ELVALHALCOR

HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

Annual Financial Report

as at 31 December 2018

Pursuant to article 4 of L. 3556/2007

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

G.C.Registry.: 303401000

SA Registry No:2836/06/B/86/48

SEAT: Athens Tower, Building B, 2-4 Mesogeion Avenue

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The annual financial statements of the Company (in consolidated and non-consolidated basis), the Auditor's Report and the management report of the Board of Directors are currently in the Company's website (www.elvalhalcor.com) and the Athens Exchange website (www.helex.gr).

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to Article 4 par. 2 of Law 3556/2007)

The members of the Board of Directors of the company with the name ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A, trading as ELVALHALCOR S.A., whose registered offices are in Athens, at 2-4 Mesogeion Avenue:

1. Theodosios Papageorgopoulos, Chairman of the Board of Directors

2. Periklis Sapountzis, Board of Directors Member,

3. Stavros Voloudakis, Board of Directors Member,

in our said capacity, do hereby declare and confirm that as far as we know:

(a) the attached annual company and consolidated financial statements for the company ELVALHALCOR S.A. for the period from 1 January to 31 December 2018, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2018 for ELVALHALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4, paragraphs 3 to 5, of Law 3556/2007; and

(b) the attached annual report of the Board of Directors of ELVALHALCOR S.A. contains the true information required by Article 4, paragraphs 6 to 8, of Law 3556/2007.

Athens, 20th of March 2019

Confirmed by

The Chairman of the Board	**The Board-appointed Member**	**The Board-appointed Member**
THEODOSIOS PAPAGEORGOPOULOS	**PERIKLIS SAPOUNTZIS**	**STAVROS VOLOUDAKIS**
ID Card No. AN 051682	**ID Card No. AK 121106**	**ID Card No. AE 620963**

BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2018 (1 January – 31 December 2018). This report was prepared in line with the relevant provisions of Codified Law 2190/1920, as revised by Law 3873/2010, the provisions of Law 3556/2007 (Government Gazette 91A/30.4.2007) and of L.4374/2016 (Government Gazette 50A/01.04.2016) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A (hereinafter referred to for the purpose of brevity as "Company" or "ELVALHALCOR") for the year 2018, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties which Group’s companies were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper, aluminium and their alloys, zinc rolling products and cables of all types.

1. Financials - Business report - Major events

Throughout 2018 the growth in Eurozone as well as in the United States trended upwards[1], a fact which affected positively the sales of the Group. The average price of Copper reached Euro 5,519 per ton in 2018 versus Euro 5,453 per ton for the fiscal year 2017. The average price of aluminium amounted to Euro 1,786 per ton for the fiscal year 2018 versus 1,742 per ton for the fiscal year 2017. The average price of zinc amounted to Euro 2,467 per ton for the fiscal year 2018 versus 2,561 per ton for the fiscal year 2017.

On 30.11.2017 with the decision 131569/30-11-2017 of the Ministry of Economy and Development the merger by absorption (hereinaftert “the Merger”) of “ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.” BY “HALCOR METAL WORKS S.A.” was finalized. As a result the board of Directors was informed about the comparatives financial figures of the Group for the period after the acquisition as well as for the twelve month period.

Amounts in thousands EURO	31/12/2018	31/12/2017 As published(1)	31/12/2018	31/12/2017 Annualized
Sales	**2,117,789**	**1,150,369**	**2.117,789**	**1,863,320**
Gross Profit	**166,948**	**103,566**	**166,948**	**156,871**
EBITDA	**165,166**	**113,206**	**165,166**	**160,521**
a-EBITDA	**142,149**	**89,319**	**142,149**	**129,437**
EBIT	**107,051**	**69,616**	**107,051**	**101,967**
Profit before tax	**75,849**	**50,674**	**75,849**	**63,924**

(1) As published refers to the data as included in the financial statements

The consolidated turnover from continued operations amounted in 2018 to Euro 2,118 mil. versus Euro 1,863 mil. in 2017 marking an increase of 13.6%. The turnover was positively affected by the increase in sales’ volume of aluminium as well as of copper segment and secondly by the increased average prices of copper and aluminium.

[1] https://ec.europa.eu/eurostat/documents/3217494/9573227/KS-BJ-19-002-EN-N.pdf/db9e878b-1ba5-439f-af30-ff598a11271f

As far as copper segment is concerned, this year was marked by changes in competition after the announcement of the merger between the competitors KME and MKM and the announcement of Aurubis' copper rolling segment acquisition by Wieland, which was finally rejected by the European Union authorities. In this environment of competitors' mergers, in terms of volumes in 2018, the sales of the copper segment were increased significantly, by 8.8% versus 2017. In addition, the increase in average price of copper contributed positively to the further increase in the turnover of the segment, which amounted to Euro 1,039 mil., an increase of 12.7%. Copper tubes sales continued to increase, and the rolling products of copper and copper alloys for industrial uses marked significant increases, as a result of the increasing global demand and the continuous improvement that was achieved in quality and other factors of the subsidiary Sofia Med. Copper tubes contributed to 43% of sales, rolling products to 32% in an uptrend versus the prior year, copper strips to 15% at prior year levels and brass rods and tubes at 10%.

In regards to the aluminium segment, the increase in sales volumes continued in 2018, as the sales of the aluminium segment of ELVALHALCOR which mainly consists of the rolling division of the company (ex ELVAL) and the subsidiary SYMETAL, increased by 7.0% following the increase in demand in the markets of Europe and America. The increased sales volumes, led to an increase of 14.6% in the turnover of the segment, which rose to Euro 1,079 mil. It is noted that 88% of the sales volumes is directed to the international markets with Europe contributing the 59% and the US the 13%. Regarding USA market, it is noted that demand remained strong with high prices. Moreover, despite the initial effect to the prices of raw materials, which was caused due to the sanctions that were imposed to a Russian aluminium producer, no problem occurred regarding the purchase of the segment's materials. The 48% of sales were directed to the food packing industry (rigid and flexible), the 24% to the transportation industry and the 23% to the construction and industrial applications industry.

For 2018, the consolidated Gross profit marked an increase by 6.4% and rose to Euro 166.9 mil. versus Euro 156.9 mil. in 2017. This increase by Euro 10.1 mil. is attributed to the improvement of the operational result as the gain from metal result declined to Euro 22.1 mil. versus metal gain of Euro 33.1 mil. in 2017. The consolidated earnings before taxes, interest and depreciation (EBITDA) rose in 2018 to profit of Euro 165.2 mil. versus profit of Euro 160.5 mil. the prior year, improved by Euro 4.5 mil., while the consolidated EBIT rose to profits of Euro 107.1 mil. versus profits of Euro 102.0 mil. in the prior year respective period. The consolidated results from continued operations (profit/loss before taxes) for the twelve month period, amounted in 2018 to profit of Euro 75.9 mil. versus loss of Euro 63.9 mil. in 2017.

As regards to the cost, the optimisation of procedures in production led to a further decrease in production cost and helped in strengthening the competitiveness of Group products abroad. Furthermore, the efforts for the reduction of the financial cost bared fruits with the Net Finance Cost reduced at Euro 32.2 mil. for the year 2018 versus Euro 36.8 mil. for the respective prior year, as the company renegotiated a large part of its loans during 2018, reduced the interest and converted them into long term loans.

In 2018 the ELVALHALCOR Group materialized total investments of Euro 92.2 mil. for the fiscal year, out of which the amount of Euro 75.4 mil. were dedicated to the upgrade of the parent company facilities in Oinofyta, distributed in Euro 52.6 mil. for the aluminium industry mainly to the investment regarding the increase in production capacity and Euro 22.9 mil. for the copper industry mainly to increase production capacity of finished products by five thousand tons. Finally, the subsidiaries of the copper segment invested Euro 10.1 mil. and the aluminium subsidiaries invested Euro 7.0 mil., aiming at the improvement of the production, as well as at the production of high-added-value products.

2. Financial standing

ElvalHalcor's management has adopted, measures and reports internally and externally Ratios and Alternative Performance Measure. These measures provide a comparative outlook of the performance of the Company and the Group and constitute the framework for making decisions for the management.

Liquidity: Is the measure of coverage of the current liabilities by the current assets and can be calculated by the ratio of the current assets to current liabilities. The amounts are drawn by Statement of Financial Position. For the Group and the Company for the closing year and the comparative prior year are as follows:

GROUP €'000		31/12/2018		31/12/2017	
Liquidity =	Current Assets / Current Liabilities	775,050 / 464,939	1.67	678,720 / 464,287	1.46

COMPANY €'000		31/12/2018		31/12/2017	
Liquidity =	Current Assets / Current Liabilities	568,275 / 369,852	1.54	507,157 / 308,643	1.64

Leverage: Is an indication of the leverage and can be calculated by the ratio of Equity to Debt. The amounts are used as presented in the statement of financial position. For 2018 and 2017 the index is as follows:

GROUP €'000		31/12/2018		31/12/2017	
Leverage =	Equity / Loans & Borrowings	730,468 / 577,968	1.26	668,416 / 568,241	1.18

COMPANY €'000		31/12/2018		31/12/2017	
Leverage =	Equity / Loans & Borrowings	705,914 / 451,663	1.56	660,919 / 452,894	1.46

Return on Invested Capital: It is an indication of the returns of the equity and the loans invested and is measured by the ratio of the result before financial and tax to equity plus loans and borrowings. The amounts are used as presented in the statement of profit and loss and the statement of financial position. For the fiscal year 2018 and the prior year the index for the Group and the Company is as follows:

GROUP €'000		31/12/2018		31/12/2017	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	107,051 / 1,308,534	8.2%	69,616 / 1,236,657	5.6%

COMPANY €'000		31/12/2018		31/12/2017	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	75,370 / 1,157,577	6.5%	59,067 / 1,113,812	5.3%

Return on Equity: It is as measure of return on equity of the entity and is measured by the net profit / (loss) after tax to the total equity. The amounts are used as presented in the Statement of Profit and Loss and the Statement of Financial Position. For the closing years 2018 and 2017 the index is as follows:

GROUP €'000		31/12/2018		31/12/2017	
Return on Equity =	Net Profit / (Loss) / Equity	64,303 / 730,468	8.8%	33,264 / 668,416	5.0%

COMPANY €'000		31/12/2018		31/12/2017	
Return on Equity =	Net Profit / (Loss) / Equity	64,303 / 705,914	9.1%	33,324 / 660,919	5.0%

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss. For the period including the results of the absorbed after the transaction date for the prior year comparatives, it was calculated as follows:

€ '000		GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Operating profit / (loss)		**107,051**	**69,616**	**75,370**	**59,067**
	Adjustments for:				
	+ Depreciation	58,999	44,805	39,940	35,516
	+ Amortization	1,070	578	654	301
	- Amortization of Grants	(1,955)	(1,793)	(1,311)	(1,180)
EBITDA		**165,166**	**113,206**	**114,652**	**93,704**

For the comparable twelve-month period the data are as follows:

For the 12 months

€ '000		GROUP	
		2018	2017
Operating profit / (loss)		107,051	101,967
	Adjustments for:		
	+ Depreciation	58,999	59,333
	+ Amortization	1,070	1,108
	- Amortization of Grants	(1,955)	(1,888)
EBITDA		165,166	160,521

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets, investments if included in the operational results
- Other impairment

For the closing period:

€ '000		GROUP		COMPANY	
		2018	2017	2018	2017
EBITDA		165,166	113,206	114,652	93,704
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	(23,016)	(24,048)	(22,755)	(22,132)
	+ Restructuring Expenses	-	162	-	-
a - EBITDA		142,149	89,319	91,897	71,572

For the period including the financial standing in an annualized basis, the a-EBITDA was as follows:

€ '000		GROUP	
		2018	2017
EBITDA		165,166	160,521
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(23,016)	(33,135)
	+ Restructuring Expenses	-	162
	+ Valuation of Fixed Assets	-	1,890
a - EBITDA		142,149	129,437

The metal results stems from:

1. The time period that runs between the invoicing of the purchase, holding time and metal processing versus the invoicing of sales.
2. The effect of the beginning inventory (which is affected by the metal prices of prior periods) in the cost of sales, from the valuation method which is the weighted average.
3. Specific contracts with customers with closed prices that end in exposure to metal prices fluctuations between the period that the price was closed and the date the that the sale took place.

ELVALHALCOR and its subsidiaries use derivatives to reduce the effect of the fluctuation of metal prices. However, there will always be positive or negative effect in the result due to safety stock that is held. The calculation of the metal price lag as derived from the financial statements after the acquisition date can be analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	€ '000	€ '000	€ '000	€ '000
(A) Value of Metal in Sales	1,580,309	733,663	1,018,003	497,068
(B) Value of Metal in Cost of Sales	(1,567,949)	(710,408)	(1,003,018)	(475,403)
(C) Result of Hedging Instrunments	10,657	794	7,769	467
(A+B+C) Metal Result in Gross Profit	23,016	24,048	22,755	22,132

For the comparable twelve month period and the prior year respective the amounts were as follows:

	GROUP	
For the 12 months	31.12.2018	31.12.2017
	€ '000	€ '000
(A) Value of Metal in Sales	1,580,309	1,397,111
(B) Value of Metal in Cost of Sales	(1,567,949)	(1,361,933)
(C) Result of Hedging Instrunments	10,657	(2,043)
(A+B+C) Metal Result in Gross Profit	23,016	33,135

3. Corporate Social Responsibility and Sustainable Development

Analytical information can be found on the section "Non-financial information" and ELVHALHALCOR's website: www.elvalhalcor.com

Environment

ElvalHalcor, considering the environment where it operates, 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

ElvalHalcor considers training and development of the human resources as an investment and a prerequisite for sustainable development. More information of the actions of the Group and the Company in the section «Non-Financial Information» of the current document.

Health and Safety

ElvalHalcor 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. More information of the actions of the Group and the Company in the section «Non-Financial Information» of the current document.

Research and Development

The Group and the Company recognize research and development as one of the basic aspects of its operation and sustainability. To that end, ElvalHalcor participates in the Hellenic Centre for Metallurgical Research, where at its facilities the evolution of production techniques, the fortification and improvement of the final product as well as the discovery of pioneering techniques is studied.

4. Main risks and uncertainties

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

Credit risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group'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 the Group or 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 Group 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 collectability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Customers characterized as being of "high risk" are included in a special list of customers and future sales should be collected in advance and approved by the Board of Directors. Depending on the background of the customer and his properties, the Group demands collateral securities or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group records impairment provisions that reflect its assessment of losses and expected credit 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, as well as provision for expected credit losses according to the Group's analysis which was formulated for the implementation of IFRS 9.

Investments

These items are classified by the Group pursuant to the purpose for which they were acquired. The Management decides on proper classification of the investment at the time of acquisition and reviews classification on each presentation date.

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

Guarantees

The Group's policy consists of not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis; The guarantees provided by the Group do not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. It is noted that the Group held cash and cash equivalents on 31 December 2018, which amounted to Euro 34.2 million and the company Euro 22.5 million as well as approved but not utilized lines of credit, to cover current and medium term liabilities. As far as investments are concerned, the Group and the Company take new loans according to their needs (see note 35). Moreover, the Group communicates with the banks to secure proper refinancing of loans that expire.

For the avoidance of liquidity risk the Group makes a cash flow projection for one year while 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 the 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 a change in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters into transactions which include derivative financial instruments, so as to hedge a part of the risks arising from market conditions.

Risk from fluctuation of metal prices (aluminium, copper, zinc, other metals)

The Group 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 Group, however, does not hedge 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 Group 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 Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group hedges part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases and the greatest part of receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates variation, 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, 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 Group's operating activities and is mostly the Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs in working capital through bank and bond loans, as a result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

Interest rate risk is mitigated since part of the Group's borrowing is set at fixed rates.

Capital management

The Groups' policy is to maintain a strong capital base to ensure investors', creditors' and market's trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

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.

The Group does not have a specific plan for own shares purchase.

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

Macro-economic environment

In the context of the aforementioned analysis, the Group and 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 ElvalHalcor Group's operations, as exporting by the greater part. Indicatively at Group level for the fiscal year and at an annualized basis 91.8% of the turnover referred to exports,
2. The financial standing of the Company as well as the Group,
3. The production capacity of the units

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

In regards to the situation of the United Kingdom exiting the European Union, we don't see our position to be marginalized by the result of the Brexit. Most of our competitors in the Copper market operate within the Eurozone and will react to the fluctuations of the currency. Exports to the United Kingdom represent approximately the 6% of the total revenue.

Moreover, in regards to the imposition of import tariffs on the imports of aluminium products to USA, the Group and the Company management follows the developments closely and is evaluating the parameters. The sales of aluminium to this market for 2018 rose to €126 mil., which constitutes the 6% of the Group sales on an annualized basis.

In regards to the sales to the neighboring market of Turkey, for the Copper segment those amounted to €51 mil. in 2018. The devaluation of the Turkish lira versus Euro has as a direct result on the one hand, the difficulty in servicing the debt for the Turkish companies which have liabilities in a foreign currency, as well as the reduction of the purchasing power and private consumption. On the other hand, the devaluation has results to the increase of the competitiveness of the Turkish exporting companies due to the reduction of the production cost. In any case the sales of ElvalHalcor are made to companies with long term commercial ties and presence in the local market and they do not face any risks deriving from the macroeconomic environment. More specifically, the sales of the aluminium segment to Turkey amounted to 3.6% of the sales revenue of the segment for 2018 and are not expected to be affected significantly by the devaluation of the Turkish lira versus the Euro.

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

5. Outlook and prospects for 2019

For 2019 the Group and the Company, considering the international economic developments, maintain their optimism, as demand for industrial products is forecasted to move upwards and it is expected to be throughout 2019 the pillar for the Group's development. Furthermore, the Group has already started to reap the rewards of the investments of the last three years and there is considerable optimism based on the prospects that are provided for exports within and outside the European Union due to the resumption of the activity in the energy sector, as well as the initiatives of the European Union for reduction of the emissions, which will increase the demand for the Company's products.

More specifically the Aluminium segment will focus on the materialization of the Euro 150 mil. investment plan. In this way a contract with SMS group GmbH, based in Germany has been signed for the procurement of a four-stand tandem aluminium hot finishing mill for the production unit in Oinofuta, Viotia. This investment will strengthen the production capacity regarding hot rolling, and directly increase by 20% the capacity of finished products, as well as improve the cost and quality. In 2019 the appropriate infrastructure to place the machine will be completed and the parts of the machine will be delivered. Its completion and the beginning of its operation will take place in the second quarter of 2020. In commercial terms the segment will utilize its current capacity by selling innovative products for modern applications in a demanding and continuous growing customer base. The segment focuses on the developing market of food and beverage packaging products, as well as on the promotion of innovative alloys for the demanding market of heat exchangers, further penetration in the market of multilayer tubes and the production of thicker aluminium sheets (especially for the shipping industry).

In 2019, demand for copper products is expected to remain in satisfactory levels. The beginning of the year was marked by the European Union's Competition Committee rejection regarding the Aurubis' copper rolling sector acquisition by Wieland, as well as the announcement of the acquisition of KME's copper alloys' extrusion sector by Hailiang, however the aforementioned processes are not expected to have an important impact to the company, which, in its turn, expects full absorption of its new production capacity regarding copper tubes division, as well continuous utilization of its high production capacity in rolling copper tubes and copper alloys. As far as the Copper segment is concerned, after the signing of the agreement for the acquisition of 50% of the share capital of Nedzink B.V. the investment program evolves as scheduled with the aim to develop the production in the field of titanium zinc, by increasing the production capacity of the lines in combination with Nedzink, and by combining the long standing experience of Nedzink in zinc rolling with that of ElvalHalcor in continuous melting, casting and rolling of zinc and other metals. Moreover, ELVALHALCOR decided to commence the proceedings of the transformation of the branch in Pogoni-Ioannina, manufacturing plant of all types of coin blanks and rings into a newly founded company limited by shares ("Société anonyme").

6. Transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows:

Transactions of the parent company with subsidiaries (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
SOFIA MED	42,771	41,367	23,824	-
FITCO	13,269	7,830	7,620	47
SYMETAL	121,444	16,922	22,224	13
ANOXAL	527	7,194	-	718
VIOMAL	6,270	183	2,372	59
VEPAL	710	26,281	-	9,139
ELVAL COLOUR	17,457	1,074	9,728	-
TECHOR	-	241	3	667
TOTAL	**202,446**	**101,091**	**65,771**	**10,644**

SofiaMed SA buys from ElvalHalcor raw materials and semi-finished products of copper and copper alloys, depending on its needs, as well as finished products which distributes to the Bulgarian market. In addition, ElvalHalcor provides technical, administrative and commercial support services to Sofia Med. Respectively, ElvalHalcor buys from SofiaMed raw materials, semi-finished products according to its needs, as well as finished products which distributes to the Greek market.

Fitco SA buys from Halcor raw materials. ElvalHalcor processes Fitco’s materials and delivers back semi-finished products. It also provides Fitco with administrative support services. Respectively, Fitco sells raw materials to Elvalhalcor.

ElvalHalcor purchases aluminium scrap from the production process of Symetal, which is re-used as raw material (re-casting). ElvalHalcor, occasionally sells spare parts and other materials to Symetal and provides other supportive services.

ElvalHalcor S.A. sells final aluminum products to Viomal, which constitute raw material for the latter and Viomal sells back to ElvalHalcor the returns from its production process.

Elval Colour S.A. buys final products from ElvalHalcor, which are used as raw material by the latter and ElvalHalcor processes Elval Colour’s materials.

Vepal S.A. processes ElvalHalcor products and delivers semi-finished products. ElvalHalcor sells raw materials to Vepal and also provides supporting administrative services to the latter.

Anoxal S.A. also processes ElvalHalcor’s raw materials and ElvalHalcor provides administrative support to Anoxal. Furthermore, Anoxal purchases from ElvalHalcor other materials (spare parts and other consumables) for its production process.

