabilities)					**(5,358,165)**	**-**	**(5,358,164)**

EUR	**Net Balance at 1 January 2018**	**Recognised in profit or loss**	**Recognised in OCI**	**Other**	**Net Balance at 31 December 2018**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	**(5,803,191)**	1,259,503	-	-	**(4,543,689)**	-	**(4,543,689)**
Intangible assets	**22,639**	(4,863)	-	-	**17,775**	17,775	-
Investment property	**(503,838)**	77,481	-	-	**(426,357)**	-	**(426,357)**
Other investments	**-**	(1)	-	-	**(1)**	-	**(1)**
Derivatives	**84,777**	(22,494)	(117,877)	-	**(55,594)**	-	**(55,594)**
Inventories	**-**	(6,879)	-	-	**(6,879)**	-	**(6,879)**
Employee benefits	**-**	110,279	6,270	-	**116,548**	116,548	-
Provisions	**426,210**	81,127	-	-	**507,337**	507,337	-
Other items	**415,239**	(471,153)	-	-	**(55,914)**	-	(55,914)
Tax assets/(liabilities) before set-off	**(5,358,165)**	**1,022,999**	**(111,607)**	-	**(4,446,773)**	**641,661**	**(5,088,434)**
Set-off tax						(641,661)	641,661
Net tax assets/(liabilities)					**(4,446,773)**	**-**	**(4,446,773)**

In 2015 there was a change in the tax rate on profits of public limited companies from 26% to 29%. The effect of this change in the results was Euro 0.585 million.

13. Inventories

EUR	2018	2017
Merchandise	213,043	228,613
Finished goods	3,368,706	3,613,370
Semi-finished goods	7,438,814	7,775,609
By-products & scrap	183,350	107,573
Work in progress	235,256	720,453
Raw and auxiliary materials	2,170,077	2,597,035
Consumables	35,848	42,771
Packaging materials	32,887	38,144
Spare parts	1,208,291	1,033,911
Total	**14,886,271**	**16,157,480**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less expenses for sale. At the end of the fiscal year measurement of the Net Realizable Value of the Inventory negatively affected the statement of profit and loss for the period by the amount of Euro 587 thousand, due to the fall in metal prices in LME market.

14. Trade and Other Receivables

EUR	2018	2017
Trade receivables (excluding investment property clients)	6,036,714	6,271,889
Less: Impairment losses	(1,747,133)	(1,543,680)
Receivables from related entities	984,778	4,182,161
Trade receivables from contracts with customers	**5,274,360**	**8,910,370**
Other down payments	335	-
Cheques and notes receivables & Cheques overdue	73,605	123,214
Tax assets	602,700	606,638
Other debtors	42,277	858,387
Other receivables	44,387	31,714
Total	**6,037,664**	**10,530,323**
Non-current assets		
Non-current receivables from related parties	-	-
Non-current receivables	1,867	38,378
Total	**1,867**	**38,378**
Total receivables	**6,039,531**	**10,568,701**

The provision for doubtful customers is created for the outstanding balances for which the Management of the Company considers as impaired less the expected remuneration from the insurance.

15. Derivatives

Total Derivatives in Statement of Financial Position

EUR	2018	2017
Current assets		
Future contracts	222,438	-
Total	**222,438**	**-**
Current liabilities		
Forward foreign exchange contracts	8.776	11.867
Future contracts	-	180.942
Total	**8,776**	**192.809**
Amounts recognised in P&L	**(306,414)**	**(466,001)**

For the Company,the results from settled financial risk management operations recorded in the Income Statement during years 2018 and 2017 are included in Revenue and Cost of Goods sold for results from metal and exchange rate derivatives and in other income-expenses for results derived from forwards contracts.

16. Cash and Cash Equivalents

EUR	2018	2017
Cash in hand and Cash in bank	591	384
Short-term bank deposits	949,834	583,828
Total	**950,425**	**584,211**

Bank deposits are set at variable interest rates according to the applicable rates of interbank market. The duration of short-term bank deposits is less than three months.

