CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31 2018

According to the International Financial Reporting Standards

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General Commercial Registry No. 003978301000

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A. Annual Report by the Board of Directors

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

ANNUAL REPORT BY THE BOARD OF DIRECTORS OF "CORINTH PIPEWORKS PIPE INDUSTRY S.A." ON THE COMPANY'S AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2018

Dear Shareholders,

In the context of the provisions of Law 2190/1920 as replaced by Law 4548/2018 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 2018, namely the period from 1 January 2018 to 31 December 2018.

The Company has a 100% participation in Warsaw Tubulars Trading Sp. Z.o.o. which is established in Poland (thereon "WTT"). WTT has a 100% participation in one subsidiary, namely CPW America Co. which is established in Houston, Texas US. The Company also holds a 21,75% participation in one associate company namely DIAVIPETHIV S.A. The above participations form "CPW Group" or the "Group". These Financial Statements present both the Company's and the Group's figures.

1. Development, performance and position of the Company and the Group

a. General remarks

The Company celebrated its 50th anniversary in 2018 with record sales and production output, demonstrating resilience in volatile market conditions characterised by intense competition. Specifically, sales for the Group in 2018 were up by 11% year-on-year and production reached approximately 450.000 tons. Group's growth prospects remained unaffected by strong protectionist measures, such as the antidumping investigation and the tariffs in the USA. The Group leveraged its strong reputation and focused strategy to remain at the forefront of technological innovation in the sector, allowing Group to not only maintain its position as a top-quality producer, but also increase its market share.

b. Significant events in 2018

2018 was also an important milestone as the Company was awarded its first deep sea offshore pipes project, for which production has now commenced. Karish is a strategic project in the south-eastern Mediterranean at a maximum depth of 1,750m. It is a highly demanding project that only a few companies worldwide could accomplish.

During the year, it also successfully manufactured steel pipes for the Balticconnector offshore project, a 77 km offshore pipeline from Finland to Estonia and one of the biggest within the Baltic region. The Company also manufactured and supplied steel pipes for two major oil pipeline projects in North America, both constructed by the US entity Plains All American: the Cactus II pipeline (750 km) and a pipeline from Wink to McCamey (127 Km), in the state of Texas, US.

At the same time, the Group was able to re-establish its presence in the North African market with the supply of pipes for a gas pipeline project in Algeria, and to further increase its presence in Europe, with the implementation of a series of projects, mainly in Italy and Poland.

The Group's market position was further reinforced by qualifications received from major companies in the energy sector, including BP, Shell and Technip, as well as the manufacture of products for new applications, such as HFI pipes for reel-lay applications and LSAW pipes for offshore projects. In conjunction with the addition of the concrete weight coating facility in Corinth Pipeworks' plant, these achievements gave the Group a distinct competitive advantage with respect to offshore projects.

c. Financial performance and data

Remarks on Results and the progress of operations

Group's revenue amounted to EUR 475 million in 2018, a 11% increase year-on-year (2017: EUR 427 million). Gross profit amounted to EUR 30,9 million in 2018, a 16% increase compared to 2017 (EUR 26,6 million), mainly driven by the different mix

of energy projects undertaken by Corinth Pipeworks. Gross Profit margin for the Group decreased slightly from 7,9% in 2018 to 6,5% on 2017, while adjusted EBITDA (Earnings before Interest, Taxes, Depreciation & Amortization, thereon “a-EBITDA”) increased by 12% to EUR 27,4 million compared to 2017 (EUR 24,4 million).

In 2018, Profits before tax for the Group amounted to EUR 6,7 million, compared to losses before tax of EUR 4,3 million in 2017, an increase of EUR 11mil. The Company achieved Profits before tax of EUR 1 million, compared to losses before tax of EUR 4,9 million in 2017, an increase of EUR 5,9mil.

This increase in Profits before tax is mainly attributable to the exceptional impairment loss on Company’s and Group’s receivables of EUR 8.9 million that took place in 2017, when the respective figure for 2018 is EUR 0,05mil. It is also attributed to the different mix of projects undertaken by the Group.

Net debt of the Group increased by EUR 57,8 million to EUR 183 million mainly driven by Company’s increased needs in working capital for the performance of the ongoing projects at December 31 2018.

The following tables illustrate the evolution of the key financial ratios for the Group and the Company:

Group

Liquidity ratios	2018	2017
Current assets / Current liabilities	1,10	1,03

Leverage ratios	2018	2017
Equity/ Total assets	30%	32%
Equity/ Net debt	0,78	1,09
Net debt / a-EBITDA	6,67	5,12

Profitability ratio	2018	2017
a-EBITDA / Sales	6%	6%

Company

Liquidity ratios	2018	2017
Current assets / Current liabilities	1,07	1,01

Leverage ratios	2018	2017
Equity/ Total assets	29%	32%
Equity/ Net debt	0,65	1,04
Net debt / a-EBITDA	9,76	5,61

Profitability ratio	2018	2017
a-EBITDA / Sales	5%	7%

Remarks on the Statement of Financial Position

During 2018, the Group reprofiled EUR 25,1 million of debt allowing the Group to keep its net finance costs virtually unchanged at EUR 9,9 million (2017: EUR 10,8 million), despite the 46,1% higher net debt on December 31, 2018 driven by i) the capital expenditure program implemented during 2018 and ii) higher working capital related to record sales and ongoing projects as at

December 31, 2018.