Transactions of the parent company with other affiliated companies (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	21,901	12,692	3,396	1,698
STEELMET GROUP	176	12,972	55	1,942
INTERNATIONAL TRADE	399,296	5	13,903	6
REYNOLDS CUIVRE SA	39,526	551	9,666	32
STEELMET ROMANIA SA	10,601	274	39	3,097
METAL AGENCIES LTD	68,165	76	6,975	11
TEPRO METAL AG	12,102	1,770	1,825	765
MKC GMBH	46,726	544	6,361	74
VIENER SA	57	1,087	12	216
HC ISITMA	194	123	21	18
TEKA SYSTEMS SA	39	8,399	7	3,765
VIEXAL SA	0	2,893	0	78
VIOHALCO SA	187	218	210	24
ELKEME SA	199	1,215	13	248
DIA.VI.PE.THI.V SA	-	355	1,019	8
ANAMET SA	873	11,626	1,134	822
UEHEM	40,813	91	2,222	12
ETEM BULGARIA SA	47,756	13,703	27,100	948
ETEM SCG DOO	247	3	24	0
METALVALIUS LTD (Bulgaria)	4	-	-	-
ETEM COMMERCIAL SA	7,511	1,349	1,884	-
ETEM ALBANIA	-	-	-	-
GENECOS SA	3,491	632	501	62
BRIDGNORTH LTD	178	688	93	-
ALURAME SPA	2,460	1,370	828	97
BASE METAL TICARET VE SANAYI A.S.	-	657	-	136
SOVEL SA	102	22	3,967	-
ETIL SA	25	768	26	-
SIDMA SA	12	513	50	176
SIDENOR SA	14	539	4,485	820
NOVOMETAL DOO	-	1,275	-	12
OTHER	650	852	786	261
TOTAL	**703,306**	**77,264**	**86,602**	**15,329**

Cenergy Group buys raw materials from ElvalHalcor according to their needs. In its turn, it sells copper scrap to ElvalHalcor from the products returned during its production process.

Steelmet Group provides ElvalHalcor with administration and organization services.

International Trade trades ElvalHalcor’s Group products in Belgium and other countries of Central European countries.

Metal Agencies LTD acts as a merchant - central distributor of ElvalHalcor Group in Great Britain.

MKC GMBH trades ElvalHalcor’s products in the German market.

Steelmet Romania trades ElvalHalcor’s products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for Halcor and provides consulting services in IT issues and SAP support and upgrade.

Anamet S.A. provides ElvalHalcor with considerable quantities of copper and brass scrap.

Viexal SA provides ElvalHalcor with travelling services.

CPW America CO trades ElvalHalcor’s products in the American market.

Viohalco S.A. rents buildings and industrial premises to ElvalHalcor .

Tepro Metall AG trades (through its subsidiary MKC) ElvalHalcor products and represents the latter in the German market.

Genecos, as well as its subsidiary Reynolds Cuivre sell ElvalHalcor's products and represent Halcor in the French market.

Metalvalius SA buys from Halcor or the market quantities of copper and brass scrap and which after assortment and cleaning sells to Sofia Med, to ElvalHalcor or the free market.

ETEM BG purchases from ElvalHalcor aluminium billets and sells in its turn aluminium scrap from its production process to ElvalHalcor.

UACJ ELVAL HEAT EXCHANGER MATERIALS purchases from ElvaHalcor finished aluminium products and distributes them to international markets.

Transactions of ElvalHalcor Group with other affiliated companies (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	23,211	14,641	3,645	2,098
STEELMET GROUP	213	13,802	67	2,175
INTERNATIONAL TRADE	441,568	6	16,348	7
REYNOLDS CUIVRE SA	63,872	657	12,471	46
STEELMET ROMANIA SA	15,182	407	405	3,131
METAL AGENCIES LTD	114,162	92	15,200	17
TEPRO METAL AG	18,124	3,583	2,409	1,061
MKC GMBH	76,769	600	7,015	95
VIENER SA	57	4,372	12	477
HC ISITMA	194	123	21	18
TEKA SYSTEMS SA	40	9,667	7	4,436
VIEXAL SA	0	3,880	0	117
VIOHALCO SA	187	433	212	66
ELKEME SA	208	1,626	25	399
SIDERAL SHRK	371	-	308	-
ANAMET SA	1,414	13,100	1,351	834
UEHEM	40,813	91	2,222	12
ETEM SYSTEMS SRL	1,649	-	460	-
ETEM BULGARIA SA	49,363	14,238	27,385	1,023
ANTIMET SA	-	26	301	2
METALIGN S.A.	67	732	20	13
ETEM COMMERCIAL SA	7,513	1,412	1,884	6
NOVOMETAL DOO	-	2,033	-	12
GENECOS SA	7,510	694	1,214	73
BRIDGNORTH LTD	183	738	96	-
ALURAME SPA	2,978	1,991	912	215
BASE METAL TICARET VE SANAYI A.S.	1,674	961	285	244
SOVEL SA	102	22	3,968	-
ETIL SA	25	792	26	121
SIDMA SA	12	781	50	229
SIDENOR SA	14	542	4,485	824
SIGMA IS SA	11	1,636	-	252
DIA.VI.PE.THI.V SA	-	355	1,019	8
OTHER	909	1,157	297	154
TOTAL	**868,396**	**95,190**	**104,117**	**18,165**

Fees of Executives and Board members (amounts in thousands Euro)

The table below sets out the fees paid to executives and members of the Board of Directors:

	Group	Company
Total fees of Board members	1,946	764
Total fees of management executives	8,804	4,254

7. Subsequent events

1. On 09.01.2019 ELVALHALCOR announced that SOFIA MED AD, signed the extension of maturity to seven years of the syndicated collateralized long-term loan amounting of €60.0 million with Alpha Bank A.E.-London Branch, Eurobank Bulgaria AD and Piraeus Bank Bulgaria AD. Moreover, it is noted that SOFIA MED AD signed amendment of the loan with European Bank for Reconstruction and Development ("EBRD") total amount of €25.0 million, which comprises of two parts: a) loan of €10.5 million with new seven year maturity and b) a new loan of €14.5 million, also with seven year maturity for the financing of investment program for machinery and capacity increase.

2. On 05.02.2019 ELVALHALCOR S.A. announced that, the Board of Directors with its 04.02.2019 decision, decided to commence the proceedings of the transformation of the branch in Pogoni-Ioannina, manufacturing plant of all types of coin blanks and rings into a newly founded company limited by shares ("Société anonyme") in accordance with the third section of par. 2 of article 52 of L. 4172/2013, as replaced by article 23, par. 6.c., of L. 4223/2013.

3. On 18.02.2019 ELVALHALCOR S.A. announced the acquisition of the 50% of "UACJ ELVAL CONSULTING SA" (former AFSEL) from UACJ Corporation, for an amount of €16 thousand and after the transaction the participation of ELVALHALCOR amounts to 100%.

4. On 01.03.2019 the General Meeting of shareholders of the 100% subsidiary Fitco S.A decided the share capital increase by € 5.0 million, by cash payment.

Business model

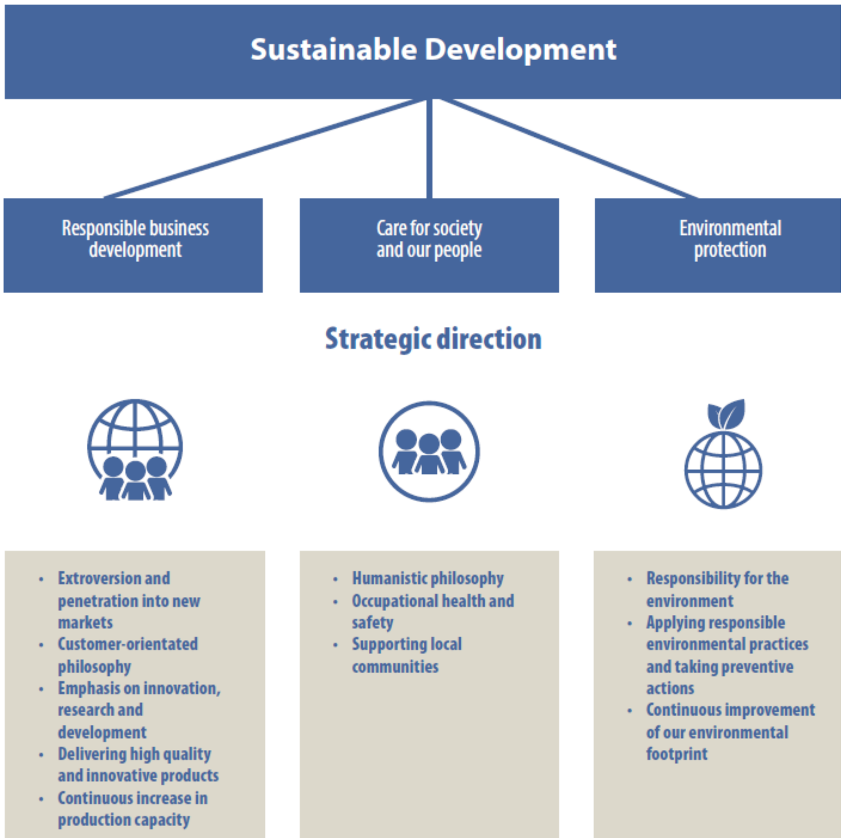
The business model of ELVALHALCOR Hellenic Copper and Aluminium Industry S.A. (ElvalHalcor) aims to create value for all stakeholders, shareholders, customers, employees, suppliers and generally local communities.

ElvalHalcor operates in the aluminium and copper segments, boasting experience and know-how spanning 80 years and offering innovative solutions of high added value perfectly suited to the modern requirements of its international customers. ElvalHalcor's success is derived from its commercial export orientation, customer-focused philosophy and continuous innovation with a strong focus on research and technology. Following its continuous strategic investments in research and development of new technologies, the Company currently owns state-of-the-art production facilities and is capable of creating new and innovative products and solutions, thus accomplishing its goal for continuous innovation at both domestic and international level.

Inputs ⟶ **Value creation** ⟶ **Output**

Inputs

- Financial resources
- Industrial resources
- Human resources
- Natural resources
- Social resources



Output

- Social product
- Strengthen the national economy
- Innovative products and services
- Employment
- Employee development
- Support local communities

Management of Sustainability matters

The Company has put in place mechanisms and procedures to highlight and manage sustainability issues focusing on occupational safety, respect for the environment and society as well as its financial and economically viable operations. Management commitment and the management framework of responsible operation matters are reflected on the Sustainability Policy established and implemented by ElvalHalcor. Seeking to ensure its continuous improvement in relevant matters, the Company sets specific goals and monitors their progress on an annual basis, based on the relevant key performance indicators it has developed. To attain these ratios and goals, the Company prepares and implements adequate plans and actions of responsible operation.

Policies and Systems

Wishing to reinforce its sound operation driven by Sustainable Development, ElvalHalcor has established specific policies and puts into practice adequate management systems and procedures that uphold responsible operation and define the way in which the Company's goals are achieved. More specifically, the Company has established and implements, among others, the following policies and codes:

- Internal Operational Regulation
- Sustainability Policy
- Health and Safety Policy
- Environmental Policy
- Labour and Human Rights Policy
- Quality Policy
- Code of Conduct and Business Ethics
- Supplier Code of Conduct.

Integrated management of ElvalHalcor's important matters is ensured through the Management Systems implemented by the Company. More specifically, ElvalHalcor implements the following certified systems:

- Quality Management System (in accordance with the ISO 9001:2015 international standard).
- Environmental Management System (ISO 14001:2015).
- Energy Management System (ISO 50001:2011).
- Occupational Health and Safety Management System (OHSAS 18001:2007).

All production facilities of the Company have put in place the above certified Management Systems.

This Non-Financial Reporting includes respective update on the main production subsidiaries that are consolidated. Specifically with respect to the production subsidiaries of the aluminium segment: Symetal S.A., Vepal S.A., Elval Colour S.A. and the copper segment: Fitco S.A. and Sofia Med S.A. Subsidiaries are considered the most important companies as they account for more than 1% of the consolidated turnover of ElvalHalcor and are also presented in the Sustainability Report in compliance with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards).

ElvalHalcor subsidiaries have established and put in place respective policies which strictly abide by the principles of the Company's policies, with the Management of each subsidiary being responsible for their implementation. Meanwhile, ElvalHalcor subsidiaries have their own internal controls, procedures and management systems with respect to sustainable development matters and monitor their respective performance through the relevant indicators, the results of which are presented in this report. Specifically, all the above subsidiaries have put in place independent certified Quality Management (ISO 9001:2015), Environmental Management (ISO 14001:2015) and Occupational Health and Safety Systems (OHSAS 18001:2007).

The sections below present the results of the policies and procedures implemented by ElvalHalcor, setting forth relevant references to the environmental and social performance (presentation of corresponding non-financial indicators) of the Company and its main production subsidiaries.

Labour and social issues

ElvalHalcor recognises the determined contribution of their people in Company's successful business performance and future growth. In recognition of this, the Company invests materially and systematically in their people. ElvalHalcor's management places particular emphasis on human resources development and strives to maintain a working environment based on an equal opportunities that respects each employee and rewards hard work. ElvalHalcor's human resources practices and policies aim to attract, develop and retain capable executives and employees. Steadily oriented to human values, the Company strives to implement responsible management practices with regard to human resources. The Company focus on material issues such as:

- ensuring of the health and safety of their employees and associates
- creating a rewarding work environment, respecting human rights and diversity
- providing equal opportunities for all employees

- safeguarding jobs
- providing equal opportunities for all employees
- applying objective evaluation systems
- employee ongoing training and development
- providing additional benefits.

In 2018, ElvalHalcor managed not only to maintain but also to increase jobs by 7.7% in relation to the previous year. In addition, the subsidiaries of the aluminium and copper segments recorded a 6.6% and 7.7% increase in jobs, respectively.

Labour KPI's (key performance indicators)

(ElvalHalcor S.A.)	2017	2018
Turnover rate	8.2%	5.1%
Percentage of women in total workforce	8.3%	7.7%

Aluminium segment processing main subsidiaries

(Symetal S.A., Elval Colour S.A., Vepal S.A.)	2017	2018
Turnover rate	6.2%	8.0%
Percentage of women in total workforce	10.4%	9.9%

Copper segment processing main subsidiaries

(Fitco S.A., Sofia Med S.A.)	2017	2018
Turnover rate	17.5%	19.8%
Percentage of women in total workforce	18.3%	18.3%

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

On average, Company employees are 44 years old. The age range of the Company's employees is a key advantage as the majority of ElvalHalcor human resources (more than 76%) is less than 50 years old.

The ratio between male and female workers is approximately 92% to 8% respectively. The representation of women in human resources seems low in theory and is mainly due to the fact that employment in industry is not a choice often made by female professionals and to the distance of ElvalHalcor production operations from major urban centers.

We believe that the training and development of our people is an investment in the long-term sustainable development of the Company. In 2018, overall 23,607 training man-hours were provided at ElvalHalcor.

	Total training hours	
	2017	2018
ElvalHalcor S.A.	20,246	23,607
Aluminium segment processing subsidiaries	4,829	7,434
Copper and copper alloy segment processing subsidiaries	7,815	7,116

Remuneration and benefits policy and systems have been developed with a view to recruiting, employing and retaining experienced personnel with the necessary capabilities and skills which lead to optimisation of individual and, by extension, overall performance. The remuneration of each employee reflects the educational background, experience, responsibility as well as the value/ importance of the post in the labour market. In addition, as part of its employee reward and satisfaction system, the Company provides a number of additional benefits.

Equal opportunities and respect for human rights

Showing respect for human rights and acting responsibly toward its people, the Company puts in place a human resources management policy based on equal opportunities without any discrimination on the basis of gender, nationality, religious belief, age or educational background. ElvalHalcor opposes child labour and condemns all forms of forced and compulsory labour. In addition, the Company condemns and does not tolerate any behaviours that could lead to discrimination, unequal treatment, bullying or moral harassment, gestures and verbal or physical threats.

As a result of the control policies, procedures and mechanisms put in place, during 2018 like also in previous years, no incident of child or forced labour was identified and no incident related to violation of human rights has taken place.

Occupational Health and Safety

Ensuring the Health and Safety (H&S) of our employees, our partners and third parties is a firm priority and commitment of ElvalHalcor. This view is certified through the H&S Policy established and implemented by the Company, thus clearly reflecting Management commitment in this field.

Company Management is instantly notified of any issue relating to H&S and takes steps to ensure seamless implementation of the policy. This policy is defined by Management, is based on cooperation and involvement of all personnel and is binding on each employee and partner. The Company fully complies with the relevant laws and regulations with respect to working conditions and occupational H&S, and focuses on the implementation of preventive measures and actions to avoid any incidents at work.

The goal of "Zero accidents" remains the Company's top priority. For this reason, the Company makes substantial and systematic investments in measures aiming at the continuous improvement of working conditions, and focusing on prevention and infrastructures reinforcing occupational safety. The Company's approach to the management of occupational H&S matters includes:

- Implementation of a H&S Management System (OHSAS 18001:2007) in all its premises with the involvement of all employees and administration.
- Continuous investments in infrastructure projects to reinforce safety at work (zero access).
- Behavioural audits in order to create a "Safety Climate".
- In-depth investigation and recording of all incidents, as well as near misses by implementing improvement measures aiming to reduce accidents.
- Employee targeted training and awareness raising so as to create a safety culture.
- Continuous improvement of fire safety at work.

The Company implements internationally applicable and measurable indicators to monitor and evaluate performance in the field of occupational H&S.

Health and safety KPI's

	Lost time incident rate (LTIR)		Severity rate (SR)		Fatalities	
	2017	**2018**	**2017**	**2018**	**2017**	**2018**
ElvalHalcor S.A.	4.87	7.47	112	126	0	0
Aluminium segment processing subsidiaries	10.11	5.25	226	121	0	0
Copper and copper segment alloy processing subsidiaries	7.02	10.04	300	145	0	0

LTIR: Lost time incident rate (number of LTI incidents per 10^6 working hours)
SR: Severity rate (number of lost work days per 10^6 working hours)

Social matters

The Company wishes to have its business activities interact in a positive and constructive manner with the communities in which it operates, contribute to the overall economic development of Greece and benefit local communities by creating jobs and offering business opportunities. It is worth indicating that 55.2% of ElvalHalcor total workforce come from local communities (broader region of Viotia and Evia). In addition, the Company boasts a long tradition in boosting local entrepreneurship as it seeks to cooperate, when possible, with local suppliers.

As a Company operating responsibly, ElvalHalcor provides its support on an annual basis to a number of bodies, organisations and associations through various sponsorships while also supporting and promoting the voluntary activities of its employees.

Through its operations, ElvalHalcor generates multiple benefits for the society. In addition to the payment of salaries and other benefits to its employees, the Company pays the State the corresponding taxes and levies, and makes continuous investments and payments to the collaborating suppliers of materials and services. Thus, the overall positive impact of the Company on both local and broader communities is important.

Anti-corruption and bribery-related issues

ElvalHalcor implements an integrated framework of corporate governance (relevant details are given in the section "Corporate Governance Declaration" of this report), which aims to ensure transparent, proper and effective management of the Company which leads to business and economic development in the long run. In addition, ElvalHalcor's Code of Conduct and Business Ethics and Supplier Code of Conduct reflect the Company's commitment and views on transparency, anti-corruption and anti-bribery issues. Business Ethics and Anti-Corruption Policy is another policy of the Company which was issued recently.

The Company is fully opposed to any type of corruption and it is committed to operate in an ethical and responsible manner. Even though the risk of corruption is low, the Company takes all necessary preventive measures and implements procedures and controls in order to ensure the combating of corruption cases. Furthermore, seminars on anti-corruption issues have been implemented where executives and employees of the Company have received relevant training. As a result of the Company's practices and policies, during 2018, as in previous years, no incident of corruption or bribery was recorded or reported.

Environmental matters

Environmental protection is at the top of the Company's list of priorities. ElvalHalcor cultivates environmental responsibility as an integral part of its corporate philosophy, having integrated in its strategy the responsible management of all environmental matters associated with its activities. Management's strong commitment in this field is reflected on the Environmental Policy (www.elvalhalcor.com, section "Sustainable Development/Environment). Management takes steps to implement good practices aiming at environmental protection and management of any environmental impacts arising from the Company's operation. The Company operates in accordance with the applicable environmental laws (applicable National and European laws). Wishing to reduce its environmental footprint on an ongoing basis with concrete actions, ElvalHalcor:

- implements an Environmental Management System (ISO 14001:2015) in all its production facilities aiming at the integrated management of its environmental matters;
- implements targeted environmental management plans (e.g. energy saving plans, actions and initiatives to reduce air emissions, etc.);
- seeks the rational use of natural resources and operates in accordance with the principles of circular economy, when possible;
- implements an integrated waste management system (which focuses primarily on waste management according to the appropriate hierarchy and on the adoption of good practices aiming to prevent their generation);
- makes continuous investments in environmental protection infrastructure;
- focuses on continuous training and awareness raising of its employees and partners in environmental matters.

With respect to energy consumption, its main pursuit is to reduce its energy footprint, whenever possible, and ensure its increasingly efficient use. Concurrently, through the certified Energy Management System (ISO 50001:2011), the Company aims at the integrated management of energy matters and seeks to develop a continuous improvement culture. ElvalHalcor monitors, record the gas emissions and ensure full compliance with the relevant legislation.

	Specific emissions (CO_2/tn of product)	
	2017	**2018**
ElvalHalcor S.A.	752	751
Aluminium segment processing subsidiaries	480	449
Copper and copper alloy processing segment subsidiaries	582	646

Note: For the calculation of the indirect CO_2 emissions for the years 2017, 2018, the coefficient 0.62497 kg CO_2/KWh has been used (source: European Residual Mixes 2017, AIB). The tons of product (tn) relate to the tonnage of the plant production in the respective years.

To meet the needs of its production process, ElvalHalcor must use water. The Company takes all necessary steps to ensure its efficient use and limit its consumption in compliance with its environmental policy. At the same time, whenever possible, reuse practices are applied.

	Specific water consumption (m^3/t of product)	
	2017	**2018**
ElvalHalcor S.A.	1.73	1.81
Aluminium segment processing subsidiaries	0.47	0.44
Copper and copper alloy segment processing subsidiaries	8.10	6.99

Responsible management of the supply chain

ElvalHalcor selects and treats its suppliers in a responsible manner. Having built long-standing partnerships and trust in its relationships with its customers and partners, the Company seeks to collaborate with suppliers showing respect for the environment and implementing responsible practices. Seeking to promote the principles of sustainable development across the supply chain, ElvalHalcor prepared a "Supplier Code of Conduct ".

The Code describes everything the Company expects from its supply chain (suppliers and partners) in terms of responsible operation (environmental protection, occupational health and safety, labour practices, ethics and integrity, respect for competitiveness, merit-based advancement, equal opportunities, safeguard of human rights, etc.). ElvalHalcor communicates this Code to its suppliers and contractors (existing and new ones) who should be familiar with the responsible practices implemented by the Company, and adopt these values and principles in the context of Sustainable Development.

The Company's procurement policy applies a strategy aiming to boost local economy, offering business opportunities and employment to local suppliers. When evaluating and selecting suppliers, local origins are a criterion factored in.

