ELEMKA S.A.

ANNUAL FINANCIAL REPORT

For the period

From the 1st of January to the 31st of December 2018

According to International Financial Reporting Standards

(Amounts in € unless otherwise stated)

ELEMKA S.A.

8 Artemidos Str, Amaroussion, Attica

G.E.MI reg. number 649101000

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A. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "ELEMKA S.A."

<u>Report on the audit of the separate and consolidated financial statements.</u>

Opinion

We have audited the accompanying financial statements of the company "ELEMKA S.A." (the Company), which comprise the statement of financial position as at December 31, 2018, the statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following::

a. In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a of Greek Codified Law 2190/1920 and its content is consistent with the accompanying financial statements for the year ended 31/12/2018.

b. Based on the knowledge we obtained during our audit about the Company "ELEMKA S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, March 22, 2019

The Certified Public Accountant

Cristina Tsironi

SOEL No: 36671

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Ζεφύρου 56, 17564 Παλαιό Φάληρο
Α.Μ. ΣΟΕΛ 127

B. ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Shareholders,

On the occasion of filing for approval of the Company's Financial Statements, we present to you our report for the financial year ended December 31, 2018.

The year 2018 has been a period of effort, for ELEMKA S.A., to maintain its market position. During this year, the Company's activities complied with current law and its objectives as set forth in its Articles of Association.

FINANCIAL POSITION

The Company's financial position is still satisfactory and reflects its financial stability and future prospects despite the suffocating domestic economic environment. The positive performance of the Company is reflected in the financial results of the fiscal year 2018, which confirm the resilience of ELEMKA S.A.

Turnover for the fiscal year amounted to €16.654.379 compared to €16.033.301 of the previous year, recording an increase of 3.87%.

Among the factors that contributed to the above performance of the Company are the projects that it has undertaken as a subcontractor of the Parent Company MYTILINEOS S.A. – GROUP OF COMPANIES (as asuccessor of the company METKA S.A. due to merger), and more specifically:

a) The project "Wind power station in the position of Petalas of the municipalities of Amphilia and Agrinio" with a contract price of €8.538.210 which in the current year recorded a turnover of €3.902.613.

b) The project "Pyrgos - Evia" with a contract price of €2.630.522 which in the current year recorded a turnover of €1.526.683.

Earnings before tax amounted to €363.946 compared to €499.312 in the previous year.
Equity as at 31/12/2018 amounted to €1.904.512 against €1.835.668 in the previous year.

For the most complete presentation of the Company's operations for the fiscal year 2018 and 2017, we provide the following representative financial ratios:

Ratio	Type	2018	2017
Liquidity	Current Receivables	123%	116%
	Current Liabilities		
Gross Profit Margin	Gross Profit	11%	10%
	Sales		
Net Profit Margin	Earnings	3%	4%
	Sales		
Return on Equity	Earnings	26%	36%
	Equity		
Internal Stock Value	Equity	529,03	509,91
	Weighted average number of shares		

SUBSEQUENT EVENTS

There have been no events that could have a significant impact on the Company's financial position, which is required by International Financial Reporting Standards (IFRSs).

PROSPECTS FOR THE NEXT YEAR

The next fiscal year 2019 is expected to be satisfactory for the Company. It is envisaged to continue its participation in large technical projects with clients within or outside the Group which are expected to improve its turnover and profits, as well as to continue operations in foreign projects. It is also worth noting that in 2018, the Company signed new project contracts that are expected to improve its profitability over the coming years.

During 2018, the Company made contacts and collaborated with the Municipality of Riyadh on an important project that will be the foundation for future cooperation. At the same time, we continue to provide specialized technical inspection and maintenance services to the State of Kuwait, where we are expected to stabilize our satisfactory position in 2018 and expand further.

The above are both part of our basic goal and our direction for continuous growth and development of synergies as well as the strategic choice of expanding into new markets.

ELEMKA S.A., in 2018, through its strategic choices, strengthened its momentum in foreign markets, and despite the adverse domestic economic environment, it maintained its dominant presence in the field of specialty projects and in the trade of road construction materials.

The Company monitors the performance of its activities through an analysis of three key areas:

1. The sector of **PROJECT MANAGEMENT**, which includes civil and mechanical engineering projects in the Energy Sector
2. The sector of **TRADE**, which comprises sales of road-bridge materials
3. The sector of **SERVICES**, which includes inspection and maintenance of technical works and the application of trading materials.

The Company has a policy of continually evaluating its results and performance on a monthly basis, in order to identify timely and effective deviations from its objectives and to take appropriate corrective action where it is appropriated.

At this point, it should be noted that as in previous years, the Company and its subsidiaries did not purchase treasury shares during the fiscal year 2018.

RISK MANAGEMENT

Financial risk management factors

The Company is exposed to a limited range of financial risks. The usual risks, in which they theretically belong, are market risks (exchange rate fluctuations, interest rates, market prices), credit risk, liquidity risk and cash flow risk. The Company's risk management program aims at addressing the risks of good performance and reliability and the proper implementation of supplies, and then the immediate priority is credit risk and then market risk.

To carry out the relevants transactions,approval is given by the executives who have the right to bind the Company to the counterparties. The Company is exposed to various financial risks and with constant monitoring it tries to anticipate such risks and act timely to limit their potential impact.

Exchange rate risk

The Company's exposure to foreign exchange risks arises from future commercial transactions and recognized assets and liabilities that are valued in a currency other than the Company's operating currency.

The Company operates in Greece, in Syria and North Africa, through its Parent Company and therefore, it may be exposed to exchange rate risk that may result from the euro exchange rate with other currencies, and in particular with US dollars (USD). This type of risk may arise primarily from existing or anticipated foreign currency cash flows, other than the Euro, from trading.

The foreign currency trading is only in US dollars (USD). The contracts with clients in US dollars (USD) relate to the contract in Ghana.

The financial assets and the Company's respective liabilities denominated in foreign currency at the closing rate are analyzed as follows:

Ammounts	31/12/2018	31/12/2017
	USD	
Financial Assets	334.451	422.840
Total	**334.451**	**422.840**

Credit risk

The Company does not exhibit any considerable concentrations of credit risk.

The Company's turnover consists mainly of transactions with the parent company as well as with large manufacturing groups which deal with large and reliable foreign & domestic credit companies. On this basis, the credit risk is estimated to be small and depends on the viability of these groups and the parent company in the context of their activities in and outside Greece.

Amounts in €	31/12/2018	31/12/2017
Categories of financial risk		
Trade and Other Receivables	7.052.690	7.606.027
Cash and cash equivalents	403.078	1.044.406
Closing Balance	**7.455.768**	**8.650.433**

Liquidity Risk

The liquidity risk is kept low, maintaining sufficient cash, immediately liquidable securities and bank credit limits.

The tables below summarize the maturity profile of the companys's liabilities as at 31.12.2018 and 31.12.2017 respectively:

	Short-Term		Long-Term	
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years
Short-term loans	669.759	0	0	0
Trade payables	3.480.198	0	0	0
Other short term liabilities	742.711	0	0	0
Liabilities to related parties	0	0	682.438	0
Total	**4.788.082**	**0**	**682.438**	**0**

The respective maturity of the financial liabilities as at 31 December 2017 for the Company is analyzed as follows:

	Short-Term		Long-Term	
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years
Short-term loans	1.949.031	0	0	0
Trade payables	3.714.204	0	0	0
Other short term liabilities	654.837	0	0	0
Liabilities to related parties	0	0	682.438	0
Total	**6.318.072**	**0**	**682.438**	**0**

Cash flow risk and fair value risk due to changes in interest rates

The Company's operating income and cash flows are substantially independent of interest rate fluctuations. The Company has been able to repay a large portion of its loans, has no significant short-term or long-term interest-bearing loans, nor significant interest-bearing investments.

ENVIRONMETAL ISSUES

The Company's efforts to protect the environment are not limited to the application of the rules, regulations and necessary measures. It is also expressed by its commitment to systematically monitor its activities. The measures and principles of the Company for the Protection of the Environment are as follows:

- Improve waste management by promoting recycling, re-use or recovery processes
- Control of raw materials and energy consumption
- Prevention of any risk of pollution, even accidentally
- Staff training and information, in a way customed to the tasks and needs of each employee

Non-financial KPIs are listed below. The selection was made on the basis of their relevance to the activities of MYTILINEOS and their level of materiality in relation to the environmental issues addressed. The KPIs have been defined in accordance with the GRI

Environmental Indicators	
Emissions (Scope 1, t CO2/ year)	250,1
Emissions (Scope 2, t CO2/ year)	80,9
Other significant emissions (NOx SOx, t/ year)	0
Total energy consumption (TJ)1	3,99
Consumption of electricity (TJ)	0,47
Total consumption of water (m3)	838,8
Total quantity of waste (t)	1,5
Recycling/Recovery/Utilisation of solid waste (t)	1,5
Environmental costs (€)	1.800
ISO 14001	YES

LABOR ISSUES

At the Company, we invest in our people as we recognize and support their contribution to our business success and future growth. In this context, we have created a work environment where our human resources feel secure, equitable, stable, satisfied and committed to corporate principles and values. The respect to the rights and dignity of our employees is a key commitment for us. For this reason:

- Our commitment to Health & Safety is the foundation of our operation as we work to achieve our goal of zero accidents at the end of each business day. A key concern is the assessment of the conditions and risks that can cause accidents in our workplaces.
- We care about attracting and retaining capable employees with principles and values such as integrity, consistency, loyalty, creative thinking, professional conscientiousness and responsibility.
- We aim to provide a work environment that provides the necessary conditions for creativity, development and the full potential of each employee.

