



**Societe Anonyme Reg. Nr. 7946/06/B/86/2  
G.E.MI. 3618010**

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**ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR FROM JANUARY 1<sup>st</sup> TO DECEMBER 31<sup>st</sup>, 2016**



**December 2016**

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**A. Statements of Members of the Board in accordance with article 4 of Law 3556/2007**

The members of the Board of Directors of SIDMA S.A.:

1. MARCEL L. AMARIGLIO
2. NIKOLAOS P. MARIOY
3. DANIEL D. BENARDOUT

in our above mentioned capacity declare that as far as we know:

- A. the attached financial statements of SIDMA S.A. for the annual period 01/01-31/12/2016, prepared according to the applicable accounting standards, present truly and fairly the assets and liabilities, the equity and the financial results of SIDMA S.A. as well as of the companies included in the consolidation in aggregate,

and

- B. the attached BoD Report provides a true view of SIDMA S.A. and the companies, included in the consolidation in aggregate, performance and results including a description of the main risks and uncertainties to which they are exposed to.

**Halandri, April 27, 2017**

The Members of the Board

**CHAIRMAN OF THE BOARD  
OF DIRECTORS**

MARCEL L. AMARIGLIO

**VICE-CHAIRMAN OF THE  
BOARD  
OF DIRECTORS**

NIKOLAOS P. MARIOY

**C.E.O.**

DANIEL D. BENARDOUT

## **B. Independent Auditor's Report**

### **To the Shareholders of "SIDMA S.A STEEL PRODUCTS"**

#### **Report on the Audit of the Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of "SIDMA S.A. STEEL PRODUCTS" which comprise the separate and consolidated statement of financial position as of 31 December 2016 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Separate and Consolidated Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

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

#### **Opinion**

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the "SIDMA S.A. STEEL PRODUCTS" and its subsidiaries as of December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

#### **Emphasis of Matter**

We would like to draw your attention to the explanatory Note 9.31 of the financial statements, making reference to the fact that due to accumulated losses as at December 31, 2016, the total of the Group and Company Equity was recorded as negative and as a result the provisions of article 48 of Law 2190/1920 apply. Moreover, the total value of the Company and Group current liabilities exceeds the total value of its current assets by an amount of € 55.029K and € 70.001K respectively, which may indicate the

existence of uncertainty regarding Group's and Company's ability to continue as a going concern. As stated in the explanatory note 9.31, Group's Management has planned appropriate actions in order to enhance Group's and Company's financial position and going concern, condition which has been taken into account for the preparation of the accompanying separate and consolidated financial statements according to the going concern principle.

Our opinion is not modified with respect to this matter.

#### **Report on Other Legal and Regulatory Requirements**

Taking into consideration, that management is responsible for the preparation of the Board of Directors' report and Corporate Governance Statement that is included to this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

- a) In the Board of Directors' Report is included the Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.
- b) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107a and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.
- c) Based on the knowledge we obtained from our audit for the Company "SIDMA S.A STEEL PRODUCTS" and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, April 27, 2017  
The Chartered Accountant

Pavlos Stellakis  
I.C.P.A Reg.: No 24941



Chartered Accountants Management Consultants  
56, Zefirou str., 175 64 Palaio Faliro, Greece  
Registry Number SOEL 127



## **C. Annual Board of Directors' Management Report**

### **ANNUAL BOARD OF DIRECTORS' MANAGEMENT REPORT OF THE COMPANY SIDMA S.A. on the Financial Statements for the period from 1 January to 31 December 2016**

#### **C.1 Introduction**

The presented below Annual Report of the Board of Directors refers to the current FY period (01.01.2015-31.12.2016) and has been prepared under the relevant provisions of law 3556/2007 (Government Gazette 91A/30.04.2007) and, in particular, Article 5 and the executive decisions of the Hellenic Capital Market Commission as well as the issued decisions, specifically - Decision no 7/448/11.10.2007 and 1/434/2007 of the Board of Directors of the Hellenic Capital Market Commission.

The present report contains in a brief, but substantive manner, all the important units, which are deemed necessary, based on the above-mentioned legislative frame and depicts in a truthful way all the relevant legally indispensable information, in order to provide substantive data regarding the operations performed by the Company "**SIDMA SA**" as well as the Group within the period in question.

The present report has been prepared according to the terms and conditions of the above described legal framework, accompanies the financial statements of this period and is included in its entirety in the Annual Financial Report for FY 2016.

Given that the Company also prepares consolidated financial statements, the present report is unified, while the main point of reference pertains to consolidated financial figures of the Company and its associates. As far as separate (non-consolidated) data of the parent company is concerned, reference is made only when it is considered necessary in order to better understand its content. The units of the Report and their content are as follows.

#### **C.2 Company Performance and Financial Position**

2016 was not a year of growth for the Greek economy, while 2017 is in anticipation of the economic developments regarding the settlement of the Greek debt, which will correspondingly affect the course of growth of the industry in which we operate. In this uncertain and difficult economic environment, SIDMA further improved its market share in 2016, increased its operational profitability and dramatically improved its results at both parent company and Group levels.

Namely, in 2016 the consolidated turnover of SIDMA amounted to € 104.1 million compared to € 96.5 million in the corresponding period or 7.9% higher, with the average selling price of its products

reduced by 4.7%, while together with dealership sales it amounted to € 132.5 million, increased by 6.4% compared to the one last year. Moreover, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 4.9 million compared to € 2.2 million in 2015, mainly due to the significant increase in gross profit by 53% or € 4.2 million approximately. Last but not least, earnings before taxes improved by 46% compared to the same period last year or € 2.7 million, representing a loss of € 3.2 million, disregarding the negative adjustments of SIDMA's fixed assets. The revaluation of its assets on 31/12/2016 resulted in a net appreciation of their value by € 2.4 million. However, under international accounting standards, negative adjustments, which amounted to € 1.2 million affect the operating results statement, while positive adjustments, amounting to € 3.6 million, directly count towards the Stockholders' Equity of the Group. Taking into account the negative adjustments too, its net loss amounted to € 4.4 million, reduced by 25% compared to last year.

At Company level, in 2016 SIDMA's turnover was set to €70.9 million from €51.3 million, while together with dealership sales it was set to €99.2 million from €79.4 million in the corresponding period of 2015. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to profits of € 4.0 million from € 1.3 million in the corresponding period last year, while earnings before taxes, improved by 42% or € 1.7 million compared to those of the corresponding period last year, amounted to losses of € 2.4 million, disregarding the negative adjustments of its fixed assets. Within the framework of the revaluation of assets on 31/12/2016, mentioned above, the negative adjustments, which amounted to € 1.2 million, affected the operating results statement and so losses amounted to € 3.6 million, improved by 13% compared to last year.

The improvement recorded in both operating results and earnings before taxes, and mainly at company level, is due to an improvement in gross profit by € 5.2 million approximately or 105%. However, we should mention that this year's results include the sales of the subsidiary PANELCO, absorbed by the parent company at the end of 2015, which are not included in the results of that year. If we isolate the absorbed PANELCO, in 2016 SIDMA's turnover increased by 14.3% to € 58.7 million, the improvement in gross profit amounted to € 3.4 million or 68%, operational profitability (EBITDA) increased by 177% or € 2.3 million and earnings before taxes improved by € 1.4 million or 35% compared to the same period last year.

The above financial figures of the Company and therefore the Group also include exceptional provisions of € 1.2 million for the impairment of bad debts. Without these provisions, at Group level, earnings before interest, taxes, depreciation and amortization (EBITDA) would amount to € 6.1 million, while earnings before taxes to losses of € 2.0 million, disregarding the negative adjustments of fixed assets. Similarly, at company level, earnings before interest, taxes, depreciation and



amortization (EBITDA) would amount to € 5.2 million, while earnings before taxes to losses of € 1.2 million, disregarding the negative adjustments of fixed assets.

As for the subsidiaries in the Balkans, SIDMA Bulgaria recorded a reduction in its turnover by 1% with the average selling price decreased by 5.2% and SIDMA Romania recorded a reduction in its turnover by 2% with the average selling price decreased by 5.6% compared to last year. Namely, the turnover of SIDMA Bulgaria amounted to € 16.2 million compared to € 16.3 million, while the turnover of SIDMA Romania amounted to € 17.8 million compared to € 18.3 million in 2015.

Moreover, SIDMA Bulgaria recorded a significant improvement by 30% in its operating profitability (EBITDA) (it amounted to € 614 thousand) and in its earnings before taxes, since it managed to become profitable, compared to 2015. Regarding SIDMA Romania, at the level of operating profitability (EBITDA) it recorded a decrease by 14% or € 54 thousand approximately, while at the level of earnings before taxes it recorded an improvement by € 67 thousand or 8% compared to the same period last year. The company's Management is focused on increasing its sales volume while maintaining the already improved gross profit percentage by 8% compared to last year.

The Group's liquidity amounted to € 7.3 million. In recent years, the company's Management has taken a series of actions that involve reducing the Group's operating costs drastically as well as bolstering up the structure of its operating activities. The cost reduction achieved since the beginning of the crisis is more than 45%. This reduction pertains to a cut in wage costs and expenses, the restructuring of structures and the limitation of supporting expenditure, without affecting the smooth operation of the Group.

Last but not least, the company's Management is taking a series of actions in order to bolster up the Group's liquidity and financial position, including among others the disposal of assets and the improvement in the percentage of gross profit, as mentioned above.

### **C.3 Alternative Performance Measures**

The Company uses Alternative Performance Measures (APMs) in decision-making with regard to its financial, operational and strategic planning, as well as when evaluating and publishing its performance. These APMs serve to better understand the financial and operating results of the company, its financial position and cash flow. Alternative measures (APMs) should always be taken into account in conjunction with the financial results prepared under IFRS and under no circumstances replace them.

The main APMs for the Group and the Company for the year 1.1 - 31.12.2016 are as follows:

| Group                      | 1/1/2016 -<br>31/12/2016 | 1/1/2015 -<br>31/12/2015 | Δ (%)       |
|----------------------------|--------------------------|--------------------------|-------------|
| Turnover                   | 104.153.710              | 96.502.681               | 7,9%        |
| Consignment Sales          | 28.317.355               | 28.047.800               | 1,0%        |
| <b>Total Sales</b>         | <b>132.471.064</b>       | <b>124.550.481</b>       | <b>6,4%</b> |
| Gross Margin               | 12.312.774               | 8.062.055                | 52,7%       |
| Earnings Before Taxes      | (4.370.030)              | (5.808.658)              | -24,8%      |
| Operating Results (EBITDA) | 4.922.929                | 2.212.452                | 122,5%      |
| Adjusted EBITDA (1)        | 6.122.929                | 2.212.452                | 176,7%      |

| Company                    | 1/1/2016 -<br>31/12/2016 | 1/1/2015 -<br>31/12/2015 | Δ (%)        |
|----------------------------|--------------------------|--------------------------|--------------|
| Turnover                   | 70.893.002               | 51.340.122               | 38,1%        |
| Consignment Sales          | 28.317.355               | 28.047.800               | 1,0%         |
| <b>Total Sales</b>         | <b>99.210.357</b>        | <b>79.387.922</b>        | <b>25,0%</b> |
| Gross Margin               | 10.177.137               | 4.963.466                | 105,0%       |
| Earnings Before Taxes      | (3.629.841)              | (4.151.084)              | -12,6%       |
| Operating Results (EBITDA) | 4.005.419                | 1.320.317                | 203,4%       |
| Adjusted EBITDA (1)        | 5.205.419                | 1.320.317                | 294,3%       |

(1) Adjusted EBITDA does not take into account the extraordinary and non-recurring provisions for doubtful debts for the year 2016 amounting to € 1.2 million.

The calculations for the Alternative Performance Indicators of the Company and the Group are analysed as follows:

|  | Group  |        |        | Company |        |        |
|--|--------|--------|--------|---------|--------|--------|
|  | 2016   | 2015   | Δ (%)  | 2016    | 2015   | Δ (%)  |
| <b>Gross Profit Margin</b><br>(Gross Profit / Turnover)<br>The Index reflects the Company's and Group's operating effectiveness and its pricing policy.  | 11,82% | 8,35%  | 41,5%  | 14,36%  | 9,67%  | 48,5%  |
| <b>EBITDA Margin</b><br>(EBITDA / Turnover)<br>The Index depicts EBITDA as a percentage of Turnover.<br>The Adjusted EBITDA / Turnover Index is 5.88% for the year 2016 and 2.29% for the year 2015.   | 4,73%  | 2,29%  | 106,2% | 5,65%   | 2,57%  | 119,7% |
| <b>Profit Margin:</b><br>(Earnings Before Tax / Turnover)<br>The Index reflects earnings before taxes as a percentage of Turnover.   | -4,20% | -7,18% | -41,6% | -5,12%  | -8,09% | -36,7% |
| <b>Quick Ratio:</b><br>(Current Assets / Current Liabilities (2))<br>This indicator shows the liquidity measure and the margin of safety so that the Company and the Group can meet the daily payables.  | 0,83   | 0,92   | -9,4%  | 1,0     | 1,2    | -11,4% |
| <b>Interest Cover</b><br>(EBITDA / Net Interest)<br>The Index reflects the relationship between the Company's and the Group's operating earnings before interest and taxes and the interest expenses on outstanding debt. It is a measure of the ability of the Company and the Group to repay interest from Operating Profit before Tax and Interest. | 0,82   | 0,35   | 134,3% | 0,9     | 0,3    | 173,5% |

(2) Short-term liabilities do not take into account the part of long-term loans that expire in the next 12 months.

#### **C.4 Significant Events During 2016**

Significant events that occurred during the year from 1st January to 31st December 2016 and their effect on the financial statements are as follows:

- Resolutions of the Ordinary and Extraordinary General Meeting  
At the Ordinary General Meeting of the company's shareholders, held in Athens on May 26, 2016, 19 shareholders attended representing 77.25 % of the Share Capital and voting rights and the following were approved unanimously:
  - The report on the activities of the Board of Directors and the Auditors and the annual Financial Statements of the fiscal year 2015.
  - The discharge of the members of the Board of Directors and the Chartered Auditor for the fiscal year 2015.
  - The election of Chartered Auditors and the approval of their remuneration for 2016.
  - The remuneration paid to members of the Board of Directors associated with dependent employment relationship for 2015 and the pre-approval of their remuneration for 2016.
  - The election of a new Board of Directors.
  - The election of the audit committee members in accordance with article 37 of L.3693/2008.
  - The provision of consent for the completion of article 4 of the company's statute with the scope of work its subsidiary PANELCO S.A. had and which was absorbed on 29/12/2015.
  - The taking of measures according to article 48 of CL 2190/1920 due to the reduction of the Company's own capital to less than one tenth of its share capital.
- Completion of the special tax audit, conducted by the statutory auditors for the year 2015 and getting the company tax certificate to be concluded without reservation.
- Completion of the tax audit of the 2008, 2009 and 2010 fiscal years of the Parent Company and the fiscal years 2008 and 2009 of the absorbed subsidiary PANELKO. From the above tax audit, additional taxes and surcharges were payable, totaling € 249,073. The Company had already formed a corresponding provision and therefore there was no charge to the income statement for this amount.

#### **C.5 Risk Management**

The major financial risks and the corresponding actions taken by the Group are presented below:

##### **(a) Credit Risk**

The Parent company has a policy to insure its credit sales through insurance companies and, therefore, no significant concentrations of credit risk are generated. Wholesale sales are mainly made to customers with an appropriate credit history. In 2016, no customer participated in the turnover by more than 3%, while there was dispersion to a large number of customers. Retail sales are made in cash. On 31/12/2016, the Management believes that there is no material credit risk exposure that has not already been covered by provisions for bad debts. It has also organized a credit control department, charged with assessing the creditworthiness of its customers as well as determining their credit limits. The Group's exposure to credit risk is limited to financial assets, which are as follows:

|                             | <b>Group</b>      |                   |
|-----------------------------|-------------------|-------------------|
| <b>Financial Assets</b>     | <b>31.12.2016</b> | <b>31.12.2015</b> |
| Cash and cash equivalents   | 7.340.643         | 12.273.726        |
| Trade and other receivables | 39.446.297        | 35.440.443        |
| <b>Total</b>                | <b>46.786.939</b> | <b>47.714.169</b> |

### (b) Interest Rate Risk

The interest rate risk mainly arises from long-term and short-term loans. Loans with variable interest rates expose the Group to cash flow risk. The Group does not consider a rapid increase in Euribor interest rates being possible given the economic situation and development prospects of the Eurozone countries and therefore it has not carried out any interest rate risk management transactions.

The table shows the sensitivity to the Period Results and the Stockholders' Equity in case of a possible change in the Group's interest rates by +/- 1%.

| <b>amounts in thousand €</b> | <b>Effect to P &amp; L</b> |            | <b>Effect to Equity</b> |            |
|------------------------------|----------------------------|------------|-------------------------|------------|
|                              | <b>+1%</b>                 | <b>-1%</b> | <b>+1%</b>              | <b>-1%</b> |
| <b>31st December 2016</b>    | (991.282)                  | 991.282    | (991.282)               | 991.282    |
| <b>31st December 2015</b>    | (1.085.928)                | 1.085.928  | (1.085.928)             | 1.085.928  |

### (c) Liquidity Risk

Liquidity risk is maintained at low levels through availability of adequate credit limits from credit institutions. On 31/12/2016, the Group maintained reserves of € 7,340 thousand.

The Group's standard practice is not to make use of all available lines, but to have disposable credit limits or cash flows at least 15% of the total on any occasion.

The company's financial statements have been prepared based on the principle of going concern.

On 31/12/2015, the equity of the company was negative mainly due to the absorption of the subsidiary PANELCO and therefore, from that date and due to the loss making results of FY 2016, there were effective the conditions for the application of the provisions of Article 47 of CL 2190/1920. However, the Management is examining taking immediate measures to address the negative equity.

On December 31, 2016 the total value of the Company's and the Group's short-term liabilities exceeded the total value of their circulating assets by an amount of € 55,029 thousand and € 70,001 thousand respectively. However, € 56,090 thousand pertain to long-term bond loans of the company that are classified as short-term loans, due to their expiration within 12 months from the issue date. The Management is currently in the process of renegotiating with the lending banks in order to sign a new long-term loan agreement. These negotiations aim to achieve time shift capital payment, further reduction in the cost of borrowing, as well as the renewal of existing untapped short-term borrowing lines. The result of this restructuring will be the time-shifting of the short-term borrowing up to € 56,090 thousand into long term. With this move, the company's working capital will also become

positive, amounting to € 1,061 thousand approximately. Moreover, SIDMA Bulgaria has agreed with its creditors to restructure its loans into a long term bond loan with reduced financial cost. Lead Arranged of the imminent bond loan is UBB (United Bulgaria Bank) and Security agent is Piraeus Bulgarian Bank.

On the basis and the course of the last three years, the company expects further reduction of its losses, regarding the fiscal year 2017, as well as the attainment of the objectives set in both this year's budget and the 5-year plan.

Within the framework of any emergency to enhance liquidity beyond the cost saving program already implemented, the Group evaluates moves which can bring significant benefits. Namely, it examines a series of actions to improve its financial position, such as restructuring of its loans, the limitation of supporting expenditure and the appropriate use of assets that will bring benefits without affecting the Parent company and the Group from operating smoothly.

The maturity of the Group's financial liabilities is as follows:

| Group                   |                   |                   |           |                   |                   |                   |                  |                   |
|-------------------------|-------------------|-------------------|-----------|-------------------|-------------------|-------------------|------------------|-------------------|
| 31.12.2016              |                   |                   |           |                   | 31.12.2015        |                   |                  |                   |
| Group                   | Up to 6 months    | 6-12 months       | 1-5 years | More than 5 years | Up to 6 months    | 6-12 months       | 1-5 years        | More than 5 years |
| Long-term borrowings    | 48.792.795        | 57.419.031        | -         | -                 | 54.389.976        | 50.213.431        | 3.406.472        | -                 |
| Trade Payables          | 22.840.620        | -                 | -         | -                 | 22.272.910        | -                 | -                | -                 |
| Other Payables          | 2.858.121         | -                 | -         | -                 | 2.946.151         | -                 | -                | -                 |
| Current Tax Liabilities | 249.073           | -                 | -         | -                 | -                 | -                 | -                | -                 |
| <b>Total</b>            | <b>74.740.609</b> | <b>57.419.031</b> | <b>0</b>  | <b>0</b>          | <b>79.609.037</b> | <b>50.213.431</b> | <b>3.406.472</b> | <b>0</b>          |

  

| Company                 |                   |                   |           |                   |                   |                   |                  |                   |
|-------------------------|-------------------|-------------------|-----------|-------------------|-------------------|-------------------|------------------|-------------------|
| 31.12.2016              |                   |                   |           |                   | 31.12.2015        |                   |                  |                   |
| Group                   | Up to 6 months    | 6-12 months       | 1-5 years | More than 5 years | Up to 6 months    | 6-12 months       | 1-5 years        | More than 5 years |
| Long-term borrowings    | 27.750.478        | 56.219.031        | -         | -                 | 32.478.134        | 49.013.432        | 3.406.472        | -                 |
| Trade Payables          | 18.533.909        | -                 | -         | -                 | 17.812.318        | -                 | -                | -                 |
| Other Payables          | 2.592.264         | -                 | -         | -                 | 2.745.823         | -                 | -                | -                 |
| Current Tax Liabilities | 249.073           | -                 | -         | -                 | -                 | -                 | -                | -                 |
| <b>Total</b>            | <b>49.125.724</b> | <b>56.219.031</b> | <b>0</b>  | <b>0</b>          | <b>53.036.275</b> | <b>49.013.432</b> | <b>3.406.472</b> | <b>0</b>          |

#### (d) Risk of Fluctuation of Raw Material Prices

The selling prices of manufactured products largely depend on the prices of raw materials. The fluctuations in world prices for steel products affect (positively or negatively) the Group's profit margin, since changes in the selling prices of products cannot be perfectly synchronized with price changes in the markets and price changes in the Group's reserves. The Group's gross profit margin is affected positively when raw materials prices are rising in and negatively if this is not the case. The fluctuation of metal prices is not covered by hedging transactions of the Group, and therefore, its results are affected through the devaluation or appreciation of reserves accordingly.

However, the Group maintains a permanent contact and a good cooperation with all key suppliers, thus it is directly informed of all developments in the international steel market, taking care to

prepare ahead of time and to amend its commercial policy (purchases and sales) according to current trends.

### (e) Currency Risk

The Group operates in Europe and therefore the bulk of its transactions is carried out in Euros. However, part of the Group's goods purchases is made in US Dollars. In order to address this risk, the Group carries currency forward contracts.

In addition, the Group is exposed to currency risks from investments in foreign countries (Subsidiary company in Romania). As a natural hedge for investments in foreign subsidiaries whose net position is exposed to foreign exchange rate risk, the Group's policy is to use borrowings in the respective currency - since this is possible in order to reduce exposure to risk in case of devaluation of local currencies against the Euro.

The change in the results and the Stockholders' Equity of the Group from a possible change in the foreign currency exchange rate is as follows:

If € is to be strengthened compared to the USD by + 10% and compared to the RON by + 10%:

| amounts in €               | Group         |                    |                |                   |
|----------------------------|---------------|--------------------|----------------|-------------------|
|                            | 31/12/2016    |                    | 31/12/2015     |                   |
|                            | USD           | RON                | USD            | RON               |
| Financial Current Assets   | 20.134        | 7.272.001          | 183.333        | 8.263.086         |
| Financial Liabilities      | 0             | -17.716.381        | 0              | -18.231.686       |
| <b>Short-term elements</b> | <b>20.134</b> | <b>-10.444.380</b> | <b>183.333</b> | <b>-9.968.600</b> |
| Financial Current Assets   | 0             | 6.313.419          | 0              | 6.726.419         |
| Financial Liabilities      | 0             | 0                  | 0              | -177.698          |
| <b>Long-term elements</b>  | <b>0</b>      | <b>6.313.419</b>   | <b>0</b>       | <b>6.548.721</b>  |

If € is to be weakened compared to the USD by - 10% and compared to the RON by - 10%:

| amounts in €                  | 31/12/2016 |       |         |          |
|-------------------------------|------------|-------|---------|----------|
|                               | + 10%      | - 10% | + 10%   | - 10%    |
|                               | USD        |       | RON     |          |
| Profits (losses) before taxes | -1.830     | 2.237 | 54.625  | -95.918  |
| Equity                        | -1.830     | 2.237 | 430.167 | -554.914 |

  

| amounts in €                  | 31/12/2015 |        |         |          |
|-------------------------------|------------|--------|---------|----------|
|                               | + 10%      | - 10%  | + 10%   | - 10%    |
|                               | USD        |        | RON     |          |
| Profits (losses) before taxes | -16.639    | 20.337 | 100.412 | -122.726 |
| Equity                        | -16.639    | 20.337 | 310.898 | -379.987 |

## C.6 Objectives and Prospects for 2017

Under present conditions, there can be no trusted and objective forecasts for the Greek market. However, SIDMA has successfully faced the extremely difficult economic climate of recent years managing to achieve a reduction of losses and increase its operating profitability at an average annual rate of 139% from 2013 onwards. 2017 started with positive prospects for the Company, based on the further improvement of its gross profit margin compared to the corresponding period of



2016. However, the volatility in the macroeconomic environment and the uncertainty in the growth rate of the Greek economy should be taken into serious consideration for the rest of the year.