During 2018, the Group invested EUR 6.2 million in 2018 relating mainly to the expansion and improvement of Corinth Pipeworks' warehouses and the upgrade of its production equipment.

d. Market information – Economic environment

Despite the ongoing macroeconomic concerns, such as the exit of United Kingdom from the EU (thereon "Brexit"), trade tariffs worldwide and the unpredictable nature of oil and natural gas price fluctuations, we expect that actions and initiatives undertaken to secure the Group's competitive and financial position will mitigate any adverse effect. The Group continues to be well placed to take advantage of improving market conditions in the energy sector and to further its ambitions to become world leader in energy transfer solutions.

The Group, through its subsidiary Corinth Pipeworks, is becoming 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 years ahead.

2. Outlook for 2019

Looking ahead to 2019, the increased level of protectionism in countries until recently committed to fair trade has increased the level of uncertainty in the market. Both the USA and the European Union have decided to take actions to protect their local markets, by imposing duties and import quotas on steel products. Despite these developments, Group remains focused on achieving revenue growth through its penetration into geographical and product markets. The solid backlog of orders from 2018 and new orders secured for the supply of pipes in both offshore and onshore pipeline projects worldwide, give rise to cautious optimism for the coming year.

3. Main risks and uncertainties

The Group's risk management policies are designed and implemented in order to recognize and analyze risks faced by the Group and to set risk assumption limits and implement checks and controls relating to them. The risk management policies and relevant systems are reviewed on a periodic basis to take into account any changes in the market and Group's activities.
The implementation of risk management policies and procedures is supervised by the Internal Audit department of Viohalco Group which performs ordinary and extraordinary audits relating to the implementation of procedures, whereas the results of such audits are notified to the Board of Directors.

3.1 Credit risk

Credit risk concerns the risk of incurred losses for the Group and the Company in case a client or other third party involved in a transaction including a financial instrument fails to fulfil its obligations according to the terms and conditions laid down in the relevant contract. Credit risk is mainly associated with receivables from customers.

Trade and other receivables

The Group 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. Receivables from clients established in Greece are a small percentage of the trade receivables of the Group, therefore there is limited exposure in revoked or delayed payments.

Considering that the nature of Group's activity mostly concerns clients established outside Greece, and 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 Group's activities.

3.2 Liquidity Risk

Liquidity risk is the risk that the Group may not be able to fulfill its financial obligations when these mature. The approach adopted by the Group for liquidity risk management is to ensure, by holding the necessary cash and cash equivalents and adequate credit

limits from the cooperating banks, that it will always have sufficient liquidity to meet its obligations when they expire under normal but also difficult conditions, without incurring unacceptable damage or jeopardizing Group 's reputation. The Group keeps most of its cash reserves deposited in systemic financial institutions in Greece and the US.

In addition, liquidity risk management requires the provision of cash and the ability to finance the projects undertaken by the Group through sufficient credit limits. Due to the different working capital needs of each project, the Group 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 Group estimates that the refinance of the short term loans will continue in the future if necessary.

3.3 Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affects Group ‘s results or the value of its financial instruments. Market risk management is aimed at controlling the exposure of the Group to such risks within a framework of acceptable parameters, in parallel with optimization of performance. The Group uses transactions on derivative financial instruments in order to hedge part of market risks.

3.3.1 Foreign exchange rate risk

The Group is exposed to foreign exchange risk in connection with its sales and purchases. The currency used for such transactions is mainly the US dollar. Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group mainly enters into foreign currency futures with its foreign counterparties in order to hedge the risk of exchange rate changes, which primarily mature in less than one year from the Financial Statements date. When necessary, such futures are renewed upon expiry.

3.3.2 Interest rate risk

The Group’s interest rate risk arises from Corinth Pipeworks’s 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 2018 and 2017 Company’s total borrowings were at variable interest rate (Euribor plus spread) and denominated in Euros.

3.3.3 Macroeconomic environment

The Group closely monitors and evaluates on a continuous basis the developments in the international and domestic environment and timely adapts its business strategy and risk management policies in order to minimize the impact of the macroeconomic conditions on its operations.

This includes, the uncertainty surrounding the effect of the exit of United Kingdom from the European Union (Brexit), including changes to the legal and regulatory framework that apply to the United Kingdom and its relationship with the European Union, as well as new and proposed changes affecting tax laws and trade policy in the U.S.A.

Concerning potential implications from the Brexit, the Group is closely monitoring relevant developments and taking measures to mitigate any disruption. The lack of progress in Brexit negotiations raises the risk of a disruptive exit with possible consequences including the imposition of potential trade barriers and custom duties. Group however does not expect its financial position to be significantly vulnerable with regard to the Brexit. Exports to the United Kingdom accounted for approximately 14% of total revenues for 2018 while most of Group’s direct competitors operate within the Eurozone. Thus, it is likely they will react to currency fluctuations accordingly. Based on the analysis performed up to date, Brexit is not expected to have any material adverse effect on the operations of the Group.

Regarding duties imposed on imports of steel products in the U.S.A., the Group closely monitors developments and keeps stakeholders constantly informed through press releases, whenever such communication is deemed necessary. Moreover, it is worth noting that the local production of steel pipes for the type of pipes imported in the US market is neither sufficient in quantities nor similar in quality. This acts as a containment to any negative effects the imposition of tariffs may have. The Goup anticipates that it will remain competitive against local producers and other importers of large diameter pipes, due to strong demand in the

USA (increased number of new pipeline projects), the duties being imposed also on its competitors and the high quality of products and services offered to its U.S. customers.

