CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR

(January 1 –December 31 2017)

In accordance with International Financial Reporting Standards

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2-4 Mesogeion Ave., Athens

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

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A. ANNUAL REPORT BY THE BOARD OF DIRECTORS OF "CORINTH PIPEWORKS PIPE INDUSTRY S.A." ON **FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2017**

Dear Shareholders,

In the context of the provisions of Law 2190/1920 and the relevant decisions of the Articles of Association of CORINTH PIPEWORKS PIPE INDUSTRY S.A. (previously named E.VI.KE. S.A. (hereinafter called "Corinth Pipeworks" or the "Company") we hereby submit this Annual Financial Report of the Board of Directors on 2017.

1. Development, performance and position of the Company

a. General remarks

During 2016, a major corporate transformation took place with the absorption of the industrial and commercial sector of pipes and hollow sections of "CORINTH PIPEWORKS HOLDINGS S.A." from "E.VI.KE S.A.". At the same time, it was decided to change the name of E.VI.KE. S.A. to CORINTH PIPEWORKS PIPE INDUSTRY S.A.

b. Significant events in 2017

On 17 October 2017, the Company announced that it had completed production of the Trans Adriatic Pipeline (TAP). 28,600 pipes were manufactured and coated at the Company's facilities, both at the HSAW and LSAW pipe mills and were laid among 495 km. Despite the large scale of the task at hand, the demanding technical specifications, and the multi-logistic deliveries that created a tight and complex delivery schedule (including vessels, trains and trucks), the production was successfully carried out and on schedule, reaffirming Corinth Pipeworks' position as one of the leading pipe suppliers for the energy sector worldwide.

Corinth Pipeworks successfully manufactured and delivered its first LSAW offshore project in 2017. The TANAP offshore 37Km gas pipeline connects the Asian and European parts of the Trans Anatolian pipeline. DNV 450 36" steel pipes were delivered to the laying contractor SapuraKencana and included concrete weight coating applied at the new coating facility in Thisvi, Greece.

In 2017 Corinth Pipeworks also delivered steel pipes to Technip for the Norwegian Sea Dvalin offshore project of DEA Norge AS. The reel lay project of 15Km was a gas pipeline of 16" 17.5mm DNV HFW 450 pipes, and was produced at the state of the art 26" HFI pipe mill in Thisvi, Greece.

Notable features of the project include:

- enhanced dimensional tolerances for better fit-up; and
- pipe length of up to 24m compared to the 12m used up to now.

Corinth Pipeworks is one of the few firms in the world that offers pipes up to 24m length for reel lay purposes compared to the common 12m. Longer pipes mean less girth welds, decreased time of preparation and lower total cost.

c. Financial performance and data

Notes on financial results

Revenue amounted to EUR 326 million in 2017, a 55% increase year-on-year (2016: EUR 211 million). Gross profit amounted to EUR 23.8 million in 2017, a 0.4% decrease compared to 2016 (EUR 23.9 million), mainly driven by a different mix of energy projects and the severe change in the USD – EUR exchange rate which put significant pressure on profit margins in markets dominated by the US Dollar. The decrease in gross profit resulted in a 11% decrease of adjusted EBITDA, which amounted to EUR 22.8 million in 2017, decreased by 11% compared to 2016 (EUR 25.7 million).

In 2017, the Company presented losses before tax of EUR 4.9 million, compared to profits before tax of EUR 13.8 million in 2016. This decline is attributable to the above-mentioned factors, the increased finance costs and the exceptional impairment loss on receivables of EUR 8.9 million. The impact of this impairment loss on the annual results was partially offset by the recognition of a deferred tax asset on the total amount of impairment booked for the certain receivable, which amounted to EUR 5.6 million.

Net debt decreased by EUR 21.9 million to EUR 128 million driven by increased cash inflows from operating activities.

The following table illustrates the evolution of the key financial ratios:

Ratios	31/12/2017	31/12/2016
General Liquidity		
Current assets / Current liabilities	1.01	1.21
Equity/ Total assets	32%	31%
EBITDA / Sales	4.1%	9.3%
Leveraged equity	1,38	1,51
Net debt / EBITDA	9.57	7.64

During 2017, the Company has completed a series of long-term strategic investments aiming to enhance its position to deliver value-added products. Within two years of completing the investment in the new pipe mill using the LSAW method of production, an extensive accreditation program has commenced by major oil and gas companies, a program that is still in progress. In a short period of time, these accreditations have enabled the Company to participate in tenders for undertaking major projects worldwide in a highly competitive environment.

During 2017, the Company has concluded an investment relating to a new external concrete coating mill. This investment offers a competitive advantage to the Company, while the first project with concrete coated pipes has already been completed.

Further, during 2017 Corinth Pipeworks' project to provide LSAW pipes to connect the Bosporus Straits, part of the TANAP pipeline to supply Europe with natural gas, was completed. A second offshore project, relating to pipes produced from the LSAW pipe mill, has been delivered, This project, was part of the Leviathan pipeline in the Eastern Mediterranean, and enhanced the Company's position as a world class supplier for high value added pipes for offshore projects.

The Baltic region will be an area of increased focus for the Company going forward. Indicatively, the Company has signed an agreement with Baltic Connector and Elering to manufacture and supply steel pipes for the Baltic connector offshore pipeline project. The project, which includes the supply of pipe material for the 77km offshore pipeline from Finland to Estonia, is one of the biggest within the Baltic Connector project. The pipes for the offshore pipeline will be manufactured in 2018 at the Company's plant in Greece with installation work expected to commence in 2019.

Recently, Corinth Pipeworks was awarded two offshore projects by Subsea 7 for the manufacture and supply of steel pipes for 39km pipelines in the North Sea area. The pipes will be manufactured during

2018 at the Company's plant in Greece with installation scheduled in 2019-2020.

Notes on the Statement of Financial Position

At the end of 2017, an amount of EUR 34.1 million related to the syndicated bond loans, received by the Company in 2013 was transferred to current borrowings, as it is payable during 2018 based on the repayment plans. In this context, the Company is currently at the final stage of negotiations with their lenders in order to refinance these facilities and achieve the conversion of a significant portion of its short-term borrowings to long-term. Considering that the ongoing discussions have run well and are now at the final review stage by the committees of the financial institutions, the Management believes that these negotiations will be successfully concluded in 2018. Other short-term borrowings mainly relate to revolving credit lines used based on the working capital needs of the Company for the financing of certain projects. The Company has sufficient credit lines with the banks in order to cover its future financing needs, if necessary.

d. Market information – Economic environment

The global economic environment remains volatile and low oil and natural gas prices, although higher than 2016 levels, do not support the implementation of significant projects in the energy sector. However, in 2018, Corinth Pipeworks will continue its focus on achieving growth through the penetration of new geographical and product markets.

Corinth Pipeworks is now a significant supplier for offshore pipelines, and projects are expected in regions such as the North Sea and Norwegian Sea, as well as the SE Mediterranean area, in the year ahead.

2. *Outlook for 2018*

Projects secured for 2018 signal a positive outlook for the year. The TAP pipeline to transport Azeri gas to Europe and its interconnections to various countries is expected to present further opportunities throughout the year. Although the protectionist sentiment expressed in some markets may present uncertainty, the Company is monitoring this closely and is prepared to meet this challenge positively. Raw materials prices remain high, which may negatively affect profit margins.

Corinth Pipeworks is well positioned to utilize its significant production capacity and focus on product diversification to enter new markets.

3. *Risks and uncertainties*

Due to the nature of its activities, the Company is exposed to a series of risks: both financial and business ones. In order to manage these risks, the Company has developed and applies certain procedures that addresses Company's risks in order to ensure sustainable development.

More specifically:

i) Macroeconomic and Operating Environment in Greece

The Company has assessed the possible impact that may be encountered in managing financial risks due to the macroeconomic conditions in the markets in which it operates.

The macroeconomic and financial environment in Greece is showing signs of improvement, however uncertainties still exist. After the completion of the recapitalization of the Greek banks, at the end of 2015, and following the EUR 86 billion bailout program between the institutions and the Greek government, the Eurogroup and the institutions finalized their discussion on the second and third review of the Greek program (between June 2017 and March 2018), which paved the way to release the third and fourth tranches of financial assistance to Greece, amounting to EUR 8.5 and 6.7 billion respectively.

As a result, Moody's proceeded with the upgrade of the country's credit rating from Caa2 to B3.

It should be noted that the capital controls that are in force in Greece since June 2015 have been loosen further, but still remain until the date of approval of the Financial Statements and do not impede the Company to continue its business as usual. Cash flows from operating activities have not been disturbed.

The continuing volatility of the macroeconomic and financial environment in Greece will not significantly affect the Company's domestic activities. In addition, Company's exposure to Greece over time is limited as described below.

a) Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to fulfill its financial obligations when these mature. The approach adopted by the Company for liquidity risk management is to ensure, by holding the necessary cash and adequate credit limits from the cooperating banks, that it will always have enough liquidity to meet its obligations when they expire under normal but also difficult conditions, without incurring unacceptable damage or jeopardizing Company's reputation. The Company keeps most of its cash reserves deposited in foreign financial institutions in Greece. The Company's cash are invested in counterparties with high credit rating and are readily available, since these have been received by customers outside Greece that do not have capital controls.

In addition, liquidity risk management requires the provision of cash and the ability to finance the projects undertaken by the Company through sufficient credit limits. Due to the different working capital needs of each project, the Company analyzes the data of each project and uses, whenever necessary, the credit lines secured from banks and other financial institutions for the utilization of new short term finance and the refinance of existing short term loans. The Company estimates that the refinance of the short term loans will continue in the future if necessary. The Company's financing sources are diversified in such a way that almost 20% of the borrowings are originating from international financial institutions, while on 31/12/2017, the Company had cash and cash equivalents of EUR 55.3 million.

b) Operational risks:

Production / Sales

The Company's production plant in Greece is not expected to be affected by the existing capital controls. The Company keeps most of the their cash reserves in systemic Greek banks. The Company's cash are invested in counterparties with high credit rating and are readily available since the vast majority of these receivables have been received by customers outside Greece that do not have capital controls.

In addition, Company's exposure to Greece over time is limited and do not exceed 10% of its sales, hence its domestic sales represent a small percentage of its profitability, while exports represent more than 90% of total sales, overtime. It is worth mentioning, that during the last two fiscal years, 2016 and 2017, due to the execution of the project "Trans Anatolian Pipeline (TAP)", a significant percentage of the sale of the Company were made in Greece, nevertheless the customer for this project is a joint ventures of companies established outside Greece.

Receivables / customers

Receivables from domestic clients are a small percentage of the trade receivables of the Company. Therefore, the Company has a limited exposure in revoked or delayed payments.

Suppliers

For most part, Company's operations depend on foreign suppliers. Company's cash is deposited in financial institutions with high grade rating and are readily available since the majority was received by customers outside Greece that do not have capital controls. For that reason, Company will continue to fulfil its payment obligations towards its suppliers.

c) Credit risk

The Company is applying a specific credit policy focused on a controlled commercial solvability. Wherever it is deemed necessary, additional insurance coverage is required as credit guarantee.

Considering that the nature of Corinth Pipeworks activity is mostly exporting, and considering its strong financial position, any negative development of the Greek economy is unlikely to have major impact in its operating activities. Notwithstanding the above, Management is constantly appraising the situation and its consequences and promptly ensure that the adequate measures are taken in order to minimize the impact on the Company's activities.

ii) Exchange rate risk

The Company operates internationally and is exposed to exchange rate risk arising from various currency exposures, primarily with respect to the US dollar. The Company follows a hedging policy of at least 70%, either with natural hedging (purchase of resources based on the sale currency) or with FX forwards or with both.

iii) Interest rate risk

The Company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During fiscal years of 2017 and 2016 the total of Company's borrowings were with variable interest rate (Euribor + spread) and denominated in euro.

iv) Capital risk

This risk is related to the possibility of operations' interruption, in such a way that the Company will not be able to yield satisfactory returns to its shareholders and other stakeholders. The Company is always trying to achieve the best mix of funds, in order to minimize its cost of capital.

v) Business risks

Regarding business risks, the Company operates in the international energy markets, which makes it more vulnerable to the prevailing competition. Possible decrease on capital expenditures undertaken by major energy companies and the protectionism of local producers of pipes are likely to hinder the competitive position of the Company. Furthermore, the fact that many core markets, as well as the cost structure of some major competitors are dollar based, in conjunction with a potential euro appreciation, ceteris paribus, dictates a more aggressive pricing policy, that may lead to squeezed profit margins.

Sales in the energy sector are on a project basis, where both selling prices and cost of raw materials are fixed throughout the execution period.

Furthermore, freight rate, which is a major cost variable for the Company, has been extremely volatile in the last few years. Even though the Company may conclude contracts on a project basis, for a big part of its transportation requirements, there are cases when this is not possible, chartering is on the spot market, that in turn may affect projects' profitability.

4. Facilities and branches

The privately owned facilities of the plant are located in the industrial zone of Thisvi Viotia, on a total surface of 496,790 sq.m.

The Company has the following branches:

I. Athens (Marousi) branch where its headquarters are established.
II. Branch in Thisvi/ Viotia, where its production plant and Warehouse are established.

5. *Subsequent events after 31/12/2017*

At the beginning of 2018, an anti-dumping duty (AD) investigation of large diameter welded pipe (nominal diameter above 16.4") against Greece and five other countries (Canada, China, India, Korea and Turkey) was initiated by the U.S. Department of Commerce based on petitions filed by six U.S. producers. Subsequently as a result of the above petitions, the United States International Trade Commission (USITC) determined affirmatively that there is a reasonable indication of material injury to the domestic U.S. industry by reason of imports of large diameter welded pipe from Canada, China, India, Korea and Turkey. For imports of large diameter welded pipe from Greece the USITC determined that there is a reasonable indication of threat of material injury to the domestic U.S. industry. The Company, is actively participating in the AD investigation as the sole producer of large diameter welded pipe in Greece. Furthermore, it is mentioned that in the ordinary course of things the antidumping investigations are normally lengthy, taking more than eight months to complete.

On March 8th, 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25% tariff on steel imports and a 10% tariff on aluminum imports in United States of America, with exemptions for Canada and Mexico. Based on these proclamations US Customs and Border Protection will begin collecting the applicable tariffs on March 23rd, 2018. On March 18th, 2018, the U.S. Department of Commerce (DOC) announced the process for submission of requests for products exclusion from the tariffs on steel and aluminum product imports. The DOC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on March 19th, 2018. On March 22nd, 2018 the Section 232 tariffs on steel and aluminum imports from certain countries including the member countries of the European Union were suspended until May 1st, 2018 pending ongoing discussions regarding measures to reduce global excess capacity in steel and aluminum production. Finally, on June 1st, 2018 the US administration decided to impose the 25% tariff on steel imports and 10% tariff on aluminum imports in United States of America from European Union.

The Company is closely monitoring the situation and the new market conditions, as it does on a regular basis, since it is an established supplier in the US steel pipes market. It is noted that the Company mainly supplies products to its US customers that cannot be manufactured in the US, such as 26-inch pipelines. The Company has already initiated all actions required in cooperation with its US customers in order for them to obtain relief from the tariffs on imports of steel pipes since the products sold in the US market by the Company are customized unique products which are not produced by local US pipe mills.

Despite the uncertainty surrounding the steel market today, based on the current assessment of available information, the above facts will have limited impact on the Company's financial results, due to the actions undertaken in order to secure Company's financial position and mitigate any potential adverse effects.

There are no other subsequent events affecting the Financial Statements.