With regard to foreign subsidiaries, SIDMA BULGARIA aims at further improving the profitable results of 2016 to which there will contribute the expected, in the near future, signing of a syndicated loan with the creditor banks to reduce its financial costs. Moreover, according to the winter provision of the European Union for 2017, the Bulgarian economy is expected to grow at a rate of 2.9% in the midst of an ongoing fiscal consolidation, with domestic demand still being the main driver of growth.

SIDMA Romania aims at improving its results through sales growth and the market share it currently holds. According to the latest economic forecasts published by the European Commission for the economies of all EU Member States, a growth of its GDP by 4.4% is expected after an impressive 4.9% in 2016. Romania, following the fiscal relaxation the country went through, is characterized by robust growth in salary increases and a significant decrease in unemployment. Based on the above, it is still an attraction for many companies in various industries, providing a number of advantages and opportunities.

In the international market, prices of raw materials have just stopped their upward trend in early April 2017 after the increase of the last six months that has exceeded 30%, while the increase in real steel consumption in Europe is not expected to exceed 2% in 2017, according to **EUROFER** (European Steel Association).

This year, **SIDMA** aims to maintain the considerable share it holds in the Greek market and to further develop abroad. The company still gives primary importance to its liquidity, the cost of its borrowing, the control of its overall costs, in order to further improve its results.

## **C.7 Statement of Corporate Governance**

This Corporate Governance Statement is prepared in accordance with article 43bb of CL 2190/1920, as amended and in force, and it is part of the Annual Management Report of the Company's Board of Directors.

### **INTRODUCTION**

The term "corporate governance" describes the way in which companies are managed and audited.

In Greece, the corporate governance framework has been developed mainly through the adoption of binding rules, such as I. 3016/2002 and the Decision 5/204/2000 of the Capital Market Commission, that, inter alia, require the participation of non-executive and independent non-executive members in the Board of Directors of Greek listed companies, the establishing and functioning of an internal audit

unit and the adoption of internal rules of operation with minimum mandatory content in accordance with the above provisions.

Last but not least, the law on public limited liability companies (CL 2190/1920 with its existing amendments) includes the basic rules of corporate governance of public limited liability companies.

### **C.7.1 Code of Corporate Governance**

#### ***Disclosure of the Company's voluntary compliance with the Corporate Governance Code***

The Company has voluntarily decided to adopt the Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies (hereinafter referred to as "Code"). This Code is at the following on-line address:

[http://www.sev.org.gr/Uploads/pdf/kodikas\\_etairikis\\_diakivernisis\\_GR\\_20131003.pdf](http://www.sev.org.gr/Uploads/pdf/kodikas_etairikis_diakivernisis_GR_20131003.pdf)

#### ***Deviations from the Corporate Governance Code and their justification. Special provisions - practices of the Code for listed companies - not applied by the Company and explanation of the reasons for non-application***

First, with this statement, the Company confirms that it faithfully and strictly applies the provisions of Greek law which form the minimum requirements to be met by any Corporate Governance Code applied by the Company, whose shares are traded only on a regulated market in Greece.

These minimum requirements are incorporated in the aforementioned Corporate Governance Code (SEV) in which the Company is subject, but this Code also contains a number of additional (to minimum requirements) special provisions.

The Company, as the case may be, **deviates from or does not apply in full** certain provisions of the Code, concerning "Special practices for listed companies".

These deviations are detailed below. Note that the report that follows includes exceptions for special practices for smaller listed companies, namely, not included in the FTSE / ATHEX 20 and FTSE / ATHEX Mid 40 indices, for which the Code provides in Annex 1 the possibility of their exception from the obligation to explain the non-compliance with them.

#### **Regarding the Board of Directors and its members**

##### ***Role and responsibilities of the Board***

- The Board of Directors has not established a separate special committee, which presides over the application procedure for election to the Board and prepares proposals to the Board regarding the remuneration of executive members and key executives, since the Company's policy with respect to this remuneration is fixed and formed, and secondly because in view of the Company's size, the existence of such committees is not considered as indispensable. A I (1.2)

***Size and composition of the Board***

- There are 2 independent non-executive members according to the requirements of article 3 para.1 of L.3016/2002 and consequently there are not at least 3 i.e. 1/3 of the 9-member Board, defined by the specific practices in the Corporate Governance Code of SEV. A II (2.3)

***Independence of Board members***

- The Chairman of the Board has not changed for more than 3 years, since he is a non-executive member and independent of the Managing Director. A II (2.5)

- Five members remain on the company's Board for more than 12 years. A II (2.5)

***Role and required qualities of the Chairman of the Board of Directors***

- The Board does not appoint an independent Vice-Chairman from among its independent members, but an executive Vice President, as the Chairman of the Board is both a non-executive member and a person other than the Managing Director. A III (3.3 & 3.4)

***Election of candidate members of the Board of Directors***

- There is no nomination committee for the Board, as this committee is not considered necessary at the moment due to the structure and operation of the Company. A V (5.4 to 5.8)

***Functioning of the Board of Directors***

- There is currently no provision for supporting the Board in the performance of its work by a competent, specialised and experienced corporate secretary, as his/her main duties are filled up by other services of the Company. A VI (6.2, 6.3)

- There is no need to hold meetings on a regular basis between the Chairman of the Board and its non-executive members without the presence of executive members to discuss the performance and remuneration of the latter, since all related matters are discussed in the presence of all Board members without discrimination. A VI (6.5)

- There is no provision for introductory information programs as there are no new members to the Board and for the continuing professional development and training for the other members, since persons with proven experience and organizational-administrative skills are proposed for election as Board members. A VI (6.6).

***Evaluation of the Board of Directors***

- There is no institutionalized procedure for evaluating the effectiveness of the Board and its committees, while the performance of the Chairman of the Board is not evaluated during a procedure under the chairmanship of the independent Vice-Chairman or other non-executive member of the Board in the absence of an independent Vice-President. Apart from evaluating the Board through the Report on the Activities of the annual Ordinary General Meeting of shareholders, the Board monitors

and reviews the implementation of its decisions annually. Besides the above, there is no evaluation system for the Board and the committees of A VII (7.1, 7.2 and 7.3).

**Regarding internal audit*****Internal audit system***

There are no available specific funds to the Committee for the use of services by external consultants, as the composition of the Committee and the specialized knowledge and experience of its members ensure its efficient operation. B I (1.9)

**Regarding remuneration*****Level and structure of remuneration***

Establishing the remuneration committee, in view of the Company's structure and operation, has not been considered necessary until now.

The overall remuneration of the Chairman of the Board, the Managing Director as well as the Board members, both executive and non-executive ones, is approved by the Ordinary General Meeting of shareholders and it is adequately disclosed in the financial statements under IAS 24. No remuneration report is disclosed in the corporate governance statement. C I (1.1 – 1.11).

- No bonuses are provided in the Company's contracts with the executive Board members who hold contracts with the Company. C I (1.3)
- There has been agreed no "compensation package" or variable remuneration for any member of the Board of Directors.

***General Meeting of Shareholders***

- There was no discrepancy, except for the possibility of electronic voting or by mail, at the General Meeting. The company enables shareholders abroad or those unable to attend the General Meeting to vote by proxy. The form is posted on the company's website, according to which the shareholder may authorize any person of their choice to vote in accordance with their specific instructions or as desired by the proxy D II (2.2).

**C.7.2 Corporate governance practices applied by the Company in addition to the provisions of the law**

The Company faithfully and strictly applies the provisions of the relevant corporate governance legal framework. There are currently no practices applied in addition to the above provisions.

**C.7.3 Main Features of the Internal Audit and Risk Management Systems in relation to the preparation procedure of Financial Statements and Financial Reporting**

The Internal Audit and Risk Management System of the Company in relation to the procedure of preparing financial statements and financial reports includes safeguards and control mechanisms at various levels within the Organization, as described below:

***In general***

Risk identification, assessment, measurement and management:

The identification and assessment of risks takes place mainly during the preparation phase of the strategic plan and annual business plan. The issues addressed vary depending on the conditions of the market and the company and include, among others, developments and trends in the industry in which the company operates. The Board carries out an annual review of the corporate strategy, main business risks and internal audit systems.

Planning and monitoring / Budget:

The course of the company is monitored through a detailed budget. The progress of the company's financial figures largely depends on external factors such as the raw material prices and other market factors. For this reason, the budget is adjusted at regular intervals to take account of these changes. The Management monitors the development of the company's financial figures through regular budget reports and comparisons as well as through meetings of the management team.

Adequacy of the Internal Audit System:

The Management has designed and performs ongoing supervisory activities, which are integrated into the Company's operations and which ensure that the Internal Audit System maintains its effectiveness over time. The Company also carries out periodic individual evaluations of the suitability of the Internal Audit System, which are mainly implemented through the Internal Audit Service.

The Company has an independent Internal Audit Service, which among other things ensures that the risk identification and management procedures applied by the Management are adequate and also ensures the effective functioning of the Internal Audit System and the quality and reliability of the information provided by the Management to the Board regarding the Internal Audit System.

The adequacy of the Internal Audit System is monitored on a regular basis by the Audit Committee through interactive communication with the Internal Audit Service.

***Internal Rules of Operation***

The Company has drafted relevant Internal Rules of Operation, which are approved by the Board of Directors. Within the framework of the Rules, the role and responsibilities of key jobs are defined, thus promoting the adequate separation of responsibilities within the Company.

***Safeguards for the preparation procedure of financial statements and financial reporting***

As part of the preparation procedures of the Company's financial statements, specific safeguards exist and operate, which are related to the use of commonly accepted tools and methodologies based on international practices. The main areas in which safeguards operate that are related to the preparation of the Company's financial reports and financial statements are as follows:

***Organization - Distribution of Responsibilities***

- The assignment of responsibilities and powers to both the top level Management of the company and to the middle and lower level managers ensures that the effectiveness of the Internal Audit System is enhanced, while preserving the required separation of responsibilities.
- Appropriate staffing of financial services with individuals who have the necessary technical knowledge and experience for the duties assigned to them.

***Accounting and financial reporting procedures***

- Training and provision of information to staff involved in the preparation of the Financial Statements.
- Automated checks and inspections carried out between different information systems.
- The Management's judgements and estimates required for the preparation of financial statements are reviewed at each financial reporting period, in relation to the risks identified.

***Internal audit procedures of financial statements***

- The internal audit in the preparation procedure of financial statements is designed in such a way that the management's claims are confirmed, by specific processes, against those of third parties and the external auditors on the individual items in the financial statements, that are:

For the Balance Sheet: the existence and ownership of the data, the completeness, the consistent with the accounting framework measurement and classification.

For the Results: The existence of the transaction, the accrual-based accounting, the completeness, the accuracy and the classification based on the accounting framework.

***Asset retention procedures***

- Existence of safeguards for fixed assets, stocks, available funds - cheques and other company assets, including but not limited to physical security of the treasury and warehouses, the inventory and comparison of the measured quantities with those of accounting records, the adequate security of assets and others.

#### **C.7.4 Board of Directors**

***Composition and functioning of the Board of Directors***

The role, powers and relevant responsibilities of the Board are described in the statute as well as in the Company's Internal Rules of Operation.



The Board of Directors, acting collectively, has the administration and management of corporate affairs. It decides on all matters relating to the Company and carries out any action other than those that, either by law or by statute, the General Meeting of shareholders is responsible for.

Including but not limited to, the Board of Directors:

- (a) Represents the Company judicially and extra judicially.
- (b) Initiates and conducts trials, acts of seizure, underwriting and mortgage records, consents to their removal, waives privileges, lawsuits and judicial remedies, settles judicially and extra judicially and agrees arbitration.
- (c) Acquires, creates or transfers rights in rem and in person to movable and immovable property, subject to article 10 of CL 2190/20 and accepts obligations, enters into any form of contract, subject to article 23a of CL 2190/1920, participates in public or other competitions as well as in calls for bids and calls for tenders.
- (d) Hires, appoints and makes redundant employees and agents of the Company, regulates wages and salaries and grants and rescinds any general and special power of attorney on behalf of the Company.
- (e) Issues, accepts and signs or warrants or endorses promissory notes, bills of exchange, cheques and any negotiable instruments.
- (f) Generally determines the Company's expenses.
- (g) Audits the books and the Treasury of the Company, prepares the annual financial statements, proposes the amortizations made in facilities and doubtful debts and proposes the dividends and profits to be distributed.
- (h) Determines the internal operation of the Company and issues the relevant regulations and generally carries out all actions involved in managing the Company and its assets and has every power and right to manage corporate interests and to perform any act for the realization of the objectives pursued by the Company.
- (i) Lawfully provides every kind of guarantees on behalf of the company in favor of natural or legal persons with whom the company has or maintains commercial or financial transactions to serve its purposes.
- (j) Decides on the issue of bond loans other than those referred to in article 3b of CL 2190/1920. With respect to bond loans convertible into shares of the Company, the Board of Directors may decide to issue them following authorization by the General Meeting in accordance with article 13 para. 1 of CL 2190/1920.

The Board of Directors may, by decision, entrust the exercise of all or some of its rights and powers relating to the administration, management and representation of the Company to one or more persons, irrespective of whether these persons are or are not members of the Board. Such persons may, if provided by the relevant decisions of the Board of Directors, further delegate the exercise of

the powers assigned to them or part of them to other or third parties. The title and responsibilities of each of these persons is always determined by the decision of the Board of Directors to appoint them.

Each member of the Board of Directors is liable to the Company for the management of corporate affairs for all that fault. They are responsible themselves if the balance sheet contains omissions or false statements that conceal the actual situation of the Company. This responsibility does not exist if the member proves that he/she followed the due care and diligence of a prudent businessman. This diligence is also judged based on the capacity of each member and the duties assigned. In addition, this responsibility does not exist for acts and omissions based on lawful decisions of the General Meeting or related to a reasonable business decision taken in good faith, based on sufficient information and only in the interest of shareholders.

### ***Meetings of the Board of Directors***

The Board of Directors meets at the Company's headquarters when the law or the needs of the Company so require and it is convened by the Chairman or the Vice-Chairman deputizing for him on a day and time specified by him. The Board is also convened whenever the Chairman deems it necessary or this is requested by two Directors, as defined in the relevant law. In addition to the Chairman or his alternate, the convening of the Board of Directors may be requested by two (2) of its members through an application form addressed to the Chairman or his alternate, who are obliged to convene the Board to meet within seven (7) days from the submission of the request. Moreover, the application form must, by penalty of inadmissibility, clearly outline the topics to be discussed at the Board. If the Board of Directors is not convened by the Chairman or his alternate within the above deadline, the members who have requested the convening may convene the Board of Directors themselves within five (5) days from the expiry of the above (7) seven-day period, announcing the relevant invitation to the other members of the Board of Directors. In 2016 one meeting of the Board was held, which was attended by all members. The other decisions were taken by the Board by circulation.

### ***Information about the members of the Board of Directors***

The current Board of Directors of the Company has nine (9) members, as elected by the Ordinary General Meeting on 26.05.2016 and consists of the following members:

#### **Marcel - Haris Amariglio - Chairman of the Board (Non-executive member)**

Mechanical Engineering graduate (BSc, MSc) of the University of Sussex, UK and executive MBA from Kellogg School of Management, USA.

#### **Nikolaos Mariou - Vice-Chairman of the Board (Executive member)**

Chemist, graduate of the University of Athens, he holds a postgraduate degree in Biochemical Engineering from University College London and in Business Administration (MBA) from Imperial

College, London. Before joining SIDENOR S.A., he served as Area Sales Manager at VIORYL S.A., Category Marketing Manager at COLGATE PALMOLIVE HELLAS, Marketing & Exports Manager at P.D PAPOUTSANIS S.A. and Deputy General Manager at APIVITA S.A. In 2004 he joined the SIDENOR Group, where he was Commercial Director of SIDENOR S.A., as well as Strategic Business Planning Director. He is currently the Managing Director.

**Daniel Benardout - CEO and Member of the Board (Executive member)**

Civil Engineer graduate (BSc, MSc) from Technion Institute of Technology (Israel) and he also holds an executive MBA from the Athens University of Economics and Business. He has been working for the Company since 1981.

**Efstratios Thomadakis - Member of the Board (Executive member)**

Economist, graduate of the University of Piraeus with a BSh in Business Administration and an MBA from the same university. He joined the VIOHALCO group in 2000, where he worked at the Internal Audit Department until 2004. He then joined SIDENOR Group Financial Department, where he has held several positions ever since.

**Konstantinos Karonis - Member of the Board (Non-executive member)**

Graduate of the Athens Higher School of Commercial Studies and graduate of Law School, he has been working at VIOHALCO since 1985.

**Haim Nahmias - Member of the Board (Non-executive member)**

Electrical Engineering graduate from Technion Institute of Technology (Israel). He worked for the company from 1983 to 2014.

**Elias Moissis - Member of the Board (Executive member)**

Graduate in Management Science of Massachusetts Institute of Technology (USA) and holds an MBA from the University of California, Berkeley (USA). He worked at SIDMA from 1993 to early 2017, when he joined VIOHALCO.

**Minos Moissis - Member of the Board (Independent Non-executive member)**

Graduate in Mathematics from the University of Athens and a postgraduate degree in Actuarial Science from the Heriot - Watt University, UK. Mr. Moissis has extensive experience in managing companies of the financial sector. From 1998 to 2001 he was employed in Interamerican at several senior positions and from 2001 to 2004 he served as the Managing Director of the Group. From 2005 to 2010 he worked in the Group of the National Bank of Greece, where he initially introduced and developed bancassurance activities and was then appointed as General Manager of its Network, Retail Banking General Manager, member of the Executive Committee and Managing Director of Ethniki Asfalistiki. From 2011 to 2013 he was employed as General Manager at Commercial Bank. Since 2013 he has been a freelance consultant specialised in insurance and banking.

**Georgios Katsaros - Member of the Board (Independent Non-executive member)**

Graduate of the Economics department of the Law School of the University of Athens. He also holds a Master's degree in Industrial Economics from Sussex University (U.K.) and an MBA from INSEAD (France). He has been working as Administration Consultant at EFG Eurobank Ergasias since 2003.

Based on the above composition, the Board of Directors is comprised of four (4) executive and five (5) non-executive members, two (2) of which are independent members, about whom the Board considers that they maintain its independence, based on the definitions of the Code.

The mandate of the Board is for one year and ends on the day of the Ordinary General Meeting of the year 2017.

**C.7.5 Audit Committee**

The Company, in compliance with the provisions and requirements of L. 3693/2008 (now replaced by Law 4449/2017 in regard to the relevant provisions), has set up an Audit Committee in order to support the Board with its duties relating to financial reporting, internal audit and the supervision of the statutory audit.

The Audit Committee consists of two non-executive members of the Board of Directors, Mr. Nahmias Haim and Mr. Amarilio Marsel and one independent non-executive member of the Board, Mr. Georgios Katsaros. The Audit Committee members are elected by the General Meeting.

Mr. Georgios Katsaros has been appointed Chairman of the Audit Committee.

The term of office of the above Committee is the same as that of the Board of Directors and ends on the day of the Ordinary General Meeting of the year 2017.

The responsibilities and obligations of the Audit Committee consist of, inter alia:

- (a) Monitoring the financial reporting procedure, reviewing the Management's judgements and estimates that affect the preparation of the financial statements and supervising any formal announcement concerning the financial performance of the company.
- (b) Monitoring the effective operation of the internal audit and risk management systems, as well as supervising the Company's internal audit service and ensuring its independence.
- (c) Monitoring the progress of the statutory audit for the individual and consolidated financial statements of the Company.
- (d) Reviewing and monitoring issues relating to the existence and maintenance of objectivity and independence of the statutory auditor or audit firm, particularly with regard to the provision of other services to the Company by the statutory auditor or audit firm.

During the fiscal year 2016 (01.01.2016-31.12.2016) the Audit Committee met 4 times.

It is clarified that the Ordinary Auditor of the Company, who audits the annual and interim financial statements, does not provide other non-audit services to the Company nor is associated with any other relationship to the Company, in order to ensure his objectivity and independence in this way.

#### **C.7.6 Other management, supervisory bodies or committees of the Company**

On the date of this document, no other management or supervisory bodies or committees of the Company exist under the functioning of the Board of Directors.

#### **C.7.7 Diversity Policy in the composition of the administrative, management and supervisory bodies of the Company**

Due to the Company's size and the small number of administrative, management and supervisory bodies of the Company (each of which is composed of a small number of members), the Company does not maintain a separate diversity policy in the composition of these bodies, respecting, however, inter alia, the principle of non-discrimination and equality.

#### **C.7.8 Information required under article 10 para. 1 of Directive 2004/25/EC on takeover bids**

The above information is detailed in the Explanatory Report of the Board of Directors to the General Meeting of the shareholders. (para. B.10)

This Corporate Governance Statement is an integral and distinct part of the annual Management Report of the Company's Board of Directors.

### **C.8 Significant Transactions between the Company and Related Parties**

The most significant transactions of the Company with its related parties within the meaning of IAS 24 are presented in paragraph 9.35.

### **C.9 Post Balance Sheet Events**

There are no events after the end of the reporting period.

### **C.10 Explanatory Report**

**EXPLANATORY NOTE TO THE MANAGEMENT REPORT OF SIDMA S.A.  
FOR THE FISCAL YEAR 2016  
ACCORDING TO PAR. 6 AND 7, ARTICLE 4, LAW 3556/2007**

#### **(a) Share capital structure**

On 31/12/2015, the Company's share capital amounted to 13.752.000,45 € and was divided into 10.186.667 common registered shares of a par value of 1,35 € each.

According to the Shareholders' Registry of the 31/12/2016, the Company's share capital structure was the following:

| SHAREHOLDERS                              | Shareholder's book 31/12/2016 |                |
|---|-------------------------------|----------------|
|   | No. of shares                 | Stake %        |
| Sovel A.E.                                | 2.842.500                     | 27,90%         |
| Sidacier holding S.A.                     | 1.580.230                     | 15,51%         |
| Andreas Pizante, son of Haim              | 695.256                       | 6,83%          |
| Rapallo invest holding S.A.               | 692.602                       | 6,80%          |
| Sidenor Steel Industry S.A.               | 658.226                       | 6,46%          |
| BANK VONTOBEL AG                          | 564.266                       | 5,54%          |
| Nelly Amarilio, daughter of Daniil Andrea | 300.889                       | 2,95%          |
| David Amarilio, son of Daniil Andrea      | 300.889                       | 2,95%          |
| Santy Amarilio, daughter of Andrea        | 173.882                       | 1,71%          |
| ELVAL S.A.                                | 110.480                       | 1,08%          |
| Nataly Pizante, daughter of Andrea        | 88.093                        | 0,86%          |
| Viochalco S.A.                            | 29.212                        | 0,29%          |
| Victor Pizante, son of Andrea             | 5.021                         | 0,05%          |
| Public Investors                          | 2.145.121                     | 21,06%         |
| <b>Total</b>                              | <b>10.186.667</b>             | <b>100,00%</b> |

All (100%) of the Company's shares are common, registered, indivisible and listed in the Athens Stock Exchange and are traded under the supervision category. There are no special categories shares. Rights and obligations arising from shares are the usual ones and are described in the relevant articles of the Articles of Association (articles 5, 11 and 24).

By the decision of the Extraordinary General Meeting of the Shareholders dated 16.12.2004 the share capital was increased by 3.375.000 €. (three million three hundred and seventy-five thousand euros) through the issuance of 2.500.000 (two million five hundred thousand) new shares of a nominal value of € 1,35 each, of which an amount of € 160.650 was made available through private placement and an amount of € 3.214.350 - through a public offering.

On 23.11.2015, the general meeting of the Company's shareholders approved the merger by absorption of by 94% subsidiary company "PANELCO SA". Following this merger, the company's share capital was increased by € 252,000.45 through the issuing of 186,667 new ordinary registered shares with a nominal value of € 1.35 each. Trading in the new shares began on 05/02/2016.