17. Share capital and reserves

(a) Share Capital

The Company’s share capital amounts to Euro 10,384,770 (2017: Euro 10,384,770) divided to 3,461,590 (2017: 3,461,590) common anonymous shares of nominal value of 3 Euro per share.

(b) Reserves

EUR	2018	2017
Statutory Reserves	6,545	6,545
Hedging Reserve	151,701	(136,894)
Tax exempt reserves	295,422	295,422
Extraordinary reserves	25,317	25,317
Other reserves	6,861,550	7,412,950
Total	**7,340,534**	**7,603,340**

Statutory Reserve

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

Untaxed and special reserves

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

Reserve from revaluation of fixed assets at fair value

This reserve relates to the profit that arose from the valuation of fixed assets at their fair value. It can't be distributed to shareholders until it is transferred to retained earnings through depreciations, or the profits, which will arise from sales of fixed assets, are recognised.

18. Loans and Obligations

EUR	2018	2017
Non-Current		
Secured bond issues	4,562,300	-
Total	**4,562,300**	**-**

EUR	2018	2017
Current		
Unsecured bank loans	10,249,603	3,844,047
Current portion of secured bond issues	3,262,176	10,410,703
Total	**13,511,779**	**14,254,750**

Total loans and borrowings	**18,074,079**	**14,254,750**

The maturities of non-current loans are:

EUR	2018	2017
Between 1 and 2 years	4,562,300	-

In order to receive the bank loans, the Company have set up mortgages in real estate with a total value of Euro 15.6 million.

The real weighted average lending interest rate for the balance sheet date was 4.43% for the year of 2018 and 4.79% for the year of 2017.

During the year of 2018, the Company gets into a contract for the expansion of the maturity of payment of the Bond Loan, where the new maturity date is the end of the year of 2020, and due to this, an amount of Euro 4.6 million was reclassified to the long-term liabilities line.

19. Liabilities for employee's retirement benefits

According to the Hellenic Labor Law, employees are entitled to compensation in the event of dismissal or retirement of an amount related to the employee's salary, length of service and way of leaving (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the compensation that would be payable in case of unjustified dismissal. The Company considers that this is a defined benefit plan and charges the results for accrued benefits in each period with a corresponding increase in the pension liability. Benefit payments to retirees in each period are charged against this liability. The Company's employee benefit obligation as at 31 December 2018 and 2017 is analyzed as follows:

EUR	2018	2017
Balance as at 1 January	**324,225**	**301,386**
Amounts recognized in profit or loss		
Current service cost	11,547	11,519
Settlement/curtailment/termination loss	14,431	5,580
Interest cost/income (-)	4,763	4,799
Total P&L Charge	**30,741**	**21,898**
Amounts recognized in OCI		
Remeasurement loss/gain (-):		
-Actuarial loss/gain (-) arising from:		
Financial assumptions	4,237	3,600
Experience assumptions	17,383	7,228
Total P&L Charge	**21,620**	**10,829**
Other		
Benefits paid	(24,436)	(9,888)
Total	**(24,436)**	**(9,888)**
	352,149	**324,225**

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

	2018	2017
Discount interest rate	1.61%	1.50%
Inflation	1.50%	1.50%

The results above depend on the assumptions (financial and demographic) of the actuarial study. Thus, if a discount rate of 50 basis points had been used, then the Company's employee service obligations would be lower by 5.8% and if an assumption of an increase in earnings equal to 50 basis points per year (instead of 1.5% per annum), then the Company's employee benefit obligations would have been 4.5% higher.

20. Grants

EUR	2018	2017
Opening balance	**577,851**	**626,236**
Amortization of grants	(48,385)	(48,385)
Closing balance	**529,467**	**577,851**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account "Other income" of the statement of profit and loss.

Grants have been provided for the purchase of tangible assets.