Non-financial risks and dealing with such risks

The Company operates in an economic and social environment characterised by various risks, financial and others (all financial risks are laid down in the section "Risks and Uncertainties" of this report). In this context, the Company has established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the Company are environmental risks and risks related to occupational H&S. Managing these risks is considered a very important task by Company Management provided that they pose a threat of having a direct or indirect impact on the Company's smooth operation.

ElvalHalcor's by-laws (approved by the BoD) clearly describe the areas of risk and include specific procedures that have been developed on the basis of the Prevention Principle in H&S and Environment management.

In addition, in the context of the certified Management Systems implemented by the Company, the relevant risks are assessed on an annual basis. Aiming to reduce the likelihood and the importance of risks occurring in certain segments, the Company takes preventive steps, designs and implements specific plans and actions, and monitors their performance through the relevant indicators (quality, environment, occupational health and safety) it has set. Moreover, the Company has carried out all hazard studies prescribed by law, implements operation and safety criteria which are compliant with national and European laws, develops an emergency plan and cooperates closely with local authorities and the Fire Brigade in order to address any eventual incidents quickly and effectively.

NOTE:

The non-financial ratios for 2018 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards). These ratios were chosen strictly on the basis of their relevance to the Company's business (according to the materiality analysis conducted by the Company).

Details on the performance in terms of sustainable development, and the actions of the Company's responsible operation will be set forth in the 2018 Sustainability Report of ElvalHalcor (May 2019). The Sustainable Development Report is an important tool as it reflects the way in which the Company responds to major issues and to the expectations of all its stakeholders.

All Sustainability Reports (according to the GRI Guidelines) which have been published by both Elval and Halcor during the period 2008-2016 and the ElvalHalcor's 2017 Sustainability Report are available on the Company's website (http://www.elvalhalcor.com/sustainability).

BOARD OF DIRECTORS' EXPLANATORY REPORT

(Article 4(7) and (8) of Law 3556/2007)

a) Structure of share capital

The Company's share capital after the completion of the merger by absorption of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." by the listed "HALCOR METAL WORKS S.A.", which was completed within 2017 with the 22.11.2017 decisions of the General Assemblies and the 131569/30-11-2017 decision of the Ministry of Economy and Development, amounts to Euro 146,344,218.54 divided in 375,241,586 common, dematerialized, anonymous share with nominal value of Euro 0.39 each. All the shares are listed in the Athens Stock Exchange. The shares of the Company are dematerialized, anonymous with voting rights.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a divided shall be deleted after the elapse of 5 years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible and the Company only recognises one owner of each share. All co-owners of a share by entirety as well as those having the usufruct or bare ownership are represented in the General Meeting by a single person that is appointed by the same following agreement. In case of disagreement the share of the aforementioned owners is not represented.
- Shareholder liability is limited to the nominal value of each share they hold.

b) Restrictions on the transfer of Company shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

c) Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2018 were as follows:

- VIOHALCO SA/NV: 91,44 % of voting rights

d) Shares granting special rights of control

There are no shares in the Company granting their holders special rights of control.

e) Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 24.

f) Agreements between Company's shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

g) Rules on the appointment and replacement of Board members and amendment of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in Codified Law (C.L.) 2190/1920.

h) Powers of the Board of Directors to issue new shares or purchase own shares

- Article 6(1) of the Company's Articles of Association states that only the General Shareholders Meeting with a 2/3 quorum of the paid-up share capital has the right to decide on a share capital increase of the Company with the issuance of new shares, such decision requiring the 2/3 of represented voting rights.
- The Articles of Association of the Company do not allow the transfer to the Board of Directors or to some of its members of any right falling under the competence of the General Meeting regarding the issuance of shares and share capital increase.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 16(5) to (13) of C.L. 2190/20.

i) Major agreements which take effect have been amended or expire in the case of change in control

The bank loans of both the Company and ELVALHALCOR Group, taken out fully by Banks and set out in Note 22 of the Annual Financial Report include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

j) Agreements with Board of Directors members or Company's staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Code

The Company has adopted the practices of Corporate Governance on its management practices and operation, as these are specified under the applicable institutional framework of L. 3016/2002, of L. 4449/2017, of Decision 5/204/2000 of the Hellenic Capital Markets Committee and of art. 43bb of c.l. 2190/1920 and the Corporate Governance Code recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter the "code") and is available on the following website:

http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf

In the context of preparation of the Board of Directors' Annual Management Report, the Company reviewed the Code. From this review, the Company concluded that it applies all special practices for listed companies and are described in the Code of Corporate Governance of HCGC with the exception the following practices with the corresponding explanations:

- **Part A.II (2.2, 2.3 & 2.5): Size and composition of the BoD**. The number of non-executive members of the current Board of Directors is equal to the number of the executive members. The independent non-executive members of the current Board of Directors are two (2) out of twelve (14) and therefore, their number is less by one third, in contrast to what is indicated in the Code. An independent non-executive member has served on the Board for more than 12 years from the date of the first election. It was judged, at this juncture, that the enhancement of the number of non-executive members, as well as of the number of independent members or the limitation of the service of a member would not improve the efficiency of the company's operation.

- Part A.III (3.3): Role and qualities required from the Chairman of the Board. The Vice Chairman of this Board has not the status of independent non-executive member, although the Chairman is an executive member. It was judged, at this juncture, that the status of an independent member in the position of Vice Chairman beyond the aforementioned status as non-executive, would not provide more guarantees regarding the efficient operation of the company.

- **Part A.V (5.4 - 5.8): Nomination of Board members.** The management has scheduled the establishment of a Nomination and Remuneration Committee. The aforementioned committee will operate in conjunction with the establishment of the Company's Remuneration Policy, which will be subject to approval from the next General Meeting of the shareholders under the provisions of L. 4548/2018 in force.

- **Part A.V (7.1. – 7.3): Evaluation of Board of Directors and its Committees.** The same as presented in the previous section A.V (5.4 – 5.8).

- **Part C.I (1.6- 1.11): Level and structure of remuneration**. The same as presented in the previous section A.V (5.4 – 5.8).

The Issuer does not implement any other corporate governance practices other than the special practices of the Corporate Governance Code of HCGC and the provisions of Law 3873/2010.

The Issuer complies with the Corporate Governance as in effect. In regards to the Corporate Governance Code, the Issuer implements the aforementioned Code with the deviations as published and justified until this day as ELVALHALCOR. The Issuer will examine periodically on whether the deviations continue to serve the corporate interest and will proceed to the necessary adjustments.

Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports.

i. Description of the main characteristics of Internal Control System and the Risk Management System, in relation to the preparation of financial statements.

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department audits the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the generation of reliable financial statements.

Regarding the preparation of financial statements, the Company reports that the financial reporting system of the Issuer uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, as well as for publication purposes in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of revenue, cost/expenses and operating profits as well as other data and indexes. All reports towards the Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, along with the data of the respective period of the previous year.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, are reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Audit controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and responsibilities of executives; e) year end closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc.) and f) safeguarding the data provided by information systems.

The preparation of the internal reports towards the Management and the reports required under C.L. 2190/1920 and by the supervisory authorities is conducted by the Financial Services Division, which is staffed with adequate and experienced executives for this purpose. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures regarding the collection of the necessary data from its subsidiaries, and ensures the reconciliation of individual transactions and the implementation of the same accounting principles by the companies of the Group.

ii. Annual evaluation of corporate strategy, main business risks and Internal Control System

The Company's Board of Directors states that it has examined the main business risks that the Group faces as well as the Internal Control System. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control System.

iii. Provision of non-audit services to the Company by its statutory auditors and evaluation of the effect that this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008

The statutory auditors of the Company for the fiscal year 2018, "PriceWaterHouseCoopers Auditing Company SA" (AM SOEL 113) (268 Kifisias Av. PC:15232, Chalandri, tel: 2106874400), who have been elected by the Ordinary General Assembly of the Company's Shareholders on 24.05.2018, the Fees are analyzed as follows:

For the year 2018, the fees for the audit of the Company's financial statements amounted to Euro 162 thousands (2017: Euro 162 thousands), for tax audit amounted to Euro 45 thousands (2017: Euro 43 thousands) and fees for other services reached Euro 164 (2017: Euro 107 thousands). At group level they amounted to Euro 117 thousands (2017: Euro 172 thousands), for tax audit Euro 45 thousands (2017: Euro 46 thousands) and fees for other services Euro 164 thousands (2017: Euro 107 thousands).

iv. Internal Auditor

The Issuer has awarded as Internal Auditor Mr. Epameinondas Batalas. Mr. E Batalas holds a bachelor's degree in Economics and a postgraduate degree in Applied Economics and Finance from Athens University of Economics and Business (AUEB). Moreover, holds the Diploma in IFRS from the Association of Chartered Certified Accountants (ACCA). He initially joined STEELMET S.A. as a member of the Internal Audit in 2008 and was involved in the audit procedures which were performed in the subsidiaries of VIOHALCO, serving for a number of years as internal audit manager.

Public takeover offers - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws (European and Greek legislation).

General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 2190/1920, as amended and in force today. The Company makes the necessary publications in line with the provisions of Law 3884/2010 and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company

Roles and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Codified Law 2190/1920 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of attainment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests between its members and the company, guarantees that there are no issues of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.
- The secretary of the Board of Directors is appointed for each Board of Directors and his main responsibilities are to support the Chairman and the operation of the Board in general.

The existing Board of Directors of the Company consists of 14 members of whom:

- 7 are executive members (Chairman, Vice-Chairman & 5 Members)
- 5 are non-executive members (Other Members)
- 2 are independent, non-executive members (Other Members)

The current Board of Directors of ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A. consists of the following:

- THEODOSIOS PAPAGEORGOPOULOS, Chairman and executive member
- DIMITRIOS KIRIAKOPOULOS, Vice-chairman and executive member
- NIKOLAOS KOUDOUNIS, executive member
- PERIKLIS SAPOUNTZIS, executive member and General Manager
- GEORGIOS KATSAMPAS, non-executive member
- IOANNIS PANAGIOTOPOULOS, non-executive member
- LAMPROS VAROUCHAS, executive member
- KONSTANTINOS KATSAROS, executive member
- STAVROS VOLOUDAKIS, executive member
- PATRICK KRON, non-executive member
- ELIAS STASSINOPOULOS, non-executive member
- NATALIA NICOLAIDIS, non-executive member
- ANDREAS KYRIAZIS, independent non-executive member
- NIKOLAOS GALETAS, independent non-executive member

The tenure of BoD's members in accordance with the Articles of Association of the Company is (1) one year and in accordance with article 11, par. 2 of the Company's Articles of Association, is extended automatically until the Ordinary General Assembly of the company's shareholders, that will convene, in 2019, until the tenth (10th) calendar day of the ninth (9th) month (September) of the same year.

The Board of Directors convened 107 times.

Audit Committee

i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and operates according to Law 4449/2017, consists of three non-executive members of the Board of Directors, two of which are independent, and their main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfill its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and the effective implementation of Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;

- To evaluate the procedures and data in terms of their adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;

- To audit periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management's instructions, Company policy and procedures, and that they are aligned with the Company's objectives and standards of the Management practice;

- To review internal audit reports and specifically:

- to evaluate the adequacy of their scope;

- to confirm the accuracy of reports;

- to examine the adequacy of results' support.

The Audit Committee receives the following reports for the audit activity:

- Extraordinary reports
- Semi-annual financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports
- Stock exchange reports
- Inventory-counting reports
- Productivity Efficiency reports
- Audit Opinion

The Audit Committee examines and ensures the independence of the Company's external auditors and takes consideration of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Regulation of Operation, the Audit Committee consists of two independent and non-executive members of the Board of Directors and one non-executive member who have the necessary knowledge and experience for the Committee's work.

By the decision of the Extraordinary General Assembly of Halcor's shareholders dated on 22.11.2017, the Audit Committee was elected pursuant to article 44 par. 1 of Law 4449/2017 (Government Gazette A 7 / 24.01.2017), which is a three-member and consists of two Independent members of the Company's new Board of Directors, namely Messrs. Andreas Kyriazis and Nikolaos Galetas as well as by the non-executive member of the Company's Board of Directors, Mr. Ioannis Panayiotopoulos.

All members of the Audit Committee have a proven knowledge of the sector in which the company is active, namely Mr. Andreas Kyriazis is a graduate of the Department of Chemistry of the Physics and Mathematics School of the University of Athens and has served as President of the Athens Chamber of Commerce and Industry, and Mr. Nikolaos Galetas is a graduate engineer by the School of Electrical Mechanics of the National Technical University of Athens and has taken over managerial positions at ETBA and ETEBA, while Mr. I. Panayiotopoulos, has proven sufficient knowledge in accounting and auditing (international standards) due to his service in executive positions of Viohalco companies.

ii. Number of times that the Audit Committee convened and participation of members

The audit committee convened 2 times during 2018, will full corum.

iii. Evaluation of effectiveness and performance of the Committee

As it is mentioned in the Corporate Governance Statement (reference to Corporate Governance Code) management has scheduled the establishment of a Nomination and Remuneration Committee, which will assess the Board of Directors and its Committees.

CURRICULUM VITAE OF THE BOARD MEMBERS

Theodosios Papageorgopoulos, Chairman and executive member
Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for the Viohalco's subsidiaries since 1962 and has served as General Manager of the copper tubes division of Elvalhalcor from 1973 to 2004. Between 2004 and this date he serves as the Chairman of the Board of Elvalhalcor.

Kiriakopoulos Dimitrios, Vice-Chairman, executive member
Mr. Kyriakopoulos studied Business Administration at AUEB and holds a Diploma in Business Studies from the City of London College and Marketing from the British Institute of Marketing. He holds the position of the executive Vice-chairman of ElvalHalcor and the executive Vice-chairman of Cenergy Holdings S.A. He works for Viohalco since 2006, and since that date holds various managerial positions, among which financial manager of Viohalco and vice-chairman of the non-ferrous metals. Prior to Viohalco, he had a long standing carreer in Pfizer/Warner/Lambert holding the position of Regional Director of Europe / Middle East / Africa of ADAMS (Confectionery Division of Pfizer), chairman of the consumer products of Warner Lambert for Italy/ France/ Germany, Regional Director of Middle East/Africa and President and CEO of Warner Lambert in Greece**.** He was also appointed Deputy Managing Director of Duty Free SA.

Nikolaos Koudounis, executive Member
Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for Viohalco since 1968 and he has been the Financial Manager of the aluminium rolling division of ElvalHalcor (former Elval) (1983), General Manager of of the aluminium rolling division of ElvalHalcor (former Elval) (2000) and Managing Director of Fitco SA (2004). He participates as an executive director in the Boards of ElvalHalcor SA, DIA.VI.PE.THI.V SA (Chairman of BoD), Fitco SA (Chairman of BoD) and other Viohalco subsidiaries. He is also the Chairman of the Board of Viotia Association of Industries.

Perikles Sapountzis, executive Member and General Manager of the copper tubes division
Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been working for the subsidiaries of Viohalco since 1995 when hired as a sales manager in Hellenic Cables SA. From 1997 to 2000 he was Commercial Director of Tepro Metall AG. In 2000 he became General Manager of ICME ECAB SA and in 2004 took the same position in the parent company Hellenic Cables SA. Since 2008 he holds the position of General Manager of the copper tubes division of ELVALHALCOR (former Halcor SA) and is serving as Board Member of ElvalHalcor SA.

Georgios Katsampas, non-executive member
Mr. Katsampas holds an MBA degree from Strathclyde University in Glasgow. He is a member of Viohalco's executive staff and its subsidiaries where he has been working since 2007. He has served as Aluminium Purchasing Manager initially in the aluminium rolling division of ElvalHalcor (former Elval) and then as Aluminium Purchasing Manager for the Group. From 2016 he has taken over Viohalco's non-ferrous metals and scrap general management, and in 2017 he was elected as a member of ElvalHalcor's (former Halcor) Board of Directors.

Ioannis Panayiotopoulos, non-executive Member
Mr. Panayiotopoulos is a graduate of Athens University of Economics and Business and the Training Institute in Business Administration of the same University. He has been working for VIOHALCO Group of companies since 1968 in the Financing Division of Group companies. From 2005 to 2008, he was the Chairman of the aluminium rolling division of ElvalHalcor's (former Elval) BOD. Since 2005 he is the vice-chairman of ERLIKON SA and also a Board member of SOVEL SA and other companies of Viohalco.

Lampros Varouchas, executive Member and General Manager of the aluminium rolling division
Mr. Varouchas is an Electrical Engineer of NTUA and he has been working in the aluminium rolling division of ElvalHalcor (former Elval) since 1969. He has served as Factory Manager and from 1983 to 2004 he was the Technical Director responsible for the implementation and design of the Company's Investment Program. Since 2005 he has been General Manager at the aluminium rolling division of ElvalHalcor. At the same time, he is a member of the BoD and Technical Officer of Bridgnorth Aluminium Ltd.

Konstantinos Katsaros, executive member
Mr. Katsaros is a Mechanical and Electrical Engineer of the National Technical University of Athens. He is an Aeronautical Engineer of the Ecole Nationale Superieure d 'Aeronautique (Paris) and a Ph.D. Engineer of the University of Paris. He has been working in **the aluminium rolling division of ElvalHalcor (former Elval)** since 1974 and he is mainly engaged in the international development of the division. Previously he worked in Pechiney in France for 6 years. He is a member of the Board of Directors of many companies, chairman and vice chairman of the Hellenic Aluminium Association and today is a member of the Board of the European Union of Aluminium.

Stavros Voloudakis, executive member
Mr. Voloudakis is a Production and Management Engineer with MSc in Artificial Intelligence and holds the position of Deputy General Manager of the Financial and Administrative operations of the aluminium rolling division of ElvalHalcor (former Elval)**.** He has worked in ElvalHalcor group and its subsidiaries since 2003. In addition he holds the position of Chairman of the BoD of the subsidiary VIOMAL S.A.

Andreas Kyriazis, Independent non-executive member
Mr. Kyriazis is a graduate of the Chemistry Department of Physics and Mathematics School of Athens University. He has served as Chairman of the Central Union of Greek Chambers, the Union of Balkan Chambers, the Chamber of Commerce and Industry of Athens, the Hellenic Productivity Centre, the Hellenic Society of Business Administration, and the Association of Timber Industry. He has also served as Vice chairman of the Union of the European Chamber of Commerce and Industry and General Secretary of the Union of Greek Chemists. Mr. Kyriazis is also a member of the Board of Directors of several companies of Viohalco.

Nikolaos Galetas, Independent non-executive member
Mr. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES SA, and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group where he was appointed as Chairman of the Board during the years of his career to this organization. In addition, in 1990-92 he offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also a member of the Board of Directors in several companies of Viohalco.

Patrick Kron, non-executive member
Mr. Patrick Kron is a graduate of Ecole Polytechnique and the Ecole des Mines of Paris. He began his career in 1979 as a member of the French public administration. Since 1984 he has been working in private companies as a staff member and manager, as well as in subsidiaries of French companies in Greece. In 2016 he founded his own consulting firm PKC & I, and in the same year he was appointed president in Truffle Capital. Patrick Kron is a member of BoD of three listed companies, Sanofi, Bouygues and LafargeHolcim, as well as a member of the boards of a non-listed company and various non-profit organizations.

Natalia Nicolaidis, non-executive member

Mrs. Nicolaidis received her Juris Doctor and Masters of Foreign Service (JD/MSFS) degrees at Georgetown University and her BA in Economics at Yale University. She also obtained her Diplôme in European Law at Bruges, Belgium from the College d'Europe. Mrs. Nicolaidis is Credit Suisse's General Counsel globally for its Investment Banking and Capital Markets Division and prior to 2014, she was the head of Credit Suisse's Investment Banking Legal Department in EMEA. Mrs. Nicolaidis was elected as non-executive member of the BoD of ElvalHalcor in December 2018.

Elias Stassinopoulos, non-executive member

Mr. Elias Stasinopoulos holds a Ph.D. from the Technical University of Clausthal-Zellerfeld in Germany and has been working in the LHoist Group since 1994 in leading positions of responsibility. He speaks in addition to Greek, English, French, German.

The Chairman of the Board

of ELVALHALCOR SA

Theodosios Papageorgopoulos

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Elvalhalcor Hellenic Coppers and Aluminium Industry SA"

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "Elvalhalcor Hellenic Coppers and Aluminium Industry SA" (Company and the Group) which comprise the separate and consolidated statement of financial position as of 31 December 2018, the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2018, their separate and consolidated financial performance and their separate and consolidated 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 separate and consolidated 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 and the Group 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 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st January 2018 to 31 December 2018 during the year ended as at 31 December 2018, are disclosed in Note 32 to the separate and consolidated financial statements.

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Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
As disclosed in Note 22 of the attached financial statements, the Group as at 31 December 2018 had loan liabilities amounting to Euro 578mn, of which amount Euro 62mn related to instalments of long-term and syndicated loans and finance lease liabilities, expiring in the short-term as at the balance sheet date. The contracts of the syndicated loans contain financial covenants and other terms, such as change of control clauses. As disclosed in Note 22 of the attached financial statements, the Group in 2018 has signed a new loan contract of Euro 65 mn. For the evaluation of the status of the refinancing in progress and the available future cash flows of the Group, management applied assumptions and estimates. Finally, the risk of non-compliance to the terms of the loan agreements was considered a significant audit risk. For these reasons, we consider this area to be a key audit matter.	We performed the following audit procedures: • We obtained the agreements of the long term and syndicated loans and gained understanding of the terms of the agreements. • We recomputed financial loan covenants ratios and confirmed the assessment of the management in relation to compliance with those covenant ratios. • We examined the accounting classification of the new and amended contract relating to the main loans. • We tested the key assumptions used by the Group in the future cash flows • We assessed the reliability of management's forecast by reviewing actual performance against previous forecasts. • We tested the mathematical accuracy of the cash flow models and agreed relevant data to approved financial budgets. • We assessed management's estimate as regards the adequacy of future cash flows relating to the repayment of loan obligations of the Group. • As a result of our work, we did not identify exceptions as regards, recognition, measurement and classification of the loan liabilities and considered that the assumptions and estimates of management are within reasonable range. We found that the related disclosures included in the financial statements were adequate.

Other information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Annual report of the Board of Directors, Corporate Governance Report, Explanatory report of the Board of Directors, Statement of Members of the Board of Directors and the Non-financial statements (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 separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this paragraph of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated 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 separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

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 separate and consolidated financial statements,
- The Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their 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 and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

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

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group'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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 26/5/2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 2 years.