Thus, the Company's share capital amounts to € 13,752,000.45 (thirteen million seven hundred fifty-two thousand Euros) and is divided into 10,186,667 (ten million one hundred eighty-six thousand six hundred sixty-seven) ordinary registered shares with a nominal value of € 1.35 each.

Therefore, the Company's share capital amounts to **€ 13.500.000 (thirteen million five hundred thousand euros) and is divided in 10.000.000 (ten million) common registered shares of a nominal value of € 1,35 each.**

The abovementioned increase was completed in April 2005 with the Public Offering and following that, no other change has taken place.



Finally, the main rights and obligations arising from the share, according to the Company's Articles of Association and L. 2190/1920 are as follows: Each share entitles its owner to participate in the product of the liquidation of the Company's estate in case of dissolution of the Company and in the distribution of its profits pro rata of the ratio of the paid up capital of the share to the total paid up share capital.

**(b) Restrictions to the transfer of the Company's Shares**

According to the Company's Articles of Association:

The transfer of the Company's shares is free and is performed according to Article 8b of L.2190/1920.

**(c) Important direct or indirect participations according to Law 3556/2007**

As at 31/12/2016, the Company is not aware of any other shareholder, who has a direct or indirect interest in 5% or more of the Company's paid in share capital.

**(d) Owners of shares that offer special control rights**

There are no issued shares of the Company that offer special control rights.

**(e) Restrictions on voting rights – Deadlines in exercising those rights**

There are no restrictions on voting rights. The usual deadlines apply to the deposition/blocking of the shares as a condition for the participation in the General Meeting.

**According to the Company's Articles of Association, the ownership of one share entitles the shareholder to one vote and the number of votes always increases in proportion with the number of shares.**

All shareholders have the right to attend the General Meeting, having a number of voting rights equal to the shares held. The shareholders may be represented at the General Meeting by proxies appointed by means of a simple letter. Minors and restricted persons, as well as legal entities, are represented by their legal representatives. Shareholders wishing to attend the General Meeting need to file with the Company a certificate issued by HELEX or its equivalent stating their capacity as shareholders, the number of shares held granting them the right to attend the meeting and their being blocked up until the date of the General Meeting. Such certificate along with the legalization documentation of the shareholders' representatives, need to be submitted to the Company's premises five (5) days prior to the date set for the convention of the General Meeting.

**The shareholders or representatives of shareholders who do not comply with the provisions of that article may participate in the General Meeting only after its permission.**

**(f) Shareholder agreements for restrictions in the transfer of shares or in the exercising of voting rights**

There are no shareholder agreements regarding restrictions in the transfer of shares or in the exercising of voting rights that are known to the Company.

**(g) Rules of appointment and replacement of the members of the Board of Directors and amendment of the Company's Articles of Association if they differ from the provisions of Codified Law 2190/1920.**

**g.1.** According to Articles 11 and 12 of the Articles of Association regarding the Appointment and Replacement of the members of the Board of Directors:

**Article 11**

1. The Company is managed by a Board of Directors consisting of nine members, which is, in part, appointed according to paragraph 4 of the present article and, in part, elected by the General Meeting of the Shareholders through secret ballot and whose term of office is one year. Exceptionally, the term of office of the Board of Directors is extended until the expiry of the deadline, within which the General Meeting right after the end of the term of office thereof must be convened. The term of office of the members of the Board of Directors begins on the day following the General Meeting at which their election was approved and ends on the day the term of office of the new Board of Directors begins.
2. Members of the Board of Directors, whose term of office has expired, can be re-elected.
3. Members of the Board of Directors may also be legal entities. In this case, the legal entity must appoint a physical person to exercise the powers of the legal entity as member of the Board of Directors.
4. The following shareholders of the Company, ie. «VIOHALCO HELLENIC INDUSTRY OF COPPER AND ALUMINIUM», «SOVEL S.A. HELLENIC PROCESSING COMPANY OF STEEL SOCIETE ANONYME» and «SIDENOR STEEL INDUSTRY S.A.» have the right, according to article 18 paragraphs 3, 4 and 5 of L. 2190/1920, as amended and in force, to appoint three (3) out of nine (9) members of the Board of Directors, if either three (3) or two (2) of them jointly or each one of them separately, are the owners of shares representing at least 34% of the Company's share capital. That right must be exercised with the notification of the appointment of the abovementioned directors to the Company three (3) full days before the convening of the general meeting of the Company's shareholders for the election of a Board of Directors. This notification is made through dispatching a document signed by the abovementioned shareholders. In that case, the General Meeting is restricted to electing the remaining members of the Board of

Directors. For the exercise of the above mentioned right, the shareholders exercising it must deposit to the Company the documentary evidence mentioned in article 24 of the present Articles of Association proving their capacity as shareholders and blocking of the Company's shares representing at least 34% of its share capital at least three (3) full days before the date of the convening of General Meeting. The shareholders who exercise the abovementioned right do not participate in the election of the remaining Board of Directors. The appointed directors can be revoked at any time by the shareholders who have the right to appoint them and be replaced by others. In case the position of any of the appointed directors is vacated due to death, resignation or other reason, another one is appointed by those having the right of appointment. In case the number of the members of the Board of Directors is modified, the proportion of the special representation provided for here must be maintained. For the modification of this paragraph the consent of the shareholders who have the right to appoint members of the Board of Directors is necessary. The above right to appoint members of the Board of Directors is maintained and transferred in case of a transfer of company shares from the above shareholders to subsidiaries or parent companies or companies connected in any way to them and particularly to companies of the «Viohalco Group of Companies», ie, to companies included in the consolidated financial statements of the shareholder, «VIOHALCO HELLENIC INDUSTRY OF COPPER AND ALUMINIUM» or to subsidiaries or parent companies or companies connected in any way to them. In that case the abovementioned right will be valid only as long as the abovementioned shareholders and their successors are shareholders representing at least 34% of the Company's share capital.

**Article 12**

- 1) Subject to paragraph 4 article 11 hereof, the Board of Directors may elect members thereof in replacement of members who resigned, deceased or lost their office in any other way. The above election by the Board of Directors is effected by virtue of resolution of those remaining members who were elected by the General Meeting and not those who were appointed pursuant to paragraph 4 of article 11, provided that they are at least three (3), which is passed by the simple majority of said members and is valid for the remainder of the term of office of the member who is replaced. The resolution for the election is subject to the publicity requirements of article 7b of Law 2190/1920, as amended and in force, and is announced by the Board of Directors in the following General Meeting, which may replace the elected members, even if no respective issue has been registered on the agenda.
- 2) In any case, the remaining members of the Board of Directors, irrespective of their number, may proceed with the convention of a General Meeting with the sole purpose of electing a new Board of Directors.

**g.2.** According to article 21 of the Company's Articles of Association, the General Meeting is the only authority responsible to decide on the amendments to the Articles of Association. Especially, regarding the decisions of the General Meeting and the amendments to the Articles of Association in general, for which, according to Law 2190/1920, the usual quorum suffices, the Company's Articles of Association provide that, it will be achieved if shareholders representing 66,5% of the share capital are present or represented therein, deviating from Law 2190/1920, which requires 1/5 of the paid share capital for the usual quorum.

In respect of the amendments to Articles 11,12,14,25 and 26 of the Articles of Association, which regulate the way of appointing and replacing the members of the B.o.D, the way of calling and decision making from the B.o.D, as well as the way of decision making from the General Meeting respectively, is required increased quorum of 70% of the paid-up Share Capital as well as majority of the 2/3 of the votes representing in the General Meeting. Especially, in order to amend paragraph 4 of article 11 of the Company's Articles of Association, it is required the consent of those shareholders to which the right to directly appoint members of the board has been granted.

Apart from the above, the remaining regulations regarding the amendments of the Articles of Association, do not deviate from the relative regulations of L.2190/1920.

**(h) Jurisdiction of the Board of Directors for the issuance of new shares/share buybacks according to article 16 of Law 2190/1920**

**h.1.** According to article 6 of the Company's articles of association only the General Meeting has the right to increase its share capital by taking a decision by an increased quorum and majority.

**h.2.** It is forbidden to the Company and the members of the Board of Directors to acquire its own shares except in the cases and under the conditions imposed by the legislation in force from time to time.

**(i) Significant agreements of the Company that become valid/are amended / expire in case of a change in the Company's control following a Public Tender Offer.**

No such agreements exist.

**(j) Agreements regarding compensation of members of the Board of Directors or personnel in case of resignation, termination of their employment agreement without an essential cause or expiration of their term/ agreement due to public tender offer**

No such agreements exist.

Halandri, 27 April 2017

**CHAIRMAN**

MARCEL-HARIS L. AMARILIO

## D. Annual Financial Statements

### D.1 Statement of Financial Position

| <b>SIDMA S.A.</b><br><b>Statement of Financial Position</b><br><b>for the period from 1<sup>st</sup> January to 31st December 2016</b> |       |                    |                    |                    |                    |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| Amounts in EURO  |       |                    |                    |                    |                    |
|  |       | <b>Group</b>       |                    | <b>Company</b>     |                    |
|  |       | <b>31.12.2016</b>  | <b>31.12.2015</b>  | <b>31.12.2016</b>  | <b>31.12.2015</b>  |
| <b>Assets</b>  | Notes |                    |                    |                    |                    |
| <b>Non Current Assets</b>  |       |                    |                    |                    |                    |
| Tangible Assets  | 9.1   | 55.781.870         | 55.672.868         | 44.627.162         | 44.204.840         |
| Intangible assets  | 9.2   | 543.287            | 488.551            | 119.581            | 64.971             |
| Investments in subsidiaries  | 9.3   | 0                  | 0                  | 11.645.038         | 11.645.038         |
| Other non current assets   | 9.4   | 117.254            | 118.730            | 101.843            | 101.078            |
| Deferred Tax Assets  | 9.13  | 0                  | 0                  | 0                  | 0                  |
|  |       | <b>56.442.410</b>  | <b>56.280.148</b>  | <b>56.493.625</b>  | <b>56.015.928</b>  |
| <b>Current Assets</b>  |       |                    |                    |                    |                    |
| Inventories  | 9.5   | 15.448.280         | 16.829.518         | 12.071.899         | 11.400.074         |
| Trade receivables  | 9.6   | 37.204.000         | 31.117.567         | 30.637.284         | 24.892.909         |
| Other receivables  | 9.7   | 2.125.043          | 4.204.146          | 1.733.067          | 3.895.628          |
| Derivatives  | 9.8   | 40.364             | 0                  | 0                  | 0                  |
| Cash and cash equivalents  | 9.9   | 7.340.643          | 12.273.726         | 5.873.254          | 11.039.687         |
|  |       | <b>62.158.330</b>  | <b>64.424.958</b>  | <b>50.315.504</b>  | <b>51.228.298</b>  |
| <b>Total Assets</b>  |       | <b>118.600.740</b> | <b>120.705.106</b> | <b>106.809.129</b> | <b>107.244.226</b> |
| <b>EQUITY</b>  |       |                    |                    |                    |                    |
| <b>Shareholders of the mother company:</b>   |       |                    |                    |                    |                    |
| Share Capital  | 9.10  | 13.752.000         | 13.752.000         | 13.752.000         | 13.752.000         |
| Share Premium  | 9.10  | 9.875.000          | 9.875.000          | 9.875.000          | 9.875.000          |
| Reserves   | 9.11  | 21.524.714         | 18.960.635         | 18.915.678         | 16.372.208         |
| Retaining Earnings   |       | -62.901.000        | -58.567.241        | -45.020.788        | -41.410.101        |
|  |       | <b>-17.749.286</b> | <b>-15.979.606</b> | <b>-2.478.110</b>  | <b>-1.410.894</b>  |
| <b>Non-controlling interests</b>   |       | 0                  | 0                  | 0                  | 0                  |
|  |       | <b>-17.749.286</b> | <b>-15.979.606</b> | <b>-2.478.110</b>  | <b>-1.410.894</b>  |
| <b>Liabilities</b>   |       |                    |                    |                    |                    |
| <b>Non Current Liabilities</b>   |       |                    |                    |                    |                    |
| Long-term loans  | 9.12  | 0                  | 3.406.472          | 0                  | 3.406.472          |
| Grants for investments in fixed assets   | 9.13  | 235.431            | 279.182            | 235.431            | 279.182            |
| Deferred Tax Liabilities   | 9.14  | 3.242.417          | 2.240.498          | 3.021.631          | 2.005.067          |
| Provision for Retirement benefit obligation  | 9.15  | 694.611            | 669.092            | 667.495            | 647.693            |
| Other non current liabilities  | 9.29  | 17.927             | 267.000            | 17.927             | 267.000            |
|  |       | <b>4.190.385</b>   | <b>6.862.244</b>   | <b>3.942.484</b>   | <b>6.605.414</b>   |
| <b>Current Liabilities</b>   |       |                    |                    |                    |                    |
| Trade Payables   | 9.16  | 22.840.620         | 22.272.910         | 18.533.909         | 17.812.318         |
| Short-term loans   | 9.12  | 48.792.795         | 44.930.467         | 27.750.478         | 23.768.023         |
| Current installments of long-term loans  | 9.12  | 57.419.031         | 59.672.940         | 56.219.031         | 57.723.543         |
| Other Payables   | 9.17  | 2.858.121          | 2.946.151          | 2.592.264          | 2.745.823          |
| Income tax and duties  | 9.29  | 249.073            | 0                  | 249.073            | 0                  |
|  |       | <b>132.159.641</b> | <b>129.822.468</b> | <b>105.344.755</b> | <b>102.049.706</b> |
| <b>Total Equity and Liabilities</b>  |       | <b>118.600.740</b> | <b>120.705.106</b> | <b>106.809.129</b> | <b>107.244.226</b> |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*



## D.2 Statement of Comprehensive Income

| <b>SIDMA S.A.</b><br><b>Statement of Comprehensive Income</b><br><b>for the period from 1st January to 31st December 2016</b> |       |                   |                   |                   |                   |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| Amounts in EURO   |       | Group             |                   | Company           |                   |
|   | Notes | 1.1 - 31.12.2016  | 1.1 - 31.12.2015  | 1.1 - 31.12.2016  | 1.1 - 31.12.2015  |
| Turnover (sales)  | 9.18  | 104.153.710       | 96.502.681        | 70.893.002        | 51.340.122        |
| Cost of Sales   | 9.19  | -91.840.936       | -88.440.626       | -60.715.865       | -46.376.656       |
| <b>Gross Profit</b>   |       | <b>12.312.774</b> | <b>8.062.055</b>  | <b>10.177.137</b> | <b>4.963.466</b>  |
| Other income  | 9.20  | 4.238.770         | 3.804.242         | 2.973.598         | 2.534.226         |
| Administrative Expenses   | 9.21  | -3.888.953        | -3.603.128        | -2.899.455        | -2.263.046        |
| Distribution/Selling Expenses   | 9.22  | -8.461.442        | -8.112.535        | -6.589.200        | -5.535.031        |
| Other expenses  | 9.23  | -1.361.334        | -182.873          | -1.347.350        | -120.587          |
| <b>Operating Profit (EBIT)</b>  |       | <b>2.839.815</b>  | <b>-32.240</b>    | <b>2.314.730</b>  | <b>-420.972</b>   |
| Finance Costs (net)   | 9.24  | -5.972.705        | -6.289.500        | -4.707.431        | -4.243.282        |
| Income from investing operations  | 9.25  | -22.612           | 840               | -22.612           | 928               |
| Profit/(Losses) from the revaluation of assets in fair values   | 9.1   | -1.214.528        | 0                 | -1.214.528        | 0                 |
| Profit/(Losses) from the revaluation of assets held for sale in fair values   |       | 0                 | 512.241           | 0                 | 512.241           |
| <b>Profit before taxation</b>   |       | <b>-4.370.030</b> | <b>-5.808.658</b> | <b>-3.629.841</b> | <b>-4.151.084</b> |
| Less: Income Tax Expense  | 9.26  | 38.986            | -1.172.313        | 21.401            | -1.545.917        |
| <b>Profit/(loss) after taxation for continued operations (a)</b>  |       | <b>-4.331.044</b> | <b>-6.980.972</b> | <b>-3.608.439</b> | <b>-5.697.002</b> |
| <b>Profit/(loss) after taxation for discontinued operations (b)</b>   |       | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Profit/(loss) after taxation (a)+(b)</b>   |       | <b>-4.331.044</b> | <b>-6.980.972</b> | <b>-3.608.439</b> | <b>-5.697.002</b> |
| <u>Attributable to:</u>   |       |                   |                   |                   |                   |
| Shareholders of the mother Company  |       | -4.331.044        | -6.929.806        |                   |                   |
| Non-controlling interests   |       | 0                 | -51.166           |                   |                   |
|   |       | <b>-4.331.044</b> | <b>-6.980.972</b> |                   |                   |
| <b>Basic earnings (losses) after tax per share</b>  | 9.27  | <b>-0,4252</b>    | <b>-0,6929</b>    | <b>-0,3542</b>    | <b>-0,5696</b>    |
| Depreciation & Amortization Expense   |       | 2.083.114         | 2.244.692         | 1.690.689         | 1.741.289         |
| <b>EBITDA</b>   |       | <b>4.922.929</b>  | <b>2.212.452</b>  | <b>4.005.419</b>  | <b>1.320.317</b>  |
| Revaluation of assets in fair values  | 9.1   | 3.582.353         | 0                 | 3.582.353         | 0                 |
| Actuarial gain/losses   | 9.15  | -6.175            | 80.132            | -5.705            | 73.634            |
| Deferred Taxation   | 9.14  | -1.037.228        | -178.847          | -1.037.228        | -128.945          |
| Interest Hedging (swap)   |       | 2.540             | 3.090             | 2.540             | 3.090             |
| Exchange differences  | 9.11  | 20.609            | 41.491            | 0                 | 0                 |
| Deferred Taxation   | 9.14  | -737              | -896              | -737              | -803              |
| <b>Other Comprehensive Income after taxes</b>   |       | <b>2.561.362</b>  | <b>-55.030</b>    | <b>2.541.223</b>  | <b>-53.024</b>    |
| <b>Total Comprehensive Income after taxes</b>   |       | <b>-1.769.681</b> | <b>-7.036.002</b> | <b>-1.067.216</b> | <b>-5.750.026</b> |
| <u>Attributable to:</u>   |       |                   |                   |                   |                   |
| Shareholders of the mother Company  |       | -1.769.681        | -6.982.439        |                   |                   |
| Non-controlling interests   |       | 0                 | -53.563           |                   |                   |
|   |       | <b>-1.769.681</b> | <b>-7.036.002</b> |                   |                   |

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

**D.3 Statements of Changes in Group's Equity**

| <b>SIDMA S.A.</b><br><b>Consolidated Statement of changes in net equity for the period from</b><br><b>1st January to 31st January 2016</b> |                      |                  |                   |   |                  |                    |                            |                           |                    |
|--|----------------------|------------------|-------------------|---|------------------|--------------------|----------------------------|---------------------------|--------------------|
| Amounts in EURO  | Group                |                  |                   |   |                  |                    |                            |                           |                    |
|  | SHAREHOLDER'S EQUITY |                  |                   |   |                  |                    |                            |                           |                    |
|  | Share Capital        | Share Premium    | Reserves          | Reserves from the revaluation of fixed assets in fair value | F.X. Differences | Retained Earnings  | Equity of the shareholders | Non-controlling interests | Total Equity       |
| <b>Net Equity Balance on 01.01.2015</b>  | <b>13.500.000</b>    | <b>9.875.000</b> | <b>12.341.912</b> | <b>6.637.490</b>  | <b>-320.702</b>  | <b>-51.150.627</b> | <b>-9.116.927</b>          | <b>173.323</b>            | <b>-8.943.604</b>  |
| Transfers  | 252.000              | 0                | 346.692           | 66.858  | 0                | -545.790           | 119.760                    | -119.760                  | 0                  |
| <b>Restated balances on 01.01.2014`</b>  | <b>13.752.000</b>    | <b>9.875.000</b> | <b>12.688.604</b> | <b>6.704.348</b>  | <b>-320.702</b>  | <b>-51.696.417</b> | <b>-8.997.167</b>          | <b>53.563</b>             | <b>-8.943.604</b>  |
| <b>Profit (+)/Loss (-) after taxation</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b>         | <b>-6.929.806</b>  | <b>-6.929.806</b>          | <b>-51.166</b>            | <b>-6.980.972</b>  |
| <b>Other Comprehensive Income</b>  |                      |                  |                   |   |                  |                    |                            |                           |                    |
| Revaluation of assets in fair values   | 0                    | 0                | 0                 | 0   | 0                | 0                  | 0                          | 0                         | 0                  |
| Interest Hedging (swap)  | 0                    | 0                | 0                 | 0   | 0                | 3.090              | 3.090                      | 0                         | 3.090              |
| Actuarial gain/losses  | 0                    | 0                | 0                 | 0   | 0                | 79.529             | 79.529                     | 602                       | 80.132             |
| F.X. Differences   | 0                    | 0                | 0                 | 0   | 41.491           | 0                  | 41.491                     | 0                         | 41.491             |
| Other Equity Adjustments   | 0                    | 0                | 0                 | 0   | 0                | 0                  | 0                          | 0                         | 0                  |
| Deferred Taxation  | 0                    | 0                | 0                 | -153.105  | 0                | -23.638            | -176.743                   | -3.000                    | -179.743           |
| <b>Other Comprehensive Income after taxes</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>-153.105</b>   | <b>41.491</b>    | <b>58.980</b>      | <b>-52.633</b>             | <b>-2.397</b>             | <b>-55.030</b>     |
| <b>Total Comprehensive Income after taxes</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>-153.105</b>   | <b>41.491</b>    | <b>-6.870.826</b>  | <b>-6.982.439</b>          | <b>-53.563</b>            | <b>-7.036.002</b>  |
| <b>Net Equity Balance on 31.12.2015</b>  | <b>13.752.000</b>    | <b>9.875.000</b> | <b>12.688.604</b> | <b>6.551.243</b>  | <b>-279.211</b>  | <b>-58.567.242</b> | <b>-15.979.606</b>         | <b>0</b>                  | <b>-15.979.606</b> |
| <b>Net Equity Balance on 01.01.2016</b>  | <b>13.752.000</b>    | <b>9.875.000</b> | <b>12.688.604</b> | <b>6.551.243</b>  | <b>-279.211</b>  | <b>-58.567.242</b> | <b>-15.979.606</b>         | <b>0</b>                  | <b>-15.979.606</b> |
| <b>Transactions with the owners</b>  |                      |                  |                   |   |                  |                    |                            |                           |                    |
| Adjustments to Equity due to absorption of subsidiary company  | 0                    | 0                | 0                 | 0   | 0                | 0                  | 0                          | 0                         | 0                  |
| <b>Transactions with the owners</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b>         | <b>0</b>           | <b>0</b>                   | <b>0</b>                  | <b>0</b>           |
| <b>Profit (+)/Loss (-) after taxation</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b>         | <b>-4.331.044</b>  | <b>-4.331.044</b>          | <b>0</b>                  | <b>-4.331.044</b>  |
| <b>Other Comprehensive Income</b>  |                      |                  |                   |   |                  |                    |                            |                           |                    |
| Revaluation of assets in fair values   | 0                    | 0                | 0                 | 3.582.353   | 0                | 0                  | 3.582.353                  | 0                         | 3.582.353          |
| Interest Hedging (swap)  | 0                    | 0                | 0                 | 0   | 0                | 2.540              | 2.540                      | 0                         | 2.540              |
| Actuarial gain/losses  | 0                    | 0                | 0                 | 0   | 0                | -6.175             | -6.175                     | 0                         | -6.175             |
| F.X. Differences   | 0                    | 0                | 0                 | 0   | 20.609           | 0                  | 20.609                     | 0                         | 20.609             |
| Deferred Taxation  | 0                    | 0                | 0                 | -1.038.882  | 0                | 917                | -1.037.965                 | 0                         | -1.037.965         |
| <b>Other Comprehensive Income after taxes</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>2.543.471</b>  | <b>20.609</b>    | <b>-2.717</b>      | <b>2.561.362</b>           | <b>0</b>                  | <b>2.561.362</b>   |
| <b>Total Comprehensive Income after taxes</b>  | <b>0</b>             | <b>0</b>         | <b>0</b>          | <b>2.543.471</b>  | <b>20.609</b>    | <b>-4.333.761</b>  | <b>-1.769.681</b>          | <b>0</b>                  | <b>-1.769.681</b>  |
| <b>Net Equity Balance on 31.12.2016</b>  | <b>13.752.000</b>    | <b>9.875.000</b> | <b>12.688.604</b> | <b>9.094.714</b>  | <b>-258.602</b>  | <b>-62.901.003</b> | <b>-17.749.287</b>         | <b>0</b>                  | <b>-17.749.287</b> |