21. Trade payables and other liabilities

EUR	2018	2017
Suppliers	797.652	1.468.995
Down payments from customers	-	1.542
Social Security funds	174.647	155.088
Amounts due to related parties	7.930.428	15.401.412
Sundry creditors	96.084	521.989
Accrued expenses	112.043	229.765
Other Taxes	88.852	109.307
Total	**9.199.705**	**17.888.099**

22. Financial assets

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

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

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

(a) Credit Risk

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

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

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

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

The financial assets subject to credit risk are as follows:

EUR	**2018**	**2017**
Customers (Current assets)	6,037,664	10,530,323
Total	**6,037,531**	**10,530,323**
Less:		
Downpayments	(335)	-
Tax assets	(602,700)	(606,638)
Other receivables	(44,387)	(31,714)
Total	**(647,422)**	**(638,352)**
Financial assets entailing credit risk	**5,390,242**	**9,891,971**

Trade and other receivables includes receivables from costumers and related companies.

EUR	**2018**	**2017**
Neither past due nor impaired	5,390,242	9,441,411
Overdue		
- Up to 6 months	-	49,617
- Over to 6 months	-	400,943
Total	**5,390,242**	**9,891,971**

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

EUR	**2018**	**2017**
Balance as at 1 January	**1,543,680**	**1,466,123**
Impairment loss recognized	34,699	100,412
Impairment loss reversed	-	(22,855)
Amounts written off	(31,547)	-
Change in accounting policy	200,301	-
Total	**1,747,133**	**1,543,680**

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

(b) Liquidity Risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2018, the Company had an amount of Euro 950 thousand (2017: Euro 584 thousand) and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

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

EUR		**2017**		
Liabilities	**Carrying Amount**	**Up to 1 year**	**1 to 2 years**	**Total**
Bank loans	3,844,047	3,844,047	-	**3,844,047**
Bond issues	10,410,703	10,410,703	-	**10,410,703**
Derivatives	192,809	192,809	-	**192,809**
Trade and other payables	17,888,099	17,888,099	-	**17,888,099**
	32,335,657	**32,335,657**	**-**	**32,335,657**

EUR		**2018**		
Liabilities	**Carrying Amount**	**Up to 1 year**	**1 to 2 years**	**Total**
Bank loans	10,249,603	10,249,603	-	**10,249,603**
Bond issues	7,824,476	3,262,176	4,705,541	**7,967,717**
Derivatives	8,776	8,776	-	**8,776**
Contract liabilities	1,542	1,542		**1,542**
Trade and other payables	9,199,705	9,199,705	-	**9,199,705**
	27,284,103	**22,721,802**	**4,705,541**	**27,427,344**

(c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk in the area of sales and purchases it carries out and in the area of loans that have been issued in different than Company's functional currency, which is mainly the Euro. The currencies in which these transactions are made are mainly the Euro, the USD and the pound sterling.

The Company hedges the biggest part of its estimated exposure in foreign exchange risk in relation with the expected sales and purchases, and the assets and the liabilities in foreign currency, too. The Company gets into foreign exchange futures contracts with third parties to manage the risk which arises from the changes in foreign exchange rates and the futures expire in mainly less than one year from the balance sheet date. If it is necessary, these contracts are renewed upon their expiry. Also, sometimes, the foreign exchange risk can be hedged by borrowing in the respective currencies.

Interest on loans is in the same currency with this of cash flows, which comes from the operating activities of the Company, and it is mainly the Euro.

	2017				
EUR	**EUR**	**USD**	**GBP**	**Other**	**Total**
Trade and other receivables	10,568,701	-	-	-	**10,568,701**
Cash and cash equivalents	584,176	36	-	-	**584,212**
Loans	(14,254,750)	-	-	-	**(14,254,750)**
Trade and other payables	(17,878,051)	(5,594)	(3,346)	(1,109)	**(17,888,100)**
Net (Assets-Liabilities)	**(20,979,924)**	**(5,598)**	**(3,346)**	**(1,109)**	**(20,989,937)**