Finally, the macroeconomic and financial environment in Greece, where the Corinth Pipeworks is located, is showing clear signs of improvement. The capital controls that are in force in Greece since June 2015 have been further loosened, but still remain in place until the date of approval of the financial statements and they have not prevented the Company to continue its operational activities. Cash flows from operational activities have not been disrupted. During 2018, Greece officially exited from the third bailout program that began in 2015 and its credit rating was upgraded by Standard & Poor's (from 'B' to 'B+'). Nevertheless, management constantly assesses any new development in the Greek economy and its possible implications on Group's activities in order to ensure that all necessary and effective measures and actions are timely taken in order to minimize any impact. The Group's strong customer basis outside Greece (more than 90% of revenue) minimizes the liquidity risk which may arise from any remaining uncertainty of the economic environment in Greece.

3.4 Operational risk

Most of the operational risks of the Group relate to keeping operations of Corinth Pipeworks's production plant in Greece undisrupted and ensure they are not affected by the existing capital controls. To this end, Corinth Pipeworks keeps most of the its cash reserves in systemic Greek banks ensuring they are always available for the repayment of its suppliers and employees. In addition, Corinth Pipeworks 's exposure to the risks of local market 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.

3.5 Business risk

The Group 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 Group. 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 variable cost for the Group, has been extremely volatile in the last years. Even though the Group 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. Group's facilities and branches

The Group, through its wholly owned subsidiary Corinth Pipeworks privately owns a production plant located in the industrial area of Thisvi in the residence of Voiotia, on a total surface of 496,790 sq.m.

Corinth Pipeworks has the following branches:

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

5. Subsequent events after 31 December 2018

On February 21st, 2019, the U.S. Department of Commerce (the 'DoC') announced its affirmative final determinations in the antidumping duty investigations initiated in early 2018 on imports of large diameter welded pipe (thereon "LDW") from Canada, Greece, Korea and Turkey. Similar determinations about imports from China and India were announced in December 2018. In the Greece investigation, the DoC assigned an antidumping duty rate of 9.96% for the pipes produced by Corinth Pipeworks and sold to US through its subsidiary CPW America Co.

On April 16, 2019 the U.S. International Trade Commission (the "ITC") completed and filed its injury determinations in the

antidumping and countervailing duty investigations concerning LDW pipes from Canada, Greece, Korea and Turkey.

The ITC ruled that LDW structural pipe imports from Greece do not cause and are not a threat to cause material injury to the U.S. industry. Therefore, structural pipe from Greece will not be covered by the antidumping duty ("AD") order to be issued by the DoC.

As far as imports of LDW steel line pipe from Greece are concerned, the DoC will issue an AD order which will impose a tariff of 10,26%. Imports of LDW line pipes from Greece, which were entered prior to the publication date of DoC dumping order, will not be assessed dumping duties – hence, any deposited preliminary dumping duties will be refunded.

Management considers that there will be no material impact on the Group's financial performance for 2019 from the above final determination of ITC, and the Group through its subsidiary Corinth Pipeworks, will remain competitive versus other importers, as well as local producers of Large Diameter pipes, thanks to the prevailing market conditions in USA (increased number of new pipeline projects) and the high quality of products and services offered to its US customers.

There are no other subsequent events occurred after the date of these Consolidated Financial Statements which are required to be disclosed to or be adjusted therein.

6. *Non-financial information*

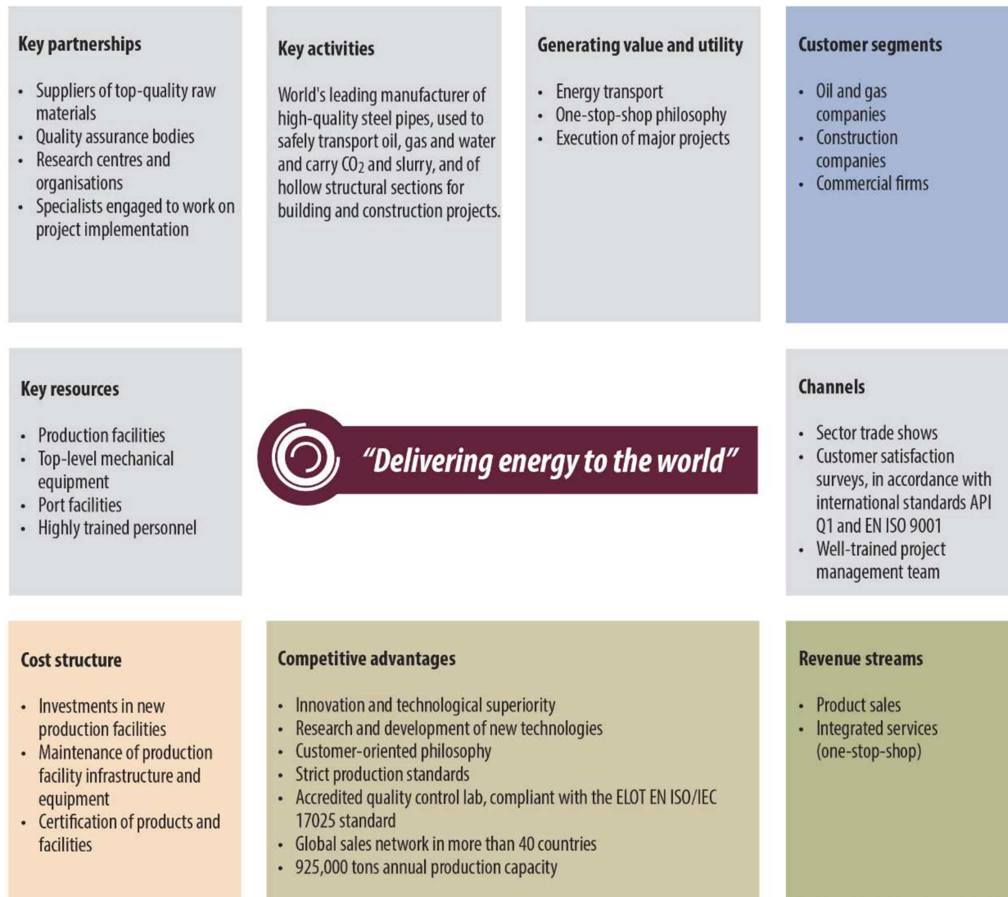
The following section set forth the non-financial information and relative policies, actions and programs for the Company.