The non-financial KPIs presented below have been defined in accordance with the GRI STANDARDS.

Social indicators	
Percentage of employees in local communities	64,5%
Percentage of women	18,2%
Percentage of young employees (<30 years old)	6,5%
Percentage of employees who received formal performance evaluation reviews	20,5%
Training man-hours	0
Incidents of discrimination	0
Certification of OHSAS 18001	YES
Number of fatalities	0
Lost-time injury incidents	0
Occupational disease incidents	0
Social investments (€)	0

BRANCHES

The company has no branches both in 2018 and in 2017.

RESEARCH AND DEVELOPMENT

The Company is not active in research and development. Similarly for 2017.

FINANCIAL DERIVATIVE INSTRUMENTS

The Company does not use derivative financial instruments. Similarly for 2017.

Athens, 22/03/2019

Chairman & Chief Executive Officer

Mytilinaios A. Ioannis

C. ANNUAL FINANCIAL STATEMENTS

The attached Financial Statements are those approved by the Board of Directors of "ELEMKA S.A." at 22.03.2019 and have been published to the website www.elemka.gr, where they will remain available to the investing public for at least five (5) years from the date of their drafting and disclosure.

C.a. Statement of Financial Position

Amounts in €

		31/12/2018	31/12/2017
Assets			
Non current assets			
Tangible assets	**7**	208.211	239.110
Investments in Subsidiary Companies	**8**	3.000	3.000
Deferred Tax Receivables	**9**	683.747	757.679
Other Long-term Receivables	**10**	101.434	102.051
		996.391	**1.101.839**
Current assets			
Inventories	**11**	527.519	392.359
Trade and other receivables	**12**	7.772.712	9.188.865
Other current assets	**14**	663.636	468.796
Cash and cash equivalents	**15**	403.078	1.044.406
		9.366.945	**11.094.426**
Total Assets		**10.363.335**	**12.196.265**
Liabilities & Equity			
Equity			
Share capital	**16.1**	105.660	105.660
Other reserves	**16.2**	74.166	73.045
Retained earnings	**16.3**	1.724.686	1.656.964
Total Equity		**1.904.512**	**1.835.668**
Non-Current Liabilities			
Retirement benefit liabilities	**17**	68.571	59.790
Other long-term liabilities	**22**	80.000	80.000
Dividends payable		682.438	682.438
Total Non-Current Liabilities		**831.009**	**822.228**
Current Liabilities			
Trade and other payables	**18**	5.600.053	6.020.422
Current tax liabilities	**19**	615.291	914.079
Short-term debt	**20**	669.759	1.949.031
Other short-term liabilites	**21**	742.711	654.837
Total current liabilities		**7.627.814**	**9.538.369**
Total liabilities		**8.458.823**	**10.360.597**
Total liabilities & Equity		**10.363.335**	**12.196.265**

The attached notes are an integral part of the annual financial statements.

C.b. Income Statement

Amounts in €		1.1 - 31.12.2018	1.1 - 31.12.2017
Sales	**23**	16.654.379	16.033.301
Cost of sales	**24**	(14.892.941)	(14.388.849)
Gross profit		**1.761.437**	**1.644.452**
Other operating income	**26**	31.959	212.535
Distribution expenses	**24**	(334.327)	(125.991)
Administrative expenses	**24**	(911.978)	(918.593)
Other operating expenses	**26**	(53.605)	(155.247)
Earnings before interest and income tax		**493.487**	**657.157**
Financial income	**27**	11	36
Financial expenses	**27**	(129.552)	(157.881)
Profit before taxes		**363.946**	**499.312**
Income tax expense	**28**	(296.224)	(604.478)
Profit/Loss after taxes		**67.722**	**(105.166)**
Other comprehensive income			
Revaluation of employee benefit liabilities		1.558	979
Deferred tax on revaluation		(436)	(284)
Total comprehensive income after taxes		**68.844**	**(104.471)**
Weighted number of shares outstanding		3.600	3.600
Basic Earnings / Losses per share (euro/share)	**29**	**19,1233**	**(29,0198)**

The attached notes are an integral part of the annual financial statements.

C.c. Statement of changes in Equity

Ammounts in €	Share Capital	Other Reserves	Retained earnings	Total
Opening Balance 1st January 2017	105.660	72.350	1.762.130	1.940.140
Dividends Paid				0
Transactions with parent owners	**0**	**0**	**0**	**0**
Actuarial Gain / (Losses)		979		**979**
Deferred Tax From Actuarial Gain / (Losses)		(284)		**(284)**
Results for the period 1/1-31/12/2017			(105.166)	**(105.166)**
Total Income for the foscal year	**0**	**695**	**(105.166)**	**(104.471)**
Closing Balance 31/12/2017	**105.660**	**73.045**	**1.656.964**	**1.835.668**
Opening Balance 1st January 2018	105.660	73.045	1.656.964	1.835.668
Dividends Paid				0
Transactions with parent owners	**0**	**0**	**0**	
Actuarial Gain / (Losses)		1.558		**1.558**
Deferred Tax From Actuarial Gain / (Losses)		(436)		**(436)**
Results for the period 1/1-31/12/2018			67.722	**67.722**
Total Income for the foscal year	**0**	**1.122**	**67.722**	**68.844**
Closing Balance 31/12/2018	**105.660**	**74.167**	**1.724.686**	**1.904.512**

The attached notes are an integral part of the annual financial statements.

C.d. Cash flow statement

Amounts in €		1/1-31/12/2018	1/1-31/12/2017
<u>**Operating activities**</u>			
Earnings before tax (continuing operations)		363.946	499.312
Adjustments on profit	**30**	139.462	16.108
		503.407	**515.420**
Plus / less adjustments for changes in working capital or related to operating			
Decrease / (increase) of inventories		(104.207)	108.636
Decrease / (increase) of recievables		1.309.816	(1.403.097)
Decrease / (increase) of payables (excluding banks)		(958.376)	1.529.466
Interest and similar expenses		(123.280)	(151.142)
Paid taxes			-
Total inflows / (outflows) from operating activities (a)		**627.359**	**599.283**
<u>**Investing activities**</u>			
Purchases of tangible and intangible assets		(1.907)	(205.057)
Sales of tangible and intangible assets		-	4.435
Interest received		11	36
Total inflows / (outflows) from investing activities (b)		**(1.896)**	**(200.585)**
<u>**Financing activities**</u>			
Repayments of borrowings		(1.266.790)	-
Dividends paid		-	(19.673)
Total inflows / (outflows) from financing activities (c)		**(1.266.790)**	**(19.673)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**(641.328)**	**379.026**
Cash and cash equivalents at the beginning of the period		1.044.406	665.380
Cash and cash equivalents at the end of the period		**403.078**	**1.044.406**

The attached notes are an integral part of the annual financial statements.

E. NOTES ON THE FINANCIAL STATEMENTS

1. General Information about the Company

The Company ELEMKA S.A. based in Athens. The Company's offices are located in Maroussi, at Artemidos Street 8. The purpose of the Company is the trade of road construction materials and the execution of technical works.

The Company is a subsidiary of the listed company "MYTILINEOS S.A." (as a successor of METKA S.A. due to a merger), with registered office in Greece, and the financial statements of ELEMKA SA are included in the consolidated financial statements of its parent, using the method of total consolidation. In addition, the Company does not prepare consolidated financial statements for the reasons set out in § 4.1.

The financial statements for the year ended 31.12.2018 (along with the respective comparative information for the previous year 2017), were approved by the Board of directors on 22.03.2019 and the approval of the Annual General Meeting of shareholders is pending. In addition, the Board of Directors decided not to distribute dividends to the shareholders so that the Company could receive cash, and be able to refurbish part of its equipment to meet the needs of the projects under consideration.

The non-distribution of dividend is subject to the approval of the next Ordinary General Meeting.

2. Nature of activities

The strategic areas in which ELEMKA S.A. operates are:

- Trade in road construction materials - (bearings, joints, road markers, bridge materials, etc.)
- Specific technical projects (bridge prestressing)
- Provision of services (specialized project maintenance & material placement staff).