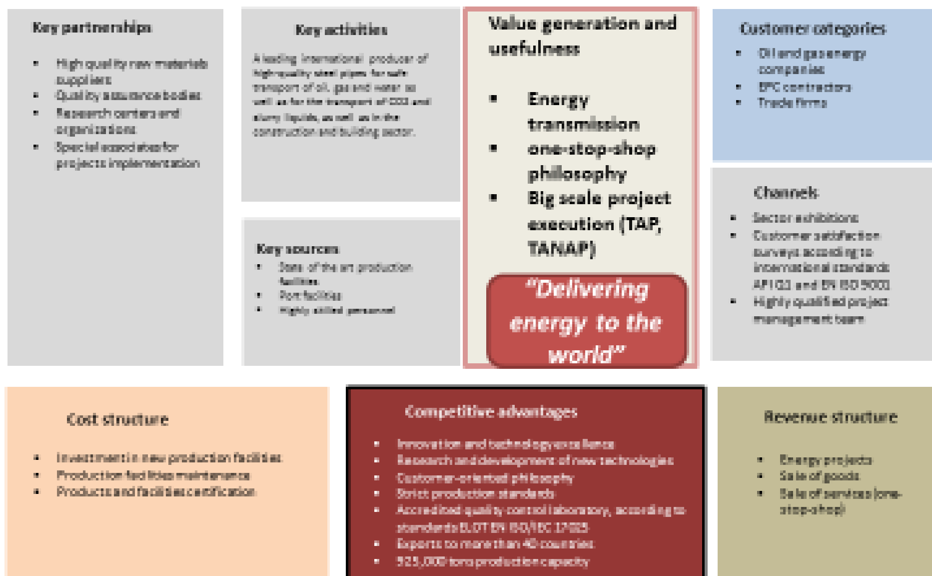
6. *Non-financial data*

The principles of Sustainable Development are an integral part of the philosophy that guides the way in which Corinth Pipeworks conducts business, and they are recognized as a means of generating value. The Company seeks to generate added value for all stakeholders through its business activities. The strategic approach of the Company is reflected in the sustainable development pillars it has defined.

- Financial development and Corporate Governance: Achievement of positive financial results through the application of a good corporate governance system.
- Market: investment in research and development in order to provide high value added solutions.
- Human resources: Our employees are the most valuable asset of the Company.
- Occupational health and safety: Occupational health and safety is a non-negotiable target of the Company.
- Environmental responsibility: Application of precautionary approach and implementation of action for the continuous improvement of the environmental footprint of the Company
- Local community: Support actions that meet the basic needs of the local communities where the Company operates.

Business model

The Company has incorporated in its business model and strategy factors, such as responsiveness to market and customer needs, maintenance of excellent relations with its stakeholders and adoption of technological innovations. Through these practices, the Company aims to improve its corporate performance and to increase its contribution to society.



Sustainability issues management – Policies and Systems

The Company has mechanisms and processes for the emergence and management of sustainable development issues with emphasis on work safety, environmental protection and society, while focusing on economic and sustainable operation. Management's commitment and the responsible management issues framework are reflected in the Sustainable Development Policy established and implemented by the Company.

Aspiring at Sustainable Development, Corinth Pipeworks has established specific policies and puts into practice adequate management systems and procedures that uphold responsible operation and define the way in which the Company's goals are achieved. More specifically, the Company has established and implements, among others, the following policies and codes:

- Operating procedure manual
- Sustainable development policy
- Occupational Health and Safety Policy
- Environmental Policy
- Human rights procedures
- Quality assurance policy
- Code of Conduct and Business Ethics
- Anti-bribery and anti-corruption policy

Management of Corporate Responsibility by the Company is based on the development and implementation of certified management systems to all their operations and facilities, while attaining high performance in all segments. Specifically, the following systems are applied:

- Quality assurance system, according to ISO 9001
- Environmental Management System as per ISO 14001
- Work Health and Safety Management System as per OHSAS 18001

The following sections summarize the results of the policies and procedures applied by Corinth Pipeworks, quoting relevant environmental and social performance reports (presentation of relevant non-financial indicators).

A detailed report is included in the Company's Annual Sustainable Development Report.

Labor issues

The Company applies merit-based procedures to select, train and reward employees to develop their skills. In this way, the performance and level of commitment of the employees, as well as the Company's business development, are strengthened. Together with the effective implementation of its policies, the Company implements a Code of Ethics and Business Ethics, which is the framework for its operation as well as the basic tool for the formation of a single corporate culture. Constantly oriented towards human values, the Company seeks to apply responsible work practices, focusing on important issues such as:

- ensuring of the health and safety of its employees and associates
- safeguarding of jobs
- providing equal opportunities for all employees
- applying fair and objective evaluation systems
- ensuring ongoing training and education
- providing additional benefits

Key indicators of Human Resources	2016	2017
Number of employees	**440**	**461**
% of women on total number of employees	8.4%	8,5%
Employee turnover*	9%	5%
Percentage of new recruitments over total number of employees	11%	10%

**Turnover rate: percentage of employees leaving the Company (due to resignation, dismissal, retirement, etc.) over total employees of the Company.*

Research and development

For the Company, research and development activities are vital to the ability to design products that meet current and future customer needs. The Company seeks to focus the main research on product development, innovation, product redesign and optimization and technical support for industrial plants.

More specifically:

• Product development responds to new regulations, international standards and specific customer requirements.
• Innovation focuses on the development of new materials, new designs and new production processes.
• Redesign and products optimization to improve competitiveness.
• Technical support to the production process to increase productivity and quality.

The main objective of research and development, is to support the growth of the Company's market share by developing reliable, high value added products for different oil and gas transport applications.

An integral part of the Company's business activity, is the introduction of new technologies in the production process for the development of innovative, high quality steel pipes.

In the Company, we believe that innovation processes play a key role in creating and maintaining our competitive edge. That is why there are significant investments every year, which are directly related to research and development.

As part of this commitment, the Company invests primarily in its human resources, recognizing that the quality and expertise of its people is the key factor for succeeding in any research effort.

Equal opportunities and human rights

Responsible management of the Company's human resources is based on equal opportunities and respect for human rights. One of Corinth Pipeworks' key values is to establish a fair, merit-based working environment where every employee enjoys equal rights. The Company applies policies and procedures that incorporate impartial criteria (such as qualifications and performance) to hiring, remuneration, promotion and training and does not discriminate on the basis of gender, nationality, age, marital status or other characteristics. As a result of the policies, procedures and control mechanisms that are in place, there were no cases of child labor or forced labor that have been identified and there has been no case of human rights violations.

Occupational health and safety

Safeguarding employee health, ensuring compliance with health and safety laws and regulations, and the extinction of any employee accident in our production facilities, have always been among Corinth Pipeworks' primary objectives. In line with efforts to promote health and safety, the Company has implemented a comprehensive occupational health and safety management system (OHSMS) certified to the OHSAS 18001 international standard. The system includes the Health and Safety Policy procedures designed to ensure ongoing application of measures to minimize occupational risks and accidents and to promote a culture of prevention.

Since 2013, the Company has been applying the 5S methodology in its production facilities, as it has recognized the multiple benefits of its application. In 2017, the application of holistic 5S was achieved in all areas of the Company's production facilities, and improved substantially the working practices.

During 2017, the Company implemented actions to promote health and safety at work and to inform and raise awareness of its people on environmental issues. The actions related to specialized events, presentations and intensive trainings at its production facility in Thisvi, Viotia. A total of 861 training hours were provided to 153 employees.

The Company gives great importance to the training and participation of its employees in related matters. In order to monitor and evaluate performance in the field of health and safety at work, Corinth Pipeworks uses internationally applicable indicators.

Health and safety KPI's	*2016*	*2017*
Incidents frequency rate (LTIR)	6.04	3.03
Incidents severity rate (SR)	139.5	133.9
Fatal accidents	0	0

LTIR: Lost time incident rate (number of lost time accident/incidents relating to safety issues per million hours worked)
SR: Severity rate (working days lost per million hours worked)

Social impact

The Company strives for its business activities to be in a positive and productive interaction with the social environment in which it operates, to contribute to the overall development of the country and to benefit local communities through job creation (priority is given to the recruitment of employees local area) and the provision of business opportunities (through cooperation with local suppliers wherever possible).

The Company supports local communities aiming to contribute to their sustainable development. The Company maintains a continuous two-way communication with local communities in order to recognize their needs and respond in a timely and responsible manner. In addition, Corinth Pipeworks tries to strengthen vulnerable social groups, and in parallel supports their school infrastructure, as well as their important cultural and sport events. In particular, the Company's social actions are divided into the following areas: education, health, vulnerable social groups, culture, environment and sports.

Through its activities, the Company generates multiple benefits for the community. In addition to the salaries and other benefits paid to its employees, the relevant taxes and social contributions are paid to the state. Furthermore, investments are made, as well as payments to the suppliers of materials and services. In this way, the overall positive impact of the Company on local as well as on the whole society is important.

Anti-corruption and anti-bribery actions

The Company acknowledges the need to take preventative measures to eliminate potential risks arising from issues related to transparency and corruption. In this context, relevant safeguards, that are regularly audited by the internal audit department, have been developed, while in 2017 a corruption and bribery prevention policy was adopted. The Company implements a comprehensive corporate governance framework that aims to ensure the Company's transparent, sound and efficient management, which in the long run leads to business and economic growth. As a result of the Company's policies and relevant practices, no corruption/ bribery incident has been reported.

With particular emphasis on issues of transparency and corruption prevention, the Company has been participating for many years in the actions of "Transparency International Greece" organization.

Responsible management of the supply chain

The Company, gives particular importance in the cooperation with its suppliers. In order to achieve better communication and management of its suppliers, Corinth Pipeworks, categorize its suppliers, based on the type of supplies they provide, to those that provide raw materials, auxiliary materials, consumables and other materials and cooperates with those who meet specific qualitative criteria. The Company pays particular attention to the way suppliers are chosen as it aims to develop long-term relationships with them.

Corinth Pipeworks, aims to strengthen the local economy by offering business opportunities to local suppliers. As

such, it selects local suppliers and subcontractors, provided they can deliver the specific job or can supply the specific items under the same terms as non-local suppliers.

Environmental issues

The Company's commitment to continuously improving its environmental performance is based on the adoption of environmental policy and the implementation of an integrated environmental management. Details of the Company's Environmental Policy are included on the corporate website www.cpw.gr in section: Sustainability / Environment / Environmental Management.

Effective monitoring, recording and analysis of the Company's environmental performance is achieved through, among other things, an Environmental Management System certified to the ISO 14001:2004 standard. In this context, it develops and implements environmental programs, while it also systematically invests in environmental protection infrastructure.

For the Company, environmental protection is directly linked to the personal and practical contribution of each employee. For this reason, the Company emphasizes in the continuous awareness of its people on issues of environmental management and environmental protection. In 2017, a total of 807 hours of education on environmental issues took place, with more than 200 participants.

In 2017, the Company's total CO2 emissions amounted to 70 kg per ton of product, down 13.4% compared to the previous year. This is mainly due to the fact that a capacitor array has been installed, which reduced the operating time of the backup power generators.

Environmental indicators	*2016*	*2017*
CO2 emissions (kgr CO2/ product ton)	80.9	70.0
Water consumption (m3/product ton)	0.23	0.23

**The quantity of direct emissions is calculated on the basis of LPG consumption in the production, oil consumption for heating, as well as the diesel consumption by the lifting machinery.*
** For the indirect CO2 emission calculation, we used the factor 0,58415 kgr CO_2/KWh of 2016 (source: European Residual Mixes 2016, AIB, Greece)*

Lighting upgrade in production facilities

In 2017, Corinth Pipeworks upgraded its lighting in its production facilities aiming both to reduce electricity consumption and to improve lighting conditions. More specifically, conventional lights have been changed with LED lights. The data collected during the 12-month pilot implementation showed that the energy savings percentage was greater than 60%, while the measurements of lighting had improved by 10-15%. Furthermore, there has been a clear improvement in the quality of the lighting (color rendering index, correlated color temperature).

Non-financial risks and dealing with such risks

The Company operates in an economic and social environment characterized by various risks, financial and others. In this context, the Company has established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the Company are environmental risks and risks related to occupational health and safety. Managing these risks is considered a very important task by Company Management given that they pose a threat of having a direct or indirect impact on the Company's regular operation. The Company's by-laws (approved by the BoD) clearly describe the areas of risk and include specific procedures that have been developed on the basis of the Prevention Principle in health and safety and Environment management.

In addition, in the context of the certified Management Systems implemented by the Company, the relevant risks are assessed on an annual basis. Aiming to reduce the likelihood and the importance of risks occurring in certain segments, the Company takes preventive steps, designs and implements specific plans and actions, and monitors their performance through the relevant indicators (quality, environment, occupational health and safety) it has set.

NOTE:
The non-financial ratios for 2017 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards). These ratios were chosen strictly on the basis of the materiality analysis conducted by the Company.

Athens, August 1st, 2018

The Chairman of the Board of Directors

Meletios Fikioris

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Statement of Financial Position

Amounts in Euros	Note	2017	2016
Assets			
Non-current assets			
Property, plant and equipment	8	176,051,275	182,148,486
Intangible assets	9	144,228	-
Investments is associated companies	11	1,073,950	1,073,950
Investments in subsidiaries	10	593,455	593,455
Other receivables	14	5,000,740	5,449,431
Total non-current assets		**182,863,648**	**189,265,322**
Current assets			
Inventories	13	87,165,997	104,967,659
Trade and other receivables	14	60,276,709	86,347,734
Contract assets	4, 14	28,000,038	-
Derivatives	15	1,057,503	3,219,430
Financial assets at fair value through profit or loss	16	10,537	10,537
Cash and cash equivalents	17	55,345,808	50,409,373
Total current assets		**231,856,592**	**244,954,732**
Total assets		**414,720,240**	**434,220,054**
Equity			
Equity attributable to shareholders of the company			
Share capital	18	78,306,301	78,306,301
Reserves	19	45,698,894	45,033,072
Retained earnings/ (losses)		8,833,415	9,356,524
Total equity		**132,838,610**	**132,695,898**
Liabilities			
Long-term liabilities			
Loans	20	36,287,140	79,397,165
Deferred tax liabilities	21	13,977,798	18,700,082
Employee benefits	22	1,713,177	1,487,991
Provisions	23	137,753	137,753
Total long-term liabilities		**52,115,868**	**99,722,991**
Short-term liabilities			
Loans	20	123,234,553	96,014,058
Suppliers and other liabilities	24	78,614,316	80,554,074
Contract liabilities	4, 24	2,981,858	-
Derivatives	15	1,050,644	307,493
Other short-term financial obligations	34	23,884,391	24,925,540
Total short-term liabilities		**229,765,762**	**201,801,165**
Total liabilities		**281,881,630**	**301,524,156**
Total equity and liabilities		**414,720,240**	**434,220,054**

* The Company has early adopted IFRS 15 “Revenue from Contracts with Customers” with a date of initial application of 1 January 2017 using the cumulative effect method. Pursuant to this method, the comparative information has not been restated (see Note 4).

The notes on pages 20 to 68 constitute an integral part of these Financial Statements.

Statement of Comprehensive Income

Amounts in Euros	Note	2017	2016*
Revenue	25	326,117,922	210,694,839
Cost of sales	26	(302,347,790)	(186,829,719)
Gross profit		**23,770,133**	**23,865,120**
Other income	28	1,059,749	433,903
Selling expenses	26	(3,729,804)	(3,098,587)
Administrative expenses	26	(6,275,246)	(3,686,068)
Other expenses	14	(8,882,669)	-
Operating profit		**5,942,163**	**17,514,368**
Finance income	29	93,656	425,617
Finance expenses	29	(10,966,481)	(7,116,139)
Income from dividends	29	-	2,947,462
Net finance result		**(10,872,824)**	**(3,743,060)**
(Loss) / profit before tax		**(4,930,661)**	**13,771,308**
Income tax	30	5,046,875	(2,670,116)
Profit after tax		**116,214**	**11,101,192**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses)		(150,090)	(211,386)
Related tax		43,526	61,302
Other total income after tax		**(106,564)**	**(150,084)**
Other comprehensive income for the period, after income tax		**9,650**	**10,951,108**

* The Company has early adopted IFRS 15 “Revenue from Contracts with Customers” with a date of initial application of 1 January 2017 using the cumulative effect method. Pursuant to this method, the comparative information has not been restated (see Note 4).

The notes on pages 20 to 68 constitute an integral part of these Financial Statements.