The principles of Sustainable Development are an integral part of the philosophy that guides the way in which the Company conducts business, and that 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, the Company 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, 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 matters

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

Key indicators of Human Resources

	2018	2017
Number of employees	489	461
% of women on total number of employees	8.6%	8.5%
Employee turnover*	5%	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.*

Key elements of Human Resources

The Company seeks to recruit, develop and retain the most competent individuals so as to ensure that business goals and priorities are achieved.

Employees' continuous development of knowledge and skills is the foundation on which the Company relies for its development. In this direction, the Company makes systematic investments in the training of its human resources, focusing on the implementation of a number of training seminars and courses, in order to enhance the employees' knowledge and skills, in all posts and ranks.

Personnel profile per gender, age and seniority

Aging profile of personnel	18 - 30	30-50	51+
Male	30	312	105
Female	4	36	2
Total	**34**	**348**	**107**

Seniority level	Men	Women	Total
Senior executives	12	1	13
Managers	32	6	38
Employees Foremen and workers	403	35	438
Total	**447**	**42**	**489**

Training indicators per gender and rank

Steel Pipes 2018	Total training hours			Average training hours per category of employees		
	Men	Women	Total	Men	Women	Total
Senior executives	646	40	686	53,8	40	52,8
Managers	4.266	573	4.839	133,3	95,5	127,3
Employees Foremen and workers	4.259	135	4.394	11	4	10
Total	**9.171**	**748**	**9.919**	**20,5**	**17,8**	**20,3**

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.

Company’s belief is that innovation processes play a key role in creating and maintaining Company’s competitive edge. This 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. Never in the history of the Company have been identified cases of child labor or forced labor, nor there was any case of human rights violations. This results from the policies, procedures and control mechanisms that are in place and are implemented by the Company.

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 2018, the application of holistic 5S was achieved in all areas of the Company's production facilities, and improved substantially the working practices.

During 2018, 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 facilities in Thisvi, Viotia. A total of 3.938 training hours were provided to more than 250 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, the Company uses internationally applicable indicators.

Health and safety KPI's	*2018*	*2017*
Incidents frequency rate (LTIR)	3.4	3.3
Incidents severity rate (SR)	118	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, the Company 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 business 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 service providers. 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, regularly audited by the internal audit department, have been developed, while a corruption and bribery prevention policy has been 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” and is also an active member of the “Business Integrity Forum” (“BIF”), an initiative deployed by “Transparency International Greece”. BIF’s aim is to create a network with the participation of member companies that publicly declare their commitment to operate in transparency, by adopting specific policies of good governance. BIF is coordinated by “Transparency International Greece”.

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, the Company categorizes 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.

The Company 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 2018, a total of 1063 hours of education on environmental issues took place, with more than 200 participants.

In 2018, the Company's total CO2 emissions amounted to approx. 81 kg per ton of product, increased by 9.5% compared to the previous year. This is due to the increased operating time of the backup power generators resulted from an extraordinary defect of the power supplying grid of our plant in Thisvi.

Environmental indicators	***2018***	***2017***
CO2 emissions (kgr CO2/ product ton)	81.51	74.44
Water consumption (m3/product ton)	0.24	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 0,62497 kgr CO_2/KWh of 2017 (source: European Residual Mixes 2017, AIB, Greece)*

<u>Lighting upgrade in production facilities</u>

In 2018, Corinth Pipeworks upgraded perimeter lighting of facilities aiming both to reduce electricity consumption and to improve

lighting conditions. More specifically, conventional lights have been changed with LED lights. Energy savings percentage was greater than 60%, while the measurements of lighting had improved by 30%. 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 that the Company faces are environmental risks and risks related to occupational health and safety. Managing these risks is considered a very important task by Company's 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 Board of Directors) 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) that Management has set.

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

Athens, June 24, 2019

The Chairman of the Board of Directors
Meletios Fikioris

B. Annual Consolidated Financial Statements

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CORINTH PIPEWORKS
P I P E I N D U S T R Y S.A.