Athens, 20 March 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

Annual Financial Statements (Group and Company)

as at 31 December 2018

according to International Financial Reporting Standards

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER OF THE COPPER TUBES DIVISION AND MEMBER OF THE BOD	THE DEPUTY GENERAL MANAGER OF THE ALUMINIUM ROLLING DIVISION AND MEMBER OF THE BOD	THE GROUP FINANCIAL MANAGER
THEODOSIOS PAPAGEORGOPOULOS ID Card No. AN 051682	PERIKLIS SAPOUNTZIS ID Card No. AK 121106	STAVROS VOLOUDAKIS ID Card No. AE 620963	SPYRIDON KOKKOLIS ID Card No. AN 659640 Reg.Nr. A’ Class 20872

ELVALHALCOR SA

G.C.Registry.: 303401000

SA Registry No: 2836/06/B/86/48

SEAT: Athens Tower, Building B, 2-4Mesogeion Avenue

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I. Statement of Financial Position

		GROUP		COMPANY	
		2018	2017	2018	2017
ASSETS	Note	€ '000	€ '000	€ '000	€ '000
Non-current assets					
Property, plant and equipment	10	720,564	687,479	459,754	423,549
Intangible assets and goodwill	11	76,527	74,547	70,447	70,801
Investment property	12	6,838	7,076	19,591	20,809
Investments in subsidiaries	13	(0)	0	251,472	242,471
Investments in associates	13	82,846	64,186	82,661	65,339
Other Investments	14	3,853	3,771	3,853	3,771
Deferred income tax assets	15	1,717	2,267	-	-
Derivatives	18	3	262	3	260
Trade and other receivables	17	2,650	2,624	2,473	2,423
		894,998	**842,212**	**890,253**	**829,425**
Current Assets					
Inventories	16	519,218	433,498	343,286	281,004
Trade and other receivables	17	218,286	199,025	200,317	190,723
Income tax receivables		191	-	-	-
Derivatives	18	3,115	4,751	2,202	2,856
Cash and cash equivalents	19	34,241	41,446	22,470	32,574
		775,050	**678,720**	**568,275**	**507,157**
Assets held for sale	34	**4,495**	**4,495**	**-**	**-**
Total assets		**1,674,543**	**1,525,427**	**1,458,528**	**1,336,582**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	20	146,344	146,344	146,344	146,344
Share premium	20	65,030	65,030	65,030	65,030
Other reserves	20	281,103	282,340	291,906	293,926
Retained earnings/(losses)		224,310	161,796	202,634	155,618
Equity attributable to owners of the company		**716,788**	**655,511**	**705,914**	**660,919**
Non-Controlling Interest		13,679	12,905	-	-
Total equity		**730,468**	**668,416**	**705,914**	**660,919**
LIABILITIES					
Non-current liabilities					
Loans and Borrowings	22	372,905	278,940	299,841	278,414
Obligations under financial lease	22	11,511	13,993	11,511	13,973
Derivatives	18	101	51	101	2
Deferred tax liabilities	15	58,024	61,825	47,714	50,233
Employee benefits	23	15,584	14,946	11,270	10,761
Grants	24	19,602	21,557	11,067	12,378
Provisions	25	1,410	1,410	1,260	1,260
		479,136	**392,724**	**382,763**	**367,021**
Current liabilities					
Trade and other payables	26	244,506	179,172	209,222	141,577
Contract liabilities		9,238	-	7,425	-
Current tax liabilities	15	14,178	7,641	9,520	5,002
Loans and Borrowings	22	191,225	273,016	137,984	158,216
Obligations under financial lease	22	2,328	2,291	2,328	2,291
Derivatives	18	3,301	2,005	3,263	1,446
Provisions	25	162	162	110	110
		464,939	**464,287**	**369,852**	**308,643**
Total liabilities		**944,075**	**857,011**	**752,614**	**675,664**
Total equity and liabilities		**1,674,543**	**1,525,427**	**1,458,528**	**1,336,582**

The notes on pages 9 to 69 constitute an integral part of these Financial Statements.

The Group has adopted IFRS 15 and IFRS 9 using the cumulative effect method. According to this method the comparative data are not restated. (see note 33)

II. Income Statement

		GROUP		COMPANY	
		2018	2017	2018	2017
		€ '000	€ '000	€ '000	€ '000
EUR					
Revenue	6	**2,117,789**	**1,150,369**	**1,486,972**	**895,786**
Cost of sales	8	(1,950,840)	(1,046,804)	(1,374,859)	(819,614)
Gross profit		**166,948**	**103,566**	**112,112**	**76,172**
Other Income	7	14,093	7,892	9,749	8,304
Selling and Distribution expenses	8	(21,468)	(12,335)	(10,472)	(5,117)
Administrative expenses	8	(42,909)	(25,329)	(31,377)	(17,375)
Impairment loss on receivables and contract assets		(505)	(377)	(149)	(124)
Other Expenses	7	(9,108)	(3,801)	(4,494)	(2,793)
Operating profit / (loss)		**107,051**	**69,616**	**75,370**	**59,067**
Finance Income	9	137	118	418	75
Finance Costs	9	(32,313)	(17,767)	(23,530)	(13,080)
Dividends		20	-	1,691	1,722
Net Finance income / (cost)		**(32,156)**	**(17,649)**	**(21,420)**	**(11,283)**
Share of profit/ (loss) of equity-accounted investees, net of tax	13	953	(1,293)	-	-
Profit/(Loss) before income tax		**75,849**	**50,674**	**53,949**	**47,784**
Income tax expense	15	(11,546)	(17,410)	(6,610)	(14,461)
Profit/(Loss) for the year		**64,303**	**33,264**	**47,339**	**33,324**
Attributable to:					
Owners of the Company		63,646	33,549	47,339	33,324
Non-controlling Interests		656	(285)	-	-
		64,303	**33,264**	**47,339**	**33,324**
Shares per profit to the shareholders for period (expressed in € per share)					
Basic and diluted	21	0.1806	0.1188	0.1343	0.1180

The notes on pages 9 to 69 constitute an integral part of these Financial Statements.

The Group has adopted IFRS 15 and IFRS 9 using the cumulative effect method. According to this method the comparative data are not restated. (see note 33)

III. Statement of Comprehensive Income

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Profit / (Loss) of the period from continued operations	**64,303**	**33,264**	**47,339**	**33,324**
Items that will never be reclassified to profit or loss				
Remeasurements of defined benefit liability	(139)	(1,314)	(281)	(1,013)
Related tax	56	372	81	294
Total	**(83)**	**(942)**	**(201)**	**(720)**
Items that are or may be reclassified to profit or loss				
Foreign currency translation differences	(166)	197	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(2,275)	4,498	(1,074)	3,737
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(618)	(2,851)	(1,770)	(2,435)
Related Tax	638	(190)	825	(378)
Total	**(2,420)**	**1,654**	**(2,020)**	**924**
Other comprehensive income / (expense) after tax	**(2,503)**	**712**	**(2,220)**	**205**
Total comprehensive income / (expense) after tax	**61,800**	**33,976**	**45,119**	**33,529**
Attributable to:				
Owners of the company	61,239	33,514	45,119	33,529
Non-controlling interests	561	462	-	-
Total comprehensive income / (expense) after tax	**61,800**	**33,976**	**45,119**	**33,529**

The notes on pages 9 to 69 constitute an integral part of these Financial Statements.

The Group has adopted IFRS 15 and IFRS 9 using the cumulative effect method. According to this method the comparative data are not restated. (see note 33)

IV. Statement of Changes in Equity

	GROUP € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Foreign Exchange translation reserve	Total	Non-Controlling Interest	Total Equity
	Balance as at 1 January 2017	**105,750**	**-**	**-**	**209,976**	**135,859**	**-**	**451,586**	**2,118**	**453,703**
	Net Profit / (Loss) for the period	-	-	-	-	33,549	-	33,549	(285)	33,264
	Other comprehensive income	-	-	-	1,457	(1,689)	197	(35)	747	712
	Total comprehensie income	-	-	-	1,457	31,860	197	33,514	462	33,976
	Transactions with the shareholder's directly in equity									
	Capitalization of Share Premium	2,108	(2,108)	-	-	-	-	-	-	-
	Transfer of reserves	-	-	-	1,123	(1,123)	-	-	-	-
	Dividend	-	-	-	-	(4,800)	-	(4,800)	-	(4,800)
	M&A Effect	38,486	67,138	69,588	-	-	-	175,212	10,325	**185,537**
	Total of transactions with the Shareholder's	40,594	65,030	69,588	1,123	(5,923)	-	170,412	10,325	180,737
	Balance as at 31 December 2017	**146,344**	**65,030**	**69,588**	**212,556**	**161,796**	**197**	**655,512**	**12,905**	**668,416**
	Balance as at 1 January 2018	**146,344**	**65,030**	**69,588**	**212,556**	**161,796**	**197**	**655,511**	**12,905**	**668,416**
Note 33	**Adoption of IFRS 9**	-	-	-	-	(647)	-	(647)	(12)	(659)
Note 33	**Adoption of IFRS 15**	-	-	-	-	911	-	911	-	911
	Balance as at 1 January 2018 after adjustment	**146,344**	**65,030**	**69,588**	**212,556**	**162,060**	**197**	**655,775**	**12,894**	**668,669**
	Net Profit / (Loss) for the period	-	-	-	-	63,646	-	63,646	656	64,303
	Other comprehensive income	-	-	-	(2,255)	13	(166)	(2,407)	(96)	(2,503)
	Total comprehensie income	**-**	**-**	**-**	**(2,255)**	**63,660**	**(166)**	**61,239**	**561**	**61,800**
	Transactions with the shareholder's directly in equity									
	Transfer of reserves	-	-	-	1,183	(1,183)	-	-	-	-
	Dividend	-	-	-	-	-	-	-	-	-
	Acquisition of Non-Controlling Interest	-	-	-	-	(225)	-	(225)	225	-
	Total transactions with the shareholders	-	-	-	1,183	(1,408)	-	(225)	225	-
	Balance as at 31 December 2018	**146,344**	**65,030**	**69,588**	**211,485**	**224,312**	**31**	**716,790**	**13,679**	**730,469**

The notes on pages 9 to 69 constitute an integral part of these Financial Statements.

The Group has adopted IFRS 15 and IFRS 9 using the cumulative effect method. According to this method the comparative data are not restated. (see note 33)

COMPANY € '000		Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Total
	Balance as at 1 January 2017	**105,750**	**-**	**-**	**209,812**	**127,850**	**443,413**
	Net Profit / (Loss) for the period	-	-	-	-	33,324	**33,324**
	Other comprehensive income	-	-	-	-	205	**205**
	Total comprehensie income	-	-	-	-	33,529	**33,529**
	Transactions with the shareholder's directly in equity						
	Capitalization of Share Premium	2,108	(2,108)	-	-	-	-
	Transfer of reserves	-	-	-	961	(961)	-
	Dividend	-	-	-	-	(4,800)	**(4,800)**
	M&A Effect	38,486	67,138	83,153	-	-	**188,777**
	Total transactions with the shareholders	40,594	65,030	83,153	961	(5,761)	**183,977**
		-	-	-	-	-	-
	Balance as at 31 December 2017	146,344	65,030	83,153	210,773	155,618	**660,919**
	Balance as at 1 January 2018	**146,344**	**65,030**	**83,153**	**210,773**	**155,618**	**660,919**
Note 33	**Adoption of IFRS 9**	-	-	-	-	(123)	**(123)**
	Balance as at 1 January 2018 after adjustment	**146,344**	**65,030**	**83,153**	**210,773**	**155,495**	**660,795**
	Net Profit / (Loss) for the period	-	-	-	-	47,339	**47,339**
	Other comprehensive income	-	-	-	(2,020)	(201)	**(2,220)**
	Total comprehensie income	**-**	**-**	**-**	**(2,020)**	**47,138**	**45,119**
	Balance as at 31 December 2018	**146,344**	**65,030**	**83,153**	**208,753**	**202,634**	**705,914**

The notes on pages 9 to 69 constitute an integral part of these Financial Statements.

The Group has adopted IFRS 15 and IFRS 9 using the cumulative effect method. According to this method the comparative data are not restated. (see note 33)

V. Statement of Cash-Flows

		GROUP		COMPANY	
		2018	2017	2018	2017
		€ '000	€ '000	€ '000	€ '000
Cash flows from operating activities					
Profit / (loss) after taxes		64,303	33,264	47,339	33,324
Adjustments for:					
Tax		11,546	17,410	6,610	14,461
Depreciation and Amortization		**58,114**	**43,590**	**39,282**	**34,637**
Depreciation of tangible assets		58,838	44,754	38,798	34,458
Depreciation of intangible assets		1,070	578	654	301
Depreciation of Investment Property		162	51	1,142	1,058
Amortization of grants		(1,955)	(1,793)	(1,311)	(1,180)
Finance Income		(137)	(118)	(418)	(75)
Dividends		(20)	-	(1,691)	(1,722)
Share of profit/ (loss) of equity-accounted investees, net of tax		(953)	1,293	-	-
Interest charges & related expenses		32,313	17,767	23,530	13,080
(Profit) / loss from sale of tangible assets		(231)	199	(10)	(21)
Impairment/ (Reversal of Impairment) on fixed assets		-	1	-	-
Impairment/ (Reversal of Impairment) on intangible assets		-	299	-	-
Loss from assets and investment property write off		172	-	-	-
(Gains)/ losses from foreign exchange differences		406	-	350	-
Impairment of inventories		3,978	-	824	-
Impairment/ (Reversal of Impairment) of receivables		505	377	149	124
(Other provisions)/Reversal of provisions		221	14	-	7
		170,217	**114,095**	**115,966**	**93,814**
Decrease / (increase) in inventories		(89,943)	(43,219)	(63,106)	(33,851)
Decrease / (increase) in receivables		(19,261)	68,420	(9,594)	43,689
(Decrease) / Increase in liabilities (minus banks)		73,948	16,970	68,539	4,148
(Decrease) / Increase in defined benefit obligation		268	-	(508)	-
		(34,987)	**42,170**	**111,297**	**13,987**
Interest charges & related expenses paid		(33,112)	(21,953)	(24,029)	(15,865)
Income tax paid		(7,794)	(23,662)	(4,592)	(21,804)
Net Cash flows from operating activities		**94,323**	**110,651**	**84,148**	**70,131**
Cash flows from investing activities					
Purchase of tangible assets	10	(92,247)	(44,458)	(73,056)	(38,466)
Purchase of intangible assets	11	(603)	(330)	(294)	(31)
Proceeds from sales of fixed assets	10	285	463	25	20
Dividends received		20	151	1,691	1,873
Interest received		126	-	418	75
(Increase in participation)/share capital decrease in Subsidiaries		(9,004)	(387)	(8,557)	-
Acquisition of other investments		(13)	-	(13)	(387)
(Increase in participation)/share capital decrease in subsidiaries, associates and joint-ventures		(6,592)	-	(6,592)	-
Cash outflow from division/segment spin off		-	(101,200)	-	(101,200)
Cash acquired from business combinations		1,511	12,055	-	10,532
Net Cash flows from investing activities		**(106,516)**	**(133,706)**	**(86,376)**	**(127,584)**
Cash flows from financing activities					
Dividends paid		-	(4,800)	-	(4,800)
Loans received		181,335	240,915	77,060	239,915
Loans settlement		(173,194)	(195,662)	(82,510)	(162,259)
Finance leases settlement		(3,152)	8,828	(2,426)	8,828
Proceeds from grants		-	24	-	-
Net cash flows from financing activities		**4,989**	**49,304**	**(7,876)**	**81,684**
Net (decrease)/ increase in cash and cash equivalents		**(7,204)**	**26,248**	**(10,104)**	**24,230**
Cash and cash equivalents at the beginning of period		41,446	15,198	32,574	8,344
Foreign exchange effect on Cash and Cash equivalents		(2)	-	-	-
Cash and cash equivalents at the end of period		**34,241**	**41,446**	**22,470**	**32,574**

The notes on pages 9 to 69 constitute an integral part of these Financial Statements.

The Group has adopted IFRS 15 and IFRS 9 using the cumulative effect method. According to this method the comparative data are not restated. (see note 33)

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

1. Incorporation and Group Activities:

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A was created by the merger by absorption of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." (hereinafter "ELVAL") by the listed "HALCOR METAL WORKS S.A." (hereinafter "HALCOR") with the 131569/30-11-2017 of the Ministry of Economy and Development.

The duration of the company has been set until 31.12.2200. It is listed on Athens Stock Exchange and is a subsidiary of Viohalco. The Company is registered at the Companies registry (M.A.E.) with number 2836/06/B/86/48 and registration number (Γ.Ε.ΜΗ.) 303401000.

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2018 include the individual financial statements of ElvalHalcor and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 30 of the Financial Statements.

Due to the reverse acquisition of Halcor by Elval for accounting purposes, the comparative information of 2017 as well as the period until 30.11.2017 are those of Elval while from 30.11.2017 until the end of the fiscal year of ElvalHalcor.

The Financial Statements of ElvalHalcor are included in the consolidated Financial Statements of Viohalco SA/NV that is traded on the EURONEXT stock exchange in Belgium as well as in the Athens Exchange.

The principal activities of the Group lie in the production, processing and trade and representation of products made of copper, copper alloys, aluminium, aluminium alloys and zinc as well as from other metals or alloys, and any type of their products. The Group is operating in Greece, Bulgaria and Turkey.

The Company is seated in Greece, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525, Athens. The central offices of the Company and its contact address are located at the 62nd km of "Athens-Lamia" National Highway, Inofyta (Pref. of Viotia), GR-32011. The company's website is www.elvalhalcor.com.

2. Basis of preparation of the Financial Statements

(a) Compliance note

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the IASB may differ from those adopted by the European Union.

The financial statements ended 31 December 2018 were approved for publication by the Company's Board of Directors on 20th of March, 2019 and remain under the approval of the General Assembly of Shareholders.

(b) Measurement basis

The Financial Statements have been prepared in accordance with the historical cost principle except the financial assets held for sale and the derivative that are measured at fair value.

(c) Functional exchange rate and presentation

The Financial Statements are presented in Euro, which is the Company's functional currency. The amounts indicated in the Financial Statements are denominated in thousands of Euro and are rounded up/down to the nearest thousand (any differences in sums are due to rounding up/down).

(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.

Estimates and related assumptions are continuously revised. These revisions are recognized in the period they were made and any subsequent ones.

Specific information about the areas for which estimates are uncertain and vital decisions must be made with respect to the application of accounting policies having a considerable effect on the amounts posted in financial statements is given in the notes below:

Significant Estimates

- Valuation of assets that are not measured at fair values: The Group makes estimates regarding any impairment of the fixed assets which are not measured in fair values (Investments in subsidiaries, Intangible fixed assets, fixed assets and Investment property).
- Recoverability of receivables from deferred taxation: The Group makes estimates in regards to future profits so losses can be offset for which a deferred tax assets has been created. The Group and the Company make estimates whether these deferred tax assets can be recovered, using the forecasted future taxable income in accordance to the approved business plan and the budget of each subsidiary.
- Uncertainty about taxes of prior years: The Group makes estimates in regards to the possibility of imposition by the tax authorities taxes and penalties for prior fiscal years as well as estimates about the potential amount. For the calculation of the provisions the Group and the Company make estimates based on the results of the prior year tax audits.
- Readjustment of useful life of assets: The Group tested the useful life in order to take into consideration the new conditions, consequent to the execution of the five-year investment program in the aluminium segment.
- Valuation of goodwill impairment: The group assessed the impairment in goodwill.

Significant Judgements

- Valuation of the accounting treatment between Elval and Halcor as reverse acquisition (for the comparative period of 2017): The Group put judgement as to the evaluation of the criteria provided by IFRS.

3. New principles

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1st January 2018. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for 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 Group is described in note 33.

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 Group is described in note 33.

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 Group.

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)

<u>IAS 28 "Investments in associates and Joint ventures"</u>

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.

<u>Standards and Interpretations effective for subsequent periods</u>

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

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.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

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 this standard on the Group will create the need of recognition of an asset of € 3.6 mil. along with the recognition of a relevant 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 a business" (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 and IAS 8 (Amendments) "Definition of a material" (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.

IFRS 11 "Joint arrangements"

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.

IAS 12 "Income taxes"

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

IAS 23 "Borrowing costs"

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

IFRS 16

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 Group and the Company are 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 Group's and the Company's operating leases. As at the reporting date, the Group and the Company have non-cancellable operating lease commitments for which they expect to recognise right-of-use assets of approximately € 3.6 million and € 3.6 million respectively on 1 January 2019 and respective lease liabilities.

The Group and the Company will apply the standard from its mandatory adoption date of 1 January 2019. The Group and 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 and have also been consistently applied by all Group companies.

4.1 Basis of consolidation

(a) Business combinations

The acquisitions of subsidiaries accounted under the purchase method on the date of acquisition, the date on which control is transferred to the Group. Control power is the power of operating and financial policies of an enterprise so as to benefit from the activity. In assessing control, the Group takes account of potential voting rights that presently may be exercisable.

The goodwill arises from the acquisition of subsidiaries and constitutes the exceeding amount between the sum of purchase price and the amount of the non-controlling participation to the acquired entity at the date of acquisition and the fair value of the net assets acquired. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets then the difference of a bargain purchase is recognized in the profit and loss.

Any expenses related to the acquisition are posted directly on the profit and loss. Any consideration transferred is recognized at fair value at the acquisition date.

(b) Accounting for acquisitions of minority interests

Acquisitions of minority interests are accounted as transactions of shareholders and percentages and therefore no goodwill is recognized in such transactions. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets of the subsidiary acquired, then the difference of a bargain purchase is recognized in the profit and loss

(c) Subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

(d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

(e) Investments in associates

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. Investments in associates are accounted for using the equity method and recognised initially at their acquisition cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. In the consolidated financial statements the Group represents the ratio of the results and the total income after any changes in accounting principles to be comparable to those of the Group from the date of obtaining significant influence until the date we lose it. When the Group's share of losses exceeds its interest in an investment in associate the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company's financial statements, investments in associates are recorded at cost minus any impairment that may occur.

(f) Transactions eliminated in consolidation

Inter-company transactions, balances and non-realised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between associates are eliminated against the Group's stake in the affiliated company. The same applies to non-realised losses, unless there are indications that the value of the fixed asset that was transferred has been impaired.

(g) Business combinations under common control

IFRS 3 "Business Combinations" does not apply to mergers of companies under common control and no guidance from IFRS applies for such transactions. According to paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the Group selects to apply the method of acquisition as described in IFRS 3 for such transactions, as stated above.