	2018				
EUR	**EUR**	**USD**	**GBP**	**Other**	**Total**
Trade and other receivables	5,277,630	-	761,901	-	**6,039,531**
Cash and cash equivalents	950,425	-	-	-	**950,425**
Loans	(18,074,079)	-	-	-	**(18,074,079)**
Trade and other payables	(9,085,299)	(94,914)	(19,439)	(54)	**(9,199,705)**
Contract liabilities	(1,542)	-	-	-	**(1,542)**
Net (Assets-Liabilities)	**(20,932,216)**	**(94,914)**	**742,462**	**(54)**	**(20,285,371)**

Sensitivity Analysis

	2017			
	Profit or loss		**Equity, net of tax**	
EUR	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	824	(824)	585	(585)
GBP (10% movement)	(37,080)	37,080	(26,327)	26,327

	2018			
	Profit or loss		**Equity, net of tax**	
EUR	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	9,198	(9,198)	6,530	(6,530)
GBP (10% movement)	(75,455)	75,455	(53,573)	53,573

The foreign exchange rates that were applied for the foreign currencies conversion into Euro are the followings:

	Average rate		**Spot rate**	
	2018	**2017**	**2018**	**2017**
USD	1,1810	1,1297	1,1450	1,1993
GBP	0,8847	0,8767	0,8945	0,8872

(d) Interest Rate Risk

The Company finances its investments and its needs for working capital through bank lending and bond loans with the effect of charging its results with debit interest. The increase in interest rates has a negative effect on Company's results, because the lending costs for the Company rise.

The risk which arises from the change in interest rates is the following:

EUR	2018	2017
Variable-rate Instruments		
Financial liabilities	18,074,079	14,254,750
Total	**18,074,079**	**14,254,750**

An increase in interest rates by 0.25% would have the following effect in the Statement of Profit and

	2018		2017	
EUR	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**
Financial liabilities	(45.185)	45.185	(25.302)	25.302
Cash flow sensitivity (net)	**(45.185)**	**45.185**	**(25.302)**	**25.302**

Loss:

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

(e) Capital Management

The Board of Directors' policy is to maintain a strong capital base to ensure the investors', creditors' and markets trust, and to be able to expand its activities in the future. The Board of Directors monitors the return on capital, which is defined by the Company as net results divided by total equity.

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

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

23. Fair Value of Financial Assets

The fair value has the following hierarchy levels:

- Level 1: This level includes derivatives which are based on market prices.
- Level 2: This level includes OTC derivatives that are based on prices from brokers.
- Level 3: This level includes unlisted shares, which come from Company's estimations as there are no observable market data.

EUR	2018	2017
Financial Derivatives Assets (Level 1)	222,438	-
	222,438	**-**

	222,438	**-**
Financial Derivatives Liabilities (Level 1)	-	180,942
Financial Derivatives Liabilities (Level 2)	8,776	11,867
Financial Derivatives Liabilities (Level 3)	-	-
	8,776	**192,809**

The Company carries out a fair value test based on market rates regarding the bond loans. The loans have floating interest rates, which follow the movement of market rates. For the financial year of 2018 there was no difference between the fair and the book value of loans. The book value of Company's loans relates to loans in Euro.

24. Operating Leases

The Company rents passenger cars. During the year of the 2018 expenses equal to Euro 44,277 were posted to Company's Income Statement (2017: Euro 39,890).

EUR	**2018**	**2017**
Less than 1 year	40,863	37,062
Between 2 and 5 years	66,847	66,101
Total	**107,710**	**103,163**

25. Contingent Liabilities / Assets

The contingent liabilities and assets of the Company which arise by its ordinary activities, are as follows:

EUR	**2018**	**2017**
Liabilities		
Guarantees to secure liabilities to suppliers	667,400	669,756
Guarantees to secure the good performance of contracts with clients	170,662	170,662
Mortgages and statutory notices of mortgage issued against lots & buildings	15,642,000	15,642,000
Other liabilities	1,475,000	1,475,000
Total	**17,955,062**	**17,957,418**

The tax liabilities of the Company, for the year 2018, haven't been audited by taxation authorities and thus are not finalized yet for such years.