Consolidated Statement of Financial Position

(Amounts in Euro)		GROUP		COMPANY	
		2018	**2017**	**2018**	**2017**
ASSETS	**Note**				
Property, plant and equipment	6	175.839.241	179.359.750	176.130.547	179.654.299
Intangible assets	7	562.971	144.228	548.878	144.228
Investments in associated companies	9	1.114.467	1.090.239	1.073.950	1.073.950
Investments in subsidiaries	8	-	-	593.455	593.455
Other Investments		11.337	10.537	11.337	10.537
Deferred tax assets		9.689	23.362	-	-
Trade and other receivables	12	1.088.691	1.397.716	1.034.114	1.397.716
Non-current assets		**178.626.395**	**182.025.832**	**179.392.280**	**182.874.185**
Inventories	11	113.521.476	87.562.540	109.278.624	87.165.997
Trade and other receivables	12	86.395.709	56.654.655	120.566.600	60.276.709
Contract assets	22	69.454.752	38.547.376	40.336.970	28.000.038
Contract costs	22	366.111	-	366.111	-
Derivatives	13	654.359	1.057.503	654.359	1.057.503
Cash and cash equivalents	14	34.665.804	58.170.543	13.044.227	55.345.808
Current Assets		**305.058.210**	**241.992.616**	**284.246.891**	**231.846.056**
Total Assets		**483.684.606**	**424.018.448**	**463.639.171**	**414.720.240**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	78.306.301	78.306.301	78.306.301	78.306.301
Reserves	16	44.480.254	45.371.773	44.233.950	45.698.894
Profits/(losses) carried forward		20.116.959	12.922.198	11.385.139	8.833.415
Total equity		**142.903.514**	**136.600.273**	**133.925.389**	**132.838.610**
LIABILITIES					
Loans and Borrowings	17	50.618.046	36.287.140	50.618.046	36.287.140
Deferred tax liabilities	18	11.777.173	14.012.585	11.779.005	13.977.798
Employee benefits	19	1.729.465	1.713.177	1.729.465	1.713.177
Provisions	20	97.934	137.753	97.934	137.753
Non-current liabilities		**64.222.619**	**52.150.655**	**64.224.451**	**52.115.868**
Trade and other payables	21	101.873.711	84.116.075	90.804.568	78.614.316
Contract liabilities	22	3.200.000	2.981.858	3.200.000	2.981.858
Loans and Borrowings	17	167.069.764	147.118.945	167.069.764	147.118.945
Derivatives	13	4.414.999	1.050.644	4.414.999	1.050.644
Current liabilities		**276.558.473**	**235.267.521**	**265.489.331**	**229.765.762**
Total liabilities		**340.781.092**	**287.418.175**	**329.713.782**	**281.881.630**
Total equity and liabilities		**483.684.606**	**424.018.448**	**463.639.171**	**414.720.240**

The notes on pages 24 to 88 constitute an integral part of these Financial Statements.

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Amounts in Euro)		GROUP		COMPANY	
	Note	**2018**	**2017**	**2018**	**2017**
Revenue	22	475.301.888	335.985.153	427.514.204	326.117.922
Cost of sales	23	(444.344.698)	(309.321.460)	(406.947.086)	(302.347.790)
Gross profit		**30.957.190**	**26.663.693**	**20.567.118**	**23.770.133**
Other Income	25	1.910.575	1.059.749	1.910.575	1.059.748
Selling and Distribution expenses	23	(9.138.062)	(5.947.037)	(4.421.324)	(3.721.804)
Administrative expenses	23	(6.884.403)	(6.362.360)	(6.887.905)	(6.275.246)
Impairment loss on receivables and contract assets		(50.704)	(8.890.669)	(50.704)	(8.890.668)
Other Expenses	26	(191.497)	-	(190.400)	-
Operating profit		**16.603.099**	**6.523.376**	**10.927.360**	**5.942.164**
Finance Income	27	306.823	93.686	305.647	93.656
Finance Costs	28	(10.227.773)	(10.977.021)	(10.227.767)	(10.966.481)
Share of profit of equity-accounted investees	9	24.227	16.289	-	-
Profit/(Loss) before tax		**6.706.376**	**(4.343.670)**	**1.005.240**	**(4.930.660)**
Income tax expense	18	507.655	4.873.706	1.592.238	5.046.875
Profit/(Loss) after tax		**7.214.031**	**530.036**	**2.597.478**	**116.214**
Other comprehensive income					
Items that will never be reclassified to profit or loss:					
Remeasurements of defined benefit liability		46.152	(150.090)	46.152	(150.090)
Related tax		(23.944)	43.526	(23.944)	43.526
		22.208	**(106.564)**	**22.208**	**(106.564)**
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences		573.427	(947.031)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion		(2.034.645)	-	(2.034.645)	-
Other movements		26.484	-	-	-
Related tax		569.701	-	569.701	-
		(865.034)	**(947.031)**	**(1.464.944)**	**-**
Other comprehensive income after tax		**(842.826)**	**(1.053.595)**	**(1.442.736)**	**(106.564)**
Total comprehensive income after tax		**6.371.205**	**(523.559)**	**1.154.742**	**9.650**

The notes on pages 24 to 88 constitute an integral part of these Financial Statements.