The Company is highly competitive in the field of road construction materials and special technical projects with specialized personnel and special pre-tensioning machines.

The many years of experience in the field of prestressing & road building materials has enabled the Company to move dynamically in this area.

3. Basis for preparation of the financial statements

3.1. Declaration of conformity

The Company's Financial Statements as of December 31, 2018, covering the period from January 1 to December 31, 2018, are in accordance with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB), and their Interpretations, which have been issued by the IFRIC and adopted by the European Union by 1 January 2018. Also, these financial statements have been prepared on the basis of going concern assumption.

The Company applies all International Accounting Standards (IAS), International Financial Reporting Standards (IFRSs) and their Interpretations that apply to its operations. The relevant accounting policies have been consistently applied to all periods presented.

3.2. Currency

The presentation currency is the Euro (the currency of the country of residence of the Company and its parent) and all amounts are presented in Euro, unless otherwise stated.

3.3. Use of estimates

The preparation of Financial Statements in accordance with IFRS requires the use of estimates and the exercise of judgment in applying the Company's accounting policies. Decisions, assumptions and estimates of management affect the amount at which certain assets and liabilities are valued, the amount recognized during the year for certain income and expenses, and the estimates presented for contingent liabilities.

The assumptions and estimates are evaluated on an ongoing basis and in line with historical experience and other factors, including expectations of the outcome of future events that are considered reasonable under existing conditions. These estimates and assumptions concern the future and, as a consequence, actual results are likely to be different from accounting estimates.

3.4. Changes in Accounting Policies

The Financial Statements have followed the accounting policies used to prepare the Financial Statements for the year 2017, adjusted to new Standards, and the revisions to the Standards required by IFRSs (see paragraph 3.4.1-2).

3.4.1. New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2018.

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The new Standard affects/ does not affect the consolidated/ separate Financial Statements (to be adapted in respect of every Group/ Company).

Effect of application of IFRS 9 "Financial Instruments"

Classification and Measurement

IFRS 9 eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available for sale.

In accordance with IFRS 9, financial instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. Classification is based on two criteria:

• the business model for managing a financial asset, meaning, whether the objective is to hold for the purpose of collecting contractual cash flows or collecting contractual cash flows as well as the sale of financial assets; and

• whether the contractual cash flows of the financial asset consist exclusively of capital repayments and interest on the outstanding balance ("SPPI" criterion).

With the adoption of IFRS 9, there was no need to form new provisions as it is covered by the existing ones received by the Company.

Impairment:

The Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured in an amount equal to the expected credit losses over the lifetime for customer receivables and contractual assets. To determine the expected credit losses in relation to customer receivables, the Company uses a credit loss projection table based on the historical data of the Company for credit losses, adjusted for future factors in relation to the debtors and the financial environment. In particular, to determine the expected credit losses in respect of contractual assets, account shall be taken of the estimated rate of early termination of contracts, the amount of the clauses in the case of early termination and the relative rate of collectability.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The new standard has no effect on the Company's Financial Statements.

Impact of the application of IFRS 15 "Revenue from Customer Contracts"

On 01/01/2018, the Company adopted IFRS 15, applying this Standard retrospectively, with the cumulative effect of initial application being recognized at the date of initial application.

The Company recognizes revenue when (or as) it fulfills a performance obligation by transferring a promising good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer acquires control of that asset. The customer acquires control of an asset (good or service) when it can direct its use and receive substantially all the residual benefits from it.

The amount of revenue recognized is the amount allocated to the commitment to execute the contract. The commitment to execute the contract can be fulfilled either at a specific point in time or over time. For execution commitments that are fulfilled over time, the Company recognizes revenue over time, choosing the most appropriate method of measuring progress in meeting each execution commitment. Appropriate methods of measuring progress include both output methods and input methods.

The Company had no impact on its profitability or financial position during the first application of IFRS 15, resulting in no adjustment to the "Earnings Retained".

- **Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments do not affect the separate Financial Statements.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the separate Financial Statements.

- **Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize 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 (the "overlay approach"). The amendments do not affect the separate Financial Statements.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: **IFRS 1**: Deletion of short-term exemptions for first-time adopters, **IAS 28**: Measuring an associate or joint venture at fair value. The amendments do not affect the separate Financial Statements.

- **Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments do not affect the separate Financial Statements.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The new Interpretation does not affect the Financial Statements.

3.4.2. New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The above have been adopted by the European Union with effective date of 01/01/2019.

The Management has examined the expected effect of IFRS 16 application on 01/01/2019 as well as its estimated effect on the financial statements. Under the transition, liabilities arising from the effective operating leases will be discounted through applying the relevant discount rate. The arising present value will be recognized as a lease liability. The rights to use the assets will be measured in the same way as the lease obligation, adjusted by the amount of any prepaid or accrued rentals. The Company will apply the new standard using the cumulative effect method, under which comparative sizes for the previous year will not be restated. At the same time, explanations regarding the reasoning behind changes in the financial statements will be provided as a result of first time IFRS 16 application. The final effect arising form IFRS 16 application will depend on the discount rate effective as at 01/01/2019, determination of the lease agreements, falling within the scope of the new Standard as at that date, the final evaluation of the lease term, in particular with respect to the exercise of any renewal and termination rights.

In general, based on the current estimates made by the Management, the effect of first time IFRS 16 application is expected to be as follows:

The Statement of Financial Position as at 01/01/2019 is expected to record an increase in total assets due to capitalization of assets with rights to use and a corresponding increase in the lease liabilities fluctuating between € 420 thousand and € 520 thousand.

In respect of the Income Statement for fiscal year 2019, depreciations are expected to increase from € 108 thousand to € 132 thousand and the amounts recorded in the item "Interest and related expenses" are expected to increase from € 13 thousand to € 15 thousand. Decrease in rental expenses is expected to lead to an improvement in "Operating profits before financial and investing activities, depreciation and amortization" of approximately € 120 thousand.

- **Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

- **IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Company will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2019.

- **Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to 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 Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

- **Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The

Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes 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. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: “Definition of Material” (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Company will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

4. Summary of Significant Accounting Policies

4.1 Consolidation

ELEMKA S.A. is incorporated with an 83.50% interest in the financial statements of "MYTILINEOS S.A." (as a successor of METKA S.A., due to the merger).

Subsidiaries:

Subsidiaries are entities (including special purpose entities) in which the Group holds more than half of the voting rights or has the ability to direct the financial and operating principles followed. The existence of potential voting rights that are exercisable at the time the financial statements are prepared, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.

Exemptions from consolidating investments in subsidiaries: The parent company is not required to present consolidated financial statements only if:

(a) the parent company is wholly owned by another company or partially owned by another entity, and its other owners, including those not voting, have been informed that the parent company will not prepare consolidated financial statements, have no objection to it,

(b) the parent company's debt or equity instruments are not publicly traded (on a domestic or foreign exchange),

(c) the parent company has not submitted or it is not in the process of submitting its financial statements to a brokerage committee or other administrative authority to issue titles of any category on the public market, and

(d) the parent or any intermediate parent of the parent company publishes consolidated financial statements prepared in accordance with International Financial Reporting Standards.

The Company is involved in all the above cases and therefore does not prepare consolidated financial statements.

4.2 Foreign currency translation

(a) Functional currency and presentation currency

The measurement of the items in the financial statements of the Company is based on the currency of the primary economic environment in which the Company operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

(b) Transactions and balances

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences. The Company had no significant foreign currency transactions in 2018.

4.3 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Company and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than Land which are not depreciated) is calculated using the straight line method over their useful life, as follows:

- Mechanical equipment	10 years
- Vehicles	6-8 years
- Other equipment	5-25 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

4.4 Financial instruments

i) Initial recognition

A financial asset or financial liability is recognized in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Financial assets are classified at initial recognition and are subsequently measured at amortized cost at fair value through other comprehensive income and fair value through profit or loss.

Initially, the Company measures financial assets at fair value. Trade receivables (which do not contain significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it shall generate cash exclusively pertaining to capital and interest repayments of the initial capital. The business model applied by the Company for the purposes of managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, disposal of financial assets, or both. Acquisition or disposal of financial assets that require delivery of assets within a timeframe specified by a regulation or a contract is recognized as at the transaction date, i.e. as at the date when the Company makes a commitment to acquire or to dispose of the asset.

ii) Classification and subsequent measurement

To facilitate subsequent measurement purposes, financial assets are classified into the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging instruments. Financial assets with cash flows referring not only to capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in order maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortized cost, subsequently apply the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through total comprehensive income

Upon initial recognition, the Company may decide to irrevocably classify its investment participations as equity instruments designated at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is determined per financial instrument. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments designated at fair value through total comprehensive income are not subject to impairment test. The Company has decided to classify its non-listed shares into this category.

iii) Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

iv) Impairment

The Company recognizes provision for impairment for expected credit losses regarding all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the company expects to receive.