4.2 Foreign currency

(a) 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 during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in the profit and loss statement.

(b) Transactions with Group companies in different currency

The financial statements of Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities of foreign activities including goodwill and fair value adjustments arising during consolidation are converted into Euro based on the official exchange rate for the foreign currency that is in effect on the balance sheet date.
- Income and expenses are converted into Euro on the basis of the average rate of the foreign currency during the year which approaches the exchange rate in effect on the date of transactions.
- Any foreign exchange difference that may arise is recorded in an equity reserve named "Foreign exchange differences due to consolidation" and transferred to profit and loss when these companies are sold.

4.3 Financial assets and liabilities

(a) Non-derivative financial instruments

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 Group 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.

In regards to the provision for expected credit losses, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has identified the ratings by ratings agencies for a customer who is rated individually, and the country rating in the case of a non-rated customer, as identifiers of the expected credit loss and accordingly adjusts the provision after those factors.

(b) Cash and cash equivalents

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

(c) 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 the 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.

(d) 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 Group 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. The recognition stops when the contractual obligations cancelled, terminated or sold.

(e) Trade liabilities

Trade liabilities are iniatialy booked in fair value and are subsequently valued at their amortized cost based on the effective interest rate method

4.4 Derivatives and hedge accounting

The Group holds derivative instruments to offset the risk of interest rate and the foreign currency change. Derivatives are initially and subsequently recognized at fair value. The method of recognizing gains and losses depends on whether derivatives designated as hedging instruments or as held for trading.

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 realised, the profits or losses accrued to Equity are carried forward to the income statement.

4.5 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.

4.6 Property, plant and equipment

(a) Recognition and measurement

Non current assets include Land, buildings, machinery transportation equipment furniture and other equipment. are shown at fair value, based on valuations by external independent assessors, less subsequent depreciation. They are valued 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.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is probable that the future financial benefits will accrue to the Group and the cost can be reliably measured. The cost of repairs and maintenance is posted to the results when incurred.

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.

4.7 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 ranges from 3 to 5 years.

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

4.8 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.

4.9 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.

4.10 Impairment

(a) Non-derivative financial assets

The carrying values of Group 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.

Assigned 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.

Investments accounted for by the equity method

Impairment loss on investments accounted for by the equity method is measured by comparing the recoverable amount of the investment with its carrying value. Impairment is recognized in profit and loss and is reversed if there is a favorable reversal in the estimates used to determine the recoverable amount of the investment.

(b) Non-financial assets

For non-financial assets other than investment property, inventories and deferred tax asset, the value of accounting is examined at each balance sheet date for impairment. Goodwill and intangible assets with indefinite life are examined annually for impairment in a mandatory basis.

The recoverable amount of the asset or cash-generating unit is the higher of value in use and fair value less any costs 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 carrying amount exceeds the estimated recoverable amount.

Impairment is recognized in the Income Statement.

The impairment of goodwill is not reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount to the extent it does not exceed the carrying amount of the asset (net of depreciation) that would have been determined if he had not registered the loss.

4.11 Employee benefits

(a) Short-term benefits

Short-term benefits to staff in cash and kind are posted as expenses when accrued. A liability is recognized for the amount expected to be paid as benefit to the staff and its executives if there is a legal or contractual obligation to pay this amount as a result of employee services and insofar as such liability can be reliably measured.

(b) Defined-contribution Plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognized as expense in profit or loss at the time they are due.

(c) Defined-Benefit Plans

Defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is the current value of the future benefit of the employee for his services for the defined benefit less the fair value of the plan assets and changes arising from the non-posted actuarial gains and losses and the past service cost. The discount rate corresponds to the rate of the index applying to the European bonds “iBoxx – AA-rated Euro corporate bond 10+ year”. Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using the straight-line method within the maturity period.

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group 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 make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability.

4.12 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. In addition, 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.

4.13 Income

(a) Sales of copper goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. 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) Sales of aluminium goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. 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.

(c) Services

Revenue from the sale of services is recognised in the period in which the services are rendered, on the basis of the stage in completion of the actual service to the services as a whole.

(d) Income from interest

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

(e) Income from dividends

Dividends are recognised as income when the right of the Group to receive payment is established.

(f) Income from rents

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

4.14 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 Group 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 Group for expenses are recognized in the results so that these will match the expenses that they will cover.

4.15 Leases

Leases of property, plant and equipment, which the Group substantially maintains all the risks and benefits of ownership are classified as financial leasing. 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. The part of financial expenses that concerns financial leasing is recorded in profit and loss during the term of the lease.

Leases where substantially all the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized in a straight line basis over the lease term.

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.

4.16 Income tax

The income tax of the year includes both current and deferred tax. Income tax is posted 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 adjustment to prior-period payable tax.

Deferred income 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 recognised only to the extent that there will be a future taxable profit for use of the temporary difference 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.

4.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

4.18 Earnings per share

The Group presents both basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the profits or loss attributable to holders of common shares by the average weighted number of outstanding common shares during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of common shares and the average weighted number of outstanding common shares by the effect of all diluted eventual common shares consisting of convertible notes and shares with options granted to the staff.

4.19. 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. The proceeds from the interests from amounts collected as to be used for the purpose of the construction of the asset as well as the amount of grants reduces the borrowing cost that is capitalized. In all 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 construction of an asset, the cost of borrowing for capitalization can be estimated using a capitalization rate.

4.20 Rounding

Any differences arising between the amounts on the financial statements and the relative amounts in the notes are related to roundings.

5. Operating segments

An operating segment is based on the structure of the information to the Group's management and internal reporting system. The Group is organized into business centers and business units based on the production of copper and aluminium products. In particular, it has two reportable operating segments. The operating segments of the Group are as follows:

- Copper products: this segment produces and sells copper and copper alloys rolled and extruded products
- Aluminium products: the aluminium segment produces and sell a wide range of aluminium products and their alloys

For the Copper segment the financial figures are included since the acquisition date as follows:

€ '000	Aluminium	Copper	Total
12 months until 31 December 2017			
Total revenue per segment	958,756	209,051	1,167,807
Inter-segment revenue	(17,250)	(124)	(17,374)
Cost of sales	(846,351)	(200,517)	(1,046,867)
Gross profit	**95,155**	**8,411**	**103,566**
Other Income	6,024	1,868	7,892
Selling and Distribution expenses	(10,945)	(1,390)	(12,335)
Administrative expenses	(22,298)	(3,031)	(25,329)
Impairment loss on receivables and contract assets	(307)	(70)	(377)
Other Expenses	(1,342)	(2,459)	(3,801)
Operating profit / (loss)	**66,287**	**3,329**	**69,616**
Finance Income	70	48	118
Finance Costs	(13,702)	(4,065)	(17,767)
Net Finance income / (cost)	**(13,633)**	**(4,016)**	**(17,649)**
Share of profit/ (loss) of equity-accounted investees	231	(1,525)	(1,294)
Profit/(Loss) before income tax	**52,885**	**(2,212)**	**50,674**
Income tax expense	(17,110)	(300)	(17,410)
Profit/(Loss) for the year	**35,775**	**(2,511)**	**33,264**
Total assets	822,831	702,596	1,525,427
Total liabilities	460,584	396,426	857,011
Capital expenditure			
Fixed Assets	41,146	3,312	44,458
Intangible Assets	226	104	330
Total	**41,372**	**3,416**	**44,788**
12 months until 31 December 2017			
Depreciation of tangible fixed assets	(44,449)	(305)	(44,754)
Amortization of intangible assets	(342)	(235)	(578)
Depreciation of investments in real estate	(51)	-	(51)
Total depreciation and amortization	**(44,842)**	**(541)**	**(45,383)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

For the closing period of 2018 financial figures are as follows:

€ '000	Aluminium	Copper	Total
12 months until 31 December 2018			
Total revenue per segment	1,079,617	1,038,922	2,118,539
Inter-segment revenue	(662)	(88)	(750)
Cost of sales	(967,472)	(983,368)	(1,950,840)
Gross profit	**111,483**	**55,466**	**166,948**
Other Income	7,019	7,073	14,093
Selling and Distribution expenses	(11,894)	(9,573)	(21,468)
Administrative expenses	(25,841)	(17,068)	(42,909)
Impairment loss on receivables and contract assets	(36)	(469)	(505)
Other Expenses	(3,778)	(5,330)	(9,108)
Operating profit / (loss)	**76,953**	**30,098**	**107,051**
Finance Income	28	109	137
Finance Costs	(15,206)	(17,106)	(32,313)
Dividends	-	20	20
Net Finance income / (cost)	**(15,179)**	**(16,977)**	**(32,156)**
Share of profit/ (loss) of equity-accounted investees, net of tax	188	765	953
Profit/(Loss) before income tax	**61,962**	**13,886**	**75,849**
Income tax expense	(6,078)	(5,468)	(11,546)
Profit/(Loss) for the year	**55,885**	**8,418**	**64,303**
Total assets	931,062	743,480	1,674,543
Total liabilities	498,892	445,183	944,075
Capital expenditure			
Fixed Assets	55,799	37,500	93,300
Intangible Assets	2,865	76	2,940
Total	**58,664**	**37,576**	**96,240**

12 months until 31 December 2018			
Depreciation of tangible fixed assets	(42,034)	(16,804)	(58,838)
Amortization of intangible assets	(420)	(650)	(1,070)
Depreciation of investments in real estate	(68)	(94)	(162)
Total depreciation and amortization	**(42,522)**	**(17,547)**	**(60,070)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

The financial performance of the Group in annualized twelve month basis, ie. if the profit and loss is accounted for all the months for all companies acquired in the fiscal year, it would be as follows:

in annualized twelve month basis
€ '000

	Aluminium	Copper	Total
12 months until 31 December 2017			
Total revenue per segment	958,756	922,772	1,881,528
Inter-segment revenue	(17,250)	(958)	(18,208)
Cost of sales	(845,393)	(861,056)	(1,706,449)
Gross profit	**96,113**	**60,758**	**156,871**
Other Income	6,024	8,755	14,779
Selling and Distribution expenses	(11,115)	(8,697)	(19,812)
Administrative expenses	(22,435)	(15,238)	(37,673)
Impairment loss on receivables and contract assets			-
Other Expenses	(1,342)	(10,857)	(12,199)
Operating profit / (loss)	**67,245**	**34,722**	**101,967**
Finance Income	70	50	120
Finance Costs	(13,702)	(23,167)	(36,869)
Net Finance income / (cost)	**(13,632)**	**(23,117)**	**(36,750)**
Share of profit/ (loss) of equity-accounted investees	231	(1,525)	(1,293)
Profit/(Loss) before income tax	**53,844**	**10,079**	**63,923**
Income tax expense	(17,110)	14,516	(2,594)
Profit/(Loss) for the year	**36,733**	**24,596**	**61,330**

The operational segments are managed centrally but the greater volume of the sales is exported. The sales and the non-current assets of the Group based on the geographical standing are presented as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Greece	173,083	148,461	289,834	241,532
European Union	1,369,532	697,233	881,709	494,530
Other European countries	180,966	107,370	85,428	36,589
Asia	133,787	90,540	61,374	47,960
America	202,272	76,350	146,321	60,199
Africa	45,735	19,665	15,462	5,755
Oceania	12,413	10,814	6,843	9,221
Total	**2,117,789**	**1,150,433**	**1,486,972**	**895,786**
Property Plant Equipment				
Greece	582,333	550,856	459,754	423,549
International	138,231	136,623		0
Total	**720,564**	**687,479**	**459,754**	**423,549**
Intangible assets and goodwill				
Greece	76,400	74,242	70,447	70,801
International	127	305	0	0
Total	**76,527**	**74,547**	**70,447**	**70,801**
Investment property				
Greece	6,838	7,076	19,591	20,809
International	0	0	0	0
Total	**6,838**	**7,076**	**19,591**	**20,809**
Capital expenditure				
Greece	86,302	43,676	75,687	38,497
International	9,938	1,112	0	0
Total	**96,240**	**44,788**	**75,687**	**38,497**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

6. Income

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Sale of goods (at a point in time)	532,135	360,798	464,078	390,045
Metal Turnover in the sales of goods	1,580,309	733,663	1,018,003	497,068
Rendering of services	5,108	37,120	4,877	5,414
Other	237	18,788	12	3,259
	2,117,789	**1,150,369**	**1,486,971**	**895,786**

7. Other operating income and expenses

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Other Income				
Grants of the Fiscal Year	4	23	4	19
Amortization of Grants	1,955	1,793	1,311	1,180
Rental income	659	369	527	323
Foreign Exchange Gains	4,062	1,647	960	9
Income from fees	365	1,033	209	851
Income from costs recharged	800	625	3,350	3,062
Damage Compensation	4,093	395	125	286
Gain from sale of Fixed assets	263	36	10	21
Income from consulting services	425	266	349	-
Other Income	1,466	1,705	2,903	2,551
Total	**14,093**	**7,892**	**9,749**	**8,304**
Other Expense				
Impairment of Fixed assets	-	1	-	-
Impairment of contract costs	-	-	98	-
Loss from fixed assets write off	172	1	-	-
Production cost non allocated to cost of goods sold	39	266	-	-
Loss from sale of Fixed assets	32	235	-	-
Foreign Exchange Losses	3,934	1,690	894	86
Damages Paid	1,535	-	-	
Penalties	17	2	7	1
Depreciation and amortisation	1,976	1,239	1,296	1,089
Expenses recharged	192	-	1,633	1,439
Other Expenses	1,210	370	566	177
Total	**9,108**	**3,801**	**4,494**	**2,793**
Net other income-expenses	**4,985**	**4,091**	**5,256**	**5,511**

8. Expenses by nature

The breakdown of expenses by nature was as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Cost of inventories recognized as an expense	55,312	108,125	122,511	156,201
Metal Cost	1,567,949	710,408	1,003,018	475,403
Employee benefits	105,654	68,801	63,559	39,349
Energy	41,959	30,732	27,667	21,442
Depreciation and amortisation	58,094	44,144	39,298	34,728
Taxes - duties	7,864	5,747	6,234	4,971
Credit insurance expenses	1,609	1,352	1,058	766
Other insurance expenses	4,485	3,186	2,657	1,838
Rental fees	3,589	3,554	2,148	1,253
Transportation	47,915	30,435	31,706	20,691
Promotion & advertising	2,189	1,251	1,118	377
Third party fees and benefits	55,961	33,728	79,759	57,754
Other provisions	221	14	-	7
Gains/(losses) from derivatives	5,130	(884)	4,396	(1,173)
Storage and packing	4,386	2,416	1,070	916
Production tools	2,442	-	1,852	-
Commissions	12,950	9,049	7,593	6,047
Foreign exchange differences	298	1,790	476	1,411
Maintenance expenses	18,144	13,988	12,545	11,528
Travel expenses	4,974	2,569	3,399	1,915
Royalties	74	53	74	53
BOD Fees	1,946	2,367	764	1,879
Shared utility expenses	251	98	-	-
Other expenses	11,820	11,608	3,808	4,751
Total	**2,015,217**	**1,084,531**	**1,416,708**	**842,106**

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

	GROUP		COMPANY	
	2018	2017	2018	2017
EUR	€ '000	€ '000	€ '000	€ '000
Employee remuneration & expenses	76,972	49,932	45,592	27,934
Social security expenses	19,474	12,800	11,604	7,127
Defined benefit plan expenses	1,058	699	724	386
Other employee benefits	8,150	5,370	5,640	3,902
Total	**105,654**	**68,801**	**63,559**	**39,349**

The number of staff employed by the Company at the end of the current year was: 1,439 (2017: 1,268) and as for the Group: 2,877 (2017: 2,595).

9. Finance income and cost

The breakdown of financial income and expenses is as follows:

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
	€ '000	€ '000	€ '000	€ '000
Interest Income	137	118	418	75
	137	**118**	**418**	**75**
Interest expenses	28,570	15,719	20,784	11,334
Other Finance Expense	3,743	2,048	2,746	1,746
	32,313	**17,767**	**23,530**	**13,080**

10. Property, plant and equipment

GROUP

€ '000	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2017	**54,037**	**119,299**	**608,399**	**8,642**	**12,863**	**9,824**	**25,518**	**838,581**
Additions	3,171	7,322	3,351	-	553	688	29,374	**44,458**
Disposals	-	-	(1,064)	-	(47)	(31)	(417)	**(1,560)**
Mergers and absorptions	44,188	48,143	213,226	-	2,561	10,592	11,929	**330,639**
Reclassification to Investment Property	-	(1,705)	-	-	-	-	-	**(1,705)**
Write offs	-	-	6	-	(11)	(1)	-	**(6)**
Other reclassifications	-	4,113	14,271	8,828	782	112	(33,883)	**(5,778)**
Balance as at 31 December 2017	**101,395**	**177,171**	**838,190**	**17,470**	**16,700**	**21,184**	**32,520**	**1,204,629**
Accumulated depreciation								
Balance as at 1 January 2017	**-**	**(60,797)**	**(353,620)**	**-**	**(10,975)**	**(8,363)**	**-**	**(433,755)**
Depreciation of the period	-	(5,110)	(37,948)	(574)	(537)	(584)	-	**(44,754)**
Disposals	-	-	1,060	-	47	30	-	**1,137**
Mergers and absorptions	-	(7,210)	(21,471)	-	(2,114)	(9,505)	(404)	**(40,704)**
Reclassification to Investment Property	-	17	-	-	-	-	-	**17**
Write offs	-	8	(12)	-	11	1	-	**9**
Impairment loss	-	-	(299)	-	-	-	-	**(299)**
Other reclassifications	-	9	1,665	-	(474)	-	-	**1,199**
Balance as at 31 December 2017	**-**	**(73,083)**	**(410,625)**	**(574)**	**(14,042)**	**(18,421)**	**(404)**	**(517,150)**
Carrying amount as at 31 December 2017	**101,395**	**104,087**	**427,565**	**16,895**	**2,658**	**2,762**	**32,116**	**687,479**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

GROUP

€ '000	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2018	**101,395**	**177,171**	**838,190**	**17,470**	**16,700**	**21,184**	**32,520**	**1,204,629**
Additions	700	4,182	7,624	-	1,579	880	78,335	**93,300**
Disposals	(73)	(2)	(831)	-	(143)	(34)	(402)	**(1,485)**
Mergers and absorptions	-	-	1,221	-	324	126	2	**1,674**
Write offs	-	(180)	(823)	-	(6)	(77)	-	**(1,086)**
Other reclassifications	-	4,344	22,242	-	30	130	(26,854)	**(109)**
Change in accounting policy	(182)	-	-	-	-	-	-	**(182)**
Balance as at 31 December 2018	**101,841**	**185,514**	**867,624**	**17,470**	**18,483**	**22,209**	**83,602**	**1,296,743**
Accumulated depreciation								
Balance as at 1 January 2018	**-**	**(73,083)**	**(410,625)**	**(574)**	**(14,042)**	**(18,421)**	**(404)**	**(517,150)**
Depreciation of the period	-	(10,292)	(45,857)	(972)	(650)	(1,067)	-	**(58,838)**
Disposals	-	1	713	-	120	15	-	**849**
Mergers and absorptions	-	(695)	(872)	-	(295)	(95)	-	**(1,956)**
Write offs	-	69	767	-	2	77	-	**915**
Balance as at 31 December 2018	**-**	**(84,000)**	**(455,874)**	**(1,546)**	**(14,864)**	**(19,491)**	**(404)**	**(576,179)**
Carrying amount as at 31 December 2018	**101,841**	**101,514**	**411,750**	**15,924**	**3,620**	**2,718**	**83,197**	**720,564**

Fixed Assets of Net Book value of Euro 4.5 mil. (cost Euro 5.7 mil. and accumulated depreciation of Euro 1.2 mil.) was transferred to other investments of current asset as held-for-sale (see also note 34).

Regarding 2018 the line "Mergers and Absorptions" includes intangible assets from the acquisition of Metalvalius EOOD.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

COMPANY

€ '000	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Balance as at 1 January 2017	**41,804**	**83,516**	**479,688**	**8,642**	**10,796**	**6,047**	**19,713**	**650,206**
Additions	3,148	7,124	1,982	-	391	306	25,516	38,466
Disposals	-	-	(937)	-	(47)	(5)	-	(990)
Mergers and absorptions	10,011	25,022	101,165	-	1,773	6,846	7,475	152,292
Reclassification to Investment Property	-	(1,705)	-	-	-	-	-	(1,705)
Write offs	-	-	(8)	-	(11)	-	-	(20)
Other reclassifications	-	4,032	14,293	8,828	782	-	(27,934)	-
Balance as at 31 December 2017	**54,963**	**117,988**	**596,182**	**17,470**	**13,682**	**13,194**	**24,770**	**838,249**
Accumulated depreciation								
Balance as at 1 January 2017	**-**	**(43,150)**	**(294,690)**	**-**	**(9,533)**	**(5,539)**	**-**	**(352,912)**
Depreciation of the period	-	(4,206)	(28,957)	(574)	(403)	(319)	-	**(34,458)**
Disposals	-	-	936	-	47	4	-	**988**
Mergers and absorptions	-	(4,868)	(15,674)	-	(1,543)	(6,269)	-	**(28,354)**
Reclassification to Investment Property	-	17	-	-	-	-	-	**17**
Write offs	-	8	-	-	11	-	-	**20**
Other reclassifications	-	9	465	-	(474)	-	-	**-**
Balance as at 31 December 2017	**-**	**(52,190)**	**(337,919)**	**(574)**	**(11,894)**	**(12,122)**	**-**	**(414,700)**
Carrying amount as at 31 December 2017	**54,963**	**65,798**	**258,262**	**16,895**	**1,788**	**1,071**	**24,770**	**423,549**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

COMPANY

€ '000	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2018	**54,963**	**117,988**	**596,182**	**17,470**	**13,682**	**13,194**	**24,770**	**838,249**
Additions	464	3,344	5,143	-	1,431	674	64,336	75,393
Disposals	-	-	(11)	-	(55)	(27)	(174)	(267)
Other reclassifications	-	4,342	14,412	-	13	-	(18,773)	(6)
Change in accounting policy	(182)	-	-	-	-	-	-	(182)
Balance as at 31 December 2018	**55,246**	**125,675**	**615,726**	**17,470**	**15,071**	**13,841**	**70,159**	**913,187**
Accumulated depreciation								
Balance as at 1 January 2018	**-**	**(52,190)**	**(337,919)**	**(574)**	**(11,894)**	**(12,122)**	**-**	**(414,700)**
Depreciation of the period	-	(6,315)	(30,419)	(972)	(488)	(604)	-	**(38,798)**
Disposals	-	-	1	-	55	8	-	**64**
Balance as at 31 December 2018	**-**	**(58,505)**	**(368,337)**	**(1,546)**	**(12,327)**	**(12,718)**	**-**	**(453,434)**
Carrying amount as at 31 December 2018	**55,246**	**67,170**	**247,389**	**15,924**	**2,744**	**1,123**	**70,159**	**459,754**

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of the Group and the Company (see note 22).