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

Consolidated Statement of Changes in Equity

GROUP

(Amounts in Euro)	Share capital	Reserves	Results carried forward	Translation reserve	Total Equity
Balance as at 1 January 2017	**78.306.301**	**45.698.895**	**12.365.664**	**619.911**	**136.990.771**
Change in accounting policy (1)	-	-	133.062	-	133.062
Balance as at 1 January 2017 (restated)	**78.306.301**	**45.698.895**	**12.498.726**	**619.911**	**137.123.833**
Other comprehensive income, net of taxes	-	-	(106.564)	-	(106.564)
Net profit/(loss) of the period	-	-	530.036	-	530.036
Foreign Exchange differences	-	-	-	(947.031)	(947.031)
Total comprehensive income	**-**	**-**	**423.472**	**(947.031)**	**(523.559)**
Balance as at 31 December 2017	**78.306.301**	**45.698.895**	**12.922.198**	**(327.122)**	**136.600.273**
Balance as at 1 January 2018	**78.306.301**	**45.698.895**	**12.922.198**	**(327.122)**	**136.600.273**
Other comprehensive income, net of taxes	-	(1.464.944)	48.692	-	(1.416.252)
Net profit/(loss) of the period	-	-	7.214.031	-	7.214.031
Foreign Exchange differences	-	-	-	573.427	573.427
Total comprehensive income	**-**	**(1.464.944)**	**7.262.723**	**573.427**	**6.371.205**
<u>Transactions with owners of the company</u>					
Change in accounting policy (2)	-	-	(67.963)	-	(67.963)
Total transactions with owners of the company	**-**	**-**	**(67.963)**	**-**	**(67.963)**
Balance as at 31 December 2018	**78.306.301**	**44.233.950**	**20.116.958**	**246.304**	**142.903.513**

(1) Group has early adopted IFRS 15 “Revenue from Contracts with Customers” effective January 1st 2017, following the Cumulative Effect Method.
(2) Group has adopted IFRS 9 “Financial Instruments”, effective January 1 2018. Comparative figures were not restated in line with the provisions of transition method elected by the Group (see Note 5).

The notes on pages 24 to 88 constitute an integral part of these Financial Statements.

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

COMPANY

(Amounts in Euro)	Share capital	Reserves	Results carried forward	Total Equity
Balance as at 1 January 2017	**78.306.301**	**45.698.894**	**8.690.702**	**132.695.898**
Change in accounting policy (1)	-	-	133.062	133.062
Balance as at 1 January 2017 (restated)	**78.306.301**	**45.698.894**	**8.823.764**	**132.828.960**
Other comprehensive income, net of taxes		-	(106.564)	(106.564)
Net profit/(loss) of the period			116.214	116.214
Total comprehensive income	**-**	**-**	**9.651**	**9.650**
Balance as at 31 December 2017	**78.306.301**	**45.698.894**	**8.833.415**	**132.838.610**
Balance as at 1 January 2018	**78.306.301**	**45.698.894**	**8.833.415**	**132.838.610**
Total comprehensive income				
Other comprehensive income, net of taxes	-	(1.464.944)	22.208	(1.442.736)
Net profit/(loss) of the period	-	-	2.597.478	2.597.479
Total comprehensive income	**-**	**(1.464.944)**	**2.619.686**	**1.154.742**
Transactions with owners of the company				
Change in accounting policy (1)	-	-	(67.962)	(67.962)
Total transactions with owners of the company	**-**	**-**	**(67.962)**	**(67.962)**
Balance as at 31 December 2018	**78.306.301**	**44.233.950**	**11.385.139**	**133.925.389**

(1) Company has early adopted IFRS 15 “Revenue from Contracts with Customers” effective January 1st 2017, following the Cumulative Effect Method.
(2) Company has adopted IFRS 9 “Financial Instruments”, effective January 1 2018. Comparative figures were not restated in line with the provisions of transition method elected by the Group (see Note 5).

The notes on pages 24 to 88 constitute an integral part of these Financial Statements.