Statement of Changes in Equity

Amounts in Euros	Share capital	Reserves	Retained earnings/ (losses)	Total equity
Balance at January 1st, 2016	**58,600**	**94**	**(28,860)**	**29,834**
Profit for the period	-	-	11,101,192	11,101,192
Other comprehensive income	-	-	(150,084)	(150,084)
Total comprehensive income for the period	**58,600**	**94**	**10,922,248**	**10,980,943**
Transactions with owners of the company				
Sector's absorption	78,247,701	44,327,978	-	**122,575,679**
Tax on share capital increase	-	-	(860,725)	(860,725)
Non-taxed reserve	-	705,000	(705,000)	-
Total transactions with shareholders	**78,247,701**	**45,032,978**	**(1,565,725)**	**121,714,954**
Balance at December 31st 2016	**78,306,301**	**45,033,072**	**9,356,524**	**132,695,898**
Balance at January 1st 2017	**78,306,301**	**45,033,072**	**9,356,524**	**132,695,898**
Change in accounting policy	-	-	133,062	133,062
Transfer of reserves	-	665,822	(665,822)	-
Balance at January 1st 2017 (adjusted)	**78,306,301**	**45,698,894**	**8,823,764**	**132,828,960**
Profit for the period	-	-	116,214	116,214
Other comprehensive income	-	-	(106,564)	(106,564)
Total comprehensive income	**78,306,301**	**45,698,894**	**8,833,414**	**132,838,610**
Balance at December 31st 2017	**78,306,301**	**45,698,894**	**8,833,415**	**132,838,610**

* The Company has early adopted IFRS 15 "Revenue from Contracts with Customers" with a date of initial application of 1 January 2017 using the cumulative effect method. Pursuant to this method, the comparative information has not been restated (see Note 4).

The notes on pages 20 to 68 constitute an integral part of these Financial Statements.

Statement of Cash Flows

		For the period ended 31 December,	
Amounts in Euros	**Note**	**2017**	**2016***
Cash flows from operating activities			
Net profit for the year		116,214	11,101,192
Plus / less adjustments for:			
Income tax		(5,046,875)	2,670,116
Depreciation of property, plant and equipment		9,106,699	5,015,981
Amortization of intangible assets		36,057	-
Finance income		(93,656)	(12,215)
Finance expenses		10,966,481	7,116,139
(Profit) / losses from fixed assets disposal		(811)	-
(Profit)/Loss from the fair market value of derivatives through profit or loss		2,905,077	(3,028,277)
(Income) from Dividends		-	(2,947,462)
Impairment of inventories		216,901	298,477
Provisions / (reversed provisions) of doubtful receivables	14	8,890,668	(845)
Decrease of inventories	4, 13	16,355,577	16,319,207
(Increase) / decrease of receivables	4, 14	17,535,941	(36,980,801)
Increase of receivables from contracts with customers	4, 14	(26,583,444)	-
Increase of liabilities other than banks		3,586,887	11,416,829
Decrease of liabilities from contracts with customers	4, 24	(2,327,623)	-
Interest charges and related expenses paid		(9,324,930)	(6,174,541)
Income tax paid		(504,877)	-
Net cash flows from operating activities		**25,834,286**	**4,793,800**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(3,009,759)	(2,848,723)
Purchase of intangible assets	9	(180,285)	-
Proceeds from sale of property, plant and equipment		1,082	-
Dividends received		-	2,947,462
Interest received		93,656	12,215
Investment in associated companies		-	(1,400)
Net cash flows (used in)/ from investment activities		**(3,095,306)**	**109,555**
Cash flows from financing activities			
Proceeds from new loans		6,425,745	22,280,051
Repayment of loans		(23,187,141)	(22,476,660)
Other short-term financial obligations		(1,041,149)	24,925,540
Net cash flows (used in)/ from financing activities		**(17,802,545)**	**25,328,931**
Net increase in cash and cash equivalents		**4,936,435**	**30,232,285**
Cash and cash equivalents at 1st January		50,409,373	29,655
Cash and cash equivalents from absorption of sector		-	20,147,434
Cash and cash equivalent at the end of the period		**55,345,808**	**50,409,373**

* The Company has early adopted IFRS 15 “Revenue from Contracts with Customers” with a date of initial application of 1 January 2017 using the cumulative effect method. Pursuant to this method, the comparative information has not been restated (see Note 4).

The notes on pages 20 to 68 constitute an integral part of these Financial Statements.

Notes to the financial statements

1) Information on the Company

CORINTH PIPEWORKS PIPE INDUSTRY S.A. (hereinafter "Corinth Pipeworks" or the "Company") was established and operates in Greece, at 2-4 Mesogeion Ave., Athens. The Company's web address is www.cpw.gr.

Corinth Pipeworks is a wholly-owned subsidiary of the Belgian holding company "Cenergy Holdings" which is listed on Euronext Brussels and the Athens Stock Exchange. The ultimate parent company "VIOHALCO SA/NV" is also listed on Euronext Brussels and the Athens Stock Exchange.

The Company is primarily operating in the production of high-quality medium and large-diameter steel pipes that are used in the petrochemical industry (transfer of liquid and gas fuels), in water supply industry and in construction works.

These annual financial statements have been approved by the Company's Board of Directors on August 1st, 2018. They are uploaded on the Company's web page where they will remain for at least 5 years from publication date and are subject to the approval by the Ordinary General Shareholders' Meeting.

The Company is exempted from preparing consolidated financial statements because its financial statements are included in the consolidated financial statements of the parent company Cenergy Holdings S.A. and VIOHALCO SA/NV.

2) Summary of significant accounting policies

The principal accounting policies applied in the preparation and presentation of these Financial Statements are consistent with the accounting policies used in the preparation of the Financial Statements for the period ended December 31, 2016 with the exception of the changes described in Note 4 and the application of new standards and interpretations mentioned below, which was obligatory for annual financial statements beginning on or after January 1st, 2017.

The Company has early adopted IFRS 15, Revenue from Contracts with Customers, with January 1st, 2017 as the date of the first adoption. Consequently, the Company has changed its accounting policy for the Revenue recognition as described in Note 4.

Basis of preparation of Financial Statements

Statement of Compliance
The Financial Statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS), including International Accounting Standards, and their interpretations published by the IFRS Interpretations Committee, as adopted by the European Union.

Basis of measurement
The Financial Statements have been prepared according to the principle of historical cost, adjusted for the valuation of financial instruments in their fair value through profit or loss, as well as for the valuation of financial derivative instruments.

Functional currency
The Financial Statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has been rounded to the nearest unit, unless otherwise indicated in separate notes. Such rounding results in minor differences in the tables incorporated in this Annual Financial Report.

Use of estimates and assumptions
The preparation of financial statements according to the IFRS requires the use of certain important accounting estimations and the exercise of judgment on behalf of the Management during the application of accounting policies. In addition, it requires the use of calculations and assumptions that affect the aforementioned asset and liability figures, the disclosure of potential receivables and liabilities on the day the financial statements are prepared and the

aforementioned income and expense figures during the said year. In spite of the fact that these calculations are based on the Management's best possible knowledge of current conditions and actions, actual results may differ from these calculations.

The estimates and relevant assumptions are reviewed on an ongoing basis. Any deviations of the accounting estimates are recognized in the period in which they are reviewed provided they concern solely the current period or, if they refer to future periods, the deviations concern both current and future periods.

The areas that include subjectivity and are complicated, as well as the significant estimates and assumptions used for the preparation of the Financial Statements, are presents in Note 6.

Having taken into account the macro and micro-economic factors and their effect on the operations of the Company, the Financial Statements, have been prepared on the "going concern basis", because according to the existing forecasts and the available financial resources, the Management has no intention or need of short-term liquidation of assets, or any reason to believe that the Company will not be in a position to ensure the normal course of business and the service of its obligations, as there is no indication for the opposite.

2.1. New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows.

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"
This amendment requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 (Amendment) "Recognition of Deferred Tax Assets for Unrealized Losses"
This amendment clarifies the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The adoption of this amendment did not have significant impact on the Financial Statements of the Company.

Annual Improvements to IFRS' 2014-2016 Cycle:
The improvements include the following amendment:
IFRS 12 "Disclosure of Interests in Other Entities". Clarification of the scope of the disclosure requirements in IFRS 12.
The adoption of this amendment did not have significant impact on the Financial Statements of the Company.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

On July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Company will apply IFRS 9 initially on 1 January 2018.

I. Classification – Financial assets:

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.
Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are

never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.
Based on its assessment, the Company does not expect the new classification requirements to have material impact on its accounting for trade receivables, loans, investments in debt securities and investments in equity securities that are managed on a fair value basis.

II. Impairment – Financial assets and contract assets:

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgment as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:
- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component. The Company has chosen to apply this policy also for trade receivables and contract assets with a significant financing component.

III. Classification – Financial liabilities:

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

IV. Hedge accounting:

IFRS 9 will require the Company to ensure that hedge accounting relationships are aligned with the Company's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.
IFRS 9 also introduces new requirements regarding rebalancing of hedge relationships and prohibiting voluntary discontinuation of hedge accounting. Under the new model, it is possible that more risk management strategies, particularly those involving hedging a risk component (other than foreign currency risk) of a non-financial item, will be likely to qualify for hedge accounting.
The Company uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchange rates relating to foreign currency payables, receivables, sales and inventory purchases.
Under IAS 39, for all cash flow hedges, the amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss as a reclassification adjustment in the same period as the hedged expected cash flows affect profit or loss. However, under IFRS 9, for cash flow hedges of foreign currency risk associated with forecast non-financial asset purchases, the amounts accumulated in the cash flow hedge reserve and the cost of hedging reserve will instead be included directly in the initial cost of the non-financial asset when it is recognized.
The Company has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and will continue applying IAS 39. Further information on the current accounting policy is provided in the relevant paragraph 3.3.

V. Disclosures:

IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses. The Company's preliminary assessment included an analysis to identify data gaps against current processes and the Company is in the process of implementing the system and controls changes that it believes will be necessary to capture the required data.

VI. Transition:

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below.

- The Company is considering to use the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 generally will be recognized in retained earnings and reserves as at 1 January 2018.
- The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

Estimated impact of the adoption of IFRS 9:
The Company evaluated the effects of IFRS 9, determining that these would not be material. In particular, in 2018, the Company will have to adjust the opening equity upon adopting IFRS 9, as the amount of retained earnings at 1 January 2018 will be decreased by EUR 48 thousand, mainly due to the impact of application of the 'expected credit loss' (ECL) model for the calculation of impairment for financial assets and contract assets.

There will be no effects on either debt or cash flow provided by operating activities.
The estimated impact of the adoption of these standards on the Company's equity as at 1 January 2018 is based on the assessment undertaken to date and is summarized above.

IFRS 16 "Leases".
(Effective for annual periods beginning on or after January 1st, 2019)

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company is currently assessing the potential impact on its Financial Statements.

The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Company's borrowing rate at 1 January 2019, the composition of the lease portfolio at that date, the Company's latest assessment of whether it will exercise any lease renewal options and the extent to which the Company will choose to use practical expedients and recognition exemptions.

So far the most significant impact identified is that the Company will recognize new assets and liabilities (currently operating leases). In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Company is evaluating the implementation and impact of adopting this new standard. No significant impact is expected for the Company's finance leases. For an overview of the operating leases, see Note 31.

The following amendments are not expected to have significant impact on the Financial Statements of the Company, according to an initial assessment which has been based on current conditions.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"
(Effective for annual periods beginning on or after 1st January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

Annual Improvements to IFRS' 2014-2016 cycle:
(Effective for annual periods beginning on or after 1st January 2018)

The improvements include the following amendments:
- IFRS 1 "First-time Adoption of International Financial Reporting Standards". Deletion of short-term exemptions for first time adopters.
- IAS 28 "Investments in Associates and Joint Ventures". Measuring associates and joint ventures at fair value through profit or loss (FVTPL) on an investment-by-investment basis.

IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"
(Effective for annual periods beginning on or after 1st January 2018)

The interpretation clarifies the accounting for transactions that include the receipt of payment of advance consideration in a foreign currency.

IFRIC 23 — "Uncertainty over Income Tax Treatments"
(Effective for annual periods beginning on or after 1st January 2019)

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU.

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

The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income.

IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"
(Effective for annual periods beginning on or after 1st January 2019)

The amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU.

IAS 19 (Amendment) "Plan Amendment, Curtailment or Settlement"
(Effective for annual periods beginning on or after 1st January 2019)

The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The

amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU.

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
(In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting)

The amendments 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. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2015-2017 Cycle
(Effective for annual periods beginning on or after 1st January 2019)

These improvements have not been yet endorsed by the EU.

IFRS 3 "Business Combinations and IFRS 11 Joint Arrangements":
The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 "Income tax"
The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

IAS 23 "Borrowing Costs":
The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.
The IASB has issued Amendments to References to the Conceptual Framework in IFRS Standards on 29 March 2018. These amendments are still to be addressed.

3) Summary of Significant Accounting Policies

The accounting policies set out below have been consistently applied to all fiscal periods presented in these Financial Statements.

3.1. Subsidiaries

Subsidiaries are entities controlled by the Company. Corinth Pipeworks controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated by the listed company "Cenergy Holdings S.A." (parent) and Viohalco SA/NV (ultimate parent) from the date that the Company acquires full control and seize to be consolidated from the date that the control is lost.

The Company records its investments in subsidiary companies, in its financial statements, at cost less impairment.

3.2. Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the

equity method of accounting and are initially recognized at cost. The Company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Company's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are affecting the book value of the investment in associates. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

The Company records its investments in associates in its financial statements, at cost less Impairment.

3.3. Functional currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the income statement.

3.4. Property plant and equipment

All property, plant and equipment is shown at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement as incurred.

Land is not depreciated. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in profit or loss, as shown on the table below for the main classes of assets:

- Buildings 20-33 years
- Machinery – technical installations and other mechanical equipment 8-25 years
- Transportation equipment 7 – 10 years
- Furniture and other equipment 4 – 5 years

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

Loss is immediately recognized in the Statement of Comprehensive Income when the book value of the property, plant and equipment exceeds its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

3.5. Intangible assets

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the

design and testing of new or improved products) are recognized as intangible assets when it is probable that the project will be successful, considering its commercial and technological feasibility, and that costs can be measured reliably. Other development expenditures, that do not satisfy the standards above, are recognized as an expense as incurred. Development costs that have already been recognized as an expense will not be recognized as intangible assets in a future period. Development costs that have been capitalized, are registered as intangible assets and are amortized from the commencement of their production on a straight line basis over the period of its useful life, which does not exceed 5 years.

3.6. Impairment on non-financial assets

Assets that have an indefinite useful life (for example Goodwill) are not subject to amortization and, instead, are tested annually for impairment. Assets that are subject to amortization or depreciation are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.7. Financial Assets

3.7.1. Classification

The Company classifies its investments in the following categories depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling it shortly after or has been classified in this category by Management. Derivatives are also categorized as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Borrowings and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Company's loans and receivables comprise of "trade and other receivables" and "cash and cash equivalents" .

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. At the balance sheet date the Company had no investments in this category.

3.7.2. Recognition and measurement

Purchases and sales of financial assets are recognized on the date of the trade – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the Statement of Comprehensive Income.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables are carried at amortized cost using the effective interest method.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the income statement within “other (losses)/gains - net” in the period in which they arise. Dividend income is recognized in the income statement when the Company’s right to receive payments is established.

Investments in participating titles that are not quoted in an active market and for which the fair value can’t be reliably measured are valuated at cost.

3.7.3. Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets, is impaired. For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is reclassified from fair value reserve and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit or loss.

3.8. Derivative financial instruments

The Company uses financial and commodity derivatives to mitigate the impact of future price volatility. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company uses financial derivatives for the hedge of a particular risk associated with a recognized asset or a liability or a highly probable forecast transaction (cash flow hedge).

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for the hedge of risks are disclosed in note 12. Movements in the hedging reserve in shareholders’ equity are shown in note 16. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading hedging derivatives are classified as a current asset or liability.

<u>Cash flow hedge</u>

The effective portion of changes in the fair value of derivatives, that are designated and qualify as cash flow hedges, is recognized in equity. The gain or loss related to the ineffective portion is recognized immediately to profit or loss.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The gain or losses related to the effective portion of currency forward hedge are recognized in the income statement within the category where they belong (cost of sales, selling expenses).

When a future transaction that is hedged. results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously recorded in equity are transferred from equity and are included in the

initial valuation of the asset cost. The said amounts are finally recognized in cost of goods sold, in case of inventory or in depreciation, in case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss included in equity at that time remains in equity and is recognized when the future transaction is ultimately recognized in the income statement. When an expected transaction is no longer expected to occur, the cumulative gain or loss that initially was reported in equity, is immediately transferred to the income statement.

Sales or purchases that are hedged are recorded at the current foreign exchange rate, as at the date of transaction.

Periodically the Company conducts effectiveness tests, in order to examine the effectiveness of the applied hedging policies and to take corrective measures, when needed.