(b) Assets under Construction

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

(c) Capitalization of Borrowing costs

For the fixed asset of the Group as well as the company Euro € 1.4 million was capitalized in 2018, which stands for the cost of loans which were drawn for the funding of those assets.

(d) Change in useful life of assets

The approved business plan from the Company’s management incorporates as an important pylon of its materialization the continuation of the operation of specific machinery for which extensive maintenance and upgrade work has been completed. Indicative is the completion during H1’18 the upgrade of the cold mill IHI No 2 and the fact that the speed increase of the cold mill Bliss is already scheduled. Important improvements in the lacquering line FATA were materialized for the productivity increase and the energy efficiency upgrade. In addition, investments were scheduled to the foundries, as the CCP2 AUTOMATIC LEVEL CONTROL or the addition of a new melting furnace that will feed the existing furnace and the foundry facility. Finally, during H1’18 the installation of machinery for cutting plates and rolls in new buildings was completed and the important updated increase the technical useful life affecting positively the future economic benefits that will be realized from the existing machinery in combination with the new assets.

The aforementioned were the trigger event for the examination of the useful life in order for the new conditions to be taken into account. Upon completion of the analysis the useful life indicated that could be increased up to 10 years.

The increase of the useful life had as a consequence the depreciation expense to be reduced by €3.6 mil. approximately for the year 2018. The application of the new useful life was done prospectively according to the provisions of IAS 8, par. 36 within the fiscal year of 2018 and prospectively.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

11. Intangible assets

GROUP € '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2017	**-**	**4**	**-**	**9,773**	**68**	**9,845**
Additions	-	-	-	330	-	330
Mergers and absorptions	22,118	36	50,470	7,530	4	80,158
Other reclassifications	-	-	-	84	-	84
Balance as at 31 December 2017	**22,118**	**40**	**50,470**	**17,717**	**72**	**90,417**
Accumulated amortization and impairment						
Balance as at 1 January 2017	**-**	**(4)**	**-**	**(8,730)**	**(68)**	**(8,803)**
Amortization for the period	-	-	-	(578)	-	**(578)**
Mergers and absorptions	-	(36)	(41)	(6,409)	(4)	(6,490)
Balance as at 31 December 2017	**-**	**(40)**	**(41)**	**(15,717)**	**(72)**	**(15,870)**
Carrying amount as at 31 December 2017	**22,118**	**0**	**50,429**	**2,000**	(0)	**74,547**

GROUP € '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2018	**22,118**	**40**	**50,470**	**17,717**	**72**	**90,417**
Additions	2,338	-	-	558	45	2,940
Mergers and absorptions	-	-	-	45	-	45
Other reclassifications	-	-	2	109	-	110
Balance as at 31 December 2018	**24,456**	**40**	**50,472**	**18,429**	**117**	**93,513**
Accumulated amortization and impairment						
Balance as at 1 January 2018	**-**	**(40)**	**(41)**	**(15,717)**	**(72)**	**(15,870)**
Amortization for the period	-	-	(75)	(995)	(0)	**(1,070)**
Mergers and absorptions	-	-	-	(44)	-	(44)
Other reclassifications	-	-	(2)	-	-	(2)
Balance as at 31 December 2018	**-**	**(40)**	**(118)**	**(16,756)**	**(73)**	**(16,986)**
Carrying amount as at 31 December 2018	**24,456**	**0**	**50,354**	**1,673**	44	**76,527**

Regarding 2017 the line “Mergers and absorptions” includes intangible assets from the acquisition of Sofia Med S.A. and the Halcor Group.

Regarding 2018 the line “Mergers and absorptions” includes intangible assets from the acquisition of Metalvalius EOOD.

The addition of € 2.3 million in goodwill refers to the goodwill from the acquisition of 100% Metalvalius EOOD from the subsidiary Sofia Med S.A. The total value amounted to € 9.0 million and was paid to ANAMET (see note 13)

As far as the goodwill of €22.1 million is concerned the test that was performed to check the impairment of the CGU of copper segment resulted that there was no need for impairment. The basic assumptions of the test were as follows:

- Risk-free rate: 0,9%
- Market risk premium: 6,2%
- Expected income tax rate: 28%
- Levered beta: 1.08
- WACC 6,9%

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

The expected fair value will increase (decrease) if:

- The expected growth of the market increases (decreases)
- The expected cash flows increase (decrease)
- The discount rate decreases (increases)

COMPANY

€ '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2017	**-**	**0**	**-**	**8,637**	**0**	**8,637**
Additions	-	-	-	31	-	31
Mergers and absorptions	22,118	-	47,370	5,260	-	74,748
Balance as at 31 December 2017	**22,118**	**0**	**47,370**	**13,928**	**0**	**83,416**
Accumulated amortization and impairment						
Balance as at 1 January 2017	**-**	**-**	**-**	**(7,725)**	**0**	**(7,725)**
Amortization for the period	-	-	-	(301)	-	**(301)**
Mergers and absorptions	-	-	-	(4,590)	-	(4,590)
Balance as at 31 December 2017	**-**	**-**	**-**	**(12,616)**	**0**	**(12,616)**
Carrying amount as at 31 December 2017	**22,118**	**0**	**47,370**	**1,313**	0	**70,801**

COMPANY

€ '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2018	**22,118**	**0**	**47,370**	**13,928**	**0**	**83,416**
Additions	-	-	-	294	-	294
Other reclassifications	-	-	-	6	-	6
Balance as at 31 December 2018	**22,118**	**0**	**47,370**	**14,228**	**0**	**83,716**
Accumulated amortization and impairment						
Balance as at 1 January 2018	**-**	**-**	**-**	**(12,616)**	**0**	**(12,616)**
Amortization for the period	-	-	(67)	(587)	-	**(654)**
Balance as at 31 December 2018	**-**	**-**	**(67)**	**(13,202)**	**0**	**(13,269)**
Carrying amount as at 31 December 2018	**22,118**	**0**	**47,303**	**1,026**	0	**70,447**

12. Investment property

	GROUP	
	2018	2017
	€ '000	€ '000
Balance as at January 1	**7,144**	**-**
Reclassifications from PPE	-	1,705
Additions from M&A	-	5,439
Reclassifications	(76)	-
	7,068	**7,144**
Accumulated depreciation as at January 1	**(68)**	**-**
Depreciation of the period	(162)	(51)
Reclassifications	-	(17)
	(230)	**(68)**
Balance as at December 31	**6,838**	**7,076**

	COMPANY	
	2018	2017
	€ '000	€ '000
Balance as at January 1	**32,350**	**26,943**
Reclassifications from PPE	-	1,705
Additions from M&A	-	3,702
Reclassifications	(76)	-
	32,274	**32,350**
Accumulated depreciation as at January 1	**(11,540)**	**(10,466)**
Depreciation of the period	(1,142)	(1,058)
Reclassifications		(17)
	(12,682)	**(11,540)**
Balance as at December 31	**19,591**	**20,809**

Investment property include buildings and land that the Group intends to lease or sell to third parties in the near future, provided circumstances allow it. The investment property of the company is rented to Group Companies and at the consolidated financial statements are presented at Fixed Assets as PPE.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

13. Investments

Investments in Subsidiaries:

	COMPANY	
	2018	**2017**
	€ '000	€ '000
Balance as at January 1	**242,471**	**118,571**
Additions	9,001	101,200
Loss of Control/Disposal of subsidiary	0	22,700
Balance as at December 31	**251,471**	**242,471**

On 21.09.2018 the Company proceed with an increase in the share capital of the subsidiary and fully consolidated Sofia Med by an amount of €9 million with the issue of 161.491 shares. After the increase the share capital amounts to 110,297,292 Leva (approximately € 61,926,235) divided into 2,626,126 shares. Consequently the share amounted to 89.56%.

On 30.09.2018 subsidiary Sofia Med acquired 100% of Metalvalius EOOD for an amount of €9.0 million. From this transaction occurred the following figures

	Metalvalius EOOD 30.09.2018 €' 000
Non current assets	560
Inventories	3
Trade and other receivables	10,078
	1,511
	12,151
Non current liabilities	24
Trade and other liabilities	2,555
Current loans	2,906
	5,485
Net assets acquired	6,666
Purchase price	9,004
Goodwill	2,338

Figures regarding Profit and Loss and Comprehensive Income

€' 000	**01.01.2018-30.09.2018**	**01.10.2018-31.12.2018**	**Σύνολο**
Sales	7,039	5,153	12,192
Gross Profit	(66)	34	(32)
Operating result (EBIT)	(334)	168	(167)
Profit loss after tax	(546)	107	(439)
Other comprehensive income	-	12	12

Information of subsidiaries with significant non-controlling interest:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

€ '000

2018	VIOMAL S.A.	SOFIA MED S.A.	
Percentage of Non-Controlling Interest	**50.00%**	**10.44%**	**Total**
Non-Current Assets	3,025	146,872	
Current Assets	5,272	110,872	
Non-current Liabilities	674	65,632	
Current Liabilities	4,232	77,323	
Net Assets	3,391	114,790	
Attributable to NCI	**1,695**	**11,984**	**13,679**
Revenue	12,589	528,394	
Profit / (Loss)	(126)	6,518	
Other Comprehensive Income	8	(901)	
Total Comprehensive Income	**(118)**	**7,856**	
Total OCI of NCI	(59)	621	**562**
Cash-Flows from Operating Activities	303	10,661	
Cash-Flows from Investing Activities	203	(18,651)	
Cash-Flows from Financing Activities	(451)	8,868	
Effect on Cash and Cash equivalents	**55**	**878**	

€ '000

2017	VIOMAL S.A.	SOFIA MED S.A.	
Percentage of Non-Controlling Interest	**50.00%**	**11.12%**	**Total**
Non-Current Assets	3,479	137,401	
Current Assets	5,882	94,928	
Non-current Liabilities	1,374	2,203	
Current Liabilities	4,478	129,850	
Net Assets	3,509	100,276	
Attributable to NCI	**1,754**	**11,151**	**12,905**
Revenue	11,724	175,423	
Profit / (Loss)	(728)	713	
Other Comprehensive Income	2	6,709	
Total Comprehensive Income	**(726)**	**7,422**	
Total OCI of NCI	(363)	825	**462**
Cash-Flows from Operating Activities	89	(69)	
Cash-Flows from Investing Activities	326	(1,760)	
Cash-Flows from Financing Activities	(433)	(11,275)	
Effect on Cash and Cash equivalents	**(18)**	**(13,104)**	

On 12.06.2018 the issue of NEDZINK B.V shares and their acquisition by ELVALHALCOR was completed, which constituted ELVALHALCOR a shareholder of 50% of NEDZINK B.V. The total increase is estimated to €15.7 million part of which (€5.7 million) has already been allocated to the relevant increase in the line “investments in associates” in the statement of financial position

Upon the 25.06.2018 decision of the General Meeting of Shareholders of ANAMET SA it was decided an increase in share capital with the issue of 7,859 shares. After the increase, the share capital of ANAMET amounts to €1,489,425.00 divided in 19,859 shares. ELVALHALCOR did not exercised its preference rights and as a result its share dropped to 16,11%. Consequently, ANAMET was reclassified to “Other Investments”

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

The movement in the account of the companies consolidated using the equity method is as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Balance as at January 1	**64,186**	**1,879**	**65,339**	**1,623**
Effects from Foreign Exchange	(74)	(271)	-	-
Share in profit / (loss) after taxes	953	(1,293)	-	-
Additions	17,488	-	17,488	-
Mergers and absorptions	-	63,550	-	63,550
Dividends received	(319)	(243)	-	-
Reclassifications	(68)	563	(68)	166
Other changes	-	-	(98)	-
Change in accounting policy	679	-	-	0
Balance as at December 31	**82,846**	**64,186**	**82,661**	**65,339**

The main financial assets of these associated companies can be broken down as follows:

€ '000

Trade Name	Country	Business	Current Assets 2018	Current Assets 2017	Non-Current Assets 2018	Non-Current Assets 2017	Revenue 2018	Revenue 2017	% of Participation 2018	% of Participation 2017
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	Germany	Commercial	9,529	8,033	33	73	41,013	36,263	49.00%	49.00%
ELKEME S.A.	Greeece	Metallourgical Research	1,494	1,449	597	602	2,397	2,018	92.50%	92.50%
UACJ ELVAL CONSULDTING S.A. (former AFSEL)	Greeece	Services	133	221	2	3	144	197	50.00%	50.00%
VIENER S.A.	Greeece	Energy	2,158	1,647	210	135	8,579	7,155	41.32%	41.32%
STEELMET S.A.	Greeece	Services	7,952	7,679	951	736	27,243	22,776	29.50%	29.50%
HC ISITMA A.S.	Turkey	Industrial	1,008	376	465	628	530	1,176	50.00%	50.00%
CENERGY HOLDINGS S.A.	Belgium	Holding	603,390	462,197	455,306	427,565	963,797	758,318	25.16%	25.16%
International Trade S.A.	Belgium	Commercial	123,329	98,994	7,678	8,143	954,412	664,536	27.97%	27.97%
NEDZINK B.V.	Netherlands	Industrial	26,366	29,523	25,275	22,721	84,622	70,677	50.00% -	

Trade Name	Country	Business	Short-term Liabilities 2018	Short-term Liabilities 2017	Long-term Liabilities 2018	Long-term Liabilities 2017	Profit / (Loss) after taxes 2018	Profit / (Loss) after taxes 2017
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	Germany	Commercial	8,523	7,128	-	-	644	452
ELKEME S.A.	Greeece	Metallourgical Research	246	287	154	140	64	27
UACJ ELVAL CONSULDTING S.A. (former AFSEL)	Greeece	Services	31	119				20
VIENER S.A.	Greeece	Energy	1,375	1,114	7	-	317	295
STEELMET S.A.	Greeece	Services	6,922	6,340	1,250	1,096	256	410
HC ISITMA A.S.	Turkey	Industrial	29	98	5	6	(66)	243
CENERGY HOLDINGS S.A.	Belgium	Holding	640,618	555,617	214,781	133,924	6,888	(4,775)
International Trade S.A.	Belgium	Commercial	95,257	73,472	1,530	4,875	5,744	3,823
NEDZINK B.V.	Netherlands	Industrial	21,777	24,544	21,496	16,867	(6,492)	(2,774)

The Group does not control Elkeme S.A. as the management is being appointed directly by Viohalco. Elkeme is consolidated in full by Viohalco S.A.

14. Other investments

Other investments include the following:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Listed Securities				
-Greek Equity instruments	39	39	-	39
Unlisted Securities				
-Greek Equity instruments	3,371	3,301	-	3,301
-International Equity instruments	444	432	-	432
Total	**3,853**	**3,771**	**-**	**3,771**

Other investments, classified as financial assets available for sale, relate to investments in domestic and foreign companies with holding percentages below 20%.

The movement in Available-for-Sale was as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Balance as at January 1	**3,771**	**1,545**	**3,771**	**1,545**
Additions	13	387	13	387
Impairment	-	(111)	-	(111)
Reclassifications	68	(563)	68	(563)
M&A Effect	-	2,509	-	2,509
Other effects	-	5	-	5
Balance as at December 31	**3,853**	**3,771**	**3,853**	**3,771**

The participations for which the fair value cannot be estimated were valued at cost. For the calculation of the fair value please see note 28.

15. Income tax

	GROUP				COMPANY			
		2018		2017		2018		2017
		€ '000		€ '000		€ '000		€ '000
Current tax expense		(14,103)		(20,759)		(8,121)		(17,410)
Deferred tax expense/(income)		2,557		3,350		1,511		2,949
Tax expense		**(11,546)**		**(17,410)**		**(6,610)**		**(14,461)**
Accounting Profit/loss (-) before income tax		**75,849**		**50,673**		**53,949**		**47,784**
At statutory income tax rate	-29%	(21,996)	-29%	(14,695)	-29%	(15,645)	-29%	(13,857)
Non-deductible expenses for tax purposes		(1,702)		(5,652)		(300)		(4,448)
Effect from tax audits		-		(4,797)		-		(4,797)
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period		-		8,652		-		8,652
Effect of tax rates in foreign jurisdictions		1,290		(280)		-		-
Current-year losses for which no deferred tax asset is recognised		(45)		-		-		-
Change in tax rate or composition of new tax		11,604		-		9,335		-
Other taxes		15		16		-		(10)
Permanent Differences		(712)		(661)		-		-
Derecognition of previously recognised deferred tax assets		-		10		-		-
Changes in tax related to prior years		-		(3)		-		-
	-15%	**(11,546)**	-34%	**(17,410)**	-12%	**(6,610)**	-30%	**(14,461)**
Income tax expense reported in the statement of profit or loss		**(11,546)**		**(17,410)**		**(6,610)**		**(14,461)**

The deferred tax assets that arise from the losses carried forward are recognized only if it is possible that they will be recovered with future profits according to the Groups business plan. For the losses carried forward for the Group, deferred tax asset has been calculated of Euro 9.7 mil. which was reversed during 2018 and had a negative effect in the line of the tax of the copper segment.

In 2018, 2017, 2016 and 2015, the provisions of article 49 and paragraph 9 of article 72 of Law 4172/2013, concerning thin capitalization, were applicable according to which the limit of the additional interest expense is set to 30%, 40% and 50% of the EBITDA respectively. These amounts for interests that are not deducted can be settled with future tax profits with no time limitations. The respective tax asset corresponding to the aforementioned amounts to € 7.0 mil.

For 2018, the Company and its subsidiaries are under the audit of the Certified Public Accountants, according to the provisions of article 65A of L. 4174/2013. This audit is on-going and the relative report of tax compliance is expected to be issued after the publication of the financial statements for the year ended in 31st December 2018. The result of the audit is not expected to significantly affect the financial statements.

The unaudited years of the Group can be found in Note 30.

The movement in deferred tax assets and liabilities can be presented as follows:

GROUP

€ '000	Net balance at 1 January 2017	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Net Balance at 31 December 2017	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(43,560)**	2,848	-	(29,063)	**(69,775)**	-	(69,775)
Intangible assets	**289**	(18)	-	(14,142)	**(13,871)**	-	(13,871)
Investment property	**198**	(1)	-	(1,216)	**(1,019)**	-	(1,019)
Other investments	**-**	-	-	254	**254**	254	-
Derivatives	**(440)**	207	(190)	(318)	**(740)**	-	(740)
Inventories	**281**	30	-	(68)	**243**	243	-
Loans and borrowings	**-**	(526)	-	(109)	**(635)**	-	(635)
Employee benefits	**2,690**	87	372	709	**3,859**	3,859	-
Provisions	**797**	(103)	-	858	**1,551**	1,551	-
Deferred income	**-**	-	-	(27)	**(27)**	-	(27)
Other items	**146**	827	-	1,738	**2,711**	2,711	-
Carryforward tax loss & unrecognized interest	**-**	-	-	17,891	**17,891**	17,891	-
Tax assets/ (liabilities) before set-off	**(39,597)**	**3,350**	**182**	**(23,494)**	**(59,559)**	**26,509**	**(86,068)**
Set-off tax						(24,243)	24,243
Net tax assets/ (liabilities)	**-**	**-**	**-**	**-**	**(59,559)**	**2,267**	**(61,825)**

€ '000	Net balance at 1 January 2018	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Net Balance at 31 December 2018	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(69,775)**	11,455	-	-	**(58,320)**	954	(59,275)
Intangible assets	**(13,871)**	2,168	-	-	**(11,702)**	244	(11,946)
Investment property	**(1,019)**	179	-	-	**(840)**	-	(840)
Other investments	**254**	(9)	-	-	**245**	245	(0)
Derivatives	**(740)**	(73)	638	-	**(176)**	605	(780)
Inventories	**243**	(1,401)	-	-	**(1,157)**	286	(1,443)
Loans and borrowings	**(635)**	0	-	-	**(635)**	0	(635)
Employee benefits	**3,859**	(330)	56	-	**3,585**	3,585	-
Provisions	**1,551**	220	-	-	**1,771**	1,777	(6)
Deferred income	**(27)**	49	-	-	**21**	49	(27)
Other items	**2,711**	1,028	-	-	**3,739**	3,739	-
Carryforward tax loss & unrecognized interest	**17,891**	(10,728)	-	-	**7,163**	7,163	-
Tax assets/ (liabilities) before set-off	**(59,559)**	**2,557**	**694**	**-**	**(56,307)**	**18,647**	**(74,953)**
Set-off tax						(16,929)	16,929
Net tax assets/ (liabilities)	**-**	**-**	**-**	**-**	**(56,307)**	**1,717**	**(58,024)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

COMPANY

€ '000	Net balance at 1 January 2017	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Other	Net Balance at 31 December 2017	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(35,804)**	3,114	-	(24,877)	-	**(57,567)**	**-**	**(57,567)**
Intangible assets	**268**	(6)	-	(13,765)	-	**(13,503)**	**-**	**(13,503)**
Investment property	**-**	(1)	-	(712)	-	**(713)**	**-**	**(713)**
Other investments	**-**	-	-	254	-	**254**	**254**	**-**
Derivatives	**(406)**	161	(378)	(51)	-	**(673)**	**-**	**(673)**
Inventories	**281**	25	-	(38)	-	**269**	**269**	**-**
Loans and borrowings	**-**	(526)	-	(102)	-	**(628)**	**-**	**(628)**
Employee benefits	**2,028**	10	294	504	-	**2,835**	**2,835**	**-**
Provisions	**711**	(94)	-	421	-	**1,038**	**1,038**	**-**
Deferred income	**-**	-	-	(27)	-	**(27)**	**-**	**(27)**
Other items	**475**	266	-	(150)	-	**591**	**591**	**-**
Carryforward tax loss & unrecognized interest	**-**	-	-	17,891	-	**17,891**	**17,891**	**-**
Tax assets/ (liabilities) before set-off	**(32,448)**	**2,949**	**(84)**	**(20,652)**	**-**	**(50,234)**	**22,878**	**(73,112)**
Set-off tax	-	-	-	-	-	-	(22,878)	22,878
Net tax assets/ (liabilities)	**-**	**-**	**-**	**-**	**-**	**(50,234)**	**-**	**(50,234)**

COMPANY

€ '000	Net balance at 1 January 2018	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Other	Net Balance at 31 December 2018	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(57,567)**	10,256	-	-	-	**(47,311)**	-	(47,311)
Intangible assets	**(13,503)**	2,174	-	-	-	**(11,329)**	-	(11,329)
Investment property	**(713)**	101	-	-	-	**(612)**	-	(612)
Other investments	**254**	(9)	-	-	-	**245**	245	-
Derivatives	**(673)**	(87)	825	-	-	**65**	65	-
Inventories	**269**	(1,675)	-	-	-	**(1,407)**	-	(1,407)
Loans and borrowings	**(628)**	-	-	-	-	**(628)**	-	(628)
Employee benefits	**2,835**	(421)	81	-	-	**2,495**	2,495	-
Provisions	**1,038**	105	-	-	-	**1,143**	1,143	-
Deferred income	**(27)**	-	-	-	-	**(27)**	-	(27)
Other items	**591**	1,909	-	-	104	**2,604**	2,604	-
Carryforward tax loss & unrecognized interest	**17,891**	(10,844)	-	-	-	**7,048**	7,048	-
Tax assets/ (liabilities) before set-off	**(50,234)**	**1,511**	**906**	**-**	**104**	**(47,714)**	**13,600**	**(61,314)**
Set-off tax	-	-	-	-	-	-	(13,600)	13,600
Net tax assets/ (liabilities)	**-**	**-**	**-**	**-**	**-**	**(47,714)**	**-**	**(47,714)**

The movement of deferred tax in Other comprehensive Income was as follows:

GROUP € '000	2018			2017		
Amounts recognized in the OCI	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Remeasurements of defined benefit liability	(139)	56	**(83)**	(1,314)	372	**(942)**
Foreign currency translation differences	(166)	-	**(166)**	197	-	**197**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(2,275)	350	**(1,925)**	4,498	(1,016)	**3,482**
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(618)	288	**(330)**	(2,851)	827	**(2,024)**
Total	**(3,197)**	**694**	**(2,503)**	**530**	**182**	**712**

COMPANY € '000	2018			2017		
Amounts recognized in the OCI	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Profit from Revaluation of Fixed Assets to Fair Value	-	-	**-**	-	-	**-**
Remeasurements of defined benefit liability	(281)	81	**(201)**	(1,013)	294	**(720)**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(1,074)	312	**(763)**	3,737	(1,084)	**2,653**
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(1,770)	513	**(1,257)**	(2,435)	706	**(1,729)**
Total	**(3,126)**	**906**	**(2,220)**	**289**	**(84)**	**205**

16. Inventories

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
	€ '000	€ '000	€ '000	€ '000
Merchandise	3,407	2,657	2,524	1,680
Finished goods	123,803	116,207	85,410	79,542
By-products & scrap	29,230	15,842	19,956	14,526
Work in progress	156,547	141,493	102,692	94,645
Raw and auxiliary materials	132,810	89,786	76,665	39,953
Consumables	8,624	7,086	4,950	3,431
Packaging materials	1,637	2,971	681	1,821
Spare parts	63,158	57,456	50,406	45,405
Total	**519,218**	**433,498**	**343,286**	**281,004**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less expenses for sale.