Regarding trade receivables, the Company applies simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument

4.5 Inventories

The cost of inventories includes all costs incurred to reach inventories in this position and condition. The cost of inventories does not include financial expenses.

The cost of inventories is calculated using the FIFO method.

On the date of the Statement of Financial Position, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses.

4.6 Trade receivables

Trade receivables are initially recognized at their nominal value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Company has established criteria for providing credit to customers, which are generally based on the size of the client's activities, while assessing relevant financial information. At each reporting date, all overdue or precarious receivables are estimated to determine whether or not provision for doubtful receivables is required. The balances of this provision for doubtful debts are adjusted appropriately to each reference report to reflect their potential risks. Any deletion of other customers' balances is charged to the existing provision for doubtful receivables.

4.7 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets valued at fair value through profit or loss.

4.8 Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired. When acquiring treasury shares, the consideration paid, including related expenses, is shown as a deduction from equity (goodwill).

As of 31/12/2018, the Company did not own treasury shares.

4.9 Income tax & deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws prevailing during the financial years to which they relate, based on the taxable profit for the year. For 2018 income tax has been calculated at 29% of earnings. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used. Given the reduction in the tax rate to be applied from 2019, deferred tax is valued at 28%.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Company and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the Equity of the Company, such as the revaluation of property value that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

4.10 Employee benefits

(a) Short-term benefits

Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrued. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

(b) Benefits for employment termination

Post-employment benefits include lump-sum retirement benefits, pensions and other post-employment benefits paid in exchange for their service. The Company's liabilities for retirement benefits concern both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense in the period in question. Retirement plans adopted by the Company are funded partly through payments to insurance companies or state social insurance funds.

- Defined contribution plan

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions. The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

- Defined benefits plan

According to laws 2112/20 and 4093/2012 the Company pays to their personnel benefits for employment termination or retirement. The benefits are related to, employment years, remuneration amount and whether the employment was terminated or due to retirement. The maturity of the right to participate to these schemes, usually depends upon service years of the employee till retirement.

The liability recognized in the Statement of Financial Position for defined benefit plans is the present value of the defined benefit obligation less the fair value of the plan's assets (reserves from payments to the insurance company) and the changes arising from any actuarial gain or damage and costs of past service. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For discounting 2016 the selected interest rate is related to the tendency of iBoxx AA Corporate Overall 10+ EUR indices, consistent to IAS19 guidelines and suitable for long term provisions that consists of bonds corresponding to the currency and the duration relative to employees' benefits.

A defined contribution scheme, defines based on several parameters such as age, service years, remuneration amount, certain obligations for defined benefits. The provisions relating to the period are included in personnel cost at company and Group P&L statements and consist of current and past employment cost, the pertinent financial cost, the actuarial gain or loss as well as any additional charges. Regarding not recognized actuarial gain or loss, amended IAS19R is:

- recognition of actuarial profit/(loss) in other comprehensive income statement,

- non-recognition of the expected return on investment of the plan in the income statement but recognizing the relative interest on the net liability / (claim) benefit calculated on the basis of the discount rate used to measure the defined benefit obligation,

- recognition of past service cost in profit or loss, earlier than the dates of the program modification or when the related restructuring or termination benefit is recognized,

- Other changes include new disclosures, such as quantitative sensitivity analysis.

4.11 Provisions

Provisions are recognized when the Company has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

4.12 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Company is eliminated completely. The recognition of revenue is done as follows:

- **Sales of goods:** Sales of goods are recognized when the Company delivers the goods to customers, the goods are accepted by them and the recovery of the receivable is reasonably assured.

- Provision of services: Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered. At the same time, all the projects undertaken by the business are completed within the year in which the relevant contracts are signed, including the corresponding revenue.

- Income Interest: Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

- **Dividends**: Dividends are accounted for as revenue when the right to receive payment is established.

- **Construction contracts:** The accounting treatment of revenues and expenses of a construction contract depends on whether the final result of the contract can be estimated reliably (and is expected to generate profit or loss for the beneficiary). When the result of a construction contract can be estimated reliably then all the respective revenues and expenses related to the contract are recognized during the term of the contract. The Company uses the percentage of completion method to determine the appropriate amount of the respective revenue and expense to be recognized in every period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project. Therefore, significant management estimates are required with regard to the gross result regarding the completed construction (estimated cost of execution).

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

4.13 Leases

Company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Company, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved.
The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Company as lessor: Leases in which the Company does not transfer substantially all of the risks and rewards of the asset are classified as operating leases. Initially, the direct costs incurred by the lessors in the negotiation and agreement of an operating lease are added to the carrying amount of the leased asset and are recognized over the lease term as rental income. Rental income (net of any incentives given to tenants) is recognized using the straight-line method over the period of the lease in the income statement. The Company does not lease fixed assets using the finance lease method.

4.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the parent with the weighted average number of ordinary shares outstanding during each accounting period, excluding the average of ordinary shares acquired as treasury shares.

The deductible earnings per share is calculated by dividing the net profit attributable to the parent shareholders (after deducting the interest on convertible shares after tax) by the weighted average number of shares outstanding during the year (adjusted for the effect of the remaining convertible shares).

The weighted average number of ordinary shares outstanding during the accounting period and for all the periods presented is adjusted for events that have altered the number of ordinary shares in circulation without a corresponding change in resources.

5. Significant accounting judgments, estimates and assumptions

Preparations of financial statements under IFRS requires the management to apply judgments, make estimates and use assumptions that affect publisized amounts of assets and liabilities as well as disclosures of contingent assets and liabilities as at the financial statements preparation date and publicized amounts of revenue and expenses for the reporting period. The actual results may differ from estimated.

Estimations are reassessed on an on-going basis and are based on both – past experience and other factors, such as expectations of future events deemed reasonable under the current conditions.

5.1 Judgments

The applied accounting principles and judgments of the management, apart from those pertaining to estimates, that have the most significant effect on the amounts, recognized in the financial statements, mainly pertain to the following:

- **categorization of investments**

Management decides on the acquisition of an investment if it is to be classified as held-to-maturity, held for trading or valued at fair value through profit or loss. For investments that are designated as held-to-maturity, Management examines whether the criteria in IAS 39 are met, and in particular whether the Company has the intention and ability to hold them to maturity. The Company classifies investments as held for trading if they are acquired principally for the purpose of generating short-term profit. The classification of investments as measured at fair value through profit or loss depends on the way in which Management monitors the return on those investments. When they are not classified as held for trading but there are available and reliable fair values and changes in fair values are included in profit or loss on the Management's accounts, they are categorized as measured at fair value through profit or loss.

5.2 Estimates and assumptions

Estimating specific amounts, included or affecting financial statements and related disclosures required making assumptions in respect of values or circumstances that can not be known with certainty at the time of financial statements preparation. Significant accounting estimate is defined as an estimate significant to the company's financial position and results, which requires the most difficult, subjective or complex management judgments, often arising from the need to make estimates regarding the effect of assumptions that are uncertain. The Company assesses such assumptions on an on-going basis, taking into close consideration historical data and experience, discussions with experts, current trends and other methods considered appropriate, under the effective conditions, in line with the projections as to how the change in the future.

- **Recoverability of receivables**

The Company applies the simplified IFRS 9 approach to the calculation of expected credit losses, according to which the provision for impairment is always measured at an amount equal to the expected credit loss over the life of the customer's receivables and contracts. assets. To determine expected credit losses in respect of receivables from customers, the Company uses a credit loss forecast table based on the maturity of balances, based on the Company's historical credit loss data, adjusted for future factors with respect to debtors and liabilities and financial environment. Specifically for the determination of expected credit losses in respect of conventional assets, the estimated rate of early termination, the amount of the early termination clauses and the relevant rate of recoverability are taken into account.

- **Obsolesce of inventory**

Adequate allowances are made for obsolete, useless and slow moving inventory. Impairment in net realizable value of inventory and other losses are recorded in the income statement for the period when incurred.

- **Lease Classification**

Leases, for which virtually all of the risks and rewards of the leased item remain with the lessee, are designated as operating leases. The amounts paid to pay the installments of the above leases are recognized in the income statement. Leases that relate to immovable property for which the Company has substantially all of the assets and benefits of the leased assets are classified as finance leases.

- **Income tax**

The Company are subject to income tax in numerous tax jurisdictions. Significant estimates are required while determining provisions for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognize liabilities for anticipated tax audit issues based on estimates of the extent, to which additional taxes will be imposed. When the final tax outcome of these matters is different from the initially recorded amount, such differences will affect the income tax and provisions for deferred tax in the period when the aforementioned amounts have been determined.

- **Provisions**

Bad accounts are carried at the amounts that are probable of being recovered. Once it is known that a particular account is exposed to a risk greater than the usual credit risk (eg low customer credit, disagreement over the amount or amount of the claim, etc.), then the account is analyzed and recorded if circumstances indicate that the requirement is unfulfilled.