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

Consolidated Statement of Cash Flows

(Amounts in Euro)		GROUP		COMPANY	
	Note	2018	2017	2018	2017
Cash flows from operating activities:					
Profit / (loss) after taxes		7.214.031	530.037	2.597.479	116.214
Adjustments for:					
Income tax		(507.655)	(4.873.706)	(1.592.238)	(5.046.875)
Depreciation of tangible assets		9.214.565	9.111.382	9.222.985	9.106.699
Depreciation of intangible assets		95.693	36.057	82.545	36.057
Finance Income		(305.650)	(93.686)	(305.647)	(93.656)
Share of profit of equity-accounted investees		(24.227)	(16.289)	-	-
Interest charges & related expenses		10.227.767	10.977.021	10.227.767	10.966.481
(Profit) / loss from sale of tangible assets		(19.064)	(811)	(20.161)	(811)
(Profit) / loss from derivatives valuation		1.732.854	2.905.077	1.732.854	2.905.077
(Gains)/ losses from foreign exchange differences		189.369	-	189.369	-
Impairment of inventories		173.373	216.901	173.373	216.901
Impairment/ (Reversal of Impairment) of receivables		73.325	8.890.668	50.704	8.890.668
Decrease / (increase) in inventories		(25.837.698)	16.731.722	(22.286.000)	16.355.577
Decrease / (increase) in receivables		(28.579.429)	18.999.836	(60.388.298)	17.535.941
(Decrease) / Increase in liabilities (except loans & borrowings)		16.197.483	3.752.847	13.173.897	3.586.887
Decrease / (increase) in contract assets		(29.479.564)	(37.130.781)	(12.336.931)	(26.583.444)
Decrease / (increase) in contract costs		(366.111)	-	(366.111)	-
(Decrease) / Increase in contract liabilities		(409.126)	(2.327.623)	218.142	(2.327.623)
Interest charges & related expenses paid		(10.810.701)	(9.314.390)	(10.810.701)	(9.324.930)
Income tax paid		(1.148.429)	(504.877)	(119.597)	(504.877)
Total inflow/ (outflow) from operating activities		**(52.369.193)**	**17.889.386**	**(70.556.569)**	**25.834.286**
Cash flows from investing activities:					
Purchase of tangible assets	6	(3.542.774)	(3.010.455)	(3.558.042)	(3.009.759)
Purchase of intangible assets	7	(487.195)	(180.285)	(487.195)	(180.285)
Proceeds from sales of fixed assets		19.751	1.082	20.849	1.082
Interest received		82.287	93.656	82.285	93.656
Acquisition of other investments		(800)	-	(800)	-
Total (outflow) from investing activities		**(3.928.730)**	**(3.096.002)**	**(3.942.903)**	**(3.095.306)**
Cash flows from financing activities:					
Loans received		49.316.441	6.425.745	49.316.441	6.425.745
Loans settlement		(17.118.551)	(24.228.290)	(17.118.551)	(24.228.290)
Total inflow/ (outflow) from financing activities		**32.197.890**	**(17.802.545)**	**32.197.890**	**(17.802.545)**
Net (decrease) / increase in cash and cash equivalents		**(24.100.033)**	**(3.009.161)**	**(42.301.581)**	**4.936.435**
Cash and cash equivalents at the beginning of period	14	58.170.543	61.969.755	55.345.808	50.409.373
Foreign exchange effect on Cash and Cash equivalents		**595.295**	(790.051)	**-**	**-**
Cash and cash equivalents at the end of period	14	**34.665.804**	**58.170.543**	**13.044.227**	**55.345.808**

The notes on pages 24 to 88 constitute an integral part of these Financial Statements.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

1. Information on the Company and the Group

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 Commercial Registry Number is 003978301000 and its 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 has a 100% participation in Warsaw Tubulars Trading Sp. Z.o.o. which is established in Poland (thereon "WTT"). WTT has a 100% participation in one subsidiary, namely CPW America Co. which is established in Houston, Texas US. The Company also holds a 21,75% participation in one associate company namely DIAVIPETHIV S.A. The above participations form "CPW Group" or the "Group". These Financial Statements present both the Company's and the Group's figures.

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.

2. Presentation basis of financial statements

The Company is not obligated to prepare consolidated financial statements because its financial statements are consolidated in the financial statements of parent companies Cenergy Holdings S.A. and Viohalco SA/NV. Management has decided to prepare consolidated financial statements in order to improve the quality of information received by users of the financial statements. Improved presentation of the operations and financial position of the Group is ensured with the preparation of consolidated financial statements. Initial date for the preparation of consolidated financial statements is January 1st 2017.

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group 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.

These annual Consolidated Financial Statements have been approved by the Group's Board of Directors on June 24, 2019. 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.

2.2 Basis of measurement

The Consolidated Financial Statements have been prepared according to the principle of historical cost, with the exception of financial instruments (including derivative instruments) and Defined Benefit plans which are measured in their fair value.

2.3 Functional currency

Financial statements of the Group's subsidiaries and associates are measured using local currency of the countries where they operate., which is their functional currency. The Consolidated 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 Consolidated Financial Statements.

2.4 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 accounting decisions made by Management when applying the accounting policies and expected to affect mostly the Consolidated Financial Statements of the Group are as follows:

- the useful life and residual value of depreciable tangible and intangible assets;
- the amount of provisions for employee benefits;
- the amount of provisions for doubtful debts;
- the amount of provisions for income tax for unaudited tax years by the tax authorities;
- the recoverability of the deferred tax asset;
- Use of going concern assumption on the preparation of the Consolidated Financial Statements

The main sources of uncertainty for the Group on the date the Consolidated Financial Statements were compiled which may have a significant effect on the book values of assets and liabilities concern:

a) Measurement of provision for doubtful debts (Note 12).

Provision for impairment losses is recognized when there is an objective indication that the Group 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 Group 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.

b) Income tax expense (Note 18).

There are many transactions and calculations due to which final tax calculation is uncertain. The Group 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.

c) Estimate about the recoverability of deferred tax assets (Note 18).

d) Going concern assumption

Having taken into account the macro and micro-economic factors and their effect on the operations of the Group, the Consolidated 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 Group 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.

3. New standards, interpretations and amendments to existing standards

Standards and Interpretations effective for the current financial year

IFRS 15 "Revenue from Contracts with Customers"
IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

The Group has early adopted IFRS 15 Revenue from Contracts with Customers with 1 January 2017 as the date of initial application. Therefore, financial information presented for all periods in these Consolidated Financial Statements are in accordance with IFRS 15.

IFRS 9 "Financial Instruments"
The Group initially applied IFRS 9 on 1 January 2018 with the exemption of general hedge accounting guidance. For further details, refer to Note 5.