26. Related parties

Related parties are all companies and natural persons with whom the Company has a direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter).

EUR	**2018**	**2017**
Sale of goods		
Parent	7,585,311	7,360,434

Other	7,333,937	6,350,018
	14,919,249	**13,980,452**
Sale of services		
Parent	206,629	11,955
Other	32,739	87,343
	239,368	**99,298**
Purchase of goods		
Parent	12,419,805	21,482,729
Other	10,745,426	10,598,806
	23,165,231	**32,081,535**
Purchase of services		
Parent	404,422	374,785
Other	237,322	197,540
	641,744	**572,324**
Purchase of fixed assets		
Parent	-	-
Other	30,898	-
	30,898	**-**

EUR	**2018**	**2017**
Fees - benefits to the members of the Board of Directors and executives	670,336	496,011
	670,336	**496,011**

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

EUR	**2018**	**2017**
Receivables from related parties		
Parent	-	3,012,402
Other	984,778	1,169,758
	984,778	**4,182,161**
Liabilities to related parties		
Parent	7,500,247	14,868,521
Other	430,181	532,891
	7,930,428	**15,401,412**

The sales / purchases of goods and the services from and towards related parties, are realized according to the fee schedules, which apply for non-related parties.

27. Effect of IFRS 9 and IFRS 15

The adoption of IFRS 9 on 1st of January 2018, had a negative effect on the Company's Equity due to changes in the impairment provision of Euro 200 thousand.

The Company didn't adjust the comparative figures and to recognize any differences between the previous and the new carrying amount in the opening balance of retained earnings as at 1 January 2018. Therefore, the adjustments arising from the new provisions for impairment are not included in the statement of financial position at 31 December 2017 and recognized in the opening balance sheet as at 1 January 2018.

The following table presents the adjustments which were recognized separately for each item on 1 January 2018. This table doesn't include the items that were not affected by the requirements of IFRS 9 and IFRS 15. As a result, there can't be a recalculation for the presented totals and sub-totals based on the provided amounts.

EUR	**31.12.2017 as published**	**Effect of IFRS 9**	**Effect of IFRS 15**	**01.01.2018 opening balance as restated**
ASSETS				
Current Assets				
Trade and other receivables	10,530,323	(200,301)		10,330,022
	27,272,014	**(200,301)**		**27,071,713**
Total Assets	**54,452,934**	**(200,301)**		**54,252,633**
EQUITY				
Retained earnings/(losses)	(2,131,074)	(200,301)		(2,331,375)
Equity attributable to owners of the company	**15,857,036**	**(200,301)**		**15,656,735**
LIABILITIES				
Current Liabilities				
Trade and other payables	17,888,099		(1,542)	17,886,557
Contract liabilities	-		1,542	1,542
Total Equity and Liabilities	**54,452,934**	**(200,301)**		**54,252,633**

28. EBITDA and a-EBITDA

EUR		**2018**	**2017**
Operating Profit / (Loss)		**(104,283)**	**829,532**
	Adjustments for:		
	+ Depreciation	1,268,583	1,228,764
	- Amortization of grants	(48,385)	(48,385)
EBITDA		**1,086,929**	**2,009,911**
EBITDA		**1,086,929**	**2,009,911**
	Adjustments for:		
	+ Loss / - Profit from metal price lag	1,087,465	(61,472)
a-EBITDA		**2,174,393**	**1,948,439**
(A) Value of Metal in Sales		66,295,435	51,743,683
(B) Value of Metal in Cost of Sales		(66,934,463)	(51,318,187)
(C) Result of Hedging Instruments		(448,436)	(364,024)
(A+B+C) Metal Result in Gross Profit		**(1,087,465)**	**61,472**

29. Subsequent events

On 01.03.2019 the General Meeting of FITCO decided to increase the share capital by the amount of Euro 5.0 million, by cash payment, which was completed by the registration decision No 1534150 / 01-04-2019 at GEMI.