3.9. Inventories

Inventories are valued at the lower of cost and net realizable value. The cost is determined with the weighted average cost method. The cost of finished products and semi-finished stocks includes the cost of materials, the direct labor cost and a proportion of the general production expenses. Financial expenses are not included in the acquisition cost of inventory. The net realizable value is estimated based on the inventory's current sales price within the ordinary business activities less any possible selling expenses, whenever such a case occurs.

Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

The write-down of inventories to net realizable value is recognized in the "cost of sales" of the fiscal year in which it occurs.

3.10. Trade receivables

Trade receivables are initially recognized at their fair value and are subsequently estimated at their unamortized cost based on the effective interest method, less any impairment loss. Impairment losses are recognized when there is an objective indication that the Company is not in a position to collect all the amounts that are due pursuant to contractual terms. The objective indication that receivables have been impaired includes information that comes to the attention of the Company concerning the following events: Considerable financial distress of the customer, possibility to enter bankruptcy procedures or any other financial restructuring of the customer as well as unfavorable changes in the ordinary commercial terms. The amount of provision is equal to the difference between the book value of the receivables and the present value of the estimated future cash flows, discounted based on the effective interest rate. The amount of the provision is recorded as an expense in profit or loss. Furthermore, in case of subsequent collection of receivables for which a provision had been recognized or had been written off, the said amount is credited to "other income" in profit or loss.

3.11. Cash and cash equivalents

In cash flow statements, cash and cash equivalents include cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less and low risk.

3.12. Share capital

Share capital includes the ordinary shares of the Company.

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

3.13. Trade payables

Trade payables are the Company's liabilities, originated from purchases of goods and services in the course of its ordinary business activity.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade payables are classified as short-term if they are due within one year after reporting date. If not, then they are classified as long-term.

3.14. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the duration of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that part or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.15. Income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognized in profit or loss, except from the parts directly recognized in equity. In this case, the tax is recognized in equity.

The current income tax charge is calculated on the basis of the tax laws and tax rates enacted of substantively enacted at the reporting date and is recognized in the period when taxable income is generated. Management periodically evaluates assumptions made on tax legislation and forms provisions against amounts expected to be paid to the tax authorities.

Deferred income tax is calculated, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is calculated using tax rates (and laws) applicable at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized.

Deferred income tax is recognized on temporary differences arising from investments in subsidiaries and associates, except those cases that reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reversed in the foreseeable future.

3.16. Employee benefits

(a) Shot-term benefits

Short-term benefits to employees in the form of cash or in kind are recorded as an expense when they are accrued.

(b) Benefits following withdrawal from service

Pension obligations

The Company has both defined benefit and defined contribution plans.

Defined contribution plan
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate legal entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The accrued cost of defined contribution plan is recognized as charge in the period it relates.

Defined benefit plan
A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of employment and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity and to other comprehensive income in the period in which they arise.

Previous experience costs are recognized immediately in profit or loss.

(c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date. The Company recognizes termination benefits when committed or when it terminates the employment according to a detailed plan from which it can no longer withdraw, or when it offers these benefits to encourage voluntary redundancy. Benefits due for more than 12 months after the end of the reporting period, are discounted.

In case of termination, and if the number of employees about to use the benefits cannot be determined, these benefits are not accounted but are noted as contingent liability.

3.17. Provisions

Provisions for onerous contracts, restructuring costs and legal claims are recognized when:

i. The Company has a current legal or inferable commitment as a result of past events

ii. It is probable that a cash outflow will be required to settle the commitment

iii. The amount can be reliably estimated

Provisions are not recognized against future operating losses. When there is a number of similar commitments, the possibility that a cash outflow will be required for settlement is assessed by examining the class of commitments, as a whole. A provision is recognized even if the possibility of an outflow for any item included in the same class of commitments may be small.

Provisions are calculated as the present value of the costs that, based on the management's best estimation, are required to cover the present liability on the balance sheet date.

3.18. Revenue recognition

The Company recognizes revenue from the following main categories:

- Energy projects relating to sale of state of the art welded pipes for the transmission of oil and gas
- Sale of goods

- Sale of services
- Dividends

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

(a) Energy projects

The Company produces and sells welded steel pipes to customer for energy projects.

These welded pipes are considered custom made products and not commodities, since according to the terms and conditions of the contracts signed with the customers and due to the high degree of customization, these welded pipes cannot be used elsewhere because they are produced in accordance with the specifications prescribed by each customer. For this reason, there is an obligation for the customer to pay the price for each phase of production completed in any given time, if the contract is terminated by the customer or any other party for reasons other than the inability of the Company to conclude the contract.

For the above-mentioned reasons, revenues from energy projects are recognised over time.

For the performance obligations recognized, the Company uses the appropriate method for the progress of the production. The progress of the performance is based on the quantity of welded pipes produced in accordance with the specifications of the customer compared to the total quantity to be produced based on the contract. This method is used for the custom made welded pipes, since the production of these welded pipes is made in batches, hence the contractual obligations are met when each batch is produced.

The management of the Company considers this method as the appropriate one in order to measure the progress of the contractual obligations that should be met according to IFRS 15.

Revenue recognition, invoicing and cash receipts, result in invoiced receivables, non-invoiced receivables (receivables from contracts with customers), and customers down-payments (obligations from contracts with customers). The receivables and obligations from contracts with customers are presented in the Statement of Financial Position under "Contract assets" and "Contract liabilities" respectively.

When the period between revenue recognition and milestone payments from the customers is less than a year, then it is considered that there is no significant finance cost element in the contracts with the customers for these energy projects.

(b) Sale of goods

The Company is selling the following products:

I. Hollow-sections for the construction sector
II. Pipes, which during their production did not met the specifications of the customer. These pipes are sold in significantly reduced prices than the pipes produced in accordance with the specifications of the customer, and are used in different applications, mainly in the construction sector.
III. Pipes, which during their production did not met the specifications of the customer, and cannot be used for other applications. These pipes are sold as scrap.

Revenue is recognized when control over such products is transferred to the customer.

The time when the control is transferred, usually occurs when the goods have been transported to the customer's warehouse, unless it is otherwise agreed in the terms and conditions of the purchase order. The delivery terms agreed with the customers are based on the Incoterms.

Revenue is invoiced at the same time with its recognition, or in a very short period after. Receivables are recognized when the control is transferred to the customers and when collection of the claim is reasonably guaranteed.

(c) Sale of services

Income from the provision of services is accounted for in the period in which the services are rendered, based on their stage of completion in relation to all the services that shall be rendered. Stage of completion is measured based on the audited work performed.

If payment for services is not due from the customer until the services are complete, a contract asset is recognized over the period in which the services are performed representing the right to consideration for the services performed to date. These contract assets are presented on the Statement of Financial Position in the line "Contract assets".

(d) Dividends

Dividend income is recognized when the right to receive payment is established.

3.19. Leases

Leases of fixed assets, where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance expense. The corresponding rental obligations, net of finance charges, are included in the liabilities. During the lease period, the finance expenses related to the finance lease are recognized in the year's income statement. The fixed assets acquired under finance leases are depreciated over the longer of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership 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 period of the lease.

3.20. Offsets of financial assets and liabilities

Financial assets and liabilities are offset, while the net amount is shown in the Statement of Financial Position if there is a legal right to offset, as well as the intention to be settled on net basis, or simultaneously to recognize the asset and settle the liability.

3.21. Borrowing costs

All borrowing costs are recognized as expenses of the period in which they incur, unless they are directly attributable to the acquisition, construction or production of an asset and they are qualified for capitalization.

3.22. Roundings

Any differences between figures of the financial statements and the corresponding amounts and calculations in the notes are due to roundings.

4) Change in accounting policy

During the current year 2017, the Company has early adopted IFRS 15 "Revenue from Contracts with Customers" with a date of initial application of 1 January 2017 using the cumulative effect method. Pursuant to this method, the comparative information has not been restated.

The Company has applied IFRS 15 using the cumulative effect method – i.e. by recognizing the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2017. Therefore, the comparative information has not been restated and continues to be reported under IAS 18. The details of the significant changes and quantitative impact of the changes are set out below.

A. Production of customized products.

Previously, based on IAS 18, the Company recognized revenue for all those contracts, when the significant risks and rewards of ownership had been transferred to the customer. The timing of the transfer of risks and rewards varied, depending on the international commercial terms of each sales agreement. The recognition occurred when the Company fulfilled the agreed delivery terms with the customer. According to IFRS 15, the Company recognizes the revenue when the customer takes control of the goods. Based on the terms and conditions of the contracts for the customized welded pipes produced specifically for each customer, the customer controls each phase of production and there is an obligation for the customer to pay the price for each phase of production completed in any given time, if the contract is terminated by the customer or any other party for reasons other than the inability of the Company to conclude the contract.

Hence, for energy projects, the revenue is recognized over time, based on the quantity of welded pipes produced in accordance with the specifications of the customer against the total quantity that has to be produced according to the contract.

For other contracts, relating to products that are not customized per customer, the customer does not assume control during the production, but when the goods are finished and delivered. These products are treated as merchandize products. For this reason, Company continues to recognize revenue from such products according to IFRS 18, since the transfer of control occurs at the same time with the transfer of risks and rewards.

The effect from the adoption of IFRS 15, is considered significant and is presented in the below mentioned tables.

B. Contract costs

Based on IFRS 15, the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract are recognized as an asset and are presented on the Statement of Financial Position in the lines "Contract costs" and are systematically transferred to profit or loss based on how the relevant products or services are provided to customers, if those costs are expected to be recoverable.

Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Incremental costs of obtaining contracts are recognized as an expense when incurred if the amortization period of the assets would be one year or less.

Contract costs may include commission fees paid to intermediaries for obtaining contracts, materials used for tests necessary for the production or other qualifying costs. Previously, such costs were recognized either when incurred or on an accrual basis.

C. Effects on the Financial Statements

The following tables summarize the impacts of adopting IFRS 15 on the Financial Statements of the Company for the year ended 31 December 2017:

a. Statement of Comprehensive Income

(Amounts in Euro)	Balances reported in accordance with IFRS 15	Adjustments	Balance without the adoption of IFRS 15
Revenue	326,117,922	26,583,444	299,534,479
Cost of sales	(302,347,790)	(23,388,878)	(278,958,912)
Gross profit	**23,770,133**	**3,194,566**	**20,575,566**
Other income	1,059,749	-	1,059,749
Selling expenses	(3,729,804)	-	(3,729,804)
Administrative expenses	(6,275,246)	-	(6,275,246)
Other expenses	(8,882,669)	-	(8,882,669)
Operating profit	**5,942,163**	**3,194,566**	**2,747,597**
Finance income	93,656	-	93,656
Finance expenses	(10,966,481)	-	(10,966,481)
Finance expense, net	**(10,872,824)**	**-**	**(10,872,824)**
(Losses) before tax	**(4,930,661)**	**3,194,566**	**(8,125,227)**
Income tax	5,046,875	(926,424)	5,973,299
Profit / (loss) after tax	**116,214**	**2,268,142**	**(2,151,928)**

During the fiscal year ended December 31st, 2017, the Company has recognized revenue over time from energy projects, based on the production progress, an amount of approx. EUR 28 million and respectively reduced its revenues for the fiscal year ended December 31st, 2016, with an amount of EUR 1,416K. The relative amount recognized for the cost of sales, for the fiscal years ended, December 31st, 2017 and 2016 were EUR 24,618K and EUR 1,229K, respectively. The net effect of deferred tax on the results for the fiscal year ended December 31st, 2017, was the recognition of deferred tax liability of EUR 926K.

b. Statement of Financial Position

(Amounts in Euro)	Balances reported in accordance with IFRS 15	Adjustments	Balance without the adoption of IFRS 15
Assets			
Total non-current assets	**182,863,648**	**-**	**182,863,648**
Inventories	87,165,997	(24,618,060)	111,784,057
Trade and other receivables	60,276,709	-	60,276,709
Contract assets	28,000,038	28,000,038	-
Other current assets	56,413,848	-	56,413,848
Total current assets	**231,856,592**	**3,381,978**	**228,474,614**
Total assets	**414,720,240**	**3,381,978**	**411,338,262**
Equity			
Share capital	78,306,301	-	78,306,301
Reserves	45,033,072	-	45,033,072
Profits carried forward	9,499,237	2,401,204	7,098,032
Total equity	**132,838,610**	**2,401,204**	**130,437,406**
Liabilities			
Long-term liabilities			
Deferred tax liabilities	13,977,798	980,774	12,997,025
Other long-term liabilities	38,138,069	-	38,138,069
Total long-term liabilities	**52,115,868**	**980,774**	**51,135,094**
Suppliers and other liabilities	78,614,316	(2,981,858)	81,596,174
Contract liabilities	2,981,858	2,981,858	-
Other sort-term liabilities	148,169,588	-	148,169,588
Total short-term liabilities	**229,765,762**	**-**	**229,765,762**
Total liabilities	**281,881,630**	**980,774**	**280,900,857**
Total equity and liabilities	**414,720,240**	**3,381,978**	**411,338,262**

During the fiscal year ended December 31st, 2017, the Company has recognized revenue over time from energy projects, based on the production progress, an amount of EUR 28 million, which was reported in the Statement of financial position under «contracted assets”. The relative cost of sales amount was EUR 24.618 million. which was reported in the Statements of financial position as a reduction of "inventories". The above-mentioned revenue and cost of sales recognition in accordance with IFRS 15, had an effect on the deferred tax, resulting to a deferred tax liability of an amount of EUR 980K. The above had an effect on the net profits after tax for the fiscal year ended December 31st, 2017, which finally stood at EUR 2.401 million. During the same fiscal year, the Company has reclassified under «contract liabilities" the amount of EUR 2.981K.

c. Statement Cash Flows

(Amounts in Euro)	Balances reported in accordance with IFRS 15	Adjustments	Balance without the adoption of IFRS 15
Cash flows from operating activities			
Profits / (losses) after tax	116,214	2,268,142	(2,151,928)
Less adjustment for income tax	(5,046,875)	926,424	(5,973,299)
Other cash flows from operating activities	22,197,609	-	22,197,609
Plus / (less) adjustments from variances in working capital:			
Decrease / (increase) of inventories	16,355,577	23,388,878	(7,033,300)
Decrease of receivables	17,535,941	-	17,535,941
Increase in contract assets	(26,583,444)	(26,583,444)	-
Increase of liabilities other than banks	3,586,887	2,327,623	1,259,264
(Decrease) / Increase of contract liabilities	(2,327,623)	(2,327,623)	-
Net cash flows from operating activities	**25,834,286**	**-**	**25,834,286**
Net cash flows from investment activities	**(3,095,306)**	**-**	**(3,095,306)**
Net cash flows from financing activities	**(17,802,545)**	**-**	**(17,802,545)**
Net increase in cash and cash equivalents	**4,936,435**	**-**	**4,936,435**
Cash and cash equivalents at the beginning of the period	50,409,373	-	50,409,373
Cash and cash equivalents at the end of the period	**55,345,809**	**-**	**55,345,809**

5) Financial risk management

5.1. Financial risk factors

The Company is exposed to a variety of financial risks: market risk (changes in exchange rates, interest rates, market prices), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company uses derivative financial instruments, such as forwards, in order to hedge certain risk exposures.

Risk management is carried out by the Company's finance department. The Board of Directors provides instructions and guidelines on the general management of risks, as well as specific instructions on the management of specific risks, such as exchange rate risk, interest rate risk, price risk, liquidity risk and credit risk.

a) Market risk

(i) Exchange rate risk

The Company operates internationally and is exposed to exchange rate risk arising from various currency exposures, primarily with respect to the US dollar. The Company follows a hedging policy of at least 70%, either with natural hedging (purchase of resources based on the sale currency) or with FX forwards or with both.

If the Company did not perform any hedging on its operations and USD was strengthened / weakened by 10% (2016:10%) against Euro as of 31/12/2017, with all other variables remained fixed, the Company's gains after tax and equity would have been increased/reduced by the amounts set out below:

	Profit after tax		Equity, net of tax	
EURO	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2017				
USD (10% change)	(597,681)	489,012	11,951,696	(9,778,660)
2016				
USD (10% change)	913,027	(747,022)	5,888,929	(4,818,214)

The Company's exposure to the exchange rate risk varies during the year depending on the geographical allocation (and relative currency) of the sales and purchases of raw materials (mainly Hot Rolled Coils).