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

**D.4 Statements of Changes in Company's Equity**

| <b>SIDMA S.A.</b><br><b>Statement of changes in net equity for the period from</b><br><b>1st January to 31st January 2016</b> |                   |                  |                   |                    |                   |
|---|-------------------|------------------|-------------------|--------------------|-------------------|
| Amounts in EURO   | Company           |                  |                   |                    |                   |
|   | Share Capital     | Share Premium    | Reserves          | Retained Earnings  | Total Equity      |
| <b>Net Equity Balance on 01.01.2015</b>   | <b>13.500.000</b> | <b>9.875.000</b> | <b>13.704.109</b> | <b>-29.845.183</b> | <b>7.233.926</b>  |
| <b>Transactions with the owners</b>   |                   |                  |                   |                    | <b>0</b>          |
| Adjustments to Equity due to absorption of subsidiary company   | 252.000           | 0                | 2.776.659         | -5.923.454         | <b>-2.894.794</b> |
| <b>Transactions with the owners</b>   | <b>252.000</b>    | <b>0</b>         | <b>2.776.659</b>  | <b>-5.923.454</b>  | <b>-2.894.794</b> |
| <b>Profit (+)/Loss (-) after taxation</b>   | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>-5.697.002</b>  | <b>-5.697.002</b> |
| <b>Other Comprehensive Income</b>   |                   |                  |                   |                    | <b>0</b>          |
| Revaluation of assets in fair values  | 0                 | 0                | 0                 | 0                  | <b>0</b>          |
| Interest Hedging (swap)   | 0                 | 0                | 0                 | 3.090              | <b>3.090</b>      |
| Actuarial gain/losses   | 0                 | 0                | 0                 | 73.634             | <b>73.634</b>     |
| Deferred Taxation   | 0                 | 0                | -108.562          | -21.186            | <b>-129.748</b>   |
| <b>Other Comprehensive Income after taxes</b>   | <b>0</b>          | <b>0</b>         | <b>-108.562</b>   | <b>55.537</b>      | <b>-53.024</b>    |
| <b>Total Comprehensive Income after taxes</b>   | <b>0</b>          | <b>0</b>         | <b>-108.562</b>   | <b>-5.641.464</b>  | <b>-5.750.026</b> |
| <b>Net Equity Balance on 31.12.2015</b>   | <b>13.752.000</b> | <b>9.875.000</b> | <b>16.372.207</b> | <b>-41.410.101</b> | <b>-1.410.894</b> |
| <b>Net Equity Balance on 01.01.2016</b>   | <b>13.752.000</b> | <b>9.875.000</b> | <b>16.372.207</b> | <b>-41.410.101</b> | <b>-1.410.894</b> |
| <b>Transactions with the owners</b>   |                   |                  |                   |                    | <b>0</b>          |
| Transfers   | 0                 | 0                | 0                 | 0                  | <b>0</b>          |
| <b>Transactions with the owners</b>   | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>0</b>           | <b>0</b>          |
| <b>Profit (+)/Loss (-) after taxation</b>   | <b>0</b>          | <b>0</b>         | <b>0</b>          | <b>-3.608.439</b>  | <b>-3.608.439</b> |
| <b>Other Comprehensive Income</b>   |                   |                  |                   |                    | <b>0</b>          |
| Revaluation of assets in fair values  | 0                 | 0                | 3.582.353         | 0                  | <b>3.582.353</b>  |
| Interest Hedging (swap)   | 0                 | 0                | 0                 | 2.540              | <b>2.540</b>      |
| Actuarial gain/losses   | 0                 | 0                | 0                 | -5.705             | <b>-5.705</b>     |
| Deferred Taxation   | 0                 | 0                | -1.038.882        | 917                | <b>-1.037.965</b> |
| <b>Other Comprehensive Income after taxes</b>   | <b>0</b>          | <b>0</b>         | <b>2.543.471</b>  | <b>-2.247</b>      | <b>2.541.223</b>  |
| <b>Total Comprehensive Income after taxes</b>   | <b>0</b>          | <b>0</b>         | <b>2.543.471</b>  | <b>-3.610.687</b>  | <b>-1.067.216</b> |
| <b>Net Equity Balance on 31.12.2016</b>   | <b>13.752.000</b> | <b>9.875.000</b> | <b>18.915.678</b> | <b>-45.020.788</b> | <b>-2.478.110</b> |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*

## D.5 Cash Flows Statements

| <b>SIDMA S.A.</b><br><b>Cash Flow Statement</b><br><b>for the period from 1st January to 31st December 2016</b> |   |                   |   |                   |
|---|---|-------------------|---|-------------------|
| Amounts in EURO   |   |                   |   |                   |
|   | <b>Group</b><br><b>1.1 - 31.12.2016    1.1 - 31.12.2015</b> |                   | <b>Company</b><br><b>1.1 - 31.12.2016    1.1 - 31.12.2015</b> |                   |
| <b>Operating Activities</b>   |   |                   |   |                   |
| Profit before taxation  | -4.370.030  | -5.808.658        | -3.629.841  | -4.151.084        |
| <b>Adjustments for:</b>   |   |                   |   |                   |
| Depreciation & amortization   | 2.126.959   | 2.311.184         | 1.734.534   | 1.750.662         |
| Depreciation of granted assets  | -43.751   | -66.492           | -43.751   | -9.373            |
| Provisions  | 1.374.886   | 154.314           | 1.226.756   | 97.196            |
| Income from prior years' provisions   | -38.052   | -30.263           | -28.268   | -32.361           |
| Exchange Differences  | 28.218  | -25.759           | 0   | 0                 |
| Income and expenses from investing activities   | 9.930   | -19.907           | 11.461  | -12.748           |
| Profit from the revaluation of assets in fair values  | 1.214.528   | -512.241          | 1.214.528   | -512.241          |
| Other non cash income/expenses  | -43.059   | -37.929           | 0   | 0                 |
| Finance Costs   | 6.031.748   | 6.366.093         | 4.721.943   | 4.284.054         |
| <b>Adjustments for changes in working capital</b>   |   |                   |   |                   |
| Decrease/(increase) in inventories  | 1.381.238   | 1.469.889         | -671.825  | 960.087           |
| Decrease/(increase) in receivables  | -5.378.151  | 6.551.958         | -4.780.906  | 6.165.346         |
| (Decrease)/increase in payables(except bank loans and overdrafts)   | 305.816   | 3.385.268         | 399.153   | 3.180.260         |
| Less:   |   |                   |   |                   |
| Financial Costs paid  | -5.665.212  | -6.124.353        | -4.429.614  | -4.059.195        |
| <b>Total inflows / (outflows) from operating activities (a)</b>   | <b>-3.064.932</b>   | <b>7.613.103</b>  | <b>-4.275.830</b>   | <b>7.660.603</b>  |
| <b>Investing activities</b>   |   |                   |   |                   |
| Acquisition of subsidiaries   | 0   | 0                 | 0   | -30.000           |
| Purchase of tangible and intangible assets  | -358.817  | -207.480          | -267.488  | -136.567          |
| Proceeds on disposal of tangible and intangible assets  | 401.235   | 1.580             | 401.235   | 1.418             |
| Interest received   | 11.010  | 23.714            | 9.479   | 16.645            |
| Dividends received  | 0   | 0                 | 0   | 0                 |
| <b>Total inflows / (outflows) from investing activities (b)</b>   | <b>53.428</b>   | <b>-182.186</b>   | <b>143.226</b>  | <b>-148.504</b>   |
| <b>Financing Activities</b>   |   |                   |   |                   |
| New bank loans raised   | 0   | 480.222           | 0   | 0                 |
| Repayments of loans   | -1.921.582  | -4.403.246        | -1.033.829  | -4.145.027        |
| <b>Total inflows / (outflows) from financing activities (c)</b>   | <b>-1.921.582</b>   | <b>-3.923.024</b> | <b>-1.033.829</b>   | <b>-4.145.027</b> |
| <b>Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)</b>                                     | <b>-4.933.086</b>   | <b>3.507.894</b>  | <b>-5.166.433</b>   | <b>3.367.072</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b>   | 12.273.727  | 8.765.834         | 11.039.687  | 6.256.260         |
| <b>Cash and cash equivalents from the absorption of subsidiary company</b>                                      | 0   | 0                 | 0   | 1.416.355         |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>7.340.641</b>  | <b>12.273.727</b> | <b>5.873.254</b>  | <b>11.039.687</b> |

*The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements*

## **1 General Information about the Company and the Group**

The parent company, SIDMA S.A., is a Société Anonyme which operates in processing and trading steel products in Greece. The company's headquarters are located in Chalandri (at 30 VASILEOS GEORGIOU ST., 152 33) ATHENS, while the Company Management central office is located at 54<sup>th</sup> km of ATHENS – LAMIA N.R., 320 11 INOFYTA and its website is [www.sidma.gr](http://www.sidma.gr). The company is listed on the Athens Stock Exchange under the category of Basic Metals.

Apart from the Company SIDMA S.A., the Consolidated Financial Statements for 2015 include the following companies:

- "SIDMA WORLDWIDE LIMITED" (100% subsidiary), a holding company domiciled in Cyprus, established in
- 100% subsidiaries «SIDMA Romania SRL" domiciled in Romania and "SIDMA Bulgaria S.A.», domiciled in Bulgaria, with the same objective purpose as that of the parent company through the Cyprian holding company "SIDMA WORLDWIDE LIMITED».
- On 29/12/2015, the Company was merged with the subsidiary PANELCO S.A. through its absorption, according to the provisions of articles 68-78 of Law 2190/1920 in conjunction with articles 1-5 of Law 2166/1993 based on the assets in its Transformation Balance Sheet dated 30/06/2015, see paragraph 7 for details. "PANELCO S.A. " manufactures metal composite panels and construction elements.

## **2 Basis of Financial Statements Presentation**

### **2.1 Statement of Compliance**

The Group and the Company financial statements for the year 2016 have been prepared in accordance with the "going concern" and "accrual basis" principles and comply with the International Financial Reporting Standards (I.F.R.S.), as issued by the International Accounting Standards Board (IASB) and their Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union.

### **2.2 Basis of Measurement**

The financial statements have been prepared in compliance with the historic cost principle, except for the tangible assets that have been measured at fair value. For the preparation of the financial statements for the current year, the applied policies are in consistency to those applied in the previous year, adjusted to the new IFRS standards and revisions.

The preparation of financial statements, in conformity with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

The preparation of financial statements, in accordance with IFRS, requires the use of analytical accounting estimates and judgments in the process of applying the accounting principles that affect the balances of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of income and expenses for the fiscal years under review. The presentation currency is the Euro (the currency of the country of the parent company's headquarters).

### **3 Changes in Accounting Policies**

#### **3.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union**

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- **Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions" (effective for annual periods starting on or after 01/02/2015)**

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the consolidated/separate Financial Statements.

- **Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)**

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 16 /IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel services. The amendments do not affect the consolidated/ separate Financial Statements.

- **Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the

appropriate accounting treatment for such acquisitions. The amendments do not affect the consolidated/ separate Financial Statements.

- **Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the consolidated/ separate Financial Statements.

- **Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)**

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments do not affect the consolidated/ separate Financial Statements.

- **Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the consolidated/ separate Financial Statements.

- **Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19: Discount rate: regional market issue, and IAS 34:



Disclosure of information “elsewhere in the interim financial report”. The amendments do not affect the consolidated/ separate Financial Statements.

- **Amendments to IAS 1: “Disclosure Initiative” (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have significant impact on the Group.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: “Investment Entities: Applying the Consolidation Exception” (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The amendments do not affect the consolidated/ separate Financial Statements.

### **3.2 New Standards, Interpretations and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union**

The following new Standards 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 14 “Regulatory Deferral Accounts” (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group 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, until the issuance of the final Standard.

- **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 Group 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 01/01/2018.

- **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 Group 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 01/01/2018.

- **Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (the IASB postponed the effective date of this amendment indefinitely)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting. The Group 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.

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

- **Amendments to IAS 12: "Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group 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.

- **Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group 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.

- **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 Group 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.

- **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 Group 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.

- **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 Group 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.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 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 are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group 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.

- **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 Group 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.

- **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 Group 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 Accounting Policies**

##### **4.1 Consolidation of Subsidiaries**

Subsidiaries are the companies in which SIDMA S.A. directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over their operations. The subsidiaries have been consolidated in full, starting from the date on which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The difference between acquisition cost and fair value of liabilities and contingent liabilities of the subsidiary's acquired assets is recorded as goodwill. When acquisition cost is less than the fair value of the acquired assets, liabilities and contingent liabilities of the subsidiary acquired, the difference is directly posted to period results. SIDMA revalue its participation in subsidiaries in acquisition cost less any impairment that might take place.

Non-controlling interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. Non-controlling interest is reported separately in the consolidated income statement as well as in the consolidated balance sheet separately from the Share capital and reserves. In case of purchase of non-controlling interest, the difference between the value of acquisition and the book value of the share of net assets acquired is recognized as goodwill.

As regards the purchases made by non-controlling shareholders, the difference between the price paid and the acquired relevant stake of the book value of the subsidiary's owner's equity is posted to owner's equity. Any gains or losses arising from the sale to non-controlling shareholders are also posted to owner's equity. As regards the sales made to non-controlling shareholders, the difference between the amounts received and the relevant stake of non-controlling shareholders is also posted to owners' equity.

All significant inter-company balances and transactions have been eliminated. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Company.

The financial statements of the subsidiaries are prepared for the same reporting date with the parent company.

#### **4.2 Conversion into Foreign Currency**

The consolidated financial statements are presented in Euro, which is the functional currency and the Group's reporting currency.

##### **(a) Transactions in Foreign Currency**

Foreign currency transactions are converted into the functional currency by using the exchange rates applicable on the date when the said transactions were performed. The monetary assets and liabilities which are denominated in foreign currency are converted into the Group's functional currency on the Statement of Financial Position reporting date using the prevailing exchange rate on that day. Any gains or losses due to translation differences that result from the settlement of such transactions during the period, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates on the Statement of Financial Position reporting date, are recognized in the Income Statement.

##### **(b) Foreign Operations**

The assets and liabilities in the financial statements, are converted into Euro by using the exchange rates applicable on the Statement of Financial Position reporting date. Revenues and expenses have been converted into the Group's reporting currency by using the average exchange rates prevailing during the financial year. Any differences arising from the said procedure have been debited / (credited) to the "FX translation reserve" account of the subsidiaries' while it's recognised in other income in the Statement of Comprehensive Income. Upon selling, elimination or derecognition of a foreign subsidiary the above FX translation reserve is transferred to the income statement of the period.

#### **4.3 Property, plant and equipment**

Group's and Company's Land, Buildings and Machinery which are held for use in the production process or for administrative purposes are presented in their revalued amounts in the Consolidated and Separate Financial Statements respectively, which are their fair values at the date of the valuation less accumulated depreciation and any impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in Other Comprehensive Income and accumulated in equity as revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease shall be recognised in Other Comprehensive Income to the extent of

any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in Other Comprehensive Income reduces the amount accumulated in equity as revaluation reserve.

Transportation and other vehicle are recognized in the financial statements at cost, less accumulated depreciation. The acquisition cost includes all direct costs stemming from the acquisition of the assets. Gain or losses from the sale of tangible assets are recognized in line" Profit/(Losses) from investing operations". Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

#### Depreciation

Depreciation is calculated on the straight-line method to write off the assets to their residual values over their estimated useful lives as follows:

|                                  |               |
|----------------------------------|---------------|
| Buildings (Offices & Warehouses) | 26 - 45 years |
| Plants                           | 5 - 14 years  |
| Transportation means - vehicles  | 6 - 9 years   |
| Other equipment                  | 4 - 10 years  |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

## 4.4 Intangible assets

### A. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill on acquisitions of associates occurring is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents a separate Group's investment.

### B. Computer software

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Software licenses are stated at historical cost less subsequent depreciation. Depreciation is calculated on the straight-line method over their estimated useful lives which are 4-8 years.



#### **4.5 Financial Instruments**

A financial instrument is defined as an agreement creating either a financial asset in a company and a financial liability, or, a shareholding in another company.

##### **4.5.1 Initial Recognition**

The financial assets and liabilities are recognized at the transaction date, which is the date when the Group has committed to buy or sell the asset.

The financial assets and liabilities are initially measured at fair value adding the direct corresponding transaction costs except for the financial assets and liabilities measured at fair value through profit and loss.

##### **4.5.2 Derivative Financial Instruments and Hedging**

All derivative financial assets are initially recognized at fair value on settlement date and are subsequently measured at fair value. Derivative financial assets are posted to assets when fair value is positive and to liabilities when fair value is negative. Their fair value is determined by their price in an active market or by using valuation techniques where there is no active market for such instruments.

The recognition method of profit or loss depends on whether a derivative has been designated as hedging instrument and whether it is a case of hedging due to the nature of the hedged item. Any gains or losses from changes to the fair value of any derivatives not recognized as hedging instruments during the year are recognized in the income statement. The Company applies hedge accounting if at the beginning of a hedging transaction and subsequent use of derivative financial assets the Company may determine and substantiate the hedging relationship between the hedged item and the hedging instrument with respect to risk management and its strategy to hedge assumption. Additional hedge accounting is applied only when hedging is expected to be fully efficient and can be reliably measured on a continuous basis for all covered reference periods for which it had been designated in terms of offset of changes in the fair value or cash flows attributable to the risk hedged. The Company hedges cash flows by using derivative financial instruments.

By applying cash flow hedge the Company tries to hedge the risks causing variation to cash flows and arising from an asset or liability item or a future transaction with such variation affecting profit or loss. Specific accounting treatment is necessary for derivative financial assets designated as hedging instruments in a cash flow hedge relationship. For a hedging relationship to qualify for recognition of hedge accounting, specific strict conditions should be met with respect to documentation, the likelihood of occurrence, effectiveness of hedging and reliability of measurement.

During the current period the Company has recognized specific interest rate swaps as hedging instruments with respect to cash flow hedges of variable-rate financial liabilities.

Changes in the book value of the effective leg of the hedging instrument are recognized in equity while non-effective leg is recognized in the income statement. The amounts accumulated to equity are

transferred to income statement during the periods in which hedged items are recognized in profit or loss.

When a cash flow hedging item expires or is sold, terminated or exercised without being replaced or a hedged item no longer qualifies for hedge accounting, all cumulative gains or losses recognized in equity at such time shall remain in equity and shall be recognized when the forecast transaction takes place. If the relevant transaction is not expected to take place, the amount is carried forward to profit or loss.

#### **4.5.3 Fair Value Measurement Methods**

The fair values of financial assets and liabilities that are traded in active markets are determined by the current bid prices without subtracting the transaction costs. As for non-traded financial assets and liabilities, the fair values are determined by the application of valuation techniques such as an analysis of recent transactions, comparable assets that are traded, derivative valuation models and discounted cash flows.

#### **4.5.4 Derecognition**

A financial asset is derecognized when the Group loses control over the contractual interests included in the said asset. This happens when the said interests expire or are transferred and the Group has actually transferred all the risks and rewards that arise from ownership.

Financial liabilities are derecognized when the Group's commitment to make payments in cash or other financial instruments is cancelled or is eliminated.

When an existing financial liability is replaced by another by the same third party (lender) with different terms and conditions or when the existing terms are substantially differentiated, then the existing liability is derecognized, the differentiated liability is recognized and the difference between the two is recognized in the income statement for the financial year.

#### **4.5.5 Offsetting**

Financial assets and liabilities are offset and the net amount is presented in the statement of Financial Position when the Group has a legally enforceable right and intends to realize the asset and settle the liability simultaneously on a net amount basis.

Income and expenses are offset only if such an act is permitted by the standards or when they refer to gains or losses that arose from a group of similar transactions such as trading portfolio transactions.

#### **4.6 Impairment of assets**

Except goodwill, which is tested for impairment at least on an annual basis, the book values of other long-term assets are tested for impairment whenever certain events or changes in circumstances indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is posted to the income statement of the year. Recoverable amount shall mean the higher of an asset's fair value less costs to sell and its value in use. Fair value less

costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties less any additional direct costs of the asset's disposal. Value in use is the net present value of estimated future cash flows expected to arise from the continuing use of an asset and from the proceeds expected to result from its disposal at the end of its estimated useful life.

To determine impairment, assets are grouped at the lower level for which cash flows are separately identifiable. Assets impairment loss recognized in previous years may be reversed only when there are enough indications that the estimates used in the calculation of the recoverable amount have changed. In these cases, the above reversal is recognized as income.

#### **4.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### **4.8 Trade receivables**

Trade receivables are recognised initially at carrying value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

#### **4.9 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### **4.10 Share capital**

Ordinary shares and non-redeemable non-voting preferred shares with minimum statutory nondiscretionary dividend features are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchases the Company's own equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

**4.11 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Long term borrowings that fall due within the next fiscal year are classified as short term.

**4.12 Government grants**

Government grants related to grants for assets are recognized at fair value when there is reasonable assurance that the grant will be received and that all the relevant conditions attached will be met.

These grants are recognized as deferred income, which is recognized in the profits or loss of each reporting period in equal instalments based on the useful life of the asset after deducting all related depreciation expenses.

Grants relating to expenses are recognized after deducting all the relevant expenses during the period required for their systematic correlation with subsidized expenses.

**4.13 Taxation**

Income tax includes the statutory tax, deferred taxation as well as provisions for any tax differences that may arise from a tax audit. Income tax is recognised in the P&L statement except the part of deferred tax of transactions carried directly to equity.

During the current year, no income tax has been calculated due to the losses registered by the companies of the Group.

Deferred tax assets are recognized to the extent it is probable that they will be offset against future income taxes. Deferred tax assets are reviewed on each balance sheet date and reduced to the extent it is no longer probable that adequate taxable profit will be available against which all or part of such deferred tax asset can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as tax expense in profit or loss. Only changes in deferred tax assets or liabilities relating to a change in the value of asset or liability directly debited to equity shall be debited or credited directly to equity.

The Group recognizes a previously unrecognized deferred tax asset to the extent it is probable that a future taxable profit will enable the recovery of the deferred tax asset.

#### 4.14 Employee benefits

- a) **Short-term Benefits:** Short-term benefits to personnel (except for termination of employment benefits) in cash and in kind are recognized as an expense when considered accrued.
- b) **Retirement Benefits:** Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service.

#### Defined Benefit Plan (non- funded)

Under Laws 2112/20 and 4093/2012, the Company must pay compensation upon retirement or termination to its employees. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The entitlement to participate in these plans is usually based on years of service of the employee until retirement.

The liability recognized in the Statement of financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method.

A defined benefit plan establishes, based on various parameters, such as age, years of service, salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying separate and consolidated Income Statements and comprise of the current and past service cost, the relative financial cost, the actuarial gains or losses and any possible additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting for defined benefit plans, including:

- recognition of actuarial gains / losses in other comprehensive income and their permanent exclusion from the income statement,
- non-recognition of the expected returns on the plan investment in the income statement but recognition of the relative interest on net liability / (asset) of the benefits calculated based on the discount rate used to measure the defined benefit obligation,
- recognition of past service cost in the income statement at the earliest between the plan modification date or when the relative restructuring or terminal provision,
- other changes include new disclosures, such as quantitative sensitivity analysis.

#### 4.15 Provisions, Contingent Liabilities and Contingent Assets

The Group forms provisions when:

- (a) the group or the company has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

Contingent liabilities and contingent assets are not recognised in the financial statements. Contingent assets are disclosed, where an inflow of economic benefits is probable while contingent liabilities are disclosed when the possibility of an outflow of resources embodying economic benefits, is high.

#### **4.16 Revenue and Expenses recognition**

Revenue and expenses are recognised in accordance with the principle of accrual basis.

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

**a) Sales of goods – wholesale**

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

**b) Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

**c) Dividend income**

Dividend income is recognised when the right to receive payment is established, that means when dividends are approved by the General Assembly of the Shareholders.

#### **4.17 Leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the Lease period. Where the Group has substantially all the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

#### **4.18 Dividends**

The allotment of dividends and management fees (from the profits of each year), is recognised as a liability in the financial statements, only when the allotment is being approved by the General Assembly of the Shareholders.

## **5 Important accounting estimates and judgements of Management**

The preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires the Management to make judgements, estimates and assumptions that affect the assets and liabilities, the notifications of contingent assets and liabilities, as well as income and expenses during the periods presented. Actual results may differ from those estimates. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are considered reasonable under specific circumstances, while they are reassessed continuously based on all available information.