➢ **Contingent liabilities**

In the ordinary course of its business operations, the Company gets involved in litigations and claim. The Management estimates that none of the resulting settlements would materially affect the financial position of the Company as at December 31, 2018. However, determining contingent liabilities relating to litigations and claims is a complex procedures, involving s judgments as to potential outcomes and interpretation of legislations and regulations.

Changes in judgments or interpretations are likely to result in an increase or decrease in the Company's contingent liabilities in the future.

➢ **Budgeting of construction contracts**

The accounting treatment of revenues and expenses of a construction contract depends on whether the final result of the contract can be estimated reliably (and is expected to generate profit or loss for the beneficiary). When the result of a construction contract can be estimated reliably then all the respective revenues and expenses related to the contract are recognized during the term of the contract. The Company uses the percentage of completion method to determine the appropriate amount of the respective revenue and expense to be recognized in every period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project.

Therefore, significant management estimates are required with regard to the gross result regarding the completed construction (estimated cost of execution).

6. Group Structure and method of consolidation

The Company holds investments in subsidiaries resulting in the creation of a Group with the following structure:

Name	Functional Activity	Business headquarters	Percentage	Type of Participation
ELEMKA S.A.	Construction - Design	Maroussi, Attica	Parent	
Drosco Holdings Limited	Construction - Design	Leukosia, Cyprua	100%	Direct
Bridge Accessories & Construction Systems S.A.	Construction - Design	Maroussi, Attica	75%	Indirect

By the decision of the General Meeting of 14/02/2007, ELEMKA SA did not present consolidated financial statements as it fulfills all the requirements set forth in paragraph 4 of IFRS 10 “Consolidated Financial Statements” regarding the exemptions from the consolidation of investments in subsidiaries companies. The unaudited tax years of the aforementioned companies are set out in detail in note 33 to the financial statements.

It is noted that the financial statements of the Group are included in the consolidated financial statements compiled and published by the parent company MYTILINEOS S.A. (as a successor to METKA S.A., due to the merger), which is based in Greece and holds 83.50% of ELEMKA S.A.

7. Tangible Assets

The Company has legal title to the assets and there are no liens or other burdens on them.

The Tangible assets of the company are analyzed as follows:

Amounts in €	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Total
Net Book Value as at 31/12/2016	**-**	**18.559**	**18.126**	**11.857**	**48.542**
Additions	0	7.995	17.745	179.317	205.057
Sales - Reductions - Acquisition value	0	0	(24.065)	0	(24.065)
Sales - Reductions - Accumulated depreciation	0	0	24.065	0	24.065
Depreciations	0	(2.439)	(2.783)	(9.267)	(14.489)
Acquisition cost as at 31/12/2017	21.466	964.462	92.129	341.294	1.419.351
Less: Accumulated depreciation	(21.466)	(940.347)	(59.041)	(159.387)	(1.180.242)
Plus/Less: Adjustments					
Net Book Value as at 31/12/2017	**-**	**24.115**	**33.088**	**181.907**	**239.110**
Additions	0	0	0	1.907	1.907
Sales - Reductions - Acquisition value	0	0	0	0	0
Sales - Reductions - Accumulated depreciation	0	0	0	0	0
Depreciations	0	(2.994)	(5.853)	(23.959)	(32.806)
Acquisition cost as at 31/12/2018	21.466	964.462	92.129	343.201	1.421.258
Less: Accumulated depreciation	(21.466)	(943.341)	(64.894)	(183.346)	(1.213.048)
Plus/Less: Adjustments		(337)	(870)	1.207	0
Net Book Value as at 31/12/2018	**-**	**20.784**	**26.365**	**161.062**	**208.211**

8. Investments in Subsidiary Companies

In the financial statements, investments in subsidiaries are valued at their acquisition cost and amount to € 3,000.

This amount relates to the investment in subsidiary Drosco Holdings Limited (based in Cyprus). The above amount is recoverable and there is no reason not to continue the business of the company as it receives the support of the parent. In addition, the loan of € 42,300 given to Drosco Holdings Limited, which is included in the “Long-term Receivables” item of the Financial Statements of ELEMKA SA, is also recoverable. (note 10).

9. Deferred tax receivable and liability

Deferred income taxes arise on temporary differences between the book value and the tax bases of assets and liabilities and are calculated on the basis of the income tax rate that is expected to apply to the years in which the temporary tax differences are expected to be reversed.

Deferred tax assets and liabilities are offset when there is an enforceable legal right that allows current tax receivables to be offset against current tax liabilities, and where deferred income taxes relate to the same tax authority.

Given the reduction of the tax rate from 01.01.2019, the deferred tax assets and liabilities have been calculated with the new tax rate, ie 28%, which has a significant effect on the deferred tax. In particular, the effect of the change in the tax rate is estimated to be deferred by 26.127.

The deferred tax movement is as follows:

	01/01/2018	Recognized in Equity	Recognised in Profit Or Loss	31/12/2018
Non - Current Assets				
Investments and other long-term receivables	3.890		(134)	3.756
Current Assets				0
Construction contracts	457.604		(67.477)	390.127
Trade and other receivables	318.468		(9.862)	308.607
Long-term Liabilities				0
Provisions for employee benefits	(22.283)	(436)	3.977	(18.742)
Total	**757.679**	**(436)**	**(73.496)**	**683.747**

Recognized as:	**757.679**	**683.747**
Deferred tax receivable	**757.679**	**683.747**
Deferred tax liability		

The deferred tax movement for the fiscal year 2017 is as follows:

	01/01/2017	Recognized in Equity	Recognised in Profit Or Loss	31/12/2017
Non - Current Assets				
Investments and other long-term receivables	3.890			3.890
Current Assets				
Construction contracts	285.623		171.981	457.604
Trade and other receivables	363.951		(45.483)	318.468
Long-term Liabilities				
Provisions for employee benefits	(25.619)	(284)	3.619	(22.283)
Total	**627.845**	**(284)**	**130.118**	**757.679**

Recognized as:	627.845	**757.679**
Deferred tax receivable	**627.845**	**757.679**
Deferred tax liability		

According to the tax law, some income is not taxed at the time of acquisition, but at the time of distribution to shareholders. The accounting principle of the Company is to recognize a deferred tax liability for such income at the time of their establishment, irrespective of the time of distribution.

10. Other long-term receivables

The Company's other long-term receivables are analyzed in the table below:

Amounts in €	31/12/2018	31/12/2017
Loans to Subsidiaries	42.300	42.300
Given guarantees	59.134	59.751
Total	**101.434**	**102.051**

These requirements refer to claims that will be settled after the end of the next fiscal year.

11. Inventories.

The Company's inventories are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Inventories	527.519	392.359
Total	**527.519**	**392.359**

The amount of inventories recognized as an expense during the period and is included in the Company's cost of sales amounts to € 2.15.,719 (2017: € 2.257.681).

Inventories are valued at the lower of acquisition cost and net realizable value.

The Company did not hold pledged inventories at 31/12/2018 and 31/12/2017.

12. Trade and other receivables

The trade and other receivables of company analyzed as:

Amounts in €	31/12/2018	31/12/2017
Customers	7.402.475	7.907.303
Customers' receivables for construction contracts (Note 13)	693.627	1.531.860
Checks receivable	1.766.574	1.811.083
Less: Impairment Provisions	(2.116.359)	(2.112.359)
Total Net trade Receivables	**7.746.317**	**9.137.887**
Advances to trade creditors	26.395	50.978
Total	**7.772.712**	**9.188.865**
Non-current Assets	0	0
Current Assets	7.772.712	9.188.865
Total	**7.772.712**	**9.188.865**

All of the above receivables are considered to be short term. The fair value of these short-term financial assets is not independently determined as the book value is considered to approximate their fair value.

The analysis of provisions for doubtful and disputed receivables by customers is as follows:

Amounts in €	Provisions for doubtful and disputed receivables
Balance on January 1, 2017	**2.269.196**
Additional provisions of period 1/1-31/12/2017	25.220
Unused provisions reversed	(150.222)
Used period provisions	(31.835)
Balance on December 31, 2017	**2.112.359**
Additional provisions of period 1/1-31/12/2018	4.000
Unused provisions reversed	0

Used period provisions	0
Balance on December 31, 2018	**2.116.359**

In addition, some of the claims that have not been impaired are in delay. The Management of the Company reviews the trade receivables on a continuous basis with strict criteria and in this context it was not considered appropriate to create an additional provision for the above receivables. The timing of the Company's trade receivables as at 31/12/2018 is as follows:

Amounts in €	31/12/2018	31/12/2017
Less than 3 months	139.087	296.449
Between 3 and 6 months	102.323	78.683
Between 6 months and 1 year	742	220.902
Over 1 year	588.317	630.359
Total	**830.469**	**1.226.392**

Included in the category "Customer Receivables for Construction Contracts", includes non-invoiced receivables of € 693.627 for the Company (2017: € 1.531.860) and which have arisen from the recognition of construction contract revenue under IFRS 15.