At the closing of the fiscal year measurement of the Net Realizable Value of the Inventory negatively affected the profit and loss for the period of Euro 824 thousand at Company level and Euro 4.2 million at Group level, due to the fall in copper price in LME market.

17. Trade and other receivables

	GROUP		COMPANY	
	2018	2017	2018	2017
Current Assets	€ '000	€ '000	€ '000	€ '000
EUR				
Trade receivables (excluding investment property clients)	93,752	81,007	42,742	35,713
Less: Impairment losses	(7,858)	(6,960)	(5,121)	(4,847)
Receivables from related entities	103,364	86,679	151,620	137,748
Trade receivables from contracts with customers	**189,257**	**160,726**	**189,241**	**168,613**
Down payments for the purchase of stocks	1,011	356	-	-
Other down payments	608	5,302	577	5,270
Tax assets	16,547	23,666	7,306	11,445
Other debtors	7,985	7,346	2,265	4,949
Other receivables	3,407	2,080	1,456	846
Receivables from dividends	-	78	-	78
Less: Impairment losses	(528)	(528)	(528)	(528)
Total	**218,287**	**199,024**	**200,317**	**190,674**
Non-current assets				
Non-current receivables from related parties	753	432	753	432
Non-current receivables	1,897	2,192	1,720	1,991
Total	**2,650**	**2,624**	**2,473**	**2,423**
Total receivables	**220,937**	**201,648**	**202,790**	**193,097**

The provision for doubtful customers is created for the outstanding balances for which the Management of the Group considers as impaired less the expected remuneration from the insurance. At the closing of 2018 the Group recognized provision of Euro 515 thousand. The effect of IFRS 9 adoption was Euro 427 thousands.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

18. Derivatives

Total Derivatives in Statement of Financial Position	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
	€ '000	€ '000	€ '000	€ '000
Non-current assets				
Forward foreign exchange contracts	3	2	3	1
Future contracts	-	259	-	259
Total	**3**	**262**	**3**	**260**
Current assets				
Forward foreign exchange contracts	726	308	35	265
Firm Commitments	-	9	-	9
Future contracts	2,389	3,634	2,166	2,582
Other	-	800	-	-
Total	**3,115**	**4,751**	**2,202**	**2,856**
Non-current liabilities				
Forward foreign exchange contracts	-	51	-	2
Future contracts	101	-	101	-
Total	**101**	**51**	**101**	**2**
Current liabilities				
Forward foreign exchange contracts	371	575	352	198
Firm Commitments	35	-	35	-
Future contracts	2,896	1,430	2,876	1,249
Total	**3,301**	**2,005**	**3,263**	**1,446**

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

19. Cash and cash equivalents

	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
	€ '000	€ '000	€ '000	€ '000
Cash in hand and Cash in bank	102	148	9	38
Short-term bank deposits	34,138	41,298	22,461	32,536
Impairment losses on cash and cash equivalents	-	-	-	-
Total	**34,241**	**41,446**	**22,470**	**32,574**

Bank deposits are set at variable interest rates according to the applicable rates of interbank market.

In Note 27.c that is referred to currency risk of the Group, an analysis of cash per foreign currency is presented.

20. Share capital and reserves

a) Share capital and premium

After the completion of the Merger by absorption of “ELVAL HELLENIC ALUMINIUM INDSUTRY S.A.” by “HALCOR METAL WORKS S.A.”, the share capital of the Company amounts to Euro 146,344,218 (2016: Ευρώ 38,486,258) divided to 375,241,586 (2016: 101,279,627) common anonymous shares of nominal value of 0.39 (2016: Euro 0.38) each traded at the Athens Stock Exchange.

The share premium of Euro 65,030,285 is considered a part of the share capital that rose from the issuance of shares for cash in a value greater than the nominal.

ElvaHalcor’s capital was created as follows:

The share capital of Halcor amounted to Euro 38,486,258.26 divided to 101,279,627 common shares with voting rights, of nominal value of €0.38 each. The share capital of Elval amounted to € 105,750,180.62 divided to 27,046,082 anonymous shares of nominal value € 3.91 each.

The Merger had as a result the increase of Halcor’s capital by:

- Amount of € 105,750,180.62 which corresponds to Elval share capital,
- Amount of € 2,107,779.66 which corresponds to the capitalization of share premium for rounding of the share price of the merged company.

As a result the present share capital of “ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.” increased from € 38,486,258.26 to €146,344,218.54 with the issuance of 273,961,959 new share in favor of Elval’s share holders and the total number of shares amounted to 375,241,586 shares with nominal value of €0.39.

b) Reserves

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Statutory Reserves	4,799	3,616	3,373	3,373
Hedging Reserve	279	2,534	(793)	994
Special Reserves	23,229	23,229	23,229	23,229
Tax exempt reserves	176,463	176,463	176,463	176,463
Extraordinary Reserves	6,713	6,713	6,713	6,713
Other reserves	69,588	69,588	82,920	83,153
Foreign exchange difference	31	197	-	-
Total	**281,103**	**282,340**	**291,906**	**293,926**

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 income exempt from taxation 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.

Exchange rate differences on consolidation

Exchange rate differences on consolidation arise from translating the financial statements of subsidiaries which are denominated in foreign currency, to the currency of the Parent Company which is in Euro.

Reserves from revaluation at fair value

This reserve is accounted after the positive effect of the revaluation of Land, buildings and machinery to fair value. This reserve cannot be distributed to shareholders until it is moved to results carried forward account through depreciation or after the recognition of profit through the sale of an asset.

Reserve of merger/absorption

The reserve of the absorption includes the difference between the acquisition price and the nominal value of the shares issued.

The Group examines the separation of the results carried forward to those that can be distributed and those that cannot, with tax and without tax liability.

21. Earnings per share

	GROUP		COMPANY	
	2018	2017	2018	2017
Profits that correspond to the shareholders of the parent company (in thousands of EURO)	63,646	33,549	47,339	33,324
Weighted average number of shares	352,411,423	282,401,928	352,411,423	282,401,928
Basic profits per share (EUR per share)	0.1806	0.1188	0.1343	0.1180

Basic earnings per share are calculated by dividing the net profits (losses) attributable to the parent company's shareholders by the weighted average number of common shares, save the average number of common shares acquired by the Group and held as own shares.

22. Loans and obligations from financial leasing

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Non-current				
Borrowings	120,170	2,209	56,670	1,683
Bond Loans	252,735	276,731	243,170	276,731
Finance lease liabilities	11,511	13,993	11,511	13,973
	384,416	**292,933**	**311,352**	**292,387**
Current				
Borrowings	130,929	133,263	92,613	120,468
Current portion of long-term	18,540	80,458	11,305	1,000
Bond Loans	41,756	59,295	34,066	36,748
Finance lease liabilities	2,328	2,291	2,328	2,291
	193,553	**275,307**	**140,312**	**160,507**
Total loans and borrowings	**577,969**	**568,240**	**451,663**	**452,894**
The maturities of non-current loans are:				
Between 1 and 2 years	74,894	38,564	57,522	38,028
Between 2 and 5 years	268,429	250,572	237,736	250,561
Over 5 years	41,093	3,797	16,093	3,797
Total	**384,416**	**292,933**	**311,352**	**292,387**

In 2018 a loan agreement of Euro 65 million was signed with Commerzbank Aktiengesellschaft for 10 years.

As far as the investment program of the four stand tandem aluminium hot finishing mill is concerned, Euro 71.1 million have been utilized and euro 1.4 have approximately been capitalized.

The fair value of the loans is approximating the book value.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

Obligations under financial leasing are as follows:

€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	3,032	(741)	2,291
Between 1 and 5 years	11,975	(1,800)	10,175
Beyond 5 years	3,983	(165)	3,818
Total	**18,991**	**(2,706)**	**16,285**

€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	2,988	(660)	2,328
Between 1 and 5 years	11,880	(1,327)	10,553
Beyond 5 years	987	(30)	957
Total	**15,855**	**(2,017)**	**13,838**

COMPANY

€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	3,032	(741)	2,291
Between 1 and 5 years	11,975	(1,800)	10,175
Beyond 5 years	3,963	(165)	3,797
Total	**18,970**	**(2,706)**	**16,264**

€ '000	Finance Lease Obligations-minimum leases	Less: Future finance lease payments	Total
Up to 1 year	2,988	(660)	2,328
Between 1 and 5 years	11,880	(1,327)	10,553
Beyond 5 years	987	(30)	957
Total	**15,855**	**(2,017)**	**13,838**

The actual weighted average interest rates (both short and long term) at the balance sheet date were:

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Bond Loans	3.79%	4.80%	3.78%	4.80%
Bank loans EUR	4.00%	5.71%	3.63%	6.07%
Bank loans USD	6.71%	6.77%	6.80%	6.89%
Bank loans GBP	4.41%	4.23%	5.16%	-

For the Group's bank loans, mortgages on properties totaling Euro 475 million have been set up (Euro 341 million is the amount for parent company).

For the bank loans of the Group and the Company that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause.

There was no incident in the fiscal year which could lead to a breach of the terms of the loans of the Group.

23. Liabilities for employee's retirement benefits

The Group has fulfilled its obligations for pension plans set out by law. According to the Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement).Employees who resign are not entitled to compensation. The compensation payable in case of retirement equals 40 % of the compensation which would be payable in case of unjustified dismissal. The Group believes this is a defined benefit and it charges the accrued benefits in each period with a corresponding increase in the pension liability. Any payments made to retirees each year are charged against this liability. The displayed personal benefit obligation of the Company and the Group as at 31 December 2018 and 2017 is as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Net defined benefit liability	15,584	14,946	11,270	10,761
Liability for social security contributions	4,381	3,944	2,768	2,418
Total employee benefit liabilities	**19,965**	**18,890**	**14,037**	**13,179**
Reconciliation of benefit obligation				
Balance at 1 January	**14,946**	**10,627**	**10,761**	**7,828**
Amounts recognized in profit or loss	-	-	-	-
Current service cost	495	337	259	174
Past service credit	-	88	-	19
Settlement/curtailment/termination loss	351	106	309	70
Interest cost/income (-)	213	168	156	123
Total P&L Charge	**1,058**	**699**	**724**	**386**
Amounts recognized in OCI				
Remeasurement loss/gain (-):				
-Actuarial loss/gain (-) arising from:				
Demographic assumptions	(52)	44	-	-
Financial assumptions	(156)	380	(91)	128
Experience adjustments	348	891	372	885
-Return on plan assets excl. interest income	-	-	-	-
Effect of movements in exchange rates	-	-	-	-
Total amount recognized in OCI	**139**	**1,314**	**281**	**1,013**
Other				
Division/ segment spin off	-	-	-	-
Mergers and absorptions	24	2,609	-	1,717
Loss of Control/Disposal of subsidiary	-	-	-	-
Benefits paid	(584)	(302)	(497)	(184)
Change in accounting policy	-	-	-	-
			(497)	**1,533**
Balance at 31 December	**15,584**	**14,946**	**11,270**	**10,761**

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

	GROUP		COMPANY	
	2018	2017	2018	2017
Discount interest rate	1.61%	1.50%	1.61%	1.50%
Future salary increases	2.00%	1.75%	2.00%	1.75%

The aforementioned results depend on assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate less by 50 basis points was used then the liability would be higher by 5.6% for the Company and 6.1% for the Group and if an assumption of a future salary increase of 50 basis points annually was used (instead of 2.00% annually), then the liability would be higher by 5.55% for the Company and 6.10% for the Group.

24. Grants

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Opening balance	**21,557**	**19,775**	**12,378**	**12,388**
Collection of grants	-	296	-	
Amortisation of grants	(1,955)	(1,793)	(1,311)	(1,180)
Reversal of amortization of grants	-		-	
Mergers and absorptions	-	3,280	-	1,171
Closing balance	**19,602**	**21,557**	**11,067**	**12,378**

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

Grants have been provided for the purchase of tangible assets.

25. Provisions

The movement in provisions was as follows:

	GROUP		COMPANY	
€ '000	**Other provisions**	**Total**	**Other provisions**	**Total**
Balance as at 1 January 2017	-	-	-	-
Additional provisions of the fiscal year	1,170	1,170	1,170	1,170
Mergers and absorptions	240	240	90	90
Balance as at 31 December 2017	**1,410**	**1,410**	**1,260**	**1,260**
Short-term Liabilities				
Balance as at 1 January 2017	-	-	-	-
Additional provisions of the fiscal year	162	162	110	110
Balance as at 31 December 2017	**162**	**162**	**110**	**110**
Long-term Liabilities				
Balance as at 1 January 2018	1,410	1,410	1,260	1,260
Balance as at 31 December 2018	**1,410**	**1,410**	**1,260**	**1,260**
Short-term Liabilities				
Balance as at 1 January 2018	**162**	**162**	**110**	**110**
Balance as at 31 December 2018	**162**	**162**	**110**	**110**

Amount of Euro 1.2 mil. is related to provision for unaudited fiscal years.

26. Trade payables and other liabilities

Trade payables and other liabilities balance according to their current or non-current classification is as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Suppliers	192,690	130,930	157,676	99,373
Social Security funds	4,381	3,944	2,768	2,418
Amounts due to related parties	18,165	20,909	25,961	22,076
Sundry creditors	17,626	11,275	14,026	8,105
Accrued expenses	5,619	8,859	3,890	7,305
Other Taxes	6,024	3,255	4,902	2,300
Total	**244,506**	**179,172**	**209,222**	**141,577**

27. Financial assets

The Board of Directors of the Group 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.

Credit Risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group'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 Group 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 Group. 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 Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group 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.

Liquidity risk

Liquidity risk is the inability of the Group 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 Group had an amount of Euro 41.4 million and the Company amount of Euro 32.6 million as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily. For serving the investments the Group and the Company make sure for the securing the necessary funding when needed (see also note 35). Moreover, the Group is in talks with the banks for the on time refinancing of the maturing loans.

To avoid liquidity risk the Group 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.

Exchange rate risk

The Group 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 Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group 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 Group 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 Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group 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 Group rise.

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

Capital management

The Groups' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares. According to its policy the Company distributes dividend according to legislation in force and under the provision that it is capable to do so in relation to its cash and financial conditions. No dividend distribution is allowed from limited liability companies according t o L. 2190/1920.

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.

The Group does not have a specific plan for own shares purchase.

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

a) Credit risk

The Financial assets subject to credit risk are as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
EUR	€ '000	€ '000	€ '000	€ '000
Trade & Other receivables	220,936	201,649	202,790	193,147
Total	**220,936**	**201,649**	**202,790**	**193,147**
Less:				
Downpayments	(1,619)	(5,657)	(577)	(5,270)
Tax assets	(16,547)	(23,666)	(7,306)	(11,445)
Other receivables	(3,407)	(2,080)	(1,456)	(846)
Total	**(21,572)**	**(31,403)**	**(9,338)**	**(17,561)**
Financial assets entailing credit risk	**199,364**	**170,246**	**193,452**	**175,585**

The balances included in Receivables according to maturity can be classified as follows:

	GROUP		COMPANY	
Ageing of receivables and contract assets not impaired	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Neither past due nor impaired	180,984	154,333	190,031	172,580
Overdue	-	-	-	-
- Up to 6 months	17,538	14,960	3,277	2800
- Over 6 months	842	953	143	205
Total	**199,364**	**170,246**	**193,451**	**175,585**

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

	GROUP		COMPANY	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Balance as at 1 January	**7,488**	**3,878**	**5,375**	**3,461**
Impairment loss recognized	515	377	160	124
Amounts written off	(35)	-	-	-
Impairment loss reversed	(10)	(23)	(10)	-
Mergers and absorptions	-	3,257	-	1,791
Change in accounting policy	428	-	124	-
Balance as at 31 December	**8,386**	**7,488**	**5,648**	**5,375**

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Greece	29,926	28,982	62,603	65,460
Other EU Member States	122,035	111,227	107,722	97,694
Other European countries	12,586	14,032	6,661	7,774
Asia	13,143	10,532	3,885	3,963
America	16,450	7,710	9,671	4,652
Africa	4,877	5,152	2,872	2,074
Oceania	348	299	38	85
Total	**199,364**	**177,933**	**193,452**	**181,701**

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

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b) Liquidity risk

GROUP			2017			
€ '000	Αξία Ισολογισμού	Εώς 1 έτος	1 έως 2 έτη	2 έως 5 έτη	Πάνω από 5 έτη	Σύνολο
Liabilities						
Bank loans	215,927	213,521	2,787	585	-	216,892
Finance lease obligations	16,285	3,042	3,092	8,894	3,963	18,991
Bond issues	336,029	66,574	39,625	268,989	-	375,188
Derivatives	2,056	2,005	51	-	-	2,056
Contract liabilities	-	-	-	-	-	-
Trade and other payables	179,173	179,173	-	-	-	179,173
	749,469	**464,314**	**45,555**	**278,469**	**3,963**	**792,301**

GROUP			2018			
€ '000	Αξία Ισολογισμού	Εώς 1 έτος	1 έως 2 έτη	2 έως 5 έτη	Πάνω από 5 έτη	Σύνολο
Liabilities						
Bank loans	269,640	153,702	29,355	67,266	41,435	291,758
Finance lease obligations	13,838	2,988	3,201	8,679	987	15,855
Bond issues	294,490	47,654	54,836	220,511	-	323,001
Derivatives	3,403	3,301	101	-	-	3,403
Contract liabilities	9,238	9,238	-	-	-	9,238
Trade and other payables	244,506	336,590	-	-	-	336,590
	835,115	**553,473**	**87,493**	**296,456**	**42,422**	**979,845**

COMPANY			2017			
€ '000	Αξία Ισολογισμού	Εώς 1 έτος	1 έως 2 έτη	2 έως 5 έτη	Πάνω από 5 έτη	Σύνολο
Liabilities						
Bank loans	123,151	121,602	1,153	585	-	123,341
Finance lease obligations	16,264	3,032	3,092	8,883	3,963	18,970
Bond issues	313,479	43,526	39,625	268,989	-	352,140
Derivatives	1,448	1,446	2	-	-	1,448
Contract liabilities	-	-	-	-	-	-
Trade and other payables	141,577	141,577	-	-	-	141,577
	595,919	**311,183**	**43,872**	**278,457**	**3,963**	**637,476**

COMPANY			2018			
€ '000	Αξία Ισολογισμού	Εώς 1 έτος	1 έως 2 έτη	2 έως 5 έτη	Πάνω από 5 έτη	Σύνολο
Liabilities						
Bank loans	160,588	105,708	19,860	33,679	15,645	174,892
Finance lease obligations	13,838	2,988	3,201	8,679	987	15,855
Bond issues	277,236	39,618	45,139	220,316	-	305,073
Derivatives	3,364	3,263	101	-	-	3,364
Contract liabilities	7,425	7,425	-	-	-	7,425
Trade and other payables	209,222	212,878	-	-	-	212,878
	671,674	**371,880**	**68,301**	**262,675**	**16,632**	**719,488**

c) Exchange rate risk

				2017			
GROUP	**EURO**	**USD**	**GBP**	**BGN**	**RON**	**Other**	**Total**
€'000							
Trade and other receivables	172,202	17,874	11,052	580	-	(59)	201,649
Cash & cash equivalents	38,534	2,622	286	-	-	5	41,446
Loans and Borrowings	(562,565)	(4,520)	(1,129)	(3)	-	(23)	(568,241)
Trade and other payables	(161,998)	(13,151)	(224)	(3,705)	-	(94)	(179,172)
	(513,827)	2,825	9,984	(3,129)		(172)	(504,318)
Derivatives	-	(4,574)	(440)	-	-	2	(5,011)
Total risk	**(513,827)**	**(1,749)**	**9,545**	**(3,129)**	**-**	**(169)**	**(509,329)**