The following standards, amendments to standards and interpretations issued and effective for the current financial year did not have

significant impact for the Consolidated Financial Statements of the Company and the Group:

- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to IAS 40: Transfers of investment property
- Annual improvements to IFRSs 2014-2016 Cycle
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

Standards and Interpretations effective for subsequent periods

IFRS 16 "Leases"
(effective for annual periods beginning on or after 1 January 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. IFRS 16 introduces a single, on-balance sheet lease 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 recognition 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 Group is required to adopt IFRS 16 Leases from 1 January 2019. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its Consolidated Financial Statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

The standard will effect primarily the accounting for Group's operating leases.

As at the reporting date, the Group and the Company have non-cancellable operating lease commitments of EUR 2,44million and 1,88 million respectively (note 29).

The most significant impact identified is that Group will recognize new assets and liabilities for its operating leases of company cars and machinery. In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Based on the information currently available, applying IFRS 16 is expected to increase consolidated assets and liabilities of the Group and the Company by approximately EUR 1,88 million and EUR 1,4mil. respectively, on the transition date. This expected increase concerns mainly leases of company cars and machinery and would mainly result from recognizing right-of-use assets in non-current assets and lease liabilities (for the discounted present value of future lease payments).

The impact on the Consolidated and Company's Statement of Profit or Loss is not expected to be material, as the cancellation of operating lease payments will be offset by the depreciation charged on right-of-use assets and recognized in operating result. The annual interest recognized on lease liabilities is not expected to be material. Consolidated and Company's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which is a supplemental measure of our operating and financial performance, is expected to increase by approximately EUR 1,985 million and EUR 1,501 million respectively, as the operating lease payments were included in EBITDA, but the amortization of the right-of-use assets and interest on the lease liability are excluded from this measure.

The impact on the Consolidated Statement of Cash Flows of restating operating leases will be limited to reclassifications, as the standard will have no effect on the Group's cash and cash equivalents.

Group holds no finance leases agreements as of the Balance Sheet date.

Transition

As a lessee, the Group can either apply the standard using a:

- retrospective approach; or
- modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

The Group plans to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. CPW Group is assessing the potential impact of using these practical expedients.

CPW Group is not required to make any adjustments for leases in which it is a lessor.

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

IFRIC 23 — "Uncertainty over Income Tax Treatments"
(effective for annual periods beginning on or after 1 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.

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

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

- *IFRS 3 Business Combinations*: the amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- *IFRS 11 Joint Arrangements*: the amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- *IAS 12 Income Taxes*: the amendments clarify that a company accounts for all income tax consequences of dividend payments consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.
- *IAS 23 Borrowing Costs*: the amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

These amendments have not yet been endorsed by the EU.

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

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

IAS 1 and IAS 8 (Amendments) "Definition of material"
(effective for annual periods beginning on or after 1 January 2020)
The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved.
Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

IFRS 17 "Insurance contracts"
(effective for annual periods beginning on or after 1 January 2021)
IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

4. Significant Accounting Policies

The principal accounting policies applied in the preparation and presentation of these Consolidated Financial Statements are consistent with the accounting policies used in the preparation of the Financial Statements for the period ended December 31, 2017 with the exception of the changes described in note 5.

4.1 Basis of consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method at the date of acquisition, the date on which the control is transferred to the Group. The Group exercises control over a company when the Group is exposed or has rights to variable returns from its participation in the business and has the ability to influence those returns through the power it exercises in the subsidiary.

Goodwill arising from acquisition of subsidiaries represents the excess between the total purchase price, the amount of non-controlling interest in the acquired company and the fair value of any previously held equity interest in the acquired company at the acquisition date and the fair value of identifiable net assets of the acquired subsidiary.

If the sum of the total purchase price, non-controlling interests recognized and the fair value of previously held equity interest in the acquired company is less than the fair value of the net assets of the subsidiary acquired in the case of an arm's length transaction, the difference is recognized in Profit and Loss as incurred.

Any expenses directly associated with the acquisition are recognized directly in in Profit and Loss as incurred. Any potential purchase consideration is recognized at its fair value at the acquisition date.

At the reporting date, the Group has not recognized any goodwill in the Consolidated Financial Statements.

(b) Business combinations under common control

A business combination, in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and when control is not transitory, is a common control transaction. The Group has chosen to account for such common control transactions at book value (carry-over basis). The identifiable net assets acquired are not measured at fair value but recorded at their carrying amounts; intangible assets and contingent liabilities are recognized only to the extent that they were recognised before the business combination in accordance with applicable IFRS. Any difference between the consideration paid and the capital of the acquiree is presented in retained earnings within equity. Transaction costs are expensed as incurred.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 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. The financial statements of the subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The Group measures its investments in subsidiaries at their acquisition cost.

(d) Loss of control

When Group loses control over a subsidiary, the assets and liabilities of the subsidiary are derecognized, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. It is subsequently measured using the equity method for an associated company or a financial asset depending on the percentage of participation preserved.

(e) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (h) below), after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of the post-acquisition profits or losses of the investee in profit or loss, and Group's share of movements in other comprehensive income of the investee, until the date on which significant influence or joint control ceases. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group measures its investment in associated companies at their acquisition cost less any impairment.

(f) Elimination of intra group transactions

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

4.2 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group's companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Foreign currency gains and losses are recognized and classified in the Consolidated