13. Construction Contracts

Revenue of € 14.722.543 for the Company (2017: € 13.755.778), which is included in the “Sales” item of the Income Statement (note 23), relates to revenue from construction contracts for the current reporting period. The amounts recognized in the Statement of Financial Position in respect of construction contracts relate to work in progress at the end of the reporting period. The amounts are recognized as the net amount of the costs incurred in addition to the recognized profits, less any losses recognized and the cumulative invoices incurred.

The book value of the Company's receivables and payables in respect of construction contracts is analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Realised contractual income	14.722.543	13.755.778
Realised Contractual Cost & Profits (minus realised losses)	138.420.531	123.697.989
Less: Progress Billings	(139.163.795)	(123.875.856)
Total	(743.264)	(177.867)
Advances received	-	-
Clients holdings for good performance	-	-
Receivables for construction contracts according to the percentage of completion	693.627	1.531.860
Liabilities related to construction contracts according to percent. of completion	(1.436.891)	(1.709.728)
Non-invoiced receivables / (liabilities)	(743.264)	(177.867)

14. Other receivables and current assets

The other receivables and current assets of the Company are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Receivables from the State	474.398	382.514
Other receivables	23.603	28.691
Total Other Receivables	**498.001**	**411.205**
Other curren assets		
Other Debtors	153.605	43.909
Prepaid expenses for construction contracts	12.030	13.682
Total Other Current Assets	**165.634**	**57.591**
Total Receivables & Current Assets	**663.636**	**468.796**

15. Cash and cash equivalents

The cash and cash equivalents of the Company are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Cash	27.573	28.912
Bank deposits	375.505	1.015.494
Total	**403.078**	**1.044.406**

Cash and cash equivalents represent cash in the Company's funds and bank deposits available on demand. On the above dates there were no bank overdrafts. Part of the above cash and bank reserves, namely EUR 146,719.93 (US $ 167,919.82), is denominated in foreign currency, and in particular US dollars.

16. Total Equity

16.1 Share capital

The Company's share capital consists of 3,600 ordinary fully paid-up shares, with a par value of € 29.35 each. The total share capital amounts to € 105,660. There were no changes in equity in the current year or the previous one. The shares of ELEMKA SA are not listed on the Securities Market of the Athens Exchange.

"MYTILINEOS S.A." (as a global successor to METKA SA due to the merger), participates in ELEMKA SA on 31/12/2018 with 83.50%, and consolidates it in its consolidated financial statements using the full consolidation method.

16.2 Reserves

The analysis of the Company's other reserves is as follows:

Amounts in €	Regular Reserve	Special Reserves	Other Reserves	Total
Balance 1st January 2016	**207.341**	**(137.323)**	**2.333**	**72.350**
Actuarial Gain / (Losses)		979		**979**
Deferred Tax From Actuarial Gain / (Losses)		(284)		**(284)**
Balance 1st January 2017	**207.341**	**(136.628)**	**2.333**	**73.045**
Actuarial Gain / (Losses)		1.558		**1.558**

Deferred Tax From Actuarial Gain / (Losses)		(436)		**(436)**
Balance 1st January 2018	**207.341**	**(135.506)**	**2.333**	**74.166**

16.3 Retained earnings

As at 31/12/2018 and 31/12/2017 respectively, the retained earnings to be reported to the Company amounts to:

Amounts in €	31/12/2018	31/12/2017
Opening Balance	1.656.964	1.762.130
Gain/ (losses) of period	67.722	(105.166)
Closing Balance	**1.724.686**	**1.656.964**

17. Employee benefit liabilities

According to labor law, employees are entitled to compensation in the event of their dismissal or retirement, the amount of which varies according to the employee's salary, years of service and the manner of dismissal (dismissal or retirement) of the employee. Employees who resign or are dismissed on a justified basis are not entitled to compensation. In Greece, retired employees are entitled to 40% of such compensation in accordance with Law 2112/1920. These plans are not funded and are defined benefit plans in accordance with IAS 19. Estimates of the Company's defined benefit obligations under IAS 19 were calculated by an independent company of actuaries.

The movement of the equity in the Statement of Financial Position, following the adoption of the revised IAS 19, is as follows:

	31/12/2018		31/12/2017	
	Defined Contributions Plans	Total	Defined Contributions Plans	Total
Employee benefit liabilities	68.571	**68.571**	59.790	**59.790**
	68.571	**68.571**	**59.790**	**59.790**

The amounts recognized in the Income Statement of the Company are as follows:

	31/12/2018		31/12/2017	
	Defined Contributions Plans	Total	Defined Contributions Plans	Total
Current employment cost	9.322	**9.322**	7.688	**7.688**
Other benefits	2.008	**2.008**	3.421	**3.421**
Net interest on benefit liabilities	1.016	**1.016**	943	**943**
Amount to Income Statement	**12.347**	**12.347**	**12.052**	**12.052**

The amounts recognized in the Statement of Comprehensive Income of the Company are as follows:

	31/12/2018		31/12/2017	
	Defined Contributions Plans	Total	Defined Contributions Plans	Total
Actuarial gain (loss) on liability due to financial assumptions	1.251	**1.251**	0	**0**
Actuarial gain (loss) on liability due to experience	(2.809)	**(2.809)**	979	**979**
Amount through Other Comprehensive Income	(1.558)	**(1.558)**	979	979

Changes in the present value of liabilities due to defined contributions plans liabilities are as follows:

	31/12/2018		31/12/2017	
	Defined Contributions Plans	Total	Defined Contributions Plans	Total
Defined contributions plans liaiblities on January 1	59.790	**59.790**	48.982	**48.982**
Current employment cost	9.322	**9.322**	7.688	**7.688**
Financial cost	1.016	**1.016**	943	**943**
Settlement cost	2.008	**2.008**	3.272	**3.272**
Benefits paid within the current year	(2.008)	**(2.008)**	(5.496)	**(5.496)**
Other benefits	0	**0**	3.421	**3.421**
Revaluation-actuarial losses (gains) from changes in demographic assumptions	(1.558)	**(1.558)**	979	**979**
Revaluation-actuarial losses (gains) from changes in financial assumptions	-	**-**	-	**-**
Defined contrubutions plans liabilities on December 31	**68.571**	**68.571**	**59.790**	**59.790**

The assumptions used, are presented in the following table:

	31/12/2018	31/12/2017
Discount rate on December 31	1,60%	1,70%
Future Salary increases	2,00%	2,00%
Percentage of departures	3,00%	3,00%
Inflation	2,00%	2,00%

18. Suppliers and other liabilities

The balances of suppliers and other related liabilities of the Company are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Suppliers	3.480.198	3.714.204
Customer advances	682.964	596.490
Liabilities to Customers from Project Execution (Note 13)	1.436.891	1.709.728
Total	**5.600.053**	**6.020.422**

Trade liabilities bear no interest and are settled regularly.

During the current fiscal year, the Company recognized an amount of € 1.628.447 related to contractual obligations to customers at the beginning of the fiscal year.

19. Current tax liabilities

The Company's current tax liabilities are divided into current tax liabilities and income tax liabilities and are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Current tax liabilities	485.524	510.037
Income tax liabilities	129.767	404.042
Total	**615.291**	**914.079**

For the tax unaudited years of the Group companies (see note 33 "Contingent Liabilities - Receivables").

20. Short-term loans

The Company's short-term loans are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Short-term loans		
Bank loan	**669.759**	**1.949.031**
Total short-term loans	**669.759**	**1.949.031**

The Company's liabilities from bank loans concern short-term loans. All loan liabilities relate to liabilities in Euro. The weighted average borrowing rate at the end of the annual reporting period was 4.1% (2017: 8.06%).

The total financial cost of the short-term loans for the year ended 31/12/2018 is included in the "Financial expenses" item of the corporate Income Statement (note 27).

Loan transactions relate to both interest repayment and loan repayment and are analyzed as follows:

Amounts in €	Short-term Loans
Balance on January 1, 2017	**1.944.739**
Loan Interest	150.858
Interest Repayment	(146.566)
Loan Repayment	-
Balance on December 31, 2017	**1.949.031**
Loan Interest	123.160
Interest Repayment	(135.641)
Loan Repayment	(1.266.790)
Balance on December 31, 2018	**669.759**

21. Other short-term liabilities

The other short-term liabilities are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Social security insurance	104.586	118.544
Other liabilities	638.125	536.292
Other	**742.711**	**654.837**

22. Other long-term provisions

Other long-term provisions concern provisions to cover future differences from tax audits and unaudited fiscal years. Long-term provisions do not appear in discounted amounts, as there is no accurate estimate of their timing.