GROUP				2018			
	EURO	**USD**	**GBP**	**BGN**	**RON**	**Other**	**Total**
€'000							
Trade and other receivables	166,730	33,192	15,089	5,842	82	1	220,936
Cash & cash equivalents	24,193	9,345	433	188	77	4	34,241
Loans and Borrowings	(545,718)	(19,204)	(5,067)	(7,979)	-	-	(577,968)
Trade and other payables	(207,241)	(10,068)	(18,303)	(8,830)	-	(64)	(244,506)
Contract liabilities	(8,956)	(261)	-	(22)	-	-	(9,238)
Total liabilities	(570,991)	13,004	(7,848)	(10,800)	160	(59)	(576,536)
Derivatives	-	2,761	(4,032)	-	-	-	(1,271)
Total risk	**(570,991)**	**15,765**	**(11,880)**	**(10,800)**	**160**	**(59)**	**(577,806)**

				2017			
COMPANY	**EURO**	**USD**	**GBP**	**BGN**	**RON**	**Other**	**Total**
€'000							
Trade and other receivables	179,299	8,049	5,799	-	-	1	139,147
Cash & cash equivalents	30,142	2,149	283	-	-	-	32,574
Loans and Borrowings	(449,136)	(3,758)	-	-	-	-	(452,894)
Trade and other payables	(138,064)	(3,213)	(211)	-	-	(90)	(141,577)
	(377,759)	3,227	5,872			(89)	(368,749)
Derivatives	-	(5,069)		-	-	-	(5,069)
Total risk	**(377,759)**	**(1,842)**	**5,872**	**-**	**-**	**(89)**	**(373,818)**

COMPANY				2018			
€'000							
Trade and other receivables	178,536	17,279	6,974	-	-	1	202,790
Cash & cash equivalents	15,838	6,277	355	-	-	-	22,470
Loans and Borrowings	(430,289)	(18,595)	(2,779)	-	-	-	(451,663)
Trade and other payables	(188,719)	(2,252)	(18,223)	-	-	(28)	(209,222)
Contract liabilities	(7,314)	(112)	-	-	-	-	(7,425)
Total liabilities	(431,947)	2,598	(13,672)			(27)	(443,049)
Derivatives	-	-	-	-	-	-	-
Total risk	**(431,947)**	**2,598**	**(13,672)**			**(27)**	**(443,049)**

The rates that were applied for the foreign exchange translation were:

	AVERAGE		AT YEAR END	
	2018	**2017**	**2018**	**2017**
USD	1.1810	1.1297	1.1450	1.1993
GBP	0.8847	0.8767	0.8945	0.8872
RON	4.6540	4.5688	4.6635	4.6585
TRY	5.7077	4.1206	6.0588	4.5464

Sensitivity analysis

A change in the price of Euro against other currencies that the Group trades would have corresponding impact on the income statement and in equity as follows:

GROUP	**2017**			
	Profit or loss		**Equity, net of tax**	
EUR	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	(321)	321	(228)	228
GBP (10% movement)	(847)	847	(601)	601

	2018			
	Profit or loss		**Equity, net of tax**	
EUR	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	(1,489)	1,489	(914)	914
GBP (10% movement)	702	(702)	505	(505)

COMPANY	**2017**			
	Profit or loss		**Equity, net of tax**	
EUR	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	(333)	333	(236)	236
GBP (10% movement)	(521)	521	(370)	370

COMPANY	**2018**			
	Profit or loss		**Equity, net of tax**	
EUR	**EUR Strengthening**	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	(297)	297	(66)	66
GBP (10% movement)	1,223	(1,223)	342	(342)

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d) Interest rate risk

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Fixed-rate instruments				
Financial liabilities	3,331	3,976	-	1,000
Variable-rate instruments				
Financial liabilities	574,637	564,265	451,663	451,894

Sensitivity analysis

The effects of an increase in the interest rates of 25 basis points in the Income statement and the Equity can be depicted as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
0.25% increase	1,437	(1,411)	1,129	(1,130)
0.25% decrease	(1,437)	1,411	1,129	1,130

28. Fair value of financial assets

The different levels have been defined as follows:

- Level 1: consists of exchange traded derivatives and shares which are based on market prices.
- Level 2: consists of OTC derivatives that are based on prices from brokers.
- Level 3: Includes unlisted shares. They come from estimates of the Company as there are no observable market data.

The financial information concerning Level 3 refers to holdings in domestic and foreign companies with a stake of less than 20%. These holdings which are not quoted and the fair value cannot be reliably measured, they are valued at cost and are subject to impairment testing (see Note 14).

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

GROUP

		2017		
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	39	-	3,733	**3,771**
Derivative financial assets	3,893	1,119	-	**5,012**
Derivative financial liabilities	(1,430)	(627)	-	**(2,056)**

		2018		
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	39	-	3,814	**3,853**
Derivative financial assets	2,389	729	-	**3,118**
Derivative financial liabilities	(2,997)	(406)	-	**(3,403)**

COMPANY

		2017		
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	39	-	3,733	**3,771**
Derivative financial assets	2,841	275	-	**3,116**
Derivative financial liabilities	(1,249)	(199)	-	**(1,448)**

		2018		
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets	39	-	3,814	**3,853**
Derivative financial assets	2,166	39	-	**2,205**
Derivative financial liabilities	(2,977)	(387)	-	**(3,364)**

The derivatives of level 1 comprise of futures traded in 'London Metal Exchange – LME' for which there is an observable market price for all prompt dates on which the contract is settled. The mark-to-market valuations of the futures are based on evening evaluations of LME, as well as the counterparties valuations in contracts, which are LME brokers. The derivatives of level 2 comprise of forward FX contracts. The valuation stems from the counterparty banks based on a valuation model.

(b) Fair Value in Level 3

The movement in Level 3 was as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Balance at 1 January	**3,733**	**1,396**	**3,733**	**1,396**
Additions	13	387	13	387
Mergers and absorptions	-	2,509	-	2,509
Reclassifications	68	(558)	-	(558)
Balance at 31 December	**3,814**	**3,733**	**3,746**	**3,733**

During the fiscal year, there were no reclassifications of financial assets between levels.

The financial assets classified in Level 3 are valuated with the discounted cash flow method. The valuation model calculates the present value of the net cash flows that the Cash Generating Unit is creating. (CGU)

The expected cash flows have been discounted using rates as follows:

- Risk-free rate: 0.9%
- Market risk premium: 6.2%
- Expected income tax rate: 28%
- Levered beta: 1.08

For the most significant investment the WACC used was 6.9%.

The expected fair value will increase (dercrease) if:

- The expected market development increases (decreases)
- The expected cash flows increases (decreases)
- The discount rate decreases (increases)

29. Commitments

The contractual obligations are:

	GROUP		COMPANY	
	2018	2017	2018	2017
	€ '000	€ '000	€ '000	€ '000
Tangible assets	8,004	7,670	7,052	1,999

The future payments from operational leases are as follows:

	GROUP		COMPANY	
	2018	2017	2018	2017
Future minimum lease payments	€ '000	€ '000	€ '000	€ '000
Less than one year	1,681	1,265	722	711
Between one and five years	3,740	2,530	1,146	1,284
More than five years	3	3		3
Total	**5,424**	**3,798**	**1,869**	**1,998**

30. Contingent liabilities / assets

The tax liabilities of the Company and its subsidiaries for certain financial years have not been audited by taxation authorities and thus are not finalized yet for such years.

The table below presents unaudited tax years of the companies consolidated by ElvalHalcor SA by applying either full consolidation or equity method.

Company		Country	Business	Direct Participation	Indirect Participation	Consolidation Method	Unaudited Fiscal Years
ELVALHALCOR S.A.	-	GREECE	Industrial	-	-	-	2012-2017
FITCO S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2012-2017
SOFIA MED S.A.	(1)	BULGARIA	Industrial	89.56%	0.00%	Consolidation in Full	-
TECHOR S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	-
ELKEME S.A.	(2)	GREECE	Metallourgical Research	92.50%	0.00%	Equity Method	2011-2017
VIEXAL S.A.	(2)	GREECE	Services	26.67%	0.00%	Equity Method	2012-2017
VIENER S.A.	(2)	GREECE	Energy	41.32%	0.00%	Equity Method	2012-2017
CENERGY HOLDINGS S.A.	(2)	BELGIUM	Holdings	25.16%	0.00%	Equity Method	-
INTERNATIONAL TRADE S.A.	(2)	BELGIUM	Commercial	29.97%	0.00%	Equity Method	-
TECHOR PIPE SYSTEMS	(3)	ROMANIA	Industrial	0.00%	100.00%	Consolidation in Full	-
HC ISITMA A.S.		TURKEY	Industrial	50.00%	0.00%	Equity Method	-
STEELMET S.A.	(2)	GREECE	Services	29.50%	0.00%	Equity Method	2012-2017
SYMETAL S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2013-2018
ELVAL COLOUR S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2013 & 2017
VEPAL S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2013-2017
ANOXAL S.A.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2012-2017
VIOMAL S.A.	(1)	GREECE	Industrial	50.00%	0.00%	Consolidation in Full	2011-2017
ROULOC S.A.	(4)	GREECE	Industrial	0.00%	100.00%	Consolidation in Full	-
ELVAL COLOUR IBERICA S.A.	(4)	SPAIN	Commercial	0.00%	100.00%	Consolidation in Full	-
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH		GERMANY	Commercial	50.00%	0.00%	Equity Method	-
UACJ ELVAL CONSULDTING S.A. (former AFSEL)		GREECE	Services	50.00%	0.00%	Equity Method	-
METALVALIUS		BULGARIA	Industrial	0.00%	100.00%	Consolidation in Full	-
NEDZINK B.V.		NETHERLANDS	Industrial	50.00%	0.00%	Equity Method	-

(1) Susbidiary of ELVALHALCOR
(2) Subsidiary of Viohalco SA
(3) Subsidiary of Techor S.A.
(4) Subsidiary of Elval Colour S.A.

31. Related parties

Affiliated parties shall mean all companies and natural persons with whom 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) is established.

	GROUP		COMPANY	
€' 000	**2018**	**2017**	**2018**	**2017**
Sale of goods				
Subsidiaries	-	-	195,495	179,107
Equity accounted investees	481,934	311,894	439,653	283,363
Joint Ventures	17	-	17	-
Other	383,584	109,235	260,860	51,482
	865,536	**421,128**	**896,025**	**513,952**
Sale of services				
Subsidiary companies	-	-	6,922	2,522
Equity accounted investees	663	1,002	663	967
Joint Ventures	3	-	3	-
Parent	187	62	187	62
Other	1,826	748	1,750	629
	2,678	**1,812**	**9,525**	**4,180**
Sale of fixed assets				
Subsidiary companies	-	-	29	1
Joint Ventures	174	-	174	-
Other	7	1	0	1
	182	**1**	**203**	**2**
Purchase of goods				
Subsidiary companies	-	-	66,174	16,208
Equity accounted investees	1	3,082	-	413
Other	46,324	50,587	40,489	21,622
	46,325	**53,669**	**106,663**	**38,242**
Purchase of services				
Subsidiary companies	-	-	34,674	32,130
Equity accounted investees	5,540	3,930	4,178	3,262
Parent	433	246	218	65
Other	28,775	12,138	19,439	11,211
	34,748	**16,314**	**58,508**	**46,668**
Purchase of fixed assets				
Subsidiary companies	-	-	243	3
Equity accounted investees	63	29	27	20
Joint Ventures	123	-	123	-
Other	13,931	6,746	12,790	6,199
	14,118	**6,775**	**13,183**	**6,222**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

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

€' 000	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Receivables from related parties:				
Subsidiary companies	-	-	65,771	62,759
Equity accounted investees	18,595	34,803	16,138	32,502
Joint Ventures	21	153	21	153
Parent	212	262	210	262
Other	84,537	51,461	70,232	42,072
	103,364	**86,680**	**152,373**	**137,748**
Liabilities to related parties:				
Subsidiary companies	-	-	10,644	11,201
Equity accounted investees	618	3,244	427	2,956
Joint Ventures	18	171	18	171
Parent	66	132	24	127
Other	17,463	17,362	14,847	7,621
	18,165	**20,909**	**25,961**	**22,076**

Services towards and from affiliated parties, as well as sales and purchases of goods, are realized in accordance with the fee schedules, which apply for non-affiliates.

€' 000	GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Fees - benefits to the members of the Board of Directors and executives	10,750	1,241	5,018	643
	10,750	**1,241**	**5,018**	**643**

32. Auditor's fees

Regarding year 2018, the fees for the audit of the Company's financial statements amounted to Euro 162 thousands (2017: Euro 162 thousands), for tax audit amounted to Euro 45 thousands (2017: Euro 43 thousands) and fees for other services reached Euro 164 (2017: Euro 107 thousands). In group level they amounted to Euro 117 thousands (2017: Euro 172 thousands), for tax audit Euro 45 thousands (2017: Euro 46 thousands) and fees for other services Euro 164 thousands (2017: Euro 107 thousands).

33. Effect of IFRS 9 and IFRS 15

The adoption of IFRS 9 on 1st of January 2018, had a negative effect on the Group's and the Company's Equity due to changes in the impairment provision of Euro 427 thousand and Euro 123 thousand respectively.

The adoption of IFRS 15 had a positive effect on the shareholder's equity of the Group as a result of the consolidation with the equity method of the associate Cenergy Holdings S.A., mostly due to the implementation of changes in the recognition of income over time, related to projects of customized products that the subsidiaries of Cenergy Holdings S.A. undertake. More specific, under IAS 18 provisions, the subsidiaries of Cenergy Holdings recognized revenue, for all the contracts that did not fulfill the provisions of a construction contract under IAS 11, when the risks and awards of ownership had been transferred to the customer. The recognition usually took place when the product was delivered to the customer. However, for some shipments abroad the transfer of risks and rewards took place according to Incoterms; when the products were loaded to the ship or other means of transport at the seller's harbor.

According to IFRS 15, the subsidiaries of Cenergy Holdings recognize additional revenue when the customer assumes control over the customized products. According to the contract terms for customized products which are produced for the exclusive use of certain customers, the customer controls the progress of the work completed, as the steel pipe or the cable is being produced. Therefore, for those kind of contracts, the revenue is being recognized over time based on the quantity of products which are produced and checked against the total quantity which will be produced according to the contract, or based on the evaluation of results which have been achieved. The effect from the aforementioned was positive in the Group's Equity by Euro 911 thousand.

The Group chose not to restate the comparative information but to recognise any difference between the previous and the new carrying amount directly in the opening retained earnings as of 1st of January 2018. Therefore, the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as of 31 December 2017 and are recognised in the opening balance sheet on 1st of January 2018.

The following table presents the adjustments recognized for each individual line item on 1 January 2018. Items that were not affected by the requirements of IFRS 9 and IFRS 15 have not been included. As a result, the totals and sub-totals disclosed cannot be recalculated based on the numbers provided

GROUP

€ ' 000	31.12.2017 as published	Effect of IFRS 9	Effect of IFRS 15	Effectof IFRS 9 through consolidatin of Equity accounted investees	Effect of IFRS 15 through consolidatin of Equity accounted investees	01.01.2018 opening balance as restated
ASSETS						
Non-current assets						
Investments in equity accounted investees	64,186			(232)	911	64,865
	842,212			(232)	911	**842,892**
Current Assets	-					-
Trade and other receivables	199,025	(427)				198,598
	678,720	(427)				**678,293**
Total assets	**1,525,427**	(427)		(232)	911	**1,525,680**
EQUITY						
Capital and reserves attributable to the Company's equity holders						
Retained earnings/(losses)	161,796	(415)		(232)	911	162,060
Equity attributable to owners of the company	**655,511**	(415)		(232)	911	**655,775**
Non-Controlling Interest	12,905	(12)				12,894
Total equity	**668,416**	(427)		(232)	911	**668,669**
LIABILITIES	-					-
	392,724					**392,724**
Current liabilities	-					-
Trade and other payables	179,172		(8,226)			170,947
Contract liabilities	-		8,226			8,226
Total liabilities	**857,011**					**857,011**
Total equity and liabilities	**1,525,427**	(427)		(232)	911	**1,525,680**

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COMPANY

€ ' 000	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	190,723	(123)		190,600
	507,157	**(123)**		**507,034**
Total assets	**1,336,582**	**(123)**		**1,336,459**
EQUITY				
Retained earnings/(losses)	155,618	(123)		155,495
Equity attributable to owners of the company	**660,919**	**(123)**		**660,796**
LIABILITIES				
Current liabilities				
Trade and other payables	135,146		(6,431)	128,715
Contract liabilities	-		6,431	6,431
Total equity and liabilities	**1,336,582**	**(123)**		**1,336,459**

34. Held for Sale

The amount of Euro 4.5 mil. is the book value of machinery (cost Euro 5.7 mil. and accumulated depreciation Euro 1.2 mil.) recognized according to IFRS 5. The aforementioned asset classified in the Copper Segment. For the aforementioned equipment the provisions of par. 8 of IFRS 5 are in effect, providing the fact that the Management has set forth a plan for the sale which is expected to materialized in 2019.

35. EBITDA and a-EBITDA

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss.

€ '000		GROUP 2018	GROUP 2017	COMPANY 2018	COMPANY 2017
Operating profit / (loss)		**107,051**	**69,616**	**75,370**	**59,067**
	Adjustments for:				
	+ Depreciation	58,999	44,805	39,940	35,516
	+ Amortization	1,070	578	654	301
	- Amortization of Grants	(1,955)	(1,793)	(1,311)	(1,180)
EBITDA		**165,166**	**113,206**	**114,652**	**93,704**

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets and investments if included in the operational results
- Other impairments

For the current and the respective previous period the figures were as follows:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

€ '000		GROUP		COMPANY	
		2018	2017	2018	2017
EBITDA		**165,166**	**113,206**	**114,652**	**93,704**
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	(23,016)	(24,048)	(22,755)	(22,132)
	+ Restructuring Expenses	-	162	-	-
a - EBITDA		**142,149**	**89,319**	**91,897**	**71,572**

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	€ '000	€ '000	€ '000	€ '000
(A) Value of Metal in Sales	1,580,309	733,663	1,018,003	497,068
(B) Value of Metal in Cost of Sales	(1,567,949)	(710,408)	(1,003,018)	(475,403)
(C) Result of Hedging Instrunments	10,657	794	7,769	467
(A+B+C) Metal Result in Gross Profit	23,016	24,048	22,755	22,132

The comparison of EBITDA and a-EBITDA with the respective pro-forma comparable period was as follows:

€ '000		GROUP	
		2018	2017
EBITDA		**165,166**	**160,521**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(23,016)	(33,135)
	+ Restructuring Expenses	-	162
	+ Valuation of Fixed Assets	-	1,890
a - EBITDA		**142,149**	**129,437**

For the 12 months	31.12.2018	31.12.2017
	€ '000	€ '000
(A) Value of Metal in Sales	1,580,309	1,397,111
(B) Value of Metal in Cost of Sales	(1,567,949)	(1,361,933)
(C) Result of Hedging Instrunments	10,657	(2,043)
(A+B+C) Metal Result in Gross Profit	23,016	33,135

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

		ALUMINIUM	
		31.12.2018	31.12.2017
		€ '000	€ '000
Operating profit / (loss)		**76,953**	**67,245**
	Adjustments for:		
	+ Depreciation	42,522	44,842
	- Amortization of Grants	(1,724)	(1,760)
EBITDA		**117,751**	**110,327**
EBITDA		**117,751**	**110,327**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(21,984)	(23,376)
a - EBITDA		**95,767**	**86,951**

	ALUMINIUM	
	31.12.2018	31.12.2017
	€ '000	€ '000
(A) Value of Metal in Sales	654,745	545,940
(B) Value of Metal in Cost of Sales	(639,089)	(523,090)
(C) Result of Hedging Instrunments	6,328	526
(A+B+C) Metal Result in Gross Profit	21,984	23,376

		COPPER	
		31.12.2018	31.12.2017
		€ '000	€ '000
Operating profit / (loss)		**30,098**	**34,722**
	Adjustments for:		
	+ Depreciation	17,547	15,599
	- Amortization of Grants	(231)	(128)
EBITDA		**47,415**	**50,193**
EBITDA		**47,415**	**50,193**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(1,032)	(9,759)
		-	2,052
a - EBITDA		**46,382**	**42,486**

	COPPER	
	31.12.2018	31.12.2017
	€ '000	€ '000
(A) Value of Metal in Sales	925,564	851,171
(B) Value of Metal in Cost of Sales	(928,860)	(838,843)
(C) Result of Hedging Instruments	4,328	(2,569)
(A+B+C) Metal Result in Gross Profit	1,032	9,759

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

36. Subsequent events

1. On 09.01.2019 ELVALHALCOR announced that SOFIA MED AD, signed the extension of maturity to seven years of the syndicated collateralized long-term loan amounting of €60.0 million with Alpha Bank A.E.- London Branch, Eurobank Bulgaria AD and Piraeus Bank Bulgaria AD. Moreover, it is noted that SOFIA MED AD signed amendment of the loan with European Bank for Reconstruction and Development ("EBRD") total amount of €25.0 million, which comprises of two parts: a) loan of €10.5 million with new seven year maturity and b) a new loan of €14.5 million, also with seven year maturity for the financing of investment program for machinery and capacity increase.

2. On 05.02.2019 ELVALHALCOR S.A. announced that, the Board of Directors with its 04.02.2019 decision, decided to commence the proceedings of the transformation of the branch in Pogoni-Ioannina, manufacturing plant of all types of coin blanks and rings into a newly founded company limited by shares ("Société anonyme") in accordance with the third section of par. 2 of article 52 of L. 4172/2013, as replaced by article 23, par. 6.c., of L. 4223/2013.

3. On 18.02.2019 ELVALHALCOR S.A. announced the acquisition of the 50% of "UACJ ELVAL CONSULTING SA" (former AFSEL) from UACJ Corporation, for amount of €16 thousand and after the transaction the participation of ELVALHALCOR amounts to 100%.

5. On 01.03.2019 the General Meeting of shareholders of the 100% subsidiary Fitco S.A decided the share capital increase by € 5.0 million, by cash payment.

Information under article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE ADDRESS	WEBSITE MAP
1.	Annual Financial Report 2018	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
2.	Interim Financial Statements H1 2018	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
3.	Press releases during 2018	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Press releases
4.	Announcements to the Stock Exchange during 2018	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Announcements