(ii) Interest rate risk

As the Company has no significant interest-bearing assets, besides cash and cash equivalents, the Company's income and operating cash flows are not materially exposed to changes in interest rates.

The Company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During 2017 the Company's borrowings at variable rate (Euribor + spread) were denominated in euro.

As of 31/12/2017, if interest rates had been 0,25% increased / decreased, with all other variables remained fixed, the Company's gains after tax and Equity would have been reduced/increased by the amounts set out below:

	Profit or loss	
EURO	**Increase by 0.25%**	**Decrease by 0.25%**
2017		
Floating rate financial instruments	(458,515)	458,515
2016		
Floating rate financial instruments	(433,513)	433,513

(iii) Price risk

A large portion of sales, approximately 87%, is on project basis where selling prices are fixed throughout the whole project period. Furthermore, according to the policy decided by the Board of Directors, prices of raw and auxiliary materials have to be fixed during the project period, in order to avoid exposure to risks from price volatility.

b) Credit risk

Credit risk arises from deposits, derivative financial instruments (banks and financial institutions credit risk), as well as credit, granted to customers (customer credit risk). Taking measures to face the Greek financial crisis, the Company has a banking relationship with some of the largest and healthiest financial institutions of the Greek market as well as some major foreign financial institutions, whose credit rating is at least Caa2 (Moody's) for the domestic financial institutions and A (Moody's) for the foreign ones.

The Company has adopted and applies strict procedures for the control of credit and political risk of its clients, investigating data like financial status, payments' background, possible counter guarantees etc. A large part of its sales take place against LCs, or down payments. In other cases, the Company uses credit insurance, factoring and when required political risk insurance.

As at year end, overdue trade receivables that have not been impaired are mentioned in note 14.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the ability of funding each project that the Company undertakes through an adequate amount of committed credit facilities. Because of the different cash flow

cycle of each project, the Company analyzes the facts and whenever it is needed makes use of credit lines with banks and other financial institutions.

Especially under the current credit conditions, the Company focuses its efforts on reducing its working capital needs and if it is needed, it will issue debenture bonds, in order to secure a longer repayment period for its borrowings and flow of funding for its operations.

According to the estimations and actions of the Management, the current negative conditions the exists in the goods, the financial and the capital markets have been presented correctly in the Separate financial statements.

Moreover, cash flow forecasts are prepared under the supervision and coordination of the finance executive management. The Company's financial management monitors rolling cash flow forecasts of the liquidity requirements, in order to ensure that the Company has adequate available cash to cover its working capital needs as well as to maintain sufficient levels of unused credit limits.

Cash flow forecasts take into account the plans of the Company to comply with internal targets regarding financial indices and, where appropriate, external regulatory or legal requirements such as monetary constraints.

The table below illustrates the Company's non-discounted cash flows of financial liabilities and net-settled derivative financial liabilities into relevant maturity brackets, based on the remaining period between the balance sheet date and the maturity date.

Balances due within 12 months equal their book value.

On December 31st, 2017

2017	<1 year	1- 2 years	2-5 years	>5 years
Amounts in EURO				
Financial liabilities				
Bank loans	89,872,175	5,970,176	17,184,086	5,166,602
Bond loans	38,472,965	2,901,783	7,769,617	-
Derivatives	1,050,644	-	-	-
Other short-term financial liabilities	23,884,391	-	-	-
Trade and other payables	81,596,174	-	-	-
Total	**234,876,349**	**8,871,959**	**24,953,703**	**5,166,602**

On December 31st, 2016

2016	<1 year	1- 2 years	2-5 years	>5 years
Amounts in EURO				
Financial liabilities				
Bank loans	91,839,174	7,680,425	17,219,620	10,769,731
Bond loans	8,991,761	38,487,799	10,671,400	-
Derivatives	307,493	-	-	-
Other short-term financial liabilities	24,925,540	-	-	-
Trade and other payables	78,248,026	-	-	-
Total	**204,311,994**	**46,168,224**	**27,891,020**	**10,769,731**

d) Macroeconomic and Operating Environment in Greece

The Company has assessed the possible impact that may be encountered in managing financial risks due to the macroeconomic conditions in the markets in which it operates.

The macroeconomic and financial environment in Greece is showing signs of improvement, however uncertainties still exist. After the completion of the recapitalization of the Greek banks, at the end of 2015, and following the EUR 86 billion bailout program between the institutions and the Greek government, the Eurogroup and the institutions finalized their discussion on the second and third review of the Greek program (between June 2017 and March 2018), which paved the way to release the third and fourth tranches of financial assistance to Greece, amounting to EUR 8.5 and 6.7 billion respectively. As a result, Moody's proceeded with the upgrade of the country's credit rating from Caa2 to B3.

It should be noted that the capital controls that are in force in Greece since June 2015 have been loosen further, but still remain until the date of approval of the Financial Statements.

The continuing volatility of the macroeconomic and financial environment in Greece will not significantly affect the Company's domestic activities. In addition, Company's exposure to Greece over time is limited and do not exceed 10% of its sales, hence its domestic sales represent a small percentage of its profitability. It is worth mentioning, that while during the last two fiscal years, 2016 and 2017, due to the execution of the project "TransAnatolianPipeline (TAP)", a significant percentage of the sale of the Company were made in Greece, the customer for this project was a Company established outside Greece (Switzerland) and the revenue was received from financial institutions outside Greece. In total, the sales revenue both from customers from Greece, as well as customers outside Greece is presented in the following table:

Third party sales	2017	%
Customer established in Greece	12,721,201	4%
Customers established outside Greece	313,396,721	96%
Total	**326,117,922**	

i) Liquidity risk

Liquidity risk is the risk that the Company may not be able to fulfill its financial obligations when these mature. The approach adopted by the Company for liquidity management is to ensure, by holding the necessary cash and adequate credit limits from the cooperating banks, that it will always have enough liquidity to meet its obligations when they expire under normal but also difficult conditions, without incurring unacceptable damage or jeopardizing Company's reputation. The Company keeps most of its cash reserves deposited in foreign financial institutions in Greece. The Company's cash are invested in counterparties with high credit rating and are readily available.

Furthermore, the Company's financing sources are diversified is such a way that almost 20% of its borrowings are originating from international financial institutions. The Company's reliable creditworthiness ensures an efficient use of the international financial markets for financial purposes.

The Company has direct access to financial sources and are periodically refinancing their short term borrowing liabilities. The Company assesses that the refinance of the short term loans will continue in the future if necessary.

ii) Operational risks

Production / Sales

The Company's productive plant in Greece is not assumed to be affected by capital controls. The Company keeps most of the their cash reserve deposit in foreign financial institutions in Greece. The Company's cash are invested in counterparties with high credit rating and are readily available since the vast majority of these receivables have been received by customers outside Greece that do not have capital controls.
In addition, Company's exposure to Greece over time is limited and do not exceed 10% of its sales, hence its domestic sales represent a small percentage of its profitability and the Company's exports overtime represent over 90% of its sales. It is worth mentioning, that while during the last two fiscal years, 2016 and 2017, due to the execution of the project "TransAnatolianPipeline (TAP)", a significant percentage of the sale of the Company were made in Greece, the customer for this project was a Company established outside Greece (Switzerland) and the revenue was received from financial institutions outside Greece.

Receivables / Customers

Receivables from domestic clients are a small percentage of the total clients receivables of the Company. Therefore, the Company has a limited exposure in revoked or delayed payments.

Suppliers

For most part, Company's operations depend on foreign suppliers. Company's cash is deposited in financial institutions with high grade rating and are readily available since the majority was received by customers outside Greece that do not have capital controls. For that reason, Company will continue to fulfill its payment obligations towards its suppliers.

iii) Credit risk

The Company is applying a specific credit policy focused on a controlled commercial solvability. Wherever it is deemed necessary, additional insurance coverage is required as credit guarantee.

Considering that the nature of "Corinth Pipeworks" activity is mostly exporting, and considering the strength financial position of the Company, any negative development of the Greek economy is unlikely to have major impact in the operating activities. Despite all that, Management is constantly appraising the situation and its consequences and promptly ensure that the adequate measures are taken in order to minimize the impact on the Company's activities.

5.2. Capital risk management

The Company's objectives when managing capital are to safeguard the ability to continue as a going concern in order to achieve satisfactory performance and benefits for shareholders and other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

Consistent with best practices, the Company monitors its capital through its gearing ratio. The aforementioned ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings", and "other short-term financial liabilities" as shown in the Statement of Financial Position) less "Cash & cash equivalents". Total capital employed is calculated as "Equity" as shown in the Statement of Financial Position plus net debt.

Below we present the gearing ratios as of December 31st 2017 and 2016:

Amounts in EURO	**2017**	**2016**
Total borrowings (note 20)	159,521,693	175,411,224
Other sort-term financial liabilities (note 34)	23,884,391	24,925,540
Less: Cash and cash equivalents (note 17)	(55,345,808)	(50,409,373)
Net debt	**128,060,276**	**149,927,390**
Equity	132,838,610	132,695,898
Total capital employed	**260,898,886**	**282,623,288**
Gearing ratio	**0.96**	**1.13**

5.3. Fair value estimation

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, in reference to other instruments and cash flow discounting methods that are substantially the same, reflecting the specific conditions of the issuer.

The table below analyses financial instruments in the statement of financial position at fair value by level of the following fair value measurement hierarchy:

The levels are as follows:

First level – Financial products valued at fair value using active market prices.

Second level – Includes inputs other than quoted prices included within the first level, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Third level – Financial products valued on the Company's estimations as there is no observable market data.

		2017		
Amounts in EURO	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments at fair value	-	-	10,537	**10,537**
Derivative financial assets	-	1,057,503	-	**1,057,503**
Total	**-**	**1,057,503**	**10,537**	**1,068,040**
Derivative financial liabilities	-	(1,050,644)	-	**(1,050,644)**
Total	**-**	**6,859**	**10,537**	**17,396**

		2016		
Amounts in EURO	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments at fair value	-	-	10,537	**10,537**
Derivative financial assets	-	3,219,430	-	**3,219,430**
Total	**-**	**3,219,430**	**10,537**	**3,229,966**
Derivative financial liabilities	-	(307,493)	-	**(307,493)**
Total	**-**	**2,911,936**	**10,537**	**2,922,473**

There were no transfers between levels 1, 2 and 3 during the period.

In addition, there were no changes in valuation techniques during the period.

Valuation techniques used to derive Level 2 fair values

Level 2 trading comprise of forward foreign exchange contracts (forward).

The fair value of these contracts is determined by using forward exchange rates at balance sheet date and discounted based on present values.

Valuation techniques used to derive Level 3 fair values.

Level 3 financial assets at fair value through profit and loss consist of non-listed securities and therefore a reliable estimation of their fair value is not possible. They are valued based on the present value of their future cash flows using the current interest rate available to the Company for the use of similar financial instruments.

Valuation process

For financial reporting purposes, the Company's financial department performs the valuations of financial assets/ liabilities and Level 3 fair values.

The procedure is performed on an annual basis and whenever there is an indication of impairment.

Fair value of financial assets and liabilities measured at amortized cost

The book value of the short terms borrowings approximates its fair value as the effect from discounting is immaterial.

The fair value of the following financial assets and liabilities approximates their book value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Other short-term financing liabilities

6) Critical accounting estimates and judgements of Management

Management's estimates and judgments are re-examined on a continuous basis and are based on historical data and expectations of future events, which are deemed reasonable pursuant to the current.

6.1. Critical accounting estimates and assumptions

The Company proceeds in estimates and acknowledgements regarding the development of future events. The estimates and acknowledgements that involve a significant probability that they will affect the book value of assets and liabilities in the following 12 months are the following:

a) The Company's judgment is required in order to determine the income tax provision. There are many transactions and calculations due to which final tax calculation is uncertain. The Company recognizes tax liabilities, based on accounting estimations on possible future tax burden and tax assets related to future offsets of tax losses carried forward. If the final tax is different from the initially recognized tax, the difference shall affect the income tax and the provision for deferred taxation of the period.

b) The Company forms a provision for cases that are under dispute based on evidence provided by Legal Department. Any difference between the actual final outcome and the amount initially recorded, will impact the profit and loss in the period in which the event takes place.

c) The Company forms provisions for contractual obligations to its clients, which are estimated based on historical and statistical data that arose from the resolution of similar cases in the past. Any difference between the actual final outcome and the amount initially recorded, will impact the profit and loss in the period in which the event takes place. For the fiscal years ended December 31st, 2017 and 2016, there was no need for such provisions.

d) Employee benefits. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate, future salary increases, future assumed service and inflation rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The present value of the defined benefits is calculated based on the appropriate discount rate (interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension plan, in the same currency that these benefits will be paid and with terms almost similar to the ones of the benefits' commitment). Another fundamental assumption is related to the salaries' increase. The assumptions used are further illustrated in Note 22.

e) Provision for impairment of receivables
Provision for impairment losses is recognized when there is an objective indication that the Company is not in a position to collect all the amounts that are due pursuant to contractual terms. The objective indication that receivables have been impaired includes information coming to the attention of the Company concerning the following events: Considerable financial distress of the customer, possibility to start bankruptcy procedures or any other financial restructuring of the customer as well as unfavorable changes in the ordinary commercial terms of the clients.

If the final outcome differs by 10% from management estimates, then the Company's provision for impairment of receivables, will approximately increase/decrease by approximately EUR 1.9 mil.

7) Sector's absorption

On May 31st, 2016, the absorption of the industrial and commercial sector of pipes and hollow sections of Corinth Pipeworks Holdings S.A. was completed in accordance with the provisions of Law 4172/2013. Transformation Balance Sheet date was December 31st, 2015.

With the absorption of the industrial and commercial sector of pipes and hollow sections from the Company, the share capital increased by 78,247,701 euro with the issuance of 26,705,700 common shares with 2.93 euro per share par value.

Following the decision of the General Shareholders meetings the name of the Company changed from E.VI.KE S.A. to “CORINTH PIPEWORKS PIPE INDUSTRY S.A.”.

For comparability purposes with previously published figures of Corinth Pipeworks Holdings S.A. (General Commercial Registry (GCR) No.: 000264701000), which contributed the sector during the period to the Company, the sum of the results of the two companies and the necessary adjustments made to the respective figures in order to be directly comparable with the respective prior year’s figures are presented in the table below:

	CORINTH PIPEWORKS PIPE INDUSTRY S.A. GCR: 3978301000	**CORINTH PIPEWORKS HOLDINGS S.A.** GCR: 000264701000	**INTERCOMPANY TRANSACTIONS**	**TOTAL**
(Amounts in EURO)	**1/1 - 31/12/2016**	**1/1 - 14/12/2016**	**1/1 - 14/12/2016**	**1/1 - 31/12/2016**
Revenue	210,694,839	72,304,157	(555,981)	282,443,015
Cost of Sales	(172,752,825)	(63,624,800)	668,666	(235,708,959)
Gross profit	**37,942,014**	**8,679,357**	**112,685**	**46,734,056**
Other income	433,903	566,921	(760,188)	240,636
Selling expenses	(17,175,481)	(6,948,043)	70,988	(24,052,535)
Administrative expenses	(3,686,068)	(3,284,594)	539,885	(6,430,777)
Operational profit/ (loss)	**17,514,368**	**(986,359)**	**(36,629)**	**16,491,380**
Finance income	425,617	25,888	-	451,505
Finance expenses	(7,116,139)	(3,462,708)	4,086	(10,574,761)
Dividends	2,947,462	400,000	-	3,347,462
Profit / (loss) before tax	**13,771,308**	**(4,023,179)**	**(32,543)**	**9,715,586**
Income tax	(2,670,116)	-	-	(2,670,116)
Profit / (loss) after tax	**11,101,192**	**(4,023,179)**	**(32,543)**	**7,045,470**

Corinth Pipeworks Holdings S.A., upon the completion of the spin-off, was absorbed by Cenergy Holdings SA in the context of the cross-border merger by absorption by Cenergy Holdings SA of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme. The merger from a legal perspective was completed on 14 December 2016.