Provisions:	Tax Provisions:	Total:
Balance on 31/12/2017	80.000	**80.000**
Balance on 31/12/2018	80.000	**80.000**

23. Sales

The Company's sales analysis for the current and past fiscal years is as follows:

Amounts in €	01/01 - 31/12/2018	01/01 - 31/12/2017
Revenue from execution of construction contracts	14.918.092	13.755.778
Revenue from trading	1.736.286	2.277.524
	16.654.379	**16.033.301**

24. Analysis of expenses by category

The analysis of expenses by category of the Company for the fiscal year 2018 and 2017 is as follows:

	01/01 - 31/12/2018			
Amounts in €	Cost of Sales	Distribution expenses	Administrative expenses	Total
Wages & other employee benefits	1.116.408	60.265	304.063	1.480.736
Cost of inventories recognized as expenses	2.151.719	0	0	2.151.719
Depreciation	22.432	0	10.374	32.806
Subcontractor Fees & Expenses	5.238.690	101.736	0	5.340.426
Other third party fees & expenses	2.884.337	140.516	213.235	3.238.088
Insurances	19.304	479	11.025	30.808
Leases	188.454	5.281	106.976	300.712
Repairs & Maintenance	15.178	0	1.099	16.277
Other third party benefits	29.454	1.312	15.508	46.274
Taxes and fees	33.907	600	5.623	40.130
Other expenses	3.193.060	24.138	244.073	3.461.271
Total	**14.892.941**	**334.327**	**911.978**	**16.139.247**

Amounts in €	01/01 - 31/12/2017 Cost of Sales	Distribution expenses	Administrative expenses	Total
Wages & other employee benefits	1.230.803	54.629	243.237	1.528.668
Cost of inventories recognized as expenses	2.257.681	0	0	2.257.681
Depreciation	9.467	0	5.023	14.489
Subcontractor Fees & Expenses	6.221.072	0	4.500	6.225.572
Other third party fees & expenses	2.529.165	51.910	287.911	2.868.986
Insurances	43.170	144	8.955	52.269
Leases	194.852	5.135	101.501	301.488
Repairs & Maintenance	9.398	443	2.878	12.720
Other third party benefits	40.926	951	17.488	59.364
Taxes and fees	26.802	699	6.081	33.583
Other expenses	1.825.513	12.079	241.020	2.078.613
Total	**14.388.849**	**125.991**	**918.593**	**15.433.433**

25. Employee benefits

The employee benefits of the Company are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Wages, salaries and allowances	1.106.265	1.126.520
Social security expenses	359.049	385.455
Termination Allowances + Cost of Provision for Personnel Compensation Due to Departure	15.422	16.694
Total	**1.480.736**	**1.528.668**

The number of employees of the Company is analyzed as follows:

	31/12/2018	31/12/2017
Employees	31	30
Day labourers	13	23
	44	**53**

26. Other operating income and expenses

Other operating income and expenses of the Company are analyzed as follows:

Amounts in €	01/01 - 31/12/2018	01/01 - 31/12/2017
Other operating income		
Profit from foreign exchange differences	26.881	8.599
Income from prior periods	-	13.073
Income from reversal of unrealized provisions	-	150.222
Reversal due to provision for amortization	-	31.836
Other	5.079	4.370
Profit from sale of fixed assets	-	4.435
Total	**31.959**	**212.535**
Other operating expenses		
Losses from foreign exchange differences	40.261	49.260

Provision for bad debts	4.000	25.220
Other	3.463	60.332
Other taxes	5.880	20.435
Total	**53.605**	**155.247**

27. Financial income & expenses

The financial income and expenses of the Company are analyzed as follows:

Amounts in €	01/01 - 31/12/2018	01/01 - 31/12/2017
Financial Income:		
- Bank interest	11	36
	11	**36**
Financial Expenses:		
- Discount of employee benefits due to departure	1.016	943
- Other financial expenses	563	440
- Bank Loans	123.280	151.142
- Other Banking expenses	4.692	5.357
	129.552	**157.881**

28. Income Tax

The financial income and expenses of the Company are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Current Income Tax	(222.728)	(734.595)
Deferred taxation (Note 9)	(73.496)	130.118
Total Income Tax	**(296.224)**	**(604.478)**

Amounts in €	31/12/2018	31/12/2017
Earnings before tax	363.946	499.312
Nominal Tax rate	**29%**	**29%**
Tax calculated at the statutory tax rate	(105.544)	(144.800)
Tax attributable to expenses that are not taxable		
Effect of Change in Greek Tax Rate	(26.127)	(124.126)
- Non tax deductible expenses	(66.592)	
Other taxes	(5.000)	(5.000)
Income tax coming from previous years	(92.961)	(330.553)
Effective Tax Charge	**(296.224)**	**(604.478)**

29. Earnings per share

The basic earnings per share (expressed in euro per share) for the Company are as follows:

	Note	2018	2017
Profit before taxes		**363.946**	**499.312**
Income tax expense	**28**	(296.224)	(604.478)
Profits/ Losses afte taxes		**67.722**	**(105.166)**
Other comprehensive income			
Revaluation of employee benefit liabilities		1.558	979
Deferred tax on revaluation		(436)	(284)
Total comprehensive income after taxes		**68.844**	**(104.471)**
Weighted number of shares outstanding		3.600	3.600
Basic earnings/ losses per share (euro/share)	**29**	**19,1233**	**(29,0198)**

Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the accounting period.

In addition, the Company's Management has decided not to distribute dividends to shareholders, so that the Company has cash liquidity, and to be able to renew part of its mechanical equipment to meet the needs of the undertaken projects.

30.Analysis of Cash Flow Adjustments

The following table shows the adjustments made to the Company's Cash Flows:

Amounts in €	01/01-31/12/2018	01/01-31/12/2017
Depreciation of tangible assets	32.806	14.489
Provision for staff compensation	10.339	11.502
expenses from precarious customers	4.000	(156.837)
(Profit)/Loss from sale of tangible assets	0	(4.151)
Debt / credit interest	123.269	151.106
Deletion of inventories	(30.953)	0
Totak cash flow adjustments	**139.462**	**16.108**

31. Transactions with related parties

The related party transactions mentioned below are on a pure commercial basis. The Company or any of its related parties has not entered in any transactions that were not in an arm’s length basis, and do not intent to participate in such transactions in the future. No transaction had any special terms and there were no guarantees given or received.

Amounts in €	31/12/2018	31/12/2017
Income from trade and provision of services		
Parent	2.876.716	5.110.736
Subsidiaries	-	117.601
Other related party companies	10.021.612	7.834.846

Total	**12.898.328**	**13.063.183**

Purchases and fees for the provision of services		
Parent	5.195	5.561
Subsidiaries	-	486
Other related party companies	290.672	337.025
Executives	89.279	88.530
Total	**385.146**	**431.602**

Other receivables		
Subsidiaries	42.300	42.300
Other related party companies	49.762	48.344
Executives	3.614	4.706
Total	**95.675**	**95.350**

Receivables from customers		
Parent	2.279.367	4.379.627
Subsidiaries	141.654	226.654
Other related party companies	2.680.161	1.601.880
Total	**5.101.182**	**6.208.161**

Trade and other liabilities		
Parent	682.438	682.505
Other related party companies		1.009.772
Executives	12.765	40.368
Total	**695.203**	**1.732.645**

31.1 Benefits to executives

The benefits to executices of the Company are analyzed as follow:

Amounts in €	31/12/2018	31/12/2017
Wages	75.680	73.750
Insurance service cost	13.599	14.780
	89.279	**88.530**

No loans have been granted to BoD members or other executives of the Company (and their families).

32. Commitments

Company's commitments are as follows:

Amounts in €	31/12/2018	31/12/2017
Commitments from construction contracts		
Value of pending construction contracts	5.105.533	9.152.541
Granted guarantees good performance	0	0
	5.105.533	**9.152.541**

It should be noted that the backlog of projects already undertaken for the Company amounts to € 5.105.533 and is expected to be fully recognized as revenue within the fiscal year 2019.

Operating Lease Commitments (company as leaser)

The Company leases vehicles, tangible assets and other equipment from non-cancellable leases that have been agreed. The leases contain various clauses, provisions as well as renewal rights are analyzed as follows:

Category	0 months - 1 year	1-5 years	Over than 5 years
Buildings	92.776	364.503	285.430
Vehicles	26.248	44.691	-
Total	**119.024**	**409.194**	**285.430**

33. Contingent Assets & Contingent Liabilities

Infromation about contingent assets & contingent liabilities

There are no mortgages, or any other liens, on fixed assets against borrowing. The Company is involved in litigation, both as a plaintiff and as a defendant, but is not expected to have a significant impact on its financial position or operation.