During the preparation of the financial statements, the significant accounting estimates and judgements adopted by the Management for the implementation of the Group's accounting principles are consistent with those applied in the annual financial statements of December 31, 2016 and mainly related to the following:

### **– Provision for Income Tax**

The provision for income tax based on IAS 12 is calculated by estimating the taxes payable to the tax authorities and includes the current income tax for each fiscal year and a provision for any additional taxes that may arise in tax audits.

The companies of the Group are subject to income taxes in different jurisdictions. For the overall evaluation of the provision for income taxes as shown in the Balance Sheet, significant assumptions are required. For specific transactions and calculations, the final tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will come up. Where the final tax outcome of these issues is different from the amount that was originally recognized, the differences affect the provision for income tax and deferred tax in the period in which these were determined.

### **– Deferred Tax Assets on Tax Losses**

Deferred tax assets are recognized for all unused tax losses to the extent that it is possible to have sufficient taxable profits that will offset these tax losses. For determining the amount of deferred tax assets that can be recognized, the Group's Management must make significant judgements and estimates, based on future taxable profits together with future tax planning strategies that will be followed.

### **– Provisions for Doubtful Debts**

The Group makes provisions for doubtful debts in relation to specific customers, when there are data or evidence showing that the recovery of the relevant claim is not possible either in whole or in part. The Group's Management periodically reassess the adequacy of the provision for doubtful debts in connection with its credit policy and takes into account data from the Legal Department of the Group, which arise from processing past data and recent developments in the cases handled.



– **Contingencies**

The Group is involved in litigations and claims in the normal course of its operations. The Management reckons that any resulting settlements would not materially affect the financial position of the Group on December 31, 2016. However, the determination of contingent liabilities relating to litigations and claims is a complex process that involves judgements regarding the outcomes and the interpretation of laws and regulations. Changes in the judgements or interpretations may result in an increase or a decrease in the Group's contingent liabilities in the future.

– **Useful Life of Depreciable Assets**

The Management examines the useful lives of depreciable assets at each annual reporting period. On 31/12/2016, the Management estimates that the useful lives represent the expected utility of the assets.

– **Goodwill Impairment tests**

The Group carries out the relevant goodwill impairment testing arisen from a subsidiary at least on an annual basis and/or whenever there is indication of impairment, in accordance with the provisions of IAS 36. In order to determine whether there are reasons for impairment, the calculation of the value in present use and of the fair value less costs to sell the business unit is required. Usually, the methods of the present value of cash flows, the valuation based on indices of similar transactions or businesses traded in an active market and the stock price are used. For the application of these methods, the Management is required to use elements such as estimated future profitability of the subsidiary, business plans as well as market factors, such as interest rates etc.

## 6 Group's structure

The parent company and the subsidiaries included in the Consolidated Financial Statements, with the percentage of participation and the country located as in 31st December 2016, are presented in the following table:

| Company                 | Direct % of participation | Indirect % of participation | Total percentage | Country  | Consolidation Method | Activity Sectors     |
|-------------------------|---------------------------|-----------------------------|------------------|----------|----------------------|----------------------|
| SIDMA S.A.              | Mother                    | -                           | Mother           | Greece   | Full                 | STEEL SERVICE CENTER |
| SIDMA WORLDWIDE LIMITED | 100%                      | 0%                          | 100%             | Cyprus   | Full                 | HOLDING              |
| SIDMA ROMANIA SRL       | 0%                        | 100%                        | 100%             | Romania  | Full                 | STEEL SERVICE CENTER |
| SIDMA BULGARIA S.A      | 0%                        | 100%                        | 100%             | Bulgaria | Full                 | STEEL SERVICE CENTER |

The Consolidated Financial Statements of SIDMA S.A. Group are included under Equity Method, in the Consolidated Financial Statements of VIOHALCO S.A. group of companies, domiciled in Brussels. The percentage applied for the consolidation of the period 01/01/2016 – 31/12/2016 is calculated at 26.17%.

On 29/12/2015, the Company was merged with the subsidiary PANELCO S.A. through its absorption, according to the provisions of articles 68-78 of Law 2190/1920 in conjunction with articles 1-5 of Law 2166/1993 based on the assets in its Transformation Balance Sheet dated 30/06/2015, see paragraph 8 for details.

## 7 Operating Segments

In accordance with IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who, in the case of SIDMA Group, is considered to be the Chief Executive Officer that is responsible for measuring the business performance of the segments.

For management purposes the Group is organized into business units based on the nature of the product and services provided. SIDMA has identified two reportable profit generating segments, "Steel segment" and "Panel segment".

Steel segment comprises the activities of steel transformation and trading of the parent company SIDMA SA plus SIDMA ROMANIA SRL and SIDMA BULGARIA SA.

Panel segment comprises the activities of the industrial panel manufacturing and trading of metal and thermo-insulating elements (Panels) of the Parent Company (ex subsidiary PANELCO SA which was merged with SIDMA on 29/12/2015).

| Amounts in Euros                   | 1.1 - 31.12.2016   |                   |            |                    | 1.1 - 31.12.2015   |                   |                |                    |
|------------------------------------|--------------------|-------------------|------------|--------------------|--------------------|-------------------|----------------|--------------------|
|                                    | Steel              | Panels            | Intergroup | Total              | Steel              | Panels            | Intergroup     | Total              |
| Sales to other companies           | 91.917.168         | 12.236.542        | 0          | 104.153.710        | 84.707.571         | 11.795.110        | 0              | 96.502.681         |
| Sales to the companies of group    | 0                  | 0                 | 0          | 0                  | 40.619             | 15.093            | -55.712        | 0                  |
| <b>Total Sales</b>                 | <b>91.917.168</b>  | <b>12.236.542</b> | <b>0</b>   | <b>104.153.710</b> | <b>84.748.190</b>  | <b>11.810.203</b> | <b>-55.712</b> | <b>96.502.681</b>  |
| Operational Profits                | 2.855.211          | -15.396           | 0          | 2.839.815          | 351.431            | -270.851          | -112.820       | -32.240            |
| Profit before taxation             | -3.489.987         | -880.043          | 0          | -4.370.030         | -4.820.994         | -874.845          | -112.820       | -5.808.658         |
| Profit after taxation              | -3.478.383         | -852.661          | 0          | -4.331.044         | -6.042.544         | -852.763          | -85.664        | -6.980.971         |
| Non Current Assets                 | 104.174.166        | 14.426.575        | 0          | 118.600.741        | 105.133.889        | 15.571.217        | 0              | 120.705.106        |
| Assets to companies of group       | 0                  | 0                 | 0          | 0                  | 0                  | 0                 | 0              | 0                  |
|                                    | <b>104.174.166</b> | <b>14.426.575</b> | <b>0</b>   | <b>118.600.741</b> | <b>105.133.889</b> | <b>15.571.217</b> | <b>0</b>       | <b>120.705.106</b> |
| Long-term & Short-term Liabilities | 124.968.638        | 11.381.388        | 0          | 136.350.026        | 123.109.499        | 13.575.213        | 0              | 136.684.712        |
| Liabilities to companies of group  | 0                  | 0                 | 0          | 0                  | 0                  | 0                 | 0              | 0                  |
|                                    | <b>124.968.638</b> | <b>11.381.388</b> | <b>0</b>   | <b>136.350.026</b> | <b>123.109.499</b> | <b>13.575.213</b> | <b>0</b>       | <b>136.684.712</b> |

Note: Intra-group transactions have been written-off

The analysis of the turnover in respect of domestic and foreign geographical operations is presented below:

| Amounts in Euro<br>Company | 1.1 - 31.12.2016  |                   |                    | 1.1 - 31.12.2015  |                   |                   |
|----------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
|                            | Greece            | Abroad            | Total              | Greece            | Abroad            | Total             |
| SIDMA S.A.                 | 62.778.315        | 8.074.386         | <b>70.852.701</b>  | 47.234.316        | 3.977.772         | <b>51.212.088</b> |
| PANELCO S.A.               | 0                 | 0                 | <b>0</b>           | 8.921.574         | 2.873.536         | <b>11.795.110</b> |
| SIDMA BULGARIA S.A.        | 0                 | 15.656.268        | <b>15.656.268</b>  | 0                 | 15.433.370        | <b>15.433.370</b> |
| SIDMA ROMANIA SRL          | 0                 | 17.644.741        | <b>17.644.741</b>  | 0                 | 18.062.113        | <b>18.062.113</b> |
| <b>Total</b>               | <b>62.778.315</b> | <b>41.375.394</b> | <b>104.153.710</b> | <b>56.155.890</b> | <b>40.346.792</b> | <b>96.502.681</b> |

## 8 Effect on Financial Results of the absorbed company PANELCO S.A.

Following as of 29-6-2015 decisions, the Boards of Directors of the companies "SIDMA S.A. STEEL PRODUCTS" and "PANELCO S.A." decided on the companies merger through the absorption of the former by the latter, in compliance with the provisions of Articles 1-5, Law 2166/1993 and Articles 68-79, law 2190/1920, defining 30-6-2015 as the balance sheet transition date. On 7/12/2015, the contractual companies prepared the final Merger Agreement and on 29/12/2015 (Prot. Num. 136336) the decision, approving the merger in question was recorded in G.E.MI. (the General Commercial Registry) under Rec. Num. 482460.

At 29/12/2015, the balance sheet of the Absorbed Company Panelco was prepared for the purposes of transferring the balances to the company SIDMA S.A. According to IFRS, data transfer is performed through recording the merger approving decision of the Ministry of Economy, Development & Tourism recorded in the General Electronic Commercial Registry (G.E.MI.) as at 29/12/2015.

According to the aforementioned, the Statement of Comprehensive Income of SIDMA for FY 2015, according to IFRS, included only financial results of the parent company SIDMA from 1/1/2015 to 31/12/2015, while Statement of Comprehensive Income for the period 1/1/2016 to 31/12/2016 also includes financial results of the absorbed Panelco S.A.

The table below shows the results for the period 1/1 - 31/12/2016 and the respective comparative period 1/1-31/12/2015, taking into account the effect of the absorbed subsidiary PANELCO SA.

|  | 1/1-31/12/2016     |                  |                           | 1/1-31/12/2015     |                  |                           |
|--|--------------------|------------------|---------------------------|--------------------|------------------|---------------------------|
| Amounts in Euro  | SIDMA S.A.         | PANELCO S.A.     | SIDMA S.A. & PANELCO S.A. | SIDMA S.A.         | PANELCO S.A.     | SIDMA S.A. & PANELCO S.A. |
| Turnover   | 58.656.460         | 12.236.542       | 70.893.002                | 51.299.504         | 11.790.387       | 63.089.891                |
| Cost of Sales  | (50.300.712)       | (10.415.153)     | (60.715.865)              | (46.371.933)       | (10.831.457)     | (57.203.390)              |
| <b>Gross Profit</b>  | <b>8.355.748</b>   | <b>1.821.389</b> | <b>10.177.137</b>         | <b>4.927.570</b>   | <b>958.930</b>   | <b>5.886.500</b>          |
| Other income   | 2.704.422          | 269.176          | 2.973.598                 | 2.523.728          | 250.761          | 2.774.489                 |
| Administrative Expenses  | (2.380.366)        | (519.088)        | (2.899.455)               | (2.263.046)        | (462.738)        | (2.725.784)               |
| Distribution/Selling Expenses                                      | (5.605.399)        | (983.801)        | (6.589.200)               | (5.535.031)        | (918.599)        | (6.453.630)               |
| Other expenses   | (744.278)          | (603.071)        | (1.347.350)               | (120.587)          | (52.811)         | (173.398)                 |
| <b>Operating Profit (EBIT)</b>                                     | <b>2.330.126</b>   | <b>(15.396)</b>  | <b>2.314.730</b>          | <b>(467.366)</b>   | <b>(224.457)</b> | <b>(691.823)</b>          |
| Finance Costs (net)  | (3.842.784)        | (864.647)        | (4.707.431)               | (4.243.282)        | (603.906)        | (4.847.188)               |
| Income from investing operations                                   | (22.612)           | -                | (22.612)                  | 928                | (88)             | 840                       |
| Losses from revaluation of Property, Plant or Equipment            | (1.214.528)        | -                | (1.214.528)               | 512.241            | -                | 512.241                   |
| <b>Profit before taxation</b>                                      | <b>(2.749.798)</b> | <b>(880.043)</b> | <b>(3.629.841)</b>        | <b>(4.197.478)</b> | <b>(828.451)</b> | <b>(5.025.929)</b>        |
| Less : Income Tax Expense  | (5.981)            | 27.382           | 21.401                    | (1.545.917)        | 22.081           | (1.523.836)               |
| <b>Profit/(loss) after taxation</b>                                | <b>(2.755.778)</b> | <b>(852.661)</b> | <b>(3.608.439)</b>        | <b>(5.743.396)</b> | <b>(806.369)</b> | <b>(6.549.765)</b>        |
| <b>Other Comprehensive Income:</b>                                 |                    |                  |                           |                    |                  |                           |
| <b>Amounts not reclassified in the P&amp;L in the next periods</b> |                    |                  |                           |                    |                  |                           |
| Remeasurement of defined benefit pension plans                     | (5.020)            | (685)            | (5.705)                   | 73.634             | 10.041           | 83.675                    |
| Revaluation of Assets in fair values                               | 1.821.534          | 1.760.819        | 3.582.353                 | -                  | -                | -                         |
| Deferred Tax   | (526.789)          | (510.439)        | (1.037.228)               | (128.852)          | (49.995)         | (178.847)                 |
| <b>Amounts reclassified in the P&amp;L in the next periods</b>     |                    |                  |                           |                    |                  |                           |
| Interest Hedging (swap)  | 2.540              | -                | 2.540                     | 3.090              | -                | 3.090                     |
| Deferred Tax   | (737)              | -                | (737)                     | (896)              | -                | (896)                     |
| <b>Other Comprehensive Income after tax</b>                        | <b>1.291.528</b>   | <b>1.249.696</b> | <b>2.541.224</b>          | <b>(53.024)</b>    | <b>(39.954)</b>  | <b>(92.978)</b>           |
| <b>Total Comprehensive Income</b>                                  | <b>(1.464.250)</b> | <b>397.035</b>   | <b>(1.067.216)</b>        | <b>(5.796.420)</b> | <b>(846.323)</b> | <b>(6.642.743)</b>        |
| <b>EBITDA</b>  | <b>3.663.144</b>   | <b>342.275</b>   | <b>4.005.419</b>          | <b>1.320.317</b>   | <b>53.147</b>    | <b>1.373.464</b>          |

## 9 Additional Information and explanations

### 9.1 Property Plant and Equipment

Property, plant and equipment for the Group and the company as at December 31, 2016 are shown in the following tables:

|  | Group      |            |            |                |                 |                           |             |
|--|------------|------------|------------|----------------|-----------------|---------------------------|-------------|
| Tangible Assets  | Land       | Buildings  | Machinery  | Transportation | Other equipment | Assets under construction | Grand Total |
| Acquisition cost   |            |            |            |                |                 |                           |             |
| Acquisition cost or deemed cost 1.1.2015                   | 20.158.057 | 23.984.610 | 10.502.063 | 1.746.029      | 1.968.065       | 37.958                    | 58.396.783  |
| Additions  | 0          | 10.000     | 21.039     | 0              | 39.940          | 96.268                    | 167.246     |
| Sales or Deletions   | 0          | 0          | -11.412    | -59.000        | -1.851          | -9.018                    | -81.282     |
| Classification as Held for Sales                           | 0          | 0          | 2.231.552  | 0              | 0               | 0                         | 2.231.552   |
| Revaluation in fair values                                 | 0          | 0          | 512.245    | 0              | 0               | 0                         | 512.245     |
| Transfer of depreciation due to revaluation in fair values | 0          | 0          | -354.368   | 0              | 0               | 0                         | -354.368    |
| Transfers  | 0          | 39.517     | 35.235     | -44.414        | -7.442          | -74.751                   | -51.855     |
| Exchange differences                                       | -18.285    | -25.522    | -11.917    | -155           | -204            | 0                         | -56.083     |
| Acquisition cost or deemed cost 31.1.2015                  | 20.139.773 | 24.008.605 | 12.924.437 | 1.642.460      | 1.998.508       | 50.456                    | 60.764.239  |
| Depreciation   |            |            |            |                |                 |                           |             |
| Accumulated Depreciation 01.01.2015                        | 0          | 0          | 0          | -1.529.143     | -1.748.865      | 0                         | -3.278.008  |
| Depreciation of the year                                   | 0          | -672.800   | -1.418.611 | -108.650       | -83.046         | 0                         | -2.283.108  |
| Transfer of depreciation for held for sales                | 0          | 0          | 354.368    | 0              | 0               | 0                         | 354.368     |
| Transfer of depreciation due to revaluation in fair values | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Transfers  | 0          | 0          | 0          | 44.414         | 7.442           | 0                         | 51.856      |
| Depreciation of sold or deleted assets                     | 0          | 0          | 3.496      | 58.510         | 1.514           | 0                         | 63.520      |
| Accumulated Depreciation 31.12.2015                        | 0          | -672.800   | -1.060.747 | -1.534.870     | -1.822.956      | 0                         | -5.091.372  |
| Book value in 31.12.2015                                   | 20.139.773 | 23.335.805 | 11.863.690 | 107.590        | 175.552         | 50.456                    | 55.672.867  |
| Acquisition cost   |            |            |            |                |                 |                           |             |
| Acquisition cost or deemed cost 1.1.2016                   | 20.139.773 | 24.008.605 | 12.924.437 | 1.642.460      | 1.998.508       | 50.456                    | 60.764.239  |
| Additions  | 0          | 23.389     | 101.296    | 13.707         | 96.183          | 85.245                    | 319.821     |
| Sales or Deletions   | 0          | -21.324    | -495.004   | -50            | 11.586          | -564                      | -505.356    |
| Classification as Held for Sales                           | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Revaluation in fair values                                 | -2.194.401 | 4.562.226  | 0          | 0              | 0               | 0                         | 2.367.825   |
| Transfer of depreciation due to revaluation in fair values | 0          | -1.128.914 | 0          | 0              | 0               | 0                         | -1.128.914  |
| Transfers  | 0          | 31.972     | 35.990     | 0              | 14.435          | -114.590                  | -32.193     |
| Exchange differences                                       | -7.066     | -9.169     | -3.752     | -46            | 3               | -2                        | -20.031     |
| Acquisition cost or deemed cost 31.1.2016                  | 17.938.306 | 27.466.786 | 12.562.967 | 1.656.071      | 2.120.715       | 20.546                    | 61.765.391  |
| Depreciation   |            |            |            |                |                 |                           |             |
| Accumulated Depreciation 01.01.2016                        | 0          | -672.800   | -1.060.747 | -1.534.870     | -1.822.956      | 0                         | -5.091.372  |
| Depreciation of the year                                   | 0          | -737.187   | -1.216.080 | -66.651        | -74.257         | 0                         | -2.094.175  |
| Transfer of depreciation for held for sales                | 0          | 1.128.914  | 0          | 0              | 0               | 0                         | 1.128.914   |
| Transfer of depreciation due to revaluation in fair values | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Transfers  | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Depreciation of sold or deleted assets                     | 0          | 612        | 70.072     | 0              | 2.430           | 0                         | 73.114      |
| Accumulated Depreciation 31.12.2016                        | 0          | -280.461   | -2.206.755 | -1.601.520     | -1.894.783      | 0                         | -5.983.520  |
| Book value in 31.12.2016                                   | 17.938.306 | 27.186.325 | 10.356.211 | 54.551         | 225.932         | 20.546                    | 55.781.871  |

|  | Company    |            |            |                |                 |                           |             |
|--|------------|------------|------------|----------------|-----------------|---------------------------|-------------|
| Tangible Assets  | Land       | Buildings  | Machinery  | Transportation | Other equipment | Assets under construction | Grand Total |
| Acquisition cost   |            |            |            |                |                 |                           |             |
| Acquisition cost or deemed cost 1.1.2015                           | 14.852.072 | 16.108.417 | 6.238.213  | 1.311.566      | 1.534.953       | 0                         | 40.045.221  |
| Additions from the absorption of subsidiary company                | 1.004.329  | 2.725.274  | 2.124.863  | 169.056        | 233.019         | 49.614                    | 6.306.154   |
| Additions  | 0          | 10.000     | 1.961      | 0              | 27.853          | 56.444                    | 96.259      |
| Sales or Deletions   | 0          | 0          | -7.425     | -59.000        | -343            | -6.208                    | -72.976     |
| Classification as Held for Sales                                   | 0          | 0          | 2.231.552  | 0              | 0               | 0                         | 2.231.552   |
| Revaluation in fair values   | 0          | 0          | 512.245    | 0              | 0               | 0                         | 512.245     |
| Transfer of depreciation due to revaluation in fair values         | 0          | 0          | -354.368   | 0              | 0               | 0                         | -354.368    |
| Transfers  | 0          | 39.125     | 10.835     | 0              | 0               | -49.960                   | 0           |
| Exchange differences   |            |            |            |                |                 |                           | 0           |
| Acquisition cost or deemed cost 31.1.2015                          | 15.856.401 | 18.882.816 | 10.757.876 | 1.421.622      | 1.795.483       | 49.889                    | 48.764.087  |
| Depreciation   |            |            |            |                |                 |                           |             |
| Accumulated Depreciation 01.01.2015                                | 0          | 0          | 0          | -1.130.856     | -1.381.508      | 0                         | -2.512.364  |
| Accumulated depreciation from the absorption of subsidiary company | 0          | -69.483    | -297.341   | -158.403       | -212.137        | 0                         | -737.365    |
| Depreciation of the year   | 0          | -494.740   | -1.069.382 | -102.703       | -59.242         | 0                         | -1.726.066  |
| Transfer of depreciation for held for sales                        | 0          | 0          | 354.368    | 0              | 0               | 0                         | 354.368     |
| Transfer of depreciation due to revaluation in fair values         | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Depreciation of sold or deleted assets                             | 0          | 0          | 3.326      | 58.510         | 343             | 0                         | 62.179      |
| Exchange differences   |            |            |            |                |                 |                           | 0           |
| Accumulated Depreciation 31.12.2015                                | 0          | -564.223   | -1.009.029 | -1.333.452     | -1.652.544      | 0                         | -4.559.248  |
| Book value in 31.12.2015   | 15.856.401 | 18.318.593 | 9.748.847  | 88.170         | 142.939         | 49.889                    | 44.204.839  |
| Acquisition cost   |            |            |            |                |                 |                           |             |
| Acquisition cost or deemed cost 1.1.2016                           | 15.856.401 | 18.882.816 | 10.757.876 | 1.421.622      | 1.795.483       | 49.889                    | 48.764.087  |
| Additions  | 0          | 23.389     | 12.167     | 0              | 93.713          | 85.245                    | 214.515     |
| Sales or Deletions   | 0          | -13.489    | -481.057   | 0              | -2.430          | 0                         | -496.977    |
| Classification as Held for Sales                                   | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Revaluation in fair values   | -2.194.401 | 4.562.226  | 0          | 0              | 0               | 0                         | 2.367.825   |
| Transfer of depreciation due to revaluation in fair values         | 0          | -1.128.914 | 0          | 0              | 0               | 0                         | -1.128.914  |
| Transfers  | 0          | 31.972     | 35.990     | 0              | 14.435          | -114.590                  | -32.193     |
| Exchange differences   |            |            |            |                |                 |                           | 0           |
| Acquisition cost or deemed cost 31.1.2016                          | 13.662.000 | 22.358.000 | 10.324.976 | 1.421.622      | 1.901.201       | 20.544                    | 49.688.344  |
| Depreciation   |            |            |            |                |                 |                           |             |
| Accumulated Depreciation 01.01.2016                                | 0          | -564.223   | -1.009.029 | -1.333.452     | -1.652.544      | 0                         | -4.559.248  |
| Depreciation of the year   | 0          | -565.888   | -1.014.410 | -63.228        | -60.436         | 0                         | -1.703.962  |
| Transfer of depreciation for held for sales                        | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Transfer of depreciation due to revaluation in fair values         | 0          | 1.128.914  | 0          | 0              | 0               | 0                         | 1.128.914   |
| Depreciation of sold or deleted assets                             | 0          | 613        | 70.072     | 0              | 2.430           | 0                         | 73.115      |
| Exchange differences   |            |            |            |                |                 |                           | 0           |
| Accumulated Depreciation 31.12.2016                                | 0          | -584       | -1.953.368 | -1.396.679     | -1.710.550      | 0                         | -5.061.182  |
| Book value in 31.12.2016   |            |            |            |                |                 |                           |             |
| Exchange differences   | 0          | 0          | 0          | 0              | 0               | 0                         | 0           |
| Book value in 31.12.2016   | 13.662.000 | 22.357.416 | 8.371.608  | 24.943         | 190.651         | 20.544                    | 44.627.162  |

Land, buildings and machinery are measured at fair value. Vehicles, other equipment and assets under construction are stated at cost less accumulated depreciation.

### Revaluation of tangible fixed assets

In the fiscal year 2016, the Group's Management proceeded to a revaluation of the Land and Buildings of the parent company. This was mainly decided because of the significant changes in the value of land and buildings since the last revaluation of land, buildings and machinery that had taken place in 2014. The Company did not proceed to a revaluation of its machinery, as the new fair values are very close to the latest revalued amounts which are reduced by the accumulated depreciation up to the reporting date. In addition, the Group did not proceed to a revaluation of the land, buildings and machinery of the

subsidiaries due to the absence of significant changes in market conditions since the last revaluation that had taken place in 2014.

#### Method for the Valuation of Land and Buildings

For the purposes of the valuation, within the framework of Market, Cost and Income Approach and taking into account the location, use, type and specific features of the properties, the Methods of Comparative Information (Comparative Method-Market Approach) and of Residual Replacement Costs were applied in combination. According to the Method of Comparative Information, the market values of the properties were determined using weightings and adjustments of available comparative data i.e. data that show greater similarity of characteristics to the individual properties under valuation. With the methodology of Residual Replacement Costs, the residual value of the existing buildings and their surroundings was determined along with the market value of the plot of land on which these buildings are erected, as follows: a) In order to estimate the plot part of the land, areas in the greater region with similar growth potential were taken into account and, based on the advantages and disadvantages of the properties under evaluation, the necessary weightings and adjustments were applied. b) In order to estimate the value of the buildings, the qualitative and technical characteristics of growth and of the type of building were considered along with the age and state of maintenance of the buildings and a replacement cost was adopted depending on the type and quality of construction.

The 31st December 2016 is mentioned as the reference date of estimations, from which the fair values of the land, buildings and machinery of the Company and the Group emerged. This date is related to the state of the fixed assets, the state of the real estate market, the economic conditions of the economy in which the related assets are, as well as the supply and demand conditions prevailing in them.

The effect of the revaluation of land, buildings and equipment in the income statement and equity of the Company and the Group as at December 31, 2016 is presented below:

|   | <b>Group &amp; Company</b> |   |                  |
|---|----------------------------|---|------------------|
|   | <b>P &amp; L</b>           | <b>Other<br/>Comprehensive<br/>Income</b> | <b>Equity</b>    |
| Land                                      | -1.977.681                 | -216.720                                  | -2.194.401       |
| Buildings                                 | 763.153                    | 3.799.072                                 | 4.562.225        |
| <b>Total revaluation</b>                  | <b>-1.214.528</b>          | <b>3.582.352</b>                          | <b>2.367.824</b> |
| Deferred Taxation                         | 352.213                    | -1.038.882                                | -686.669         |
| <b>Revaluation reserve in fair values</b> | <b>-862.315</b>            | <b>2.543.470</b>                          | <b>1.681.155</b> |

For assets measured at fair value, the net book value at 31/12/2016 if they were stated at cost less accumulated depreciation would be for the Company and the Group: Land € 15,856 thousand and Buildings € 17,795 thousand.



In order to secure the Group's and Company's loans, there are mortgages for the properties mentioned in paragraph 9.30.2 below.

## 9.2 Intangible Assets

The intangible assets for the Group and the Company are shown in the following tables:

| Amounts in €   | Group          |                    |                    | Company            |
|--|----------------|--------------------|--------------------|--------------------|
|  | Goodwill       | Software           | Total              | Software           |
| <b>Acquisition cost</b>  |                |                    |                    |                    |
| <b>Acquisition cost or deemed cost 1.1.2015</b>                    | <b>419.115</b> | <b>1.398.410</b>   | <b>1.817.525</b>   | <b>1.212.978</b>   |
| Additions from the absorption of subsidiary company                | 0              | 0                  | 0                  | 23.449             |
| Additions  | 0              | 49.479             | 49.479             | 46.747             |
| <b>Acquisition cost or deemed cost 31.1.2015</b>                   | <b>419.115</b> | <b>1.447.890</b>   | <b>1.867.005</b>   | <b>1.283.174</b>   |
| <b>Depreciation</b>  |                |                    |                    |                    |
| <b>Accumulated Depreciation 01.01.2015</b>                         | <b>0</b>       | <b>(1.350.415)</b> | <b>(1.350.415)</b> | <b>(1.171.108)</b> |
| Accumulated depreciation from the absorption of subsidiary company | 0              | 0                  | 0                  | (22.527)           |
| Depreciation of the year   | 0              | (28.036)           | (28.036)           | (24.567)           |
| Depreciation of sold or deleted assets                             | 0              | 0                  | 0                  | 0                  |
| Exchange differences   | 0              | (3)                | (3)                | 0                  |
| <b>Accumulated Depreciation 31.12.2015</b>                         | <b>0</b>       | <b>-1.378.453</b>  | <b>-1.378.453</b>  | <b>-1.218.202</b>  |
| <b>Book value in 31.12.2015</b>                                    | <b>419.115</b> | <b>69.436</b>      | <b>488.551</b>     | <b>64.973</b>      |
| <b>Acquisition cost</b>  |                |                    |                    |                    |
| <b>Acquisition cost or deemed cost 1.1.2016</b>                    | <b>419.115</b> | <b>1.447.890</b>   | <b>1.867.005</b>   | <b>1.283.174</b>   |
| Additions  | 0              | 55.294             | 55.294             | 52.895             |
| Sales or Deletions   | 0              | 0                  | 0                  | 0                  |
| Transfers  | 0              | 32.192             | 32.192             | 32.192             |
| Exchange differences   | 0              | 9                  | 9                  | 0                  |
| <b>Acquisition cost or deemed cost 31.1.2016</b>                   | <b>419.115</b> | <b>1.535.385</b>   | <b>1.954.500</b>   | <b>1.368.261</b>   |
| <b>Depreciation</b>  |                |                    |                    |                    |
| <b>Accumulated Depreciation 01.01.2016</b>                         | <b>0</b>       | <b>(1.378.453)</b> | <b>(1.378.453)</b> | <b>(1.218.202)</b> |
| Depreciation of the year   | 0              | (32.759)           | (32.759)           | (30.478)           |
| Depreciation of sold or deleted assets                             | 0              | 0                  | 0                  | 0                  |
| Exchange differences   | 0              | 0                  | 0                  | 0                  |
| <b>Accumulated Depreciation 31.12.2016</b>                         | <b>0</b>       | <b>-1.411.212</b>  | <b>-1.411.212</b>  | <b>-1.248.679</b>  |
| <b>Book value in 31.12.2016</b>                                    | <b>419.115</b> | <b>124.173</b>     | <b>543.288</b>     | <b>119.582</b>     |

The goodwill arose from the acquisition of the subsidiary in Romania, which is considered as a cash-generating unit and consists of one operating sector (steel). The recoverable amount of the above cash-generating unit was defined according to the method of value in use.

Goodwill impairment test is conducted annually and when indicators of impairment appear. Under those circumstances the corresponding forecasts are taken into consideration.

At 31.12.2016, Group management performed an impairment test for the goodwill and no indicator for impairment arose. The recoverable amount 31.12.2016 was determined by the value in use calculated on the basis of projected cash flows of the Group financial budgets approved by management covering a period of five years. The projected cash flows were calculated to reflect the operating segment's demand

conditions. The provision for future income over the next five years was based on the ratio between the sector's expected sales and the company's respective sales (this ratio determines the company's market share).

The pre-tax rate used to discount projected cash flows is 7.1%, while the growth rate in perpetuity (after five years) used is 3.0% and EBITDA margin of 5.0% - 7.0%. The above percentages are based on estimates of the Group's and are consistent with independent external information sources.

The calculation of the Value in Use is more sensitive to the assumptions below:

- a) Gross profit margin before depreciation
- b) Discount rate
- c) Market share during the budget period
- d) Growth rate on perpetuity.

**Gross profit margin before depreciation** – The gross profit margins before depreciation are based on estimates during the budget 5-year period and converge to the gross margins achieved in the past before the outbreak of the crisis.

**Discount rate** – Discount rates reflect the assessment of risk current situation with respect to each cash flow generating unit. The discount rate was calculated on the basis of the average percentage of the sector's weighted average cost of capital. This percentage was further adjusted to reflect the market assumptions about each risk of cash flow generating units for which the estimates of future cash flows have not been adjusted. The discount rate used in the impairment test incorporates the creditworthiness of Romania and Eurozone as a whole.

**Market share during the budget period** – Management anticipates a slight upward trend in the market where the segment operates during the budgeting period (0.6% for 2016, according to ARDIMET, the Romanian Association of Metal Distributors and 5.8% per annum after 2016 according to the GDP growth estimates of the Romanian economy by IMF). Also expecting that segment's position will be strengthened in comparison with its competitors from 1,3 % today to 1,8 % at the end of the budgeting period.

**Growth rate on perpetuity** – The growth rate is based on the Group's long-term prospects about the segment under review.

### **9.3 Investments in Subsidiaries**

Investments in subsidiaries are analysed in the following table:

|  | <b>Company</b>    |                   |
|--|-------------------|-------------------|
|  | 31.12.2016        | 31.12.2015        |
| <b>Balance at the beginning of the year</b>          | <b>11.645.039</b> | <b>16.505.837</b> |
| Decrease of investment due to merger with subsidiary | 0                 | -4.890.798        |
| Increase of share capital of subsidiary              | 0                 | 30.000            |
| Impairment provision                                 |                   | 0                 |
| <b>Balance at the end of the year</b>                | <b>11.645.039</b> | <b>11.645.039</b> |

SIDMA WORLDWIDE LIMITED is participating to the following companies:

|                | Acquistition cost | Cummulative impairment | Total             |
|----------------|-------------------|------------------------|-------------------|
| SIDMA BULGARIA | 7.894.953         | -2.200.000             | 5.694.953         |
| SIDMA ROMANIA  | 8.839.635         | -3.159.290             | 5.680.345         |
|                | <b>16.734.588</b> | <b>-5.359.290</b>      | <b>11.375.298</b> |

During the current year 2016 no movement in the book value of the investments in subsidiaries took place.

As of 31.12.2016 an impairment test in subsidiaries was held. The recoverable amount was determined according to the value in use which was calculated on the basis of the expected cash flows arising from the Group's financial budgets which are approved by Management and extend over a 5-year period.

The discount rate used to discount the expected cash flows is 7.3% and 7.1% for SIDMA BULGARIA S.A. and SIDMA ROMANIA SRL respectively, while the growth rate on perpetuity (following the lapse of 5 years) that was used is 2.5% for SIDMA BULGARIA S.A. and 3.0% for SIDMA ROMANIA SRL, taking into account the Group's long-term prospects. The impairment test did not reveal any charge in the income statement.

#### 9.4 Other non-current assets

The other non-current assets include the guarantees that have been provided and will be collected within a period exceeding twelve (12) months from the balance sheet preparation date. The fair value of the specific receivables does not substantially differ from the value presented in the financial statements and is annually subject to review.

|                                 | <b>Group</b>   |                | <b>Company</b> |                |
|---------------------------------|----------------|----------------|----------------|----------------|
| <u>Amounts in Euros</u>         | 31.12.2016     | 31.12.2015     | 31.12.2016     | 31.12.2015     |
| Non-current assets (guarantees) | 117.254        | 118.730        | 101.843        | 101.078        |
| <b>Total</b>                    | <b>117.254</b> | <b>118.730</b> | <b>101.843</b> | <b>101.078</b> |

## 9.5 Inventories

|  | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| <i>Amounts in Euros</i>                  | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Merchandise                              | 4.394.593         | 4.898.641         | 3.687.403         | 3.000.504         |
| Finished and semi-finished products      | 4.096.686         | 4.248.133         | 3.323.972         | 3.422.855         |
| Raw, auxiliary materials and spare parts | 6.733.916         | 7.435.779         | 5.060.524         | 4.845.327         |
| Payments in advances to suppliers        | 223.085           | 246.965           | 0                 | 131.388           |
| <b>Total</b>                             | <b>15.448.280</b> | <b>16.829.518</b> | <b>12.071.899</b> | <b>11.400.074</b> |

In order to secure the Group's and Company's loans, there is a floating collateral on stocks as mentioned in paragraph 9.30.2 below.

## 9.6 Trade Receivables

The Group's and Company's receivables and other trade receivables are analysed in the table below:

|   | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Customers                                       | 24.389.378        | 23.432.663        | 18.012.989        | 17.869.854        |
| Notes receivable                                | 1.272.780         | 1.429.250         | 68.000            | 15.000            |
| Cheques receivable                              | 13.970.682        | 8.995.134         | 13.834.844        | 8.725.885         |
| Less: Allowances for doubtful trade receivables | -2.428.840        | -2.739.479        | -1.278.549        | -1.717.829        |
| <b>Total</b>                                    | <b>37.204.000</b> | <b>31.117.567</b> | <b>30.637.284</b> | <b>24.892.909</b> |

The account "Allowances for doubtful trade receivables" is analysed below:

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31.12.2016       | 31.12.2015       | 31.12.2016       | 31.12.2015       |
| <b>Balance at the beginning of the year</b>         | 2.739.479        | 3.139.771        | 1.717.829        | 1.001.735        |
| Additions from the absorption of subsidiary company | 0                | 0                | 0                | 900.303          |
| Deletion of doubtful clients/debtors                | -1.639.281       | -254.209         | -1.639.281       | -254.209         |
| Provisions for doubtful receivables                 | 1.341.801        | 163.284          | 1.200.000        | 70.000           |
| Income from prior years' provisions                 | -9.676           | -297.950         | 0                | 0                |
| Exchange differences                                | -3.483           | -11.417          | 0                | 0                |
| <b>Balance at the end of the year</b>               | <b>2.428.840</b> | <b>2.739.479</b> | <b>1.278.549</b> | <b>1.717.829</b> |

The Company has specified criteria applying to the credit granted to customers who are generally based on the size of the customer's activity, economic circumstances and the assessment of relevant financial information. On each date of statement of financial situation, all overdue or doubtful debts are assessed to determine whether it is necessary to raise provisions for doubtful debts or not. Any balances of customers that are crossed out are charged to the current provision for doubtful debts. The fair values of the above receivables are approximately the same with their book values. The time horizon of receivables collection for both the Company and the Group is set out below:

|                                      | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Non-due trade receivables            | 26.898.761        | 26.174.022        | 20.736.516        | 20.826.256        |
| Overdue and non-impaired receivables | 0                 | 0                 | 0                 | 0                 |
| <30 days                             | 5.454.792         | 448.645           | 5.454.356         | 425.539           |
| <31 - 60 days                        | 2.057.076         | 305.281           | 2.018.068         | 153.551           |
| > 61 days                            | 2.793.371         | 4.189.618         | 2.428.345         | 3.487.564         |
| <b>Total</b>                         | <b>37.204.000</b> | <b>31.117.567</b> | <b>30.637.284</b> | <b>24.892.910</b> |

Balances up to 120 days from the invoice date are considered as non-matured.

### 9.7 Other Receivables

The Other receivables of the Group and the Company are analysed in the table below:

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31.12.2016       | 31.12.2015       | 31.12.2016       | 31.12.2015       |
| Sundry debtors                                      | 515.934          | 624.976          | 471.018          | 489.775          |
| Receivables from the State (taxes, etc)             | 141.822          | 123.868          | 9.389            | 9.389            |
| Purchases in transit                                | 781.494          | 3.299.539        | 781.494          | 3.299.539        |
| Blocked deposits                                    | 162.162          | 0                | 0                | 0                |
| Short-term receivables against associated companies | 397.447          | 26.185           | 376.974          | 5.774            |
| Prepaid expenses                                    | 125.231          | 116.883          | 93.361           | 78.577           |
| Accrued Income                                      | 831              | 12.575           | 831              | 12.575           |
| Advances account                                    | 122              | 122              | 0                | 0                |
| <b>Total</b>  | <b>2.125.043</b> | <b>4.204.146</b> | <b>1.733.067</b> | <b>3.895.628</b> |

### 9.8 Financial Derivatives

On 31/12/2016, the derivative financial instruments amounted to debts of € 40,364. This derivative pertains to a foreign exchange option (call option) contracted by the subsidiary SIDMA ROMANIA SRL. These items have been valued on 31/12/2016 at their fair value.

### 9.9 Cash and Cash Equivalents

The cash and cash equivalents of the Group and the Company are analysed in the table below:

|                     | <b>Group</b>     |                   | <b>Company</b>   |                   |
|---------------------|------------------|-------------------|------------------|-------------------|
|                     | 31.12.2016       | 31.12.2015        | 31.12.2016       | 31.12.2015        |
| Cash on hand        | 26.996           | 64.008            | 14.638           | 31.370            |
| Short-term deposits | 7.313.646        | 12.209.718        | 5.858.616        | 11.008.317        |
| <b>Total</b>        | <b>7.340.643</b> | <b>12.273.726</b> | <b>5.873.254</b> | <b>11.039.687</b> |

### 9.10 Share Capital and Share Premium

After absorbing the subsidiary PANELCO, the share capital of SIDMA SA amounts to a total of € 13,752,000.45, divided into 10,186,667 common registered shares of nominal value € 1.35 each (see paragraph 7).

|  | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Share Capital (10.186.667 shares * 1,35 €) | 13.752.000        | 13.752.000        | 13.752.000        | 13.752.000        |
| Share Premium                              | 9.875.000         | 9.875.000         | 9.875.000         | 9.875.000         |
| <b>Total</b>                               | <b>23.627.000</b> | <b>23.627.000</b> | <b>23.627.000</b> | <b>23.627.000</b> |

## 9.11 Reserves

The breakdown of the capital reserves is as follows:

|   | <b>Group</b>     |                        |                  |                                      |  |   |                   |
|---|------------------|------------------------|------------------|--------------------------------------|--|---|-------------------|
|   | Legal Reserve    | Extraordinary Reserves | Special Reserves | Tax-free reserves under special laws | Difference from the revaluation of assets in fair values | Exchange differences from the consolidation of associates | Total             |
| <b>Balance in 1.1.2015</b>                          | <b>2.433.330</b> | <b>239.720</b>         | <b>866.370</b>   | <b>8.802.493</b>                     | <b>6.637.205</b>   | <b>(320.704)</b>  | <b>18.658.413</b> |
| Changes due to the absorption of subsidiary PANELCO | 84.918           | 0                      | 0                | 261.774                              | 69.683   | 0   | <b>416.375</b>    |
| Changes during the current year                     | 0                | 0                      | 0                | 0                                    | (155.645)  | 41.491  | <b>(114.153)</b>  |
| <b>Balance in 31.12.2015</b>                        | <b>2.518.248</b> | <b>239.720</b>         | <b>866.370</b>   | <b>9.064.267</b>                     | <b>6.551.243</b>   | <b>(279.213)</b>  | <b>18.960.635</b> |
| Changes during the current year                     | 0                | 0                      | 0                | 0                                    | 2.543.471  | 20.609  | <b>2.564.080</b>  |
| <b>Balance in 31.12.2016</b>                        | <b>2.518.248</b> | <b>239.720</b>         | <b>866.370</b>   | <b>9.064.267</b>                     | <b>9.094.714</b>   | <b>(258.604)</b>  | <b>21.524.714</b> |

  

|   | <b>Company</b>   |                        |                  |                                      |   |           |                   |
|---|------------------|------------------------|------------------|--------------------------------------|---|-----------|-------------------|
|   | Legal Reserve    | Extraordinary Reserves | Special Reserves | Tax-free reserves under special laws | Difference from the revaluation of assets |           | Total             |
| <b>Balance in 1.1.2015</b>                          | <b>2.164.759</b> | <b>239.720</b>         | <b>866.379</b>   | <b>7.755.396</b>                     | <b>2.677.856</b>                          |           | <b>13.704.110</b> |
| Changes due to the absorption of subsidiary PANELCO | 353.488          | 0                      | 0                | 1.308.871                            | 1.114.300                                 | 2.776.659 |                   |
| Changes during the current year                     | 0                | 0                      | 0                | 0                                    | (108.562)                                 |           | <b>(108.562)</b>  |
| <b>Balance in 31.12.2015</b>                        | <b>2.518.248</b> | <b>239.720</b>         | <b>866.379</b>   | <b>9.064.267</b>                     | <b>3.683.594</b>                          |           | <b>16.372.208</b> |
| Changes during the current year                     | 0                | 0                      | 0                | 0                                    | 2.543.471                                 |           | <b>2.543.471</b>  |
| <b>Balance in 31.12.2016</b>                        | <b>2.518.248</b> | <b>239.720</b>         | <b>866.379</b>   | <b>9.064.267</b>                     | <b>6.227.065</b>                          |           | <b>18.915.678</b> |

## 9.12 Loans

The borrowings of the Group and of the Company as of 31/12/2016 and 31/12/2015 are as follows:

|  | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 31.12.2016         | 31.12.2015         | 31.12.2016         | 31.12.2015         |
| <b>Long-term loan liabilities</b>                        |                    |                    |                    |                    |
| Bond loans   | 56.219.031         | 61.126.955         | 56.219.031         | 61.126.955         |
| Long-term bank loans                                     | 1.200.000          | 1.949.397          | 0                  | 0                  |
| Derivative Financial Instruments                         | 0                  | 3.060              | 0                  | 3.060              |
| <b>Less: Current installments of long-term loans</b>     | <b>-57.419.031</b> | <b>-59.672.940</b> | <b>-56.219.031</b> | <b>-57.723.543</b> |
| <b>Total long-term liabilities (a)</b>                   | <b>0</b>           | <b>3.406.472</b>   | <b>0</b>           | <b>3.406.472</b>   |
| <b>Short-term loan liabilities</b>                       |                    |                    |                    |                    |
| Short-term bank loans                                    | 39.050.200         | 38.984.378         | 18.007.883         | 18.017.151         |
| Derivative Products                                      | 520                | 0                  | 520                | 0                  |
| Financing through factoring                              | 9.742.076          | 5.946.089          | 9.742.076          | 5.750.872          |
| <b>Total short-term liabilities (b)</b>                  | <b>48.792.795</b>  | <b>44.930.467</b>  | <b>27.750.478</b>  | <b>23.768.023</b>  |
| <b>Plus: Current installments of long-term loans (c)</b> | <b>57.419.031</b>  | <b>59.672.940</b>  | <b>56.219.031</b>  | <b>57.723.543</b>  |
| <b>Grand Total (a)+(b)+(c)</b>                           | <b>106.211.826</b> | <b>108.009.879</b> | <b>83.969.509</b>  | <b>84.898.038</b>  |

Regarding total debt (short and long term loans) the following table shows the future payments for the Group and the Company as at 31/12/2016 and 31/12/2015 respectively:

|                       | <b>Group</b>       |                    | <b>Company</b>    |                   |
|-----------------------|--------------------|--------------------|-------------------|-------------------|
|                       | <b>31.12.2016</b>  | <b>31.12.2015</b>  | <b>31.12.2016</b> | <b>31.12.2015</b> |
| Up to 1 year          | 106.211.826        | 104.603.407        | 83.969.509        | 81.491.566        |
| Between 1 and 2 years | 0                  | 3.406.472          | 0                 | 3.406.472         |
| <b>Total</b>          | <b>106.211.826</b> | <b>108.009.879</b> | <b>83.969.509</b> | <b>84.898.038</b> |

The terms of bond loans provide for events of termination including, *inter alia*, overdue payments, non-compliance with the general and financial collateral provided, etc. In addition, the terms of the € 49 million Bond Loan of the Company, as well as of the bond loans of the subsidiary PANELCO S.A. amounting to € 8 million, include financial covenants in order to comply with certain ratios at predetermined levels such as: Current Assets/ Short Term Liabilities, Total Liabilities/ Equity, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")/ Net Payable Interests.

#### The Bond Loans of the Company

- With regard to the bond loan of the company amounting to € 49 million with the banks "EUROBANK ERGASIAS S.A., NATIONAL BANK OF GREECE S.A., PIREUS BANK S.A., COMMERCIAL BANK OF GREECE S.A., ALPHA BANK S.A." and "HSBC BANK PLC" as bondholders and "EUROBANK ERGASIAS S.A." as paying agent and representative of the bondholders, based on the relevant decision of the bondholders meeting and on the amendment of the loan agreement dated 17/11/2014, the extension for the repayment of the above loan was set in September 2016. On 16/09/2016, following its request submitted in June 2016, the Company received the consent of the bondholders to extend the maturity of the loan until March 2017. On April 2017, following its request submitted in February 2017, the Company received the consent of the bondholders to extend the maturity of the loan until September 2017. On 31/12/2016 the undepreciated balance of the loan amounted to € 48,912 thousand.
- With regard to the bond loans of the absorbed company PANELCO S.A. amounting to € 4 million with the "NATIONAL BANK OF GREECE S.A." and to € 4 million with the "EUROBANK ERGASIAS S.A.", in March 2017 the company received the consent of the bondholders for the rollover of the maturity of all loans until June 2017 and August 2017 respectively. On 31.12.2016 the undepreciated values of the above loans amounted to € 3,657 thousand and € 3,520 thousand respectively.
- On March 1, 2012 the Company signed a Bond Loan agreement, for a period of five years, amounting to 1,100 thousand Euros with the "COMMERCIAL BANK OF GREECE S.A." for the financing of photovoltaic installations. On 31/12/2016 the undepreciated balance of the loan amounted to € 129 thousand. In order to offset the cash flows of the loan, the company has contracted derivative financial instruments (interest rate swaps).

The Group's loans in foreign currency amount to € 12,580 thousand (RON 43,502 thousand plus BGN 5,869 thousand).



The average cost of borrowing for the Company amounted to 5.02% while for the Group to 5.12%.

The Group's standard practice is not to make use of all available routes, but to have disposable credit limits or cash flows at least 15% of the total on any occasion. The company's financial statements have been prepared based on the principle of going concern.

In order to secure the Group's and Company's loans, there are prenotations of property, floating security on a group of stocks and guarantees (postdated cheques and customer invoices) referred to in paragraphs 9.30.1 and 9.30.2 below.

### 9.13 Government Grants

Government Grants are related to grants received from the parent Company for its investment in photovoltaic energy and to grants received from the subsidiary "PANELCO S.A." which is related to capital expenditure realized by the subsidiary in its Lamia plant. The specific capital expenditure was incorporated in the governmental development law 2601/98 that had to do with the construction of a plot for the production of metal and thermo-insulating elements. The accounting method used by the group set up the grant as deferred income and is recognizing it as income on a systematic and rational basis over the useful life of the asset.

|              | Group          |                | Company        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 31.12.2016     | 31.12.2015     | 31.12.2016     | 31.12.2015     |
| Grants       | 235.431        | 279.182        | 235.431        | 279.182        |
| <b>Total</b> | <b>235.431</b> | <b>279.182</b> | <b>235.431</b> | <b>279.182</b> |

### 9.14 Deferred Tax

The Group has chosen to set off the deferred tax assets against the deferred tax liability of the same taxable entity if, and only if, they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to do so.

Deferred taxes of the Group and the Company are reviewed in each financial year so that the balance set out in the balance sheet is reflected at the applicable tax rates. Under the new tax law 4334/2015 passed on 16/07/2015, the income tax rate on profits beginning on or after January 1, 2015 increased from 26% to 29%.

|   | Group              |             |                                  |                                |                  |                  |                  | Total              |
|---|--------------------|-------------|----------------------------------|--------------------------------|------------------|------------------|------------------|--------------------|
|   | Fixed Assets       | Investments | Retirement Benefits to personnel | Provision for doubtful debtors | Losses           | Interest Hedging | other provisions |                    |
| <b>1/1/2015</b>   | <b>(4.415.071)</b> | <b>(0)</b>  | <b>185.362</b>                   | <b>440.886</b>                 | <b>2.891.525</b> | <b>2.179</b>     | <b>7.786</b>     | <b>(887.333)</b>   |
| (Credit)/Debit of profit - loss statement                 | (197.212)          | 0           | 3.012                            | (73.623)                       | (837.336)        | (0)              | (7.594)          | <b>(1.112.753)</b> |
| Effect from the change of tax rate in the P&L             | (363.736)          | 0           | 20.605                           | 50.882                         | 232.680          | 0                | 0                | <b>(59.568)</b>    |
| (Credit)/Debit of Comprehensive Income                    | (280)              | 0           | (24.266)                         | 0                              | 0                | (896)            | 0                | <b>(25.442)</b>    |
| Effect from the change of tax rate in the O.C.I Statement | (155.645)          | 0           | 1.159                            | 0                              | 0                | 185              | 0                | <b>(154.301)</b>   |
| FX differences  | 2.287              | 0           | 0                                | 0                              | (3.372)          | 0                | 0                | <b>(1.085)</b>     |
| <b>31/12/2015</b>   | <b>(5.129.656)</b> | <b>(0)</b>  | <b>185.873</b>                   | <b>418.145</b>                 | <b>2.283.498</b> | <b>1.468</b>     | <b>192</b>       | <b>(2.240.481)</b> |
| <b>1/1/2016</b>   | <b>(5.129.656)</b> | <b>(0)</b>  | <b>185.873</b>                   | <b>418.145</b>                 | <b>2.283.498</b> | <b>1.468</b>     | <b>192</b>       | <b>(2.240.481)</b> |
| (Credit)/Debit of profit - loss statement                 | 336.432            | 0           | 4.214                            | (101.560)                      | (200.000)        | 0                | (99)             | <b>38.987</b>      |
| (Credit)/Debit of Comprehensive Income                    | (1.038.882)        | 0           | 1.654                            | 0                              | 0                | (737)            | 0                | <b>(1.037.965)</b> |
| FX differences  | (843)              | 0           | 0                                | 0                              | (2.115)          | 0                | 0                | <b>(2.958)</b>     |
| <b>31/12/2016</b>   | <b>(5.832.950)</b> | <b>(0)</b>  | <b>191.741</b>                   | <b>316.585</b>                 | <b>2.081.383</b> | <b>731</b>       | <b>93</b>        | <b>(3.242.417)</b> |

|   | Company            |                  |                                  |                                |                  |                  |                  |                    |
|---|--------------------|------------------|----------------------------------|--------------------------------|------------------|------------------|------------------|--------------------|
|   | Fixed Assets       | Investments      | Retirement Benefits to personnel | Provision for doubtful debtors | Losses           | Interest Hedging | other provisions | Total              |
| <b>1/1/2015</b>   | <b>(3.467.186)</b> | <b>1.146.416</b> | <b>163.029</b>                   | <b>234.544</b>                 | <b>2.016.564</b> | <b>1.599</b>     | <b>0</b>         | <b>94.967</b>      |
| Adjustments due to absorption of subsidiary company       | (679.970)          | 0                | 25.349                           | 230.252                        | 0                | 0                | 0                | <b>(424.368)</b>   |
| (Credit)/Debit of profit - loss statement                 | (227.696)          | (832.279)        | 1.996                            | (73.714)                       | (532.680)        | 0                | 0                | <b>(1.664.372)</b> |
| Effect from the change of tax rate in the P&L             | (291.498)          | 132.279          | 17.932                           | 27.063                         | 232.680          | 0                | 0                | <b>118.456</b>     |
| (Credit)/Debit of Comprehensive Income                    | 0                  | 0                | (21.354)                         | 0                              | 0                | (896)            | 0                | <b>(22.250)</b>    |
| Effect from the change of tax rate in the O.C.I Statement | (108.562)          | 0                | 879                              | 0                              | 0                | 185              | 0                | <b>(107.497)</b>   |
| <b>31/12/2015</b>   | <b>(4.774.911)</b> | <b>446.416</b>   | <b>187.831</b>                   | <b>418.146</b>                 | <b>1.716.564</b> | <b>889</b>       | <b>0</b>         | <b>(2.005.066)</b> |
| <b>1/1/2016</b>   | <b>(4.774.911)</b> | <b>446.416</b>   | <b>187.831</b>                   | <b>418.146</b>                 | <b>1.716.564</b> | <b>889</b>       | <b>0</b>         | <b>(2.005.066)</b> |
| (Credit)/Debit of profit - loss statement                 | 318.872            | 0                | 4.088                            | (101.560)                      | (200.000)        | 0                | 0                | <b>21.401</b>      |
| Effect from the change of tax rate in the P&L             | 0                  | 0                | 0                                | 0                              | 0                | 0                | 0                | <b>0</b>           |
| (Credit)/Debit of Comprehensive Income                    | (1.038.882)        | 0                | 1.654                            | 0                              | 0                | (737)            | 0                | <b>(1.037.965)</b> |
| Effect from the change of tax rate in the O.C.I Statement | 0                  | 0                | 0                                | 0                              | 0                | 0                | 0                | <b>0</b>           |
| <b>31/12/2016</b>   | <b>(5.494.922)</b> | <b>446.416</b>   | <b>193.574</b>                   | <b>316.586</b>                 | <b>1.516.564</b> | <b>152</b>       | <b>0</b>         | <b>(3.021.630)</b> |

## 9.15 Pensions obligations

The change in the present value of the liability for defined benefit plans is as follows:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
| Reconciliation of Benefit Obligation                | 31.12.2016     | 31.12.2015     | 31.12.2016     | 31.12.2015     |
| <b>DBO at start of period</b>                       | <b>669.093</b> | <b>730.018</b> | <b>647.693</b> | <b>627.033</b> |
| Service Cost  | 31.497         | 34.443         | 26.756         | 27.196         |
| Interest Cost                                       | 16.114         | 14.144         | 15.609         | 12.049         |
| Actuarial (gain)/loss- financial assumptions        | 6.174          | -68.848        | 5.705          | -63.855        |
| Actuarial (gain)/loss- other assumptions            | 0              | -11.284        | 0              | -9.779         |
| Benefits paid directly by the companies             | -99.307        | -54.215        | -99.307        | -54.215        |
| Settlement/Termination loss/(gain)                  | 71.039         | 24.834         | 71.039         | 21.854         |
| Changes due to the absorption of subsidiary PANELCO | 0              | 0              | 0              | 87.410         |
| <b>DBO at end of period</b>                         | <b>694.610</b> | <b>669.093</b> | <b>667.494</b> | <b>647.693</b> |

The amounts recognized in the Income Statement are:

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
| Amounts recognized in P & L Statement                     | 31.12.2016    | 31.12.2015    | 31.12.2016    | 31.12.2015    |
| Service Cost  | 31.497        | 34.443        | 26.756        | 27.196        |
| Net interest on the net defined benefit liability/(asset) | 16.114        | 14.144        | 15.609        | 12.049        |
| <b>Total P &amp; L Charge</b>                             | <b>47.611</b> | <b>48.588</b> | <b>42.365</b> | <b>39.245</b> |

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are:

|  | Group         |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
| Amounts recognized in OCI                    | 31.12.2016    | 31.12.2015    | 31.12.2016    | 31.12.2015    |
| Actuarial (gain)/loss- financial assumptions | -6.174        | 68.848        | -5.705        | 63.855        |
| Actuarial (gain)/loss- experience            | 0             | 11.284        | 0             | 9.779         |
| <b>Total amount recognized in OCI</b>        | <b>-6.174</b> | <b>80.132</b> | <b>-5.705</b> | <b>73.634</b> |

For determination of the pension liability, the following actual assumptions were used:

|                               | <b>Group</b>      |                   | <b>Company</b>    |                   |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Assumptions</b>            | <b>31.12.2016</b> | <b>31.12.2015</b> | <b>31.12.2016</b> | <b>31.12.2015</b> |
| Discount Rate                 | 1,9%              | 2,4%              | 1,9%              | 2,4%              |
| Rate of compensation increase | 1,0%              | 1,8%              | 1,0%              | 1,5%              |
| Price Inflation               | 1,7%              | 1,8%              | 1,5%              | 1,5%              |

The amount of the obligation is particularly sensitive to the assumptions used, and especially in cases of compensation increase and the discount rate. A sensitivity analysis of such changes is shown below:

| <b>31.12.2016</b>    | <b>Group</b>   |                | <b>Company</b> |                |
|----------------------|----------------|----------------|----------------|----------------|
| <b>Discount Rate</b> | <b>+ 0,25%</b> | <b>- 0,25%</b> | <b>+ 0,25%</b> | <b>- 0,25%</b> |
| Benefit Obligation   | -55.027        | 60.820         | -52.879        | 58.446         |

| <b>31.12.2016</b>             | <b>Group</b>   |                | <b>Company</b> |                |
|-------------------------------|----------------|----------------|----------------|----------------|
| <b>Future price inflation</b> | <b>+ 0,25%</b> | <b>- 0,25%</b> | <b>+ 0,25%</b> | <b>- 0,25%</b> |
| Benefit Obligation            | 29.840         | -28.507        | 28.676         | -27.394        |

### 9.16 Trade payables

Trade suppliers and other liabilities of the Group and the Company are as follows:

|                 | <b>Group</b>      |                   | <b>Company</b>    |                   |
|-----------------|-------------------|-------------------|-------------------|-------------------|
|                 | <b>31.12.2016</b> | <b>31.12.2015</b> | <b>31.12.2016</b> | <b>31.12.2015</b> |
| Trade Suppliers | 22.765.406        | 22.197.655        | 18.469.706        | 17.748.114        |
| Notes payable   | 75.214            | 75.255            | 64.204            | 64.204            |
| <b>Total</b>    | <b>22.840.621</b> | <b>22.272.910</b> | <b>18.533.910</b> | <b>17.812.318</b> |

Payment terms of domestic suppliers amounted to 90 days. Regarding foreign suppliers, the payment terms range from cash up to 90 days. The weighted average payment terms are 45 days.

### 9.17 Other Current Liabilities

Other liabilities of the Group and the Company are as follows:

|                                     | <b>Group</b>      |                   | <b>Company</b>    |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | <b>31.12.2016</b> | <b>31.12.2015</b> | <b>31.12.2016</b> | <b>31.12.2015</b> |
| Advances from trade debtors         | 364.899           | 297.180           | 356.138           | 280.958           |
| Social Security                     | 205.349           | 211.675           | 205.349           | 211.675           |
| Sundry debtors                      | 1.295.975         | 1.563.996         | 1.195.009         | 1.424.729         |
| Accrued Expenses                    | 433.079           | 214.856           | 433.079           | 214.856           |
| Other short-term liabilities        | 543.826           | 622.899           | 387.696           | 578.061           |
| Other (accruals or deferred income) | 14.992            | 35.545            | 14.992            | 35.545            |
| <b>Total</b>                        | <b>2.858.121</b>  | <b>2.946.151</b>  | <b>2.592.264</b>  | <b>2.745.823</b>  |

### 9.18 Turnover (Sales)

Sales for the period ended 31.12.2016 and 31.12.2015 are analysed by category of products and services as follows:

|   | 1.1 - 31.12.2016   |                   | 1.1 - 31.12.2015  |                   |
|---|--------------------|-------------------|-------------------|-------------------|
|   | Group              | Company           | Group             | Company           |
| Manufacture of basic iron, steel and ferro-alloys       | 47.238.103         | 31.745.828        | 42.138.236        | 27.520.663        |
| Wholesale of metals and metal ores                      | 40.236.625         | 22.468.192        | 38.555.392        | 19.254.953        |
| Manufacture of metal structures and parts of structures | 11.448.706         | 11.448.706        | 11.244.546        | 0                 |
| Treatment and coating of metals                         | 3.325.491          | 3.325.491         | 3.414.678         | 3.414.678         |
| Production of Electricity                               | 368.024            | 368.024           | 369.580           | 369.580           |
| Manufacture of steel tubes                              | 1.536.761          | 1.536.761         | 780.249           | 780.249           |
| <b>Σύνολο</b>   | <b>104.153.710</b> | <b>70.893.003</b> | <b>96.502.682</b> | <b>51.340.122</b> |

The turnover amounts as appeared in the Statement of Comprehensive Income, do not include the sales made by the parent company on behalf of third parties (consignment) amounting to € 28,317,355. The respective amount of the previous year 2015 was € 28,047,800. The above amounts should be considered for the calculation of any ratios based on the turnover of the Group and the Company.

### 9.19 Cost of Sales

The Group's and Company's Cost of Sales is analysed in the table below:

|                                     | Group             |                   | Company           |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Cost of Goods                       | 87.804.937        | 84.495.185        | 57.263.706        | 44.082.876        |
| Devaluation of stock                |                   |                   |                   |                   |
| Payroll & Related Expenses          | 1.145.491         | 1.170.314         | 941.666           | 486.154           |
| Third Party Fees & Related Expenses | 1.145.017         | 945.329           | 1.111.470         | 627.285           |
| Utilities - Services                | 430.692           | 435.088           | 323.853           | 208.896           |
| Taxes - Stamp Duties                | 57.842            | 39.047            | 12.695            | 1.910             |
| Various Expenses                    | 118.827           | 117.574           | 72.641            | 52.520            |
| Depreciation                        | 1.138.130         | 1.238.089         | 989.836           | 917.016           |
| <b>Total</b>                        | <b>91.840.936</b> | <b>88.440.626</b> | <b>60.715.865</b> | <b>46.376.656</b> |

### 9.20 Other Income

The Other Income for the Group and the Company is analysed in the table below:

|   | Group            |                  | Company          |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31.12.2016       | 31.12.2015       | 31.12.2016       | 31.12.2015       |
| Income from rendering services to third parties | 602.592          | 638.774          | 602.592          | 649.272          |
| Agency Fees                                     | 1.635.177        | 1.755.285        | 1.364.723        | 1.462.231        |
| Rentals   | 2.160            | 12.360           | 2.160            | 12.360           |
| Invoiced expenses for dispatching goods         | 1.130.656        | 957.885          | 582.775          | 298.405          |
| Incidental activity income                      | 48.742           | 25.782           | 0                | 0                |
| Prior year's income                             | 406.805          | 62.364           | 272.721          | 40.467           |
| Income from the depreciation of granted asset   | 43.751           | 29.389           | 43.751           | 29.389           |
| Other non-operating income                      | 302.584          | 249.515          | 76.607           | 9.742            |
| Income from prior years' provisions             | 66.302           | 72.889           | 28.268           | 32.361           |
| <b>Total</b>                                    | <b>4.238.770</b> | <b>3.804.242</b> | <b>2.973.598</b> | <b>2.534.226</b> |

### 9.21 Administrative expenses

The administrative expenses of the Group and the Company are analysed in the following table:

|                                     | <b>Group</b>     |                  | <b>Company</b>   |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | 31.12.2016       | 31.12.2015       | 31.12.2016       | 31.12.2015       |
| Payroll & Related Expenses          | 1.757.748        | 1.667.509        | 1.400.954        | 1.058.572        |
| Third Party Fees & Related Expenses | 944.973          | 722.216          | 611.317          | 448.425          |
| Utilities - Services                | 385.248          | 384.446          | 202.210          | 164.591          |
| Taxes - Stamp Duties                | 321.647          | 298.763          | 280.719          | 220.708          |
| Various Expenses                    | 185.169          | 240.006          | 140.574          | 108.416          |
| Depreciation                        | 262.166          | 258.738          | 236.923          | 235.137          |
| Provisions                          | 32.002           | 31.450           | 26.756           | 27.196           |
| <b>Total</b>                        | <b>3.888.953</b> | <b>3.603.128</b> | <b>2.899.455</b> | <b>2.263.045</b> |

## 9.22 Selling/Distribution expenses

The Selling and Distribution expenses of the Group and the Company are analysed in the following table:

|                                     | <b>Group</b>     |                  | <b>Company</b>   |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | 31.12.2016       | 31.12.2015       | 31.12.2016       | 31.12.2015       |
| Payroll & Related Expenses          | 2.960.968        | 3.004.474        | 2.079.048        | 2.072.022        |
| Third Party Fees & Related Expenses | 948.962          | 984.610          | 614.109          | 293.550          |
| Utilities - Services                | 1.020.873        | 1.079.275        | 772.203          | 793.045          |
| Taxes - Stamp Duties                | 38.204           | 38.304           | 38.204           | 38.304           |
| Various Expenses                    | 2.592.186        | 2.147.457        | 2.577.955        | 1.739.601        |
| Depreciation                        | 726.639          | 814.357          | 507.680          | 598.510          |
| Provisions                          | 173.610          | 44.058           | 0                | 0                |
| <b>Total</b>                        | <b>8.461.442</b> | <b>8.112.535</b> | <b>6.589.200</b> | <b>5.535.031</b> |

## 9.23 Other expenses

The other expenses of the Group and the Company are analysed in the following table:

|                                     | <b>Group</b>     |                | <b>Company</b>   |                |
|-------------------------------------|------------------|----------------|------------------|----------------|
|                                     | 31.12.2016       | 31.12.2015     | 31.12.2016       | 31.12.2015     |
| Other non-operating expenses        | 161.334          | 62.873         | 147.350          | 50.587         |
| Provisions for doubtful receivables | 1.200.000        | 120.000        | 1.200.000        | 70.000         |
| <b>Total</b>                        | <b>1.361.334</b> | <b>182.873</b> | <b>1.347.350</b> | <b>120.587</b> |

## 9.24 Finance expenses (net)

The Group's and Company's net financial expenses are analysed in the table below:

|                           | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                           | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Credit interest           | 15.984            | 48.644            | 14.513            | 40.773            |
| Other related income      | 0                 | 0                 | 0                 | 0                 |
| <b>Financial Income</b>   | <b>15.984</b>     | <b>48.644</b>     | <b>14.513</b>     | <b>40.773</b>     |
| Interest Expense          | -5.325.234        | -5.649.219        | -4.087.816        | -3.656.158        |
| Other bank expenses       | -715.668          | -727.089          | -634.127          | -627.896          |
| F.X. differences          | 52.213            | 38.163            | 0                 | 0                 |
| <b>Financial Expenses</b> | <b>-5.988.688</b> | <b>-6.338.145</b> | <b>-4.721.943</b> | <b>-4.284.054</b> |
| <b>Total</b>              | <b>-5.972.705</b> | <b>-6.289.500</b> | <b>-4.707.431</b> | <b>-4.243.282</b> |

## 9.25 Investing Activities

The Group's and Company's Investment Activities are analysed in the table below:

|                                       | Investing Activities |            |                |            |
|---------------------------------------|----------------------|------------|----------------|------------|
|                                       | Group                |            | Company        |            |
|                                       | 31.12.2016           | 31.12.2015 | 31.12.2016     | 31.12.2015 |
| Extraordinary Profits\Losses          | -9.736               | 840        | -9.736         | 928        |
| Impairment provision for subsidiaries | -12.876              | 0          | -12.876        | 0          |
| <b>Total</b>                          | <b>-22.612</b>       | <b>840</b> | <b>-22.612</b> | <b>928</b> |

## 9.26 Taxation

The Group's and Company's taxes are analysed in the table below:

|              | Group         |                   | Company       |                   |
|--------------|---------------|-------------------|---------------|-------------------|
|              | 31.12.2016    | 31.12.2015        | 31.12.2016    | 31.12.2015        |
| Deferred Tax | 38.986        | -1.172.312        | 21.401        | -1.545.917        |
| Other Taxes  | 0             | 0                 | 0             | 0                 |
| <b>Total</b> | <b>38.986</b> | <b>-1.172.312</b> | <b>21.401</b> | <b>-1.545.917</b> |

The tax of the Group and the Company differs from the theoretical amount that would arise using the basic tax rate as follows:

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 31.12.2016        | 31.12.2015        | 31.12.2016        | 31.12.2015        |
| Income tax of the year   |                   |                   |                   |                   |
| Deffered tax   | -38.986           | 1.172.312         | -21.401           | 1.545.917         |
| Other taxes  | 0                 | 0                 | 0                 | 0                 |
| <b>Total</b>   | <b>-38.986</b>    | <b>1.172.312</b>  | <b>-21.401</b>    | <b>1.545.917</b>  |
| Profit before taxation   | -4.370.030        | -5.808.658        | -3.629.841        | -4.151.084        |
| Tax rate   | 29%               | 29%               | 29%               | 29%               |
| <b>Expected Tax Cost</b>   | <b>-1.267.309</b> | <b>-1.684.511</b> | <b>-1.052.654</b> | <b>-1.203.814</b> |
| Previous years' losses without recognition of a deffered tax asset | 935.581           | 1.728.274         | 831.253           | 1.430.376         |
| Deffered taxes of previous years                                   | 200.000           | 837.336           | 200.000           | 1.364.959         |
| Effect from non-deductable expenses                                | 0                 | 90.278            | 0                 | 72.852            |
| Effect from the change of the tax rates                            | 0                 | 59.568            | 0                 | -118.456          |
| Effects from differences in the tax rates of foreign subs          | 92.742            | 141.368           | 0                 | 0                 |
| <b>Total</b>   | <b>-38.986</b>    | <b>1.172.312</b>  | <b>-21.401</b>    | <b>1.545.917</b>  |

## 9.27 Basic Earnings per Share

The basic earnings per share have been calculated using the net results attributable to shareholders of SIDMA S.A. as numerator. The weighted average number of outstanding shares used as denominator.

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| Profit to the Shareholders of the mother company | -4.331.044 | -6.929.806 | -3.608.439 | -5.697.002 |
| Weighted number of shares                        | 10.186.667 | 10.001.534 | 10.186.667 | 10.001.534 |
| Basic Earnings Per Share (EURO/share)            | -0,4252    | -0,6929    | -0,3542    | -0,5696    |

## 9.28 Dividends per share

In 2016 as in 2015, the Board of Directors decided to refrain from distributing any dividend, due to accumulated losses and to the fact that as at December 31, 2016, the equity of the Company is negative

and therefore the conditions of Article 48 of CL 2190/1920 apply. Moreover, Group subsidiaries are not able to distribute any dividend due to losses.

### **9.29 Non-Audited Fiscal Years**

During fiscal year 2017, the tax audit of the fiscal years 2008, 2009 and 2010 was completed by the parent company and the fiscal years 2008 and 2009 of the absorbed PANELCO S.A subsidiary. From this tax audit and the utilization of the framework for the application of the provisions of articles 57 and 61 of Law 4446/2016, additional taxes and surcharges were paid, amounting to a total of € 249,073. The amount is shown in 'Current Tax Liabilities'. For these unaudited tax years, the Company had a provision of € 267,000 which was included in the "Long-term Other Provisions". For the fiscal year 2010 of the absorbed PANELCO S.A subsidiary, which remains unaudited, a provision of € 17,927 was taken and is shown in the "Long-term Other Provisions". Due to the accumulated tax losses of subsidiary PANELCO S.A, for the fiscal year 2010, Management does not expect significant additional taxes to be incurred.

Moreover, the parent company, as well as the absorbed subsidiary PANELCO S.A., has been audited for the Fiscal Years 2011 and 2012 by SOL SA according to Article 82, paragraph 5 of Law 2238. As a result, no variation arisen from the provision already posted to the Company's and PANELCO's financial results. For the fiscal year 2013, the parent company, as well as the absorbed PANELCO S.A., have been audited in accordance with Article 82 para. 5 2238/1994 by GRANT THORNTON S.A.

For the fiscal years 2014 and 2015, the parent company, as well as the absorbed PANELCO S.A., have been audited in accordance with Article 65 para. 1 4174/2013 by GRANT THORNTON S.A. The conduct of the investigations did not reveal any tax liabilities beyond what was included in these financial statements as illustrated.

For the year 2016 the parent company is currently being tax-audited by GRANT THORNTON SA. in accordance with Article 65 para. 1 of Law 4174/2013. After the completion of the tax audit, the Management of the company doesn't expect any significant tax liabilities apart from those recorded and reported in the financial statements.

As regards the other companies of the Group, SIDMA WORLDWIDE CYPRUS has been tax audited up to FY 2010, SIDMA Romania SRL, has been audited by the local Tax Authorities up to September of 2008, while SIDMA Bulgaria has not been tax audited for the years 2005-2016 and because of its accumulated losses, no more taxes are going to arise.

### **9.30 Contingent liabilities**

#### **9.30.1 Guarantees**

On 31 December 2016 the Group and the Company had the following contingent assets & liabilities:

##### Guarantees for assets

- Issuance of letter of guarantees as assurance for receivables, amounting to € 1,602 thousand for the Group and the Company.



#### Guarantees for liabilities

- Issuance of performance guarantees amounting to € 15 thousand for the Group and the Company.
- Issuance of letter of guarantees as assurance for payables, amounting to € 12,311 thousand for the Group and the Company.
- Guarantees (cheques receivable and ceded receivables-invoice factoring) amounting to € 5 million, for loans of approximately € 9,6 million for the subsidiaries in Romania and Bulgaria.
- Issuance of guarantees amounting to € 13,7 million and letters of guarantees amounting to € 1,4 million for the assurance of bank financing of € 19,7 million.

#### **9.30.2 Encumbrances**

There are prenotations of mortgages on the assets of the Group and the Company of a total amount of € 63.5 million as presented in detail below:

- a) An amount of € 49 million, recorded on the property of the company for the Common Bond Loan of € 49 million of the Parent company and an amount of € 8 million on a property of the absorbed subsidiary PANELCO following the amendments of the bond loans of a total value of € 8 million.
- b) (b) An amount of € 5 million, recorded on the property, and an amount of € 1.5 million, recorded on the mechanical equipment of the subsidiary SIDMA Romania SRL for loans with a nominal value of € 9.8 million.

During the first half of 2016, the Company proceeded to the creation of a right in rem with a total floating security of € 7 million, in accordance with L. 2844/2000, on a group of stocks under the amended agreement of the Common Bond Loan with a nominal value of € 49 million.

#### **9.30.3 Legal Affairs**

There are no legal or arbitration decisions by judicial or arbitration bodies that may have an impact on the financial position or operating results of the Group companies.

#### **9.31 Risk management**

##### **(a) Credit Risk**

The Parent company has a policy to insure its credit sales through insurance companies and, therefore, no significant concentrations of credit risk are generated. Wholesale sales are mainly made to customers with an appropriate credit history. In 2016, no customer participated in the turnover by more than 3%, while there was dispersion to a large number of customers. Retail sales are made in cash. On 31/12/2016, the Management believes that there is no material credit risk exposure that has not already been covered by provisions for bad debts. It has also organized a credit control department, charged with assessing the creditworthiness of its customers as well as determining their credit limits. The Group's exposure to credit risk is limited to financial assets, which are as follows:

|                             | <b>Group</b>      |                   |
|-----------------------------|-------------------|-------------------|
| <b>Financial Assets</b>     | <b>31.12.2016</b> | <b>31.12.2015</b> |
| Cash and cash equivalents   | 7.340.643         | 12.273.726        |
| Trade and other receivables | 39.446.297        | 35.440.443        |
| <b>Total</b>                | <b>46.786.939</b> | <b>47.714.169</b> |

### (b) Interest Rate Risk

The interest rate risk mainly arises from long-term and short-term loans. Loans with variable interest rates expose the Group to cash flow risk. The Group does not consider a rapid increase in Euribor interest rates being possible given the economic situation and development prospects of the Eurozone countries and therefore it has not carried out any interest rate risk management transactions.

The table shows the sensitivity to the Period Results and the Stockholders' Equity in case of a possible change in the Group's interest rates by +/- 1%.

|                              | <b>Effect to P &amp; L</b> |            | <b>Effect to Equity</b> |            |
|------------------------------|----------------------------|------------|-------------------------|------------|
| <b>amounts in thousand €</b> | <b>+1%</b>                 | <b>-1%</b> | <b>+1%</b>              | <b>-1%</b> |
| <b>31st December 2016</b>    | (991.282)                  | 991.282    | (991.282)               | 991.282    |
| <b>31st December 2015</b>    | (1.085.928)                | 1.085.928  | (1.085.928)             | 1.085.928  |

### (c) Liquidity Risk

Liquidity risk is maintained at low levels through availability of adequate credit limits from credit institutions. On 31/12/2016, the Group maintained reserves of € 7,340 thousand.

The Group's standard practice is not to make use of all available lines, but to have disposable credit limits or cash flows at least 15% of the total on any occasion.

The company's financial statements have been prepared based on the principle of going concern.

On 31/12/2015, the equity of the company was negative mainly due to the absorption of the subsidiary PANELCO and therefore, from that date and due to the loss making results of FY 2016, there were effective the conditions for the application of the provisions of Article 47 of CL 2190/1920. However, the Management is examining taking immediate measures to address the negative equity.

On December 31, 2016 the total value of the Company's and the Group's short-term liabilities exceeded the total value of their circulating assets by an amount of € 55,029 thousand and € 70,001 thousand respectively. However, € 56,090 thousand pertain to long-term bond loans of the company that are classified as short-term loans, due to their expiration within 12 months from the issue date. The Management is currently in the process of renegotiating with the lending banks in order to sign a new long-term loan agreement. These negotiations aim to achieve time shift capital payment, further reduction in the cost of borrowing, as well as the renewal of existing untapped short-term borrowing lines. The result of this restructuring will be the time-shifting of the short-term borrowing up to €

56,090 thousand into long term. With this move, the company's working capital will also become positive, amounting to € 1,061 thousand approximately. Moreover, SIDMA Bulgaria has agreed with its creditors to restructure its loans into a long term bond loan with reduced financial cost. Lead Arranged of the imminent bond loan is UBB (United Bulgaria Bank) and Security agent is Piraeus Bulgarian Bank.

On the basis and the course of the last three years, the company expects further reduction of its losses, regarding the fiscal year 2017, as well as the attainment of the objectives set in both this year's budget and the 5-year plan.

Within the framework of any emergency to enhance liquidity beyond the cost saving program already implemented, the Group evaluates moves which can bring significant benefits. Namely, it examines a series of actions to improve its financial position, such as restructuring of its loans, the limitation of supporting expenditure and the appropriate use of assets that will bring benefits without affecting the Parent company and the Group from operating smoothly.

The maturity of the Group's financial liabilities is as follows:

| Group                   |                   |                   |           |                   |                   |                   |                  |                   |
|-------------------------|-------------------|-------------------|-----------|-------------------|-------------------|-------------------|------------------|-------------------|
| 31.12.2016              |                   |                   |           |                   | 31.12.2015        |                   |                  |                   |
| Group                   | Up to 6 months    | 6-12 months       | 1-5 years | More than 5 years | Up to 6 months    | 6-12 months       | 1-5 years        | More than 5 years |
| Long-term borrowings    | 48.792.795        | 57.419.031        | -         | -                 | 54.389.976        | 50.213.431        | 3.406.472        | -                 |
| Trade Payables          | 22.840.620        | -                 | -         | -                 | 22.272.910        | -                 | -                | -                 |
| Other Payables          | 2.858.121         | -                 | -         | -                 | 2.946.151         | -                 | -                | -                 |
| Current Tax Liabilities | 249.073           | -                 | -         | -                 | -                 | -                 | -                | -                 |
| <b>Total</b>            | <b>74.740.609</b> | <b>57.419.031</b> | <b>0</b>  | <b>0</b>          | <b>79.609.037</b> | <b>50.213.431</b> | <b>3.406.472</b> | <b>0</b>          |

  

| Company                 |                   |                   |           |                   |                   |                   |                  |                   |
|-------------------------|-------------------|-------------------|-----------|-------------------|-------------------|-------------------|------------------|-------------------|
| 31.12.2016              |                   |                   |           |                   | 31.12.2015        |                   |                  |                   |
| Group                   | Up to 6 months    | 6-12 months       | 1-5 years | More than 5 years | Up to 6 months    | 6-12 months       | 1-5 years        | More than 5 years |
| Long-term borrowings    | 27.750.478        | 56.219.031        | -         | -                 | 32.478.134        | 49.013.432        | 3.406.472        | -                 |
| Trade Payables          | 18.533.909        | -                 | -         | -                 | 17.812.318        | -                 | -                | -                 |
| Other Payables          | 2.592.264         | -                 | -         | -                 | 2.745.823         | -                 | -                | -                 |
| Current Tax Liabilities | 249.073           | -                 | -         | -                 | -                 | -                 | -                | -                 |
| <b>Total</b>            | <b>49.125.724</b> | <b>56.219.031</b> | <b>0</b>  | <b>0</b>          | <b>53.036.275</b> | <b>49.013.432</b> | <b>3.406.472</b> | <b>0</b>          |

#### (d) Risk of Fluctuation of Raw Material Prices

The selling prices of manufactured products largely depend on the prices of raw materials. The fluctuations in world prices for steel products affect (positively or negatively) the Group's profit margin, since changes in the selling prices of products cannot be perfectly synchronized with price changes in the markets and price changes in the Group's reserves. The Group's gross profit margin is affected positively when raw materials prices are rising in and negatively if this is not the case. The fluctuation of metal prices is not covered by hedging transactions of the Group, and therefore, its results are affected through the devaluation or appreciation of reserves accordingly.

However, the Group maintains a permanent contact and a good cooperation with all key suppliers, thus it is directly informed of all developments in the international steel market, taking care to prepare ahead of time and to amend its commercial policy (purchases and sales) according to current trends.

### (e) Currency Risk

The Group operates in Europe and therefore the bulk of its transactions is carried out in Euros. However, part of the Group's goods purchases is made in US Dollars. In order to address this risk, the Group carries currency forward contracts.

In addition, the Group is exposed to currency risks from investments in foreign countries (Subsidiary company in Romania). As a natural hedge for investments in foreign subsidiaries whose net position is exposed to foreign exchange rate risk, the Group's policy is to use borrowings in the respective currency - since this is possible in order to reduce exposure to risk in case of devaluation of local currencies against the Euro.

The change in the results and the Stockholders' Equity of the Group from a possible change in the foreign currency exchange rate is as follows:

If € is to be strengthened compared to the USD by + 10% and compared to the RON by + 10%:

|                            | Group         |                    |                |                   |
|----------------------------|---------------|--------------------|----------------|-------------------|
|                            | 31/12/2016    |                    | 31/12/2015     |                   |
| amounts in €               | USD           | RON                | USD            | RON               |
| Financial Current Assets   | 20.134        | 7.272.001          | 183.333        | 8.263.086         |
| Financial Liabilities      | 0             | -17.716.381        | 0              | -18.231.686       |
| <b>Short-term elements</b> | <b>20.134</b> | <b>-10.444.380</b> | <b>183.333</b> | <b>-9.968.600</b> |
| Financial Current Assets   | 0             | 6.313.419          | 0              | 6.726.419         |
| Financial Liabilities      | 0             | 0                  | 0              | -177.698          |
| <b>Long-term elements</b>  | <b>0</b>      | <b>6.313.419</b>   | <b>0</b>       | <b>6.548.721</b>  |

If € is to be weakened compared to the USD by - 10% and compared to the RON by - 10%:

|                               | 31/12/2016 |       |         |          |
|-------------------------------|------------|-------|---------|----------|
|                               | + 10%      | - 10% | + 10%   | - 10%    |
| amounts in €                  | USD        |       | RON     |          |
| Profits (losses) before taxes | -1.830     | 2.237 | 54.625  | -95.918  |
| Equity                        | -1.830     | 2.237 | 430.167 | -554.914 |

  

|                               | 31/12/2015 |        |         |          |
|-------------------------------|------------|--------|---------|----------|
|                               | + 10%      | - 10%  | + 10%   | - 10%    |
| amounts in €                  | USD        |        | RON     |          |
| Profits (losses) before taxes | -16.639    | 20.337 | 100.412 | -122.726 |
| Equity                        | -16.639    | 20.337 | 310.898 | -379.987 |

### 9.32 Capital Management

The policy of the Group consists in maintaining a strong capital base so as to preserve the trust of investors, creditors and the market and enable the future development of Group activities. The Group monitors capital performance which is defined as net results divided by total equity, excluding the non-controlling interests. In addition, the Group monitors the level of dividends distributed to shareholders.

The Group tries to maintain the equilibrium between higher returns that could be attained through higher borrowing levels and the advantages and security provided by a robust and sound capital structure. The Group does not have a specific plan for own shares acquisition. There were no changes in the approach adopted by the Group in relation to capital management during the fiscal year.

At the December 31, 2016, the equity of the Company is less than 10% of its share capital and therefore the conditions for application of Article 48 of CL 2190/1920. However, the Management consider immediate measures to address the negative own capital of the company.

### 9.33 Classification of financial instruments based on their valuation at fair value

#### 9.33.1 Fair value measurement of financial instruments

Financial assets and liabilities measured at fair values in the Balance Sheet were classified into three hierarchical levels. The classification table of financial data is defined by the quality of the data used to determine the fair value, as follows:

Level 1: financial instruments measured at fair value using quoted prices in active markets.

Level 2: financial instruments measured at fair value using other indisputable objective prices outside active markets.

Level 3: financial instruments measured based on the Company's estimates, as there are no observable market data.

The classification tables of financial assets for the Group that were measured at fair value, based on the three levels indicated, are listed below:

| Group<br>31/12/2016          |         |               |         |               | Group<br>31/12/2015 |                |         |                |  |
|------------------------------|---------|---------------|---------|---------------|---------------------|----------------|---------|----------------|--|
| Amounts in euros             | Level 1 | Level 2       | Level 3 | Total         | Level 1             | Level 2        | Level 3 | Total          |  |
| <b>Financial Assets</b>      |         |               |         |               |                     |                |         |                |  |
| - Derivatives                |         | 40.364        |         | 40.364        |                     |                |         | 0              |  |
| <b>Total</b>                 | -       | <b>40.364</b> | -       | <b>40.364</b> | -                   | -              | -       | -              |  |
|                              |         |               |         |               |                     |                |         |                |  |
| Amounts in euros             | Level 1 | Level 2       | Level 3 | Total         | Level 1             | Level 2        | Level 3 | Total          |  |
| <b>Financial Liabilities</b> |         |               |         |               |                     |                |         |                |  |
| - Derivatives                |         | (520)         |         | (520)         |                     | (3.060)        |         | (3.060)        |  |
| <b>Total</b>                 | -       | <b>(520)</b>  | -       | <b>(520)</b>  | -                   | <b>(3.060)</b> | -       | <b>(3.060)</b> |  |
| <b>Net Fair Value</b>        | -       | <b>39.845</b> | -       | <b>39.845</b> | -                   | <b>(3.060)</b> | -       | <b>(3.060)</b> |  |

The fair value of the following financial assets and liabilities of the Group and the company approximate their carrying amount:

- Trade and other receivables
- Other current assets
- Trade and other financial liabilities
- Loans

- Cash and cash equivalents

### 9.33.2 Measurement of fair value of non-financial instruments

The table below depicts the Group's non-financial assets (land, buildings and machinery) valued at fair values at 31/12/2016 and 31/12/2015 respectively:

|                                   | 31/12/2015  |   |
|-----------------------------------|---|---|
|                                   | Fair value measurement at end of the reporting period | Fair value measurement at end of the reporting period |
|                                   | Level 3   | Level 3   |
| Property, Plant or Equipment      | 55.480.538  | 55.339.268  |
| <b>Total non-financial assets</b> | <b>55.480.538</b>                                     | <b>55.339.268</b>                                     |

### 9.34 Number of personnel

The average number of employees at the end of the reporting and the previous year for the group and the company is presented in the following table:

| No. of persons           | Group          |                | Company        |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 1.1-31.12.2016 | 1.1-31.12.2015 | 1.1-31.12.2016 | 1.1-31.12.2015 |
| Average no. of personnel | 205            | 209            | 135            | 107            |

### 9.35 Intra-Group Transactions and Balances

| Amounts in euros             | 1.1-31.12.2016   |                  | 1.1-31.12.2015   |                  |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | Group            | Company          | Group            | Company          |
| <b>Sales of goods</b>        |                  |                  |                  |                  |
| Subsidiaries                 | 0                | 40.301           | 0                | 112.941          |
| Other companies of the group | 2.182.530        | 1.741.201        | 2.243.039        | 1.090.961        |
| <b>Total</b>                 | <b>2.182.530</b> | <b>1.781.502</b> | <b>2.243.039</b> | <b>1.203.902</b> |

| Amounts in euros                     | 1.1-31.12.2016   |                  | 1.1-31.12.2015   |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | Group            | Company          | Group            | Company          |
| <b>Sales from services rendering</b> |                  |                  |                  |                  |
| Subsidiaries                         | 0                | 7.525            | 0                | 16.599           |
| Other companies of the group         | 2.432.028        | 1.931.750        | 2.524.015        | 2.089.644        |
| <b>Total</b>                         | <b>2.432.028</b> | <b>1.939.275</b> | <b>2.524.015</b> | <b>2.106.243</b> |

|                              | <b>1.1-31.12.2016</b> |                  | <b>1.1-31.12.2015</b> |                  |
|------------------------------|-----------------------|------------------|-----------------------|------------------|
| <b>Amounts in euros</b>      | <b>Group</b>          | <b>Company</b>   | <b>Group</b>          | <b>Company</b>   |
| <b>Purchases of goods</b>    |                       |                  |                       |                  |
| Subsidiaries                 | 0                     | 13.446           | 0                     | 411.639          |
| Other companies of the group | 18.747.606            | 5.618.546        | 20.520.229            | 6.812.637        |
| <b>Total</b>                 | <b>18.747.606</b>     | <b>5.631.993</b> | <b>20.520.229</b>     | <b>7.224.276</b> |

|                              | <b>1.1-31.12.2016</b> |                | <b>1.1-31.12.2015</b> |                |
|------------------------------|-----------------------|----------------|-----------------------|----------------|
| <b>Amounts in euros</b>      | <b>Group</b>          | <b>Company</b> | <b>Group</b>          | <b>Company</b> |
| <b>Receiving of services</b> |                       |                |                       |                |
| Subsidiaries                 | 0                     | 0              | 0                     | 1.050          |
| Other companies of the group | 365.691               | 351.963        | 207.115               | 177.770        |
| <b>Total</b>                 | <b>365.691</b>        | <b>351.963</b> | <b>207.115</b>        | <b>178.820</b> |

|                              | <b>1.1-31.12.2016</b> |                  | <b>1.1-31.12.2015</b> |                  |
|------------------------------|-----------------------|------------------|-----------------------|------------------|
| <b>Amounts in euros</b>      | <b>Group</b>          | <b>Company</b>   | <b>Group</b>          | <b>Company</b>   |
| <b>Receivables</b>           |                       |                  |                       |                  |
| Subsidiaries                 | 0                     | 21.268           | 0                     | 20.658           |
| Other companies of the group | 1.731.450             | 1.575.752        | 894.690               | 1.081.763        |
| <b>Total</b>                 | <b>1.731.450</b>      | <b>1.597.020</b> | <b>894.690</b>        | <b>1.102.421</b> |

|                              | <b>1.1-31.12.2016</b> |                   | <b>1.1-31.12.2015</b> |                   |
|------------------------------|-----------------------|-------------------|-----------------------|-------------------|
| <b>Amounts in euros</b>      | <b>Group</b>          | <b>Company</b>    | <b>Group</b>          | <b>Company</b>    |
| <b>Payables</b>              |                       |                   |                       |                   |
| Subsidiaries                 | 0                     | 4.334             | 0                     | 18.824            |
| Other companies of the group | 16.359.994            | 12.319.773        | 18.423.199            | 14.437.504        |
| <b>Total</b>                 | <b>16.359.994</b>     | <b>12.324.107</b> | <b>18.423.199</b>     | <b>14.456.328</b> |

### 9.36 Management and Board of Directors' fees

|                                      | <b>Group</b>          |                       | <b>Company</b>        |                       |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                      | <b>1.1-31.12.2016</b> | <b>1.1-31.12.2015</b> | <b>1.1-31.12.2016</b> | <b>1.1-31.12.2015</b> |
| Management Fees (short-term)         | 620.648               | 729.310               | 425.777               | 396.474               |
| Board of Directors fees (short-term) | 158.600               | 226.906               | 147.600               | 176.600               |
| <b>Total</b>                         | <b>779.248</b>        | <b>956.215</b>        | <b>573.377</b>        | <b>573.074</b>        |

There are no other receivables or payables than the aforementioned in relation to BoD members of the company or its executives.

### 9.37 Independent Auditors' Fees

According to Article 43a (1) of Law 2190, the fees paid by the Group to legal auditors or auditing firms for the mandatory audit of the annual accounts, the total fees charged for other auditing services, the total fees charged for tax consultant services and the total fees charged for other non-auditing services are presented in the following table:



| <b>Companies</b> | <b>Auditing<br/>Services Fees</b> | <b>Fees for other non<br/>Auditing Services</b> | <b>Total Fees</b> |
|------------------|-----------------------------------|---|-------------------|
| SIDMA            | 48.000                            | 22.000  | 70.000            |
| SIDMA CYPRUS     | 1.785                             | 0   | 1.785             |
| SIDMA BULGARIA   | 8.075                             | 29.395  | 37.470            |
| SIDMA ROMANIA    | 12.500                            | 250   | 12.750            |
| <b>Total</b>     | <b>70.360</b>                     | <b>51.645</b>                                   | <b>122.005</b>    |

### 9.38 Events after the Reporting Period

There are no post balance sheet events which require disclosure in accordance with IFRS.

### 9.39 Approval of Financial Statements

The Annual Financial Report for the year 2016 (1.1.2016 to 31.12.2016) was approved by the Company's Board of Directors on April 27, 2017 and has been posted on the Company's website [www.sidma.gr](http://www.sidma.gr).

### Halandri – April 27, 2016

PRESIDENT OF THE BOARD  
OF DIRECTORS

MARCEL L. AMARIGLIO

VICE PRESIDENT OF THE BOARD  
OF DIRECTORS

NIKOLAOS P. MARIOU

CHIEF EXECUTIVE OFFICER

DANIEL D. BENARDOUT

THE CHIEF FINANCIAL OFFICER

MICHAEL C. SAMONAS

ACCOUNTING DEP. HEAD

PARIS G. PAPAGEORGIOU