8) Property plant and equipment

Amounts in Euro	Land	Buildings	Machinery	Vehicles	Furniture, fittings and equipment	Assets under construction	Total
Cost							
Balances as of January 1st 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	109,410	350,140	543,630	122,925	199,661	1,522,957	2,848,723
Reclassifications	-	-	15,562,443	-	-	(15,562,443)	-
Sector's absorption	12,433,010	53,365,711	226,124,405	1,834,655	3,458,983	15,587,776	312,804,540
Balances as of December 31st, 2016	**12,542,420**	**53,715,851**	**242,230,478**	**1,957,580**	**3,658,644**	**1,548,290**	**315,653,263**
Accumulated depreciation							
Balances as of January 1st 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	(676,842)	(4,136,653)	(25,425)	(177,060)	-	(5,015,980)
Sector's absorption	-	(24,935,166)	(98,770,596)	(1,744,075)	(3,038,960)	-	(128,488,797)
Balances as of December 31st, 2016	**-**	**(25,612,008)**	**(102,907,249)**	**(1,769,500)**	**(3,216,020)**	**-**	**(133,504,777)**
Net book value as of December 31st, 2016	**12,542,420**	**28,103,843**	**139,323,229**	**188,080**	**442,624**	**1,548,290**	**182,148,486**
Cost							
Balances as of January 1st2017	**12,542,420**	**53,715,851**	**242,230,478**	**1,957,580**	**3,658,644**	**1,548,290**	**315,653,263**
Additions	-	30,871	1,047,331	**-**	217,086	1,714,471	3,009,759
Disposals	-	-	-	-	(319)	-	(319)
Reclassifications	-	683,654	661,565	-	19,261	(1,364,480)	-
Balances as of December 31st, 2017	**12,542,420**	**54,430,376**	**243,939,374**	**1,957,580**	**3,894,671**	**1,898,282**	**318,662,703**
Accumulated depreciation							
Balances as of January 1st 2017	**-**	**(25,612,008)**	**(102,907,249)**	**(1,769,500)**	**(3,216,020)**	**-**	**(133,504,777)**
Depreciation for the year	-	(1,230,356)	(7,676,008)	(37,181)	(163,154)	-	(9,106,699)
Disposals	-	-	-	-	48	-	48
Balances as of December 31st, 2017	**-**	**(26,842,364)**	**(110,583,257)**	**(1,806,681)**	**(3,379,126)**	**-**	**(142,611,428)**
Net book value as of December 31st, 2017	**12,542,420**	**27,588,012**	**133,356,117**	**150,899**	**515,545**	**1,898,282**	**176,051,275**

The expenditure regarding depreciation has been recorded in the Statement of Comprehensive Income as follows:

Amounts in Euro	12 months until December 31st2017	12 months until December 31st2016
Cost of sales	8,981,309	4,888,732
Administrative expenses	73,863	97,374
Selling expenses	51,528	29,875
Total	**9,106,699**	**5,015,980**

On 31/12/2017 assets under construction are mostly related to the machinery in the Company's plant in the Industrial Area of Thisvi.

Mortgages and pledges in favor of banks have been recorded on property, plant and equipment of the Company. The carrying amount of assets mortgaged or pledged is Euro 56,760,000.

9) Intangible assets

Amounts in Euro	**Software**
Cost	
Balance as of January 1st2016	
Additions	-
Sector's absorption	374,244
Balance as of December 31st, 2016	**374,244**
Accumulated depreciation	
Balance as of January 1st2016	
Depreciation for the year	-
Sector's absorption	(374,244)
Balance as of December 31st, 2016	**(374,244)**
Net book value as of December 31st, 2016	**-**
Cost	
Balance as of January 1st2017	**374,244**
Additions	180,285
Balance as of December 31st, 2017	**554,529**
Accumulated depreciation	
Balance as of January 1st 2017	**(374,244)**
Depreciation for the year	(36,057)
Balance as of December 31st, 2017	**(410,301)**
Net book value as of December 31st, 2017	**144,228**

The expenditure regarding amortization of intangible assets has been recorded in Administrative Expenses in the Statement of Comprehensive Income.

10) Investments in subsidiaries

Amounts in Euro	**31/12/2017**	**31/12/2016**
Opening balance	**593,455**	**-**
Sector's absorption	-	593,455
Closing balance	**593,455**	**593,455**

The Company's subsidiaries, which are not listed in the stock exchange market, are as follows:

Company's name	**Country**	**Acquisition value at beginning of period**	**Additions**	**Sales**	**Acquisition value at the end of period**	**Direct Holding Percentage**	**Indirect Percentage**
2017							
CPW AMERICA CO.	USA	-	-	-	-	0%	100%
WARSAW TUBULARS TRADING Sp.z.o.o.	Poland	593,455	-	-	593,455	100%	0%
Total		**593,455**	**-**	**-**	**593,455**		

11) Investments in associated companies

Amounts in Euro	31/12/2017	31/12/2016
Opening balance	**1,073,950**	**-**
Sector's absorption	-	1,073,950
Closing balance	**1,073,950**	**1,073,950**

This category includes the following investment:

Company	Country	Percentage holding	Consolidation method
DIAVIPETHIV SA	Greece	21.75%	Equity

DIAVIPETHIV SA is established in Greece and sets, as Thisvi industrial zone's administrator, the boundaries of the statutory and regulatory frame in which the companies being settled in the industrial zone are operating, as well as the rights and responsibilities of the administrating and managing entity.

12) Financial instruments

a) Financial instruments by category

Figures at 31/12/2017

Amounts in Euro

Assets	Borrowings and receivables	Assets at fair value through profit and loss	Derivatives used for hedging	Total
Trade and other receivables	50,849,654	-	-	**50,849,654**
Cash and cash equivalents	55,345,808	-	-	**55,345,808**
Short-term derivative financial instruments	-	-	1,057,503	**1,057,503**
Short-term financial assets at fair value through profit or loss	-	10,537	-	**10,537**
Total	**106,195,462**	**10,537**	**1,057,503**	**107,263,502**

Amounts in Euro

Liabilities	Derivatives used for hedging	Other financial liabilities	Total
Long-term loans	-	36,287,140	**36,287,140**
Short-term loans	-	123,234,553	**123,234,553**
Derivative financial instruments (short-term)	1,050,644	-	**1,050,644**
Trade and other payables	-	63,724,033	**63,724,033**
Other short-term financial liabilities	-	23,884,391	**23,884,391**
Total	**1,050,644**	**247,130,117**	**248,180,761**

Figures at 31/12/2016*

Amounts in Euro

Assets	Receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Total
Trade and other receivables	77,462,007	-	-	**77,462,007**
Cash and cash equivalents	50,409,373	-	-	**50,409,373**
Short-term derivative financial instruments	-	-	3,219,430	**3,219,430**
Short-term financial assets at fair value through results	-	10,537	-	**10,537**
Total	**127,871,380**	**10,537**	**3,219,430**	**131,101,347**

Amounts in Euro

Liabilities	Derivatives used for hedging	Other financial liabilities	Total
Long-term loans	-	79,397,165	**79,397,165**
Short-term loans	-	96,014,058	**96,014,058**
Derivative financial instruments (short-term)	307,493	-	**307,493**
Trade and other payables	-	78,248,026	**78,248,026**
Other short-term financing liabilities	-	24,925,540	**24,925,540**
Total	**307,493**	**278,584,789**	**278,892,283**

* The Company has early adopted IFRS 15 “Receivables from contracts with customers” as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see Note 4 above).

b) Credit rating of financial assets

Derivative financial instruments (assets):

The credit rating of derivative financial assets according to external credit rating house (Moody’s) is presented below:

Amounts in euro	**31/12/2017**	**31/12/2016**
Aa3	-	-
Caa2	1,057,503	131,603
Caa3	-	3,087,827
Total	**1,057,503**	**3,219,430**

The credit rating of cash at bank and short-term bank deposits according to external credit rating house (Moody's) is presented below:

Amounts in Euro	31/12/2017	31/12/2016
Aa2	-	114,606
Aa3	448,821	-
Caa2	54,880,346	-
Caa3	-	50,264,087
Total	**55,329,167**	**50,378,693**

13) Inventories

Inventory balances of the Company as of December 31st, 2017 and 2016 were as follows:

Amounts in Euro	31/12/2017	31/12/2016*
Merchandize	-	313,301
Finished goods	20,831,298	16,337,246
Semi-finished goods	8,177	8,121,504
By products and scrap	-	4,594,106
Raw and auxiliary materials, consumables, spare parts and packaging materials	66,326,522	75,601,501
Total	**87,165,997**	**104,967,659**

The cost of inventory that was recorded as an expense in the cost of sales for the fiscal year ended December 31st, 2017 amounts to EUR 242,959,769 (2016: EUR 153,097,064) (note 26).

During the fiscal year 2016 inventory was estimated at the lower value between cost and net realizable value. The net realizable value was estimated based on the sales price of finished products in an active market. The net realizable value of certain finished products was lower, and as a result an impairment loss of EUR 216,901 was recorded for the fiscal year ended December 31st, 2017 (2016: EUR 298,477).

* The Company has early adopted IFRS 15 "Receivables from contracts with customers" as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see note 4).

14) Trade and Other Receivables and Contract Assets

Amounts in Euro	2017	2016*
Current assets		
Trade receivables	36,978,044	37,953,688
Contract assets	10,322,809	-
Less: Impairment losses	(19,508,707)	(12,143,243)
Net trade receivables	**27,792,146**	**25,810,445**
Other down-payments	72,972	71,822
Cheques and notes receivables & Cheques overdue	37,000	37,000
Receivables from related entities	32,593,592	50,869,792
Receivables from contracts with related entities	17,677,229	-
Current tax claims	-	1,553,052
Other debtors	10,140,809	8,042,623
Less: Impairment losses	(37,000)	(37,000)
Net other receivables	**60,484,601**	**60,537,289**
Total	**88,276,747**	**86,347,734**
Non-current assets		
Non-current receivables from related entities	3,603,024	3,603,024
Other non-current receivables	1,397,716	1,846,407
Non-current trade and other receivables	**5,000,740**	**5,449,431**
Total	**93,277,487**	**91,797,165**

During fiscal year of 2017, the Company transferred receivables amounting to EUR 49,202,640 to a bank in exchange for cash (note 34).

The long term-receivables included in the non-current assets for the Company are analyzed as follows:

a) Long-term receivables included in non-current assets of EUR 713,753 (2016: EUR 709,948) concern guarantees to third parties within the Company's activities and do not have a specific maturity date.

b) amount EUR 216,380 (2016: EUR 307,063) is related to unamortized part of expenses regarding improvements made in Company's buildings which are on operational lease. Because of these improvements, the Company is charged with reduced lease. The expenses in question are amortized according to the duration of the lease, which will cease at 01/07/2021, and are recognized in the statement of profit and loss as leasing fees. The portion of the expense that relates to the next financial year, amounting to EUR 90,682 is recognized in the current assets.

c) amount of EUR 3,603,024:

Further to the approval of the Regulatory Plan of the industrial zone in Thisvi (No 5931/28-9-2006) and the resolution of the General Secretary of Central Greece region, the subsidiary DIA.VI.PE.THIV. S.A. (Thisvi industrial zone's administrator) received a total surface of 195 acres and another 281 acres for communal needs of the companies settled in the said industrial zone. The land in question was given up by the companies being settled in the industrial zone. Corinth Pipeworks S.A. also gave up land of 145,471 sq.m. with a value of EUR 3,603,023, transaction posted as a long-term receivable (included in other assets) from DIA.VI.PE.THIV. S.A, since Law 2545/97 (art.5) stipulates that the said land will be returned to its owners if the administrator ceases its operation.

d) amount of EUR 467,582 (2016: EUR 829,397) is related to commission of guarantee letters.

As of 31/12/2017 Trade receivables that were past due but not impaired were EUR 6,246,412 (2016: EUR 4,467,609). These relate to a number of customers for whom there is no recent history of default. The ageing of these receivables is included in the table below:

Ageing of trade receivables

Amounts in Euro	**31/12/2017**	**31/12/2016***
Neither past due nor impaired	87,031,076	87,329,556
Overdue and not impaired		
-Up to 6 months	3,689,685	3,107,157
-Over 6 months	2,556,727	1,360,452
Total	**93,277,487**	**91,797,165**

The ageing of the receivables from impaired clients are shown in the table below:

Amounts in Euro	**31/12/2017**	**31/12/2016**
> 6 months	21,152,213	24,211,464

The above-mentioned decrease of the impairment of receivables for which a provision has been booked is mainly due to exchange differences.

An impairment provision has been raised for doubtful debts, which is broken down as follows:

Amounts in EURO	**31/12/2017**	**31/12/2016**
Opening balance	**12,180,243**	**-**
Provisions recorded	8,890,668	-
Provisions utilized for write-off of receivables	(36,559)	-
Reversal of impairment provision	(7,615)	-
Sector's absorption	-	11,445,267
Foreign exchange differences	(1,481,030)	734,976
Closing balance	**19,545,707**	**12,180,243**

During 2010, the Company initiated in Greece and Dubai legal actions against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 mil (EUR 18.6 mil). The balance on 31/12/2017 was EUR 20.7 mil. (2016: EUR 23.7 mil.). Furthermore, during fiscal year 2017, the Company partially impaired the receivable from this customer.

Following a series of court proceedings, the Dubai Court of Cassation, on 19 March 2014, finally upheld the appeal of the Company of 26 September 2013, confirmed the amount due to the Company and cancelled the previous decision of the Court which had recognized the counterclaim raised by the customer in the course of the litigation and had ordered the off-setting of this counterclaim with the Company's claim. The case was then referred back to the Court of Appeal, which examined the validity of the counterclaim and appointed a tripartite of accounting experts.

A report was issued by the experts in December 2016 and confirmed that the counterclaim was not supported by any document.

At the hearing of 5 June 2017, the Court of Appeal rejected the counterclaim raised by the Company's customer and obliged the latter to pay an amount of USD 24 million. The former customer filed an appeal before the Court of Cassation challenging the aforesaid decision of the Court of Appeal, which was rejected by that Court.

Finally, on 17 September 2017, the Court of Cassation issued its judgment and ruled:

- to reject the counterclaim of the former customer
- to confirm the amount due to Corinth Pipeworks

The above-mentioned Court of Cassation judgment issued against the former customer is enforceable in the UAE and various other countries in the Middle East.

Corinth Pipeworks will initiate the enforcement procedures against the assets of the customer that are located within any of the above-mentioned countries. In addition, the Company, in order to ensure its rights, has imposed provisional seizure on real estate assets of third parties who are involved in the case in accordance with the decision of the Court of First Instance of Athens (issued under the proceedings of interim measures).

The Company recorded in 2010 an impairment loss of USD 12.5 million (EUR 10.4 million as at the reporting date) against this receivable. As part of the annual assessment of impairment, the Company booked an additional impairment loss of USD 10.7 million (EUR 8.9 million) as at 31 December 2017, which is included in the item "Other expenses" of Statement of Comprehensive Income, to reflect the prospected recoverability of that receivable, as of today. The total impairment loss for the receivable amounts to EUR 19.3 million. However, the Company will continue any and all actions required to collect the full amount of that receivable.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

Amounts in Euro	31/12/2017	31/12/2016*
Euro	55,836,744	32,951,574
US Dollar (USD)	34,291,993	58,845,140
British pound (GBP)	3,148,299	-
Other	451	451
Total	**93,277,487**	**91,797,165**

The maximum exposure to credit risk at the reporting date for the Company is the book value of trade and other receivables that is approximately equal to their fair value.

Performance guarantees given to customers are presented below:

Amounts in Euro	31/12/2017	31/12/2016
Performance guarantees	15,523,725	21,980,111

* The Company has early adopted IFRS 15 "Receivables from contracts with customers" as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see note 4).

15) Derivatives

During fiscal year of 2017, it was recognized in the Statement of Comprehensive Income a loss of EUR 2,905,077 (2016: profit of EUR 3,028,277) related to estimation of cash flow hedge through profit or loss.

The maximum exposure to credit risk at 31/12/2017 and 31/12/2016 is the fair value of the derivative assets in the Statement of Financial Position.

The derivative financial instruments are classified in the non-current assets/long-term liabilities when the remaining period (maturity date) exceeds 12 months, and in current assets/short-term liabilities when the remaining period (maturity date) is shorter than 12 months.

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts on 31/12/2017 was USD 136,327,000 and GBP 2,575,130 (2016: USD 44,783,114). No gains and losses from forward foreign exchange contracts recognized in equity on 31/12/2017 and 31/12/2016.

16) Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss include the following:

(Amounts in Euro)	**31/12/2017**	**31/12/2016**
Non-listed securities		
Greek securities	10,537	10,537
Total	**10,537**	**10,537**

17) Cash & Cash equivalents

(Amounts in Euro)	**31/12/2017**	**31/12/2016**
Cash in hand and Cash in bank	16,641	5,409,373
Short-term bank deposits	55,329,167	45,000,000
Total	**55,345,808**	**50,409,373**

18) Share capital

On January 1st, 2016, the share capital of the Company amounted to € 58,600 divided into 20,000 shares with a nominal value of EUR 2.93 each.

With the absorption by the Company of the industrial and commercial sector of pipes and hollow sections the share capital of the Company increased by EUR 78,247,701 with the issuance of 26,705,700 common shares with EUR 2.93 per share par value.

Thus, on 31 December 2016 the share capital of the Company amounted to EUR 78,306,301 divided into 26,725,700 shares with a nominal value of EUR 2.93 each.

There was no change in the share capital in 2017.

19) Reserves

The reserves of the Company for the fiscal years ended December 31st, 2017 and 2016 were:

(Amounts in Euro)	2017	2016
Statutory reserve	665,822	-
Absorption reserve	25,071,684	25,071,684
Tax-free reserves	19,961,294	19,961,294
Other reserves	94	94
Total	**45,698,894**	**45,033,072**

(a) Statutory reserve

Pursuant to the articles 44 and 45 of Codified Law 2190/1920 the statutory reserve is formed and used as follows: At least 5% of the Net income of each fiscal year is mandatorily withheld in order to form the statutory reserve until the accumulated amount thereof amounts to at least 1/3 of the registered share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of the shareholders and may not be used for any other reason. For the fiscal year ended December 31st, 2017 the Company has formed statutory reserve of EUR 665.8K which was calculated on the profits after tax for the fiscal year ended December 31st, 2016. For the fiscal year ended December 31st, 2017, the Company did not formed a statutory reserve since the results after taxes for the fiscal year were losses of EUR 4.6 mil.

(b) Absorption reserve

The absorption reserve has been formed after the absorption by the Company of the industrial and commercial sector of pipes and hollow sections in May 2016, as it is analyzed in Note 7 above. Contributing company of the sector was Corinth Pipeworks Holdings S.A.

(c) Tax-free reserves

Tax-free reserves relate to:

I. reserves that are formed from net profits, which, pursuant to incentive laws that are present each time, are not taxed because they were used for the acquisition of new production equipment.

II. Reserves that were formed from partially non-distributed net profits of each fiscal year that come from income exempted from taxation and income taxed by special laws with the exhaustion of the tax liability.

The aforementioned reserves may be capitalized and distributed (after the restrictions that may apply each time are taken into consideration) following a decision of the Ordinary General Meeting of the shareholders.

In case these reserves are distributed, the Company will have to pay the corresponding tax.

20) Loans

(Amounts in Euro)	2017	2016
Long-term borrowings		
Bank loans	26,687,140	33,434,216
Bond loans	9,600,000	45,962,949
Total long-term borrowings	**36,287,140**	**79,397,165**
Short-term borrowings		
Bank loans	7,833,571	7,790,109
Short term portion of Bond Loans	36,362,949	6,528,949
Other short-term borrowings	79,038,034	81,695,000
Total short-term borrowings	**123,234,553**	**96,014,058**
Total borrowings	**159,521,693**	**175,411,223**

At the end of 2017, an amount of EUR 34.1 million related to the syndicated bond loans, received by the Company in 2013 was transferred to current borrowings, as it is payable during 2018 based on the repayment plans. In this context, the Company is currently at the final stage of negotiations with their lenders in order to refinance these facilities and achieve the conversion of a significant portion of its short-term borrowings to long-term. Considering that the ongoing discussions have run well and are now at the final review stage by the committees of the financial institutions, Management believes that these negotiations will be successfully concluded in 2018. Other short-term borrowings mainly relate to revolving credit lines used based on the working capital needs of the Company for the financing of certain projects. The Company has sufficient credit lines with the banks in order to cover its future financing needs, if necessary.

The maturity dates of long-term loans are as follows:

(Amounts in Euro)	2017	2016
Between 1 and 2 years	7,801,470	43,326,342
Between 2 and 5 years	23,404,409	25,537,807
Over 5 years	5,081,260	10,533,016
Total	**36,287,140**	**79,397,165**

Cash flows arising from financing activities reconciliation to movement of Borrowings

	2017
Balance of borrowings at January 1st	**175,411,223**
Changes from financing cash flows:	
Proceeds from new borrowings	6,425,745
Repayment of borrowings	(23,187,141)
Total changes from financing cash flows:	**(16,761,396)**
Other changes:	
Interest expense	9,130,677
Interest paid	(8,258,810)
Balance of borrowings at December 31st	**159,521,693**

All of the Company's borrowings are in Euros.

The long-term borrowings mature in 2023 and the effective weighted average interest rates that were applicable on the balance sheet date were as follows:

	2017	2016
Bank loans (Long-term)	1.95%	1.95%
Bank loans (Short-term)	5.06%	5.58%
Bond loans (Long-term)	5.50%	4.79%
Bond loans (Short-term)	4.57%	4.53%

Total borrowings include secured liabilities amounting to EUR 46,056,000 (2016: EUR 52,678,000). Bank borrowings are secured by the Company's fixed assets (Note 8).

The fair value of long-term borrowings is the following:

(Amounts in Euro)	2017	2016
Long-term borrowings		
Bank loans	26,687,140	33,434,216
Bond loans	9,600,000	45,962,949
Total long-term borrowings	**36,287,140**	**79,397,165**

The fair values of short-term loans are equal to their book values, assuming that the effect from discounting is immaterial. The fair values are valuated according to parameters such as interest rates, specific factors risks of the country, current value balance sheet date and are included in level 2 of Fair Values.

For 2017 and 2016 there are no fixed interest rate long term loans.

21) Deferred taxation

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets with current tax liabilities and when deferred income taxes concern the same tax principle. There was no offset of deferred tax asset with current tax liabilities for the fiscal years ended December 31st, 2017 and 2016.

Most of the deferred tax assets are recoverable after 12 months from the reporting date.

The total change in deferred income tax is as follows:

Amounts in Euro	31/12/2017	31/12/2016*
Balance at the beginning of the year	**18,700,082**	**-**
Sector's absorption	-	16,925,885
Amount recognized in profit or loss	(4,733,108)	1,835,499
Amount recognized in other comprehensive income	10,823	(61,302)
Balance at year-end	**13,977,799**	**18,700,082**

Changes in deferred tax liabilities during the year, are the following:

Amounts in Euro	Tangible assets / Differences in depreciation	Changes in accounting policy	Provision differences	Non-recognized intangible assets	Fair value gains	Other	Total
Balance 31/12/2016	**17,820,005**	**-**	**(427,266)**	**(1,109,656)**	**1,839**	**2,415,160**	**18,700,082**
Balance 1/1/2017	**17,820,005**	**-**	**(427,266)**	**(1,109,656)**	**1,839**	**2,415,160**	**18,700,082**
Recognized through profit or loss	891,052	926,424	(5,618,526)	162,461	150	(1,094,670)	(4,733,108)
Recognized through other comprehensive income	-	54,349	(43,526)	-	-	-	10,823
Balance 31/12/2017	**18,711,057**	**980,774**	**(6,089,318)**	**(947,195)**	**1,989**	**1,320,490**	**13,977,799**

* The Company has early adopted IFRS 15 “Receivables from contracts with customers” as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see Note 4).

22) Retirement benefit obligation

According to IFRS, the Company’s obligation towards the social security’s funds for its employees, are categorized in defined contribution programs and in defined benefit programs.

According to Greek labor law, employees are entitled to compensations in case of termination of employment or retirement. The amount is related to the salary, the years of employment and the nature of withdrawal (termination or retirement). The resigning employees (employees with more than fifteen years of service are excepted) or those who are terminated with a reason are not entitled to compensations. In case of retirement, the due compensation is equal to 40% of the amount due in the case of a termination. The practice that is followed by the Greek legislation is considered to be as defined contribution program.

IFRS has set rules to be followed in relation to the valuation of the current obligation, as well as the principles and actuarial assumptions to be followed when assessing the obligation arising from these plans. The liability recognized is based on the projected unit credit method, which calculates the present value of the accrued liability.

The compensation in case of termination of employment or retirement was calculated based on an actuarial study. The following tables present the expenses recorded in the statement of profit and loss and other comprehensive income, as well as in the statement of financial position for the fiscal years of 2017 and 2016, respectively.

Changes in the present value of the liability for the Company:

(*Amounts in Euro*)	2017	2016
Changes in net recognized liability in Statement of Financial Position		
Balance at the beginning of the period	1,487,991	-
Sector’s absorption	-	1,223,258
Benefits paid	(187,065)	(144,826)
Amounts recognized in the profit or loss statement	262,161	198,174
Amounts recognized in the statement of other comprehensive income	150,090	211,386
Balance at year end	**1,713,177**	**1,487,991**

Amounts recognized in the profit or loss

Current service cost	83,919	88,446
Past service cost	17,044	-
Interest cost	23,688	24,327
Curtailment / settlement / termination cost	137,511	85,400
Total amount recognized in the profit or loss statement	**262,161**	**198,174**

Amounts recognized in the statement of other comprehensive income

Actuarial loss/ (gain) – financial assumptions	26,399	92,494
Actuarial loss/ (gain) – experience in the period	123,691	101,012
Actuarial loss/ (gain) – demographic assumptions	-	34,603
Actuarial loss/ (gain) – Other adjustments	-	(16,723)
Total amount recognized in the statement of other comprehensive income	**150,090**	**211,386**

The “curtailment/settlement/termination cost” is mainly due to personnel downsizing owing to who were dismissed, retired or withdrew voluntarily.

The main actuarial assumptions used are the following:

	2017	**2016**
Discount rate	1.50%	1.60%
Salary increase rate	0.50%	0.50%
Assumed future service	15.44	16.05

The sensitivity of the present value of benefit obligations to changes in the principal assumptions is: if the discount rate used was higher by 0.5% then the present value of benefit obligations would be lower by 7.4%, and if the discount rate used was lower by 0.5% then the present value of benefit obligations would be higher by 8.18%.If the salary growth rate was higher by 0.5% then the present value of the benefit obligation would be higher by 8.2%, and the salary growth rate was lower by 0.5% then the present value of the benefit obligation would be lower by 7.52%.

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position (projected unit credit method).

The methods and type of hypotheses used to estimate the sensitivity analysis have not changed comparing to the ones used in the period ended December 31, 2016.

Regarding the risks included in the aforementioned plan, this plan is not funded and therefore there are no assets related to it. Consequently, risks such as volatility of assets or other similar risks (low performance, concentration of assets etc.) do not apply. Risks in the current plan are related to the actuarial assumptions used in the valuation of the benefit obligation, as shown in the financial statements, and include possible changes in the performance of the bonds used in the calculation of the discount rate, and assumptions related to the inflation rate and the rate of future salary increase, that may to affect future cash flows.

23) Provisions

Amounts in Euro	Pending litigations / cases under arbitration	Total
Balance January 1st, 2016		
Sector's absorption	137,753	137,753
Reversal of unused provisions	-	-
Used provisions	-	-
Balance December 31st, 2016	**137,753**	**137,753**
Balance January 1st, 2017	**137,753**	**137,753**
Sector's absorption	-	-
Reversal of unused provisions	-	-
Used provisions	-	-
Balance December 31st, 2017	**137,753**	**137,753**

Amounts in Euro	2017	2016
Short-term provisions	-	-
Long-term provisions	137,753	137,753
Total	**137,753**	**137,753**

Pending litigations

The amount of the said provision is based on estimations of the Company's Legal Department. The remaining provision is expected to be used within the current year. The Management of the Company considers that the formed provision is sufficient and no additional burden is expected to arise beyond the amount stated at 31/12/2017 and 31/12/2016.

Based on the conservative approach, the Company examines periodically the nature of its contractual obligations and makes the necessary adjustments.

24) Suppliers and other liabilities and contract liabilities

(Amounts in Euro)	2017	2016*
Suppliers	68,308,481	63,547,547
Contract liabilities	2,981,858	-
Customer prepayments	94,808	5,369,932
Social security funds	812,515	730,672
Tax and duties payable	617,891	1,575,376
Payables to related parties (note 33)	5,618,110	5,537,594
Dividends payable	1,671	1,671
Other creditors	540,311	442,328
Accrued expenses	2,620,528	3,348,953
Total	**81,596,174**	**80,554,074**
Long-term liabilities	-	-
Total liabilities	**81,596,174**	**80,554,074**

* The Company has early adopted IFRS 15 "Receivables from contracts with customers" as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see note 4).

25) Sales

(Amounts in Euro)	2017	2016*
Sale of merchandize and products	320,729,952	208,527,666
Other	5,387,970	2,167,172
Total	**326,117,922**	**210,694,839**

The geographical allocation of the Company's sales is presented in the table below:

(Amounts in Euro)	2017	2016
Greece	137,800,289	123,869,014
Other European Union countries	76,080,184	34,164,549
Other European countries	4,624,555	131,103
Asia	36,373,277	-
America	71,062,145	52,530,173
Africa	177,471	-
Total	**326,117,922**	**210,694,839**

Sales are referred to the country that the costumers are established.

Recognition point of revenue, after the adoption of IFRS 15:

(Amounts in Euro)	2017
Revenue recognized over time	281,787,887
Revenue recognized at a point of time	44,330,035
Total	**326,117,922**

* The Company has early adopted IFRS 15 "Receivables from contracts with customers" as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see note 4).

26) Expense by nature

Amounts in Euro	2017	2016*
Cost of inventories recognized as an expense	(242,959,769)	(153,097,064)
Employee benefits	(18,000,679)	(11,227,208)
Energy	(3,287,795)	(1,892,147)
Depreciation and amortization	(9,142,756)	(5,015,980)
Taxes - duties	(552,521)	(200,591)
Credit insurance expenses	(251,354)	(141,883)
Other insurance expenses	(3,499,763)	(2,156,101)
Rental fees	(833,824)	(513,290)
Transportation	(15,882,447)	(12,289,520)
Advertising expenses	(232,452)	(204,547)
Third party fees	(14,976,656)	(7,182,545)
Gains/(losses) from derivatives	(2,500,973)	2,993,539
Commissions	(1,088,478)	(460,639)
Foreign exchange differences	4,205,996	(81,612)
Maintenance	(1,021,008)	(790,216)
Board expenses	(176,010)	(125,997)
Communal expenses	(93,529)	(42,471)
Other expenses	(2,058,821)	(1,186,103)
Total Cost of Sales, Selling Expenses and Administrative Expenses	**(312,352,839)**	**(193,614,374)**

In order to present better its operations through the statement of profit or loss, the Company, as of January 1st, 2017, has decided to reclassify direct selling expenses to the cost of sales instead of the selling expenses. For comparability purposes of the components of the statement of profit or loss between the years ended December 31, 2017 and 2016, the reclassification was made to the amounts presented for 2016, as it is shown in the following table:

Amounts in Euro	2016	Reclassification	2016 before the reclassification
Revenue	210,694,839	-	210,694,839
Cost of sales	(186,829,719)	(14,076,894)	(172,752,825)
Gross profit	**23,865,120**	**(14,076,894)**	**37,942,014**
Other income	433,903	-	433,903
Selling expenses	(3,098,587)	14,076,894	(17,175,481)
Administrative expenses	(3,686,068)	-	(3,686,068)
Operating profit	**17,514,368**	**-**	**17,514,368**
Finance income	425,617	-	425,617
Finance expenses	(7,116,139)	-	(7,116,139)
Dividend income	2,947,462	-	2,947,462
Finance expenses, net	**(3,743,060)**	**-**	**(3,743,060)**
Profit / (loss) before tax	**13,771,308**	**-**	**13,771,308**
Income tax	(2,670,116)	-	(2,670,116)
Profit after tax	**11,101,192**	**-**	**11,101,192**

* The Company has early adopted IFRS 15 “Receivables from contracts with customers” as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see Note 4).

27) Employee benefit expenses

Amounts in Euro	2017	2016
Employee remuneration expenses	13,792,675	8,723,452
Social security expenses	3,676,043	2,023,717
Defined benefit contribution plan	262,161	74,196
Other benefits to employees	269,799	405,843
Total	**18,000,679**	**11,227,208**

Employee benefit expenses are included in the following accounts of the Statement of Comprehensive Income:

Amounts in Euro	2017	2016
Cost of sales	13,825,397	8,051,346
Selling expenses	2,083,606	2,013,475
Administrative expenses	2,091,676	1,162,387
Total	**18,000,679**	**11,227,208**

The number of Company's employees on 31/12/2017 amounted to 460 (2016: 439).

28) Other income

Amounts in Euro	2017	2016
Grants for the period	7,039	36,081
Rentals	11,160	5,442
Refunded expenses	990,917	388,997
Income from reversal of prior periods' unutilised provisions	-	845
Other income	50,632	2,538
Total	**1,059,748**	**433,903**

29) Finance expenses- net

Amounts in Euro	2017	2016
Income		
Interest	93,656	12,215
Foreign exchange	-	413,402
Dividend income	-	2,947,462
Total Income	**93,656**	**3,373,079**
Expenses		
Interest	(8,787,307)	(6,386,421)
Factoring interest and fees	(647,721)	(265,558)
Foreign exchange	(342,816)	(142,275)
Guarantee fees	(1,016,440)	(293,052)
Other bank commissions	(172,197)	(800)
Other	-	(28,032)
Total Expenses	**(10,966,481)**	**(7,116,138)**
Finance expenses, net	**(10,872,824)**	**(3,743,059)**

30) Taxation

Amounts in Euro	2017	2016*
Current Income tax asset/ (liability)	313,768	(834,618)
Deferred tax income/ (expense)	4,733,107	(1,835,499)
Total	**5,046,875**	**(2,670,116)**

According to laws, 4334 and 4336 of 2015, the income tax rate for the companies in Greece is 29%. It is noted that the down-payment for income tax for a Company's profit, is 100%, while if there is a dividend distribution there is a withholding tax of 15% with the reservations of article 48 of law 4172 of 2013.

Applicable income tax rate reconciliation is as follows:

	12 months until December 31st,	
Amounts in Euro	**2017**	**2016***
(Losses)/ Profits before taxes	(4,930,661)	13,771,308
Tax calculated on the basis of the applicable tax rates (2017 και 2016: 29%)	1,429,892	(3,993,680)
Non tax-exempted expenses	(426,259)	(38,533)
Other taxes	-	1,362,096
Recognition of previously non-recognized losses	3,299,976	-
Permanent tax differences	429,499	-
Change of previous fiscal years tax	313,768	-
Total income tax asset/ (liability)	**5,046,875**	**(2,670,117)**

Tax (expense)/income recognised in Other Comprehensive Income is analyzed as follows:

	December 31st, 2017		
Amounts in Euro	**Before tax**	**Tax (debit)/credit**	**After tax**
Actuarial gains / (losses)	(150,090)	43,526	(106,564)
Total	**(150,090)**	**43,526**	**(106,564)**

	December 31st, 2016*		
Amounts in Euro	**Before tax**	**Tax (debit)/credit**	**After tax**
Actuarial gains/ (losses)	(211,386)	61,302	(150,084)
Total	**(211,386)**	**61,302**	**(150,084)**

* The Company has early adopted IFRS 15 "Receivables from contracts with customers" as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see Note 4).

Deferred tax movement is analyzed in Note 21.

31) Commitments

Capital commitments

The capital expenditures in progress at 31/12/2017 were EUR 3,351,585 (2016: EUR 1,393,296)and related to machinery and other fixed assets.

Liabilities from operating leases

The Company leases transportation means and buildings, based on operating leases. These leases have various terms, readjustment clauses and renewal rights. With regard to real estate lease contracts, no special term are stipulated for their rescission. Pursuant to the applicable general provisions, the lessee has the right to rescind the contract, provided a period of two years has lapsed from the date the lease has been concluded and a notice has been served six months prior thereto. Following the lapse of the aforementioned six-month period the lessee is obliged to pay the lessor as indemnification an amount equal to four months of lease, based on the last applicable rent. With regard to transportation means, lease contracts may be terminated at any time without notice, however the lessee must pay an early termination penalty that ranges between 1 to half of the remaining due leasing fees, depending on the counterparty.

The future total payable leasing fees are illustrated below:

Amounts in Euro	**2017**	**2016**
Less than one year	498,643	282,559
Between 1 and 5 years	1,099,578	444,030
Over 5 years	63,000	-
Total	**1,661,221**	**726,590**

During the fiscal year ended, December 31st, 2017, the Company recognized the amount of EUR 652,459 in its Statement of Comprehensive Income as operating lease expenses (2016: EUR 481,349).

Unaudited fiscal years

Fiscal years 2012 to 2016 have not been audited in tax terms by Greek tax authorities. No tax compliance certificates have been issued for that period by the statutory auditor who was elected as per Codified Law 2190/1920 because the Company did not qualify for audit during 2012-2015, while for 2016, pursuant to circular No.1034/2016, major changes were brought to the annual tax certificate issued by statutory auditors and audit firms. As a result, the provisions of article 65a of Law 4174/2013 were amended in regard to fiscal years 1.1.2016 - 31.12.2016 and 1.1.2017 - 31.12.2017 and the issue of a tax compliance certificate is no longer required by the Company's statutory auditor.

As for the year 2017, the Company is under the tax audit of Chartered Accountants which is provided for in Article 65A of Law 4174/2013. This audit is ongoing and the relevant tax compliance report is expected to be granted after the financial statements on the year ended 31 December 2017 are published. We estimate that the audit result will not have a significant effect on the financial statements.

In addition, based on risk analysis criteria, the Greek tax authorities may select the Company for tax audit in the context of audits conducted to companies that have received tax compliance certificates upon agreement of the chartered auditor. In this case, Greek tax authorities are entitled to audit the years they will choose in tax terms, taking into account the work for the issue of such tax compliance certificate. The Company has not received any order for audit of unaudited years by the tax authorities. The Company does not expect any additional taxes or surcharges from the audit of Greek tax authorities.

The Company makes a provision for additional taxes based on the findings of previous tax audits from the tax authorities.

32) Contingent liabilities

(a) The Company has contingent liabilities related to bank guarantees, issued in its ordinary course of business. The said contingent liabilities are shown below:

Amounts in Euro

Liabilities	2017	2016
Guarantees to secure its liabilities to suppliers	5,607,915	5,069,370
Guarantees to secure good performance of contracts with customers	15,523,725	21,980,111
Total	**21,131,640**	**27,049,482**

(b) The cases in court or under arbitration that are pending at the balance sheet date are shown below:

Amounts in Euro	2017	2016
Other lawsuits	143,622	143,622
Total	**143,622**	**143,622**

The Company, in case of negative result of the above cases, has formed a provision of a total amount of EUR 137,753 as at December 31st, 2017 and 2016.

The total amount of provisions that has been formed is deemed sufficient and no additional burden is expected to arise.

c) On 31/12/2017, there were pending lawsuits against third parties. It is impossible to reach a reliable estimation of future financial benefits from a positive outcome of the said cases.

33) Related party transactions

The Company is controlled at 100% by CENERGY S.A. and the ultimate parent company is VIOHALCO SA/NV, both established in Belgium.

The following transactions are with related parties:

i) Sales

Amounts in Euro	1/1 - 31/12/2017	1/1 - 31/12/2016*
Sale of goods		
Subsidiaries	71,062,145	52,530,172
Other related parties	7,032,094	6,625,873
Total	**78,094,239**	**59,156,045**
Sale of services		
Other related parties	539,147	477,171
Total	**539,147**	**477,171**
Sale of property, plant and equipment		
Other related parties	271	-
Total	**271**	**-**
Income from dividends		
Subsidiaries	-	2,947,462
Total	**-**	**2,947,462**

ii) Purchases

Amounts in Euro	1/1 - 31/12/2017	1/1 - 31/12/2016*
Purchase of goods		
Other related parties	402,668	1,004,430
Total	**402,668**	**1,004,430**
Purchase of services		
Subsidiaries	120,253	240,241
Other related parties	6,035,329	3,568,387
Total	**6,155,583**	**3,808,628**
Purchase of property, plant and equipment		
Other related parties	70,423	202,239
Total	**70,423**	**202,239**

iii) Fees to members of the Board of Directors and Management compensation

Amounts in Euro	31/12/2017	31/12/2016
Fees	866,668	332,438

iv) Balances at year end from sales and purchases of Goods, Services and Property, plant and Equipment

Amounts in Euro	31/12/2017	31/12/2016*
Receivables from related parties:		
Subsidiaries	12,647,834	33,953,102
Subsidiaries, contracts under execution	17,677,229	-
Other related parties	19,945,758	16,916,690
Long term liabilities related to land contribution in associated company	3,603,024	3,603,024
Total	**53,873,845**	**54,472,816**
Payables to related parties:		
Subsidiaries	172,319	64,462
Other related parties	5,445,791	5,473,132
Total	**5,618,110**	**5,537,594**

Other related parties are subsidiaries of Viohalco Group.

Amounts payable and receivable to and from affiliated entities do not have specific settlement terms and are non-interest bearing.

Amounts payable are related to purchase of goods and services.

* The Company has early adopted IFRS 15 “Receivables from contracts with customers” as of January 1st, 2017 using the cumulative effect method. According to this method the comparative information has not been reformed (see Note 4).

34) Other short-term financial obligations

Amounts in Euro	
Balance 01/01/2016	**-**
Additions	67.220.291
Repayments of short term financing liabilities	(42,294,751)
Balance 31/12/2016	**24,925,540**
Additions	49,202,640
Repayments of short term financing liabilities	(50,243,789)
Balance 31/12/2017	**23,884,391**

During 2017 the Company proceeded to a Factoring financing contract and received the amount of EUR 49,202,640 (2016: EUR 67,220,291) while the repayments amounted to EUR 50,243,789 (2016: EUR 42,294,751).

During 2017 the said liabilities are denominated in Euro and USD, and the period until the cash inflow is non-interest bearing.

The interest is calculated based on a floating rate equal to the prevailing factoring rate (3 month Euribor plus spread for the amount in EUR and 3 month Libor plus spread for the amount in USD).

35) Unaudited fiscal years

Fiscal years 2012 to 2016 have not been audited in tax terms by Greek tax authorities. No tax compliance certificates have been issued for that period by the statutory auditor who was elected as per Codified Law 2190/1920 because the Company did not qualify for audit during 2012-2015, while for 2016, pursuant to circular No.1034/2016, major changes were brought to the annual tax certificate issued by statutory auditors and audit firms. As a result, the provisions of article 65a of Law 4174/2013 were amended in regard to fiscal years 1.1.2016 - 31.12.2016 and 1.1.2017 - 31.12.2017 and the issue of a tax compliance certificate is no longer required by the Company's statutory auditor.

As for the year 2017, the Company is under the tax audit of Chartered Accountants which is provided for in Article 65A of Law 4174/2013. This audit is ongoing and the relevant tax compliance report is expected to be granted after the financial statements on the year ended 31 December 2017 are published. We estimate that the audit result will not have a significant effect on the Financial Statements.

In addition, based on risk analysis criteria, the Greek tax authorities may select the Company for tax audit in the context of audits conducted to companies that have received tax compliance certificates upon agreement of the chartered auditor. In this case, Greek tax authorities are entitled to audit the years they will choose in tax terms, taking into account the work for the issue of such tax compliance certificate. The Company has not received any order for audit of unaudited years by the tax authorities. The Company does not expect any additional taxes or surcharges from the audit of Greek tax authorities.

The Company makes a provision for additional taxes based on the findings of previous tax audits from the tax authorities.

36) Auditor’s fees

For the year 2017, the auditor’s fees, related to the Company’s annual audit and interim review of financial statements as well as for the tax certificate, amounted to EUR 108,000 (2016: EUR 130,950).

37) Subsequent events

At the beginning of 2018, an anti-dumping duty (AD) investigation of large diameter welded pipe (nominal diameter above 16.4”) against Greece and five other countries (Canada, China, India, Korea and Turkey) was initiated by the U.S. Department of Commerce based on petitions filed by six U.S. producers. Subsequently as a result of the above petitions, the United States International Trade Commission (USITC) determined affirmatively that there is a

reasonable indication of material injury to the domestic U.S. industry by reason of imports of large diameter welded pipe from Canada, China, India, Korea and Turkey. For imports of large diameter welded pipe from Greece the USITC determined that there is a reasonable indication of threat of material injury to the domestic U.S. industry. The Company, is actively participating in the AD investigation as the sole producer of large diameter welded pipe in Greece. Furthermore, it is mentioned that in the ordinary course of things the antidumping investigations are normally lengthy, taking more than eight months to complete.

On March 8th, 2018, the US administration exercised its authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25% tariff on steel imports and a 10% tariff on aluminum imports in United States of America, with exemptions for Canada and Mexico. Based on these proclamations US Customs and Border Protection will begin collecting the applicable tariffs on March 23rd, 2018. On March 18th, 2018, the U.S. Department of Commerce (DOC) announced the process for submission of requests for products exclusion from the tariffs on steel and aluminum product imports. The DOC published the procedures in the Federal Register and started accepting exclusion requests from U.S. industry on March 19th, 2018. On March 22nd, 2018 the Section 232 tariffs on steel and aluminum imports from certain countries including the member countries of the European Union were suspended until May 31st, 2018 pending ongoing discussions regarding measures to reduce global excess capacity in steel and aluminum production. Finally, on June 1st, 2018 the US administration decided to impose the 25% tariff on steel imports and 10% tariff on aluminum imports in United States of America from European Union.

The Company is closely monitoring the situation and the new market conditions, as it does on a regular basis, since it is an established supplier in the US steel pipes market. It is noted that the Company mainly supplies products to its US customers that cannot be manufactured in the US, such as 26-inch pipelines. The Company has already initiated all actions required in cooperation with its US customers in order for them to obtain relief from the tariffs on imports of steel pipes since the products sold in the US market by the Company are customized unique products which are not produced by local US pipe mills.

Despite the uncertainty surrounding the steel market today, based on the current assessment of available information, the above facts will have limited impact on the Company’s, financial results, due to the actions undertaken in order to secure Company’s financial position and mitigate any potential adverse effects.

There are no other subsequent events affecting the Financial Statements.

Persons responsible for the preparation of the annual financial report

It is certified that these Financial Statements for the fiscal year ended December 31st, 2017 as well as the accompanied notes have been approved by the Company's Board of Directors on August 1st, 2018. Responsible persons for the preparation and correctness of the data included in these Financial Statements for the fiscal year ended December 31st, 2017 as well as the accompanying notes are: Mr. Fikioris Meletios, Chairman of the Board, Mr. Stavropoulos Ioannis, Executive member of the Board, Mr. Papavasileiou Apostolos, Chief Executive Officer, Mr. Papadimitriou Ioannis Dimitrios, Chief Financial Officer, Mr. Koumpis Pavlos, Accounting Manager.

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS.	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE ACCOUNTING MANAGER
FIKIORIS MELETIOS	STAVROPOULOS IOANNIS	PAPAVASILEIOU APOSTOLOS	PAPADIMITRIOU IOANNIS DIMITRIOS	KOUMPIS PAVLOS
ID number: AK 511386	ID number: AN 087212	ID number: AI 666035	ID number: AA 035130	ID number: AB 589945

C. Independent Auditor's Report

[Translation from the original text in Greek]

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153 42 Athens, Greece
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To the Shareholders of CORINTH PIPEWORKS PIPE INDUSTRY S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of CORINTH PIPEWORKS PIPE INDUSTRY S.A. (the "Company") which comprise the Statement of Financial Position as at 31 December 2017, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of CORINTH PIPEWORKS PIPE INDUSTRY S.A. as at 31 December 2017 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and comply with the regulatory requirements of C.L. 2190/1920.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the ethical requirements that are relevant to our audit of the financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and the relative regulatory requirements of C.L. 2190/1920, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Management is responsible for the preparation of the Board of Directors' Report in accordance with the provisions of Article 43a of C.L. 2190/1920. Pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable requirements of Article 43a of C.L. 2190/1920 and its contents correspond with the Financial Statements for the year ended 31 December 2017.

(b) Based on the knowledge acquired during our audit, relating to the Company and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 2 August 2018

KPMG Certified Auditors SA

AM SOEL 114

Nick Vouniseas, Certified Auditor Accountant

AM SOEL 18701