Unaudited tax years

ELEMKA S.A.	2010
DROSCO HOLDINGS LIMITED	2003 up to 2018
BRIDGE ACCESSORIES & CONSTRUCTION	2010, 2014, 2015, 2016, 2017 & 2018

For the fiscal years from 2011 up to 2017, the Company had be subject to tax audit by the statutory auditors, , according to article 65A par. 1 of law 4174/2013 and to article 82 par.5 of Law 2238/1994, having no significant differentiations.

According to the circular CL. 1006/2016, companies that have been subject to foresaid tax audit, are not exempt from the regular tax audit held by the competent tax authorities.

For the fiscal year 2018, the tax audit of the Certified Auditors for the receipt of a Tax Compliance Report is ongoing. Upon completion of the tax audit, management does not expect to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements.

34. Risk management goals and policies

The procedure followed in the risk management policy to which the Company is exposed is as follows:

- Evaluations of risks associated with Company activities and operations,
- Designing the methodology and selecting appropriate financial products for risk reduction, and
- implement / implement, in accordance with the procedure approved by management, the risk management process.

34.1 Financial Risk Factors

The Company's activities exposed to limited financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow risk.

It is also exposed to the risk of non-compliance or reliability with regard to the good performance of the supply or project, which is assumed by its suppliers or subcontractors respectively.

The Company's overall risk management program focuses on addressing the risks of good business performance and reliability and the proper implementation of supplies, with credit risk and then market risk being a top priority.

Prior to carrying out the related transactions, approval is given by executives who have the right to bind the Company to the counterparties.

34.2 Market Risk

Foreign Exchange Risk

This risk does not significantly affect the operation of the Company since transactions with customers and suppliers in foreign currency are not significant.

Price Risk

The Company is exposed to changes in the value of raw materials and other materials supplied as well as services provided by third parties. It is also exposed to changes in the value of its investment portfolio. Price risk in relation to investment in securities is considered to be limited, since the securities represent a very small part of the Company's assets.

34.3 Credit Risk

The credit risk that the Company is exposed to arises from the customer's failure to repay part or all of its debt within the contractual deadlines.

The Company's turnover consists mainly of transactions with large and reliable domestic credit rating companies. On this basis, credit risk is estimated to be limited.

The Company constantly monitors its claims either individually or in groups. The policy of the company is to work only with trusted customers.

The Company's Management considers that financial assets that have not been impaired at previous dates are of good credit quality. None of the Company's financial assets have been subject to any form of credit insurance (mortgage, pledge, etc.).

The assets that are exposed to credit risk at the reporting date of the Statement of Financial Position are analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Categories of financial risk		
Trade and other receivables	7.052.690	7.606.027
Cash and cash equivalents	403.078	1.044.406
Closing Balances	**7.455.768**	**8.650.433**

The above amounts of other trade receivables do not include non-invoiced construction contract receivables.

34.4 Liquidity Risk

Liquidity risk is kept low by maintaining sufficient available and unused credit lines from banking institutions. The company manages its liquidity needs by carefully monitoring its debts, liabilities, and daily payments. The risk of future cash flows (liquidity) is closely linked to the risk of good performance and supply due to the cash flow that may arise in the event of failure to comply with the terms of the contract.

Risk of good performance of a project or supply

Due to its long experience, strict selection of partners, suppliers and close monitoring through its Quality Assurance and Management department, the Company is not exposed to major risks in the proper execution of its tasks and supplies, whilst there are additional safeguards. partner-suppliers, as required by them Bank Guarantees (Good Performance, Material Supply, etc.).

The tables below summarize the maturity profile of the Company's financial liabilities as at 31.12.2018 and 31.12.2017 respectively:

	Short-term		Long-term	
	Up to 6 months	**6 to 12 months**	**1 to 5 years**	**after 5 years**
Short Term Loans	669.759	0	0	0
Trade liabilities	3.480.198	0	0	0
Other short-term liabilities	638.125	0	0	0
Liabilities to related parties	0	0	682.438	0
Total	**4.788.082**	**0**	**682.438**	**0**

	Short-term		Long-term	
	Up to 6 months	**6 to 12 months**	**Up to 6 months**	**6 to 12 months**
Short Term Loans	1.949.031	0	0	0
Trade liabilities	3.714.204	0	0	0
Other short-term liabilities	654.837	0	0	0
Liabilities to related parties	0	0	682.438	0
Total	**6.318.072**	**0**	**682.438**	**0**

34.5 Cash flow risk and fair value risk arising from interest rate changes

The Company's operating income and cash flows are substantially independent of interest rate fluctuations. The Company has no significant short-term or long-term interest-bearing loans, nor significant interest-bearing investments.

The Company's total debt as at 31 December 2018 amounts to € 669,759 and relates to short-term debt (working capital). (Detailed table of current liabilities is set out in note 20).

The following table shows the sensitivity of the profit and loss account and the Company's equity to a reasonable change in the rate of + 0.5% or - 0.5%. (2017: +/- 0.5%). Interest rate changes are estimated to move on a reasonable basis in relation to recent market conditions.

Amounts in thousand €	31/12/2018		31/12/2017	
	0,50%	**-0,50%**	**0,50%**	**-0,50%**
Profit before tax	-6,5	6,5	-9,7	9,7
Equity	-4,66	4,66	-6,9	6,9

Based on the above, the risk from the volatility of interest rates is considered negligible for the Company levels.

34.6 Presentation of financial assets and liabilities by category

(a) Risk of good performance of a project or supply

Possible risks that may arise from the Company's commercial partnerships are the delay in the execution of the undertaken works and consequently the imposition of penalties for breach of contractual terms.

Due to its long experience, strict selection of partners, suppliers and close monitoring through the Parent Company, it succeeds in limiting potential exposure to high risks in the proper execution of operations. In addition, there is collateral against affiliate suppliers as they require bank guarantees (good performance, procurement of materials, etc.).

(b) Risks arising from geopolitical factors

The Company has undertaken, through its parent company, a project in Syria where there is a risk to the Company Regarding the activity in Syria, it is clear that the Company (through MYTILINEOS SA) has not taken on the responsibilities and risks of the investor but those of the manufacturer. Nonetheless, the suspension of operations for some time, the need for much increased safeguards, the prolongation of our presence in the Project, the increased rates of fares and premiums, and generally the particular conditions under which we are currently performing the Project, have increased significantly the cost, however, to the extent that it does not prevent the continuation of the execution by expecting, of course, that we will be reimbursed by the customer for all the proven overpayments we incur for reasons beyond our responsibility of geopolitical factors.

34.7 Presentation of financial assets and liabilities by category

The analysis of financial assets and liabilities by category, are as follow:

Amounts in €	31/12/2018	31/12/2017
Non current assets		
Investments in Subsidiaries	3.000	3.000
Other long-term receivables	101.434	102.051
Total	**104.434**	**105.051**

Current assets		
Trade and other receivables	7.772.712	9.188.865
Cash and cash equivalents	403.078	1.044.406
Total	**8.175.790**	**10.233.272**
Short-term liabilities		
Short-term loan liabilities	669.759	1.949.031
Trade and other liabilities	5.600.053	6.020.422
Total	**6.269.812**	**7.969.453**

Fair Value Measurements

The Company adopted IFRS 7 "Financial Instruments: Disclosures". The revised text requires additional disclosures regarding the fair value of the financial instruments and the liquidity risk. In particular, according to the amendment, the amounts of each category of Balance Sheet financial instruments that are valued at fair value should, for disclosure purposes, be classified into the following three levels, depending on the quality of the data used to assess their fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the fiscal years 2018 and 2017 the Company did not have financial instruments at fair value.

34.8 Capital Management

The objectives of management in managing the Company's capital are to ensure its ability to continue its business (going - concern). This is achieved by ensuring the maintenance of the Company's credit rating. In addition, the Company's specific objectives are to ensure a satisfactory dividend yield to its shareholders as well as to uphold the terms of the contracts with its trading partners.

The Company monitors the equity on a net debt basis. The net debt for 2018 is analyzed as follows:

Amounts in €	31/12/2018	31/12/2017
Equity	1.904.512	1.835.668
Less : Cash and cash equivalents	(403.078)	(1.044.406)
Net Debt	**1.501.434**	**791.262**
Equity	1.904.512	1.835.668
Plus : Loans	669.759	1.949.031
Total used equity	**2.574.271**	**3.784.699**
Net Debt/ Equity	**6/10**	**2/10**

35. Events after the reporting date of the Financial Statements

There are no subsequent events in the financial statements that relate to the Company that are required by International Financial Reporting Standards (IFRSs).

Athens, 22/03/2019

THE PRESIDENT OF THE BOARD & CHIEF EXECUTIVE OFFICER	GENERAL MANAGER	THE CHIEF OF THE FINANCIAL SERVICES
IOANNIS A. MITILINAIOS	ANESTIS CHATZIPANAGIOTIDIS	PANAGIOTIS A. SGARDELIS
AN 046672	AM 097994	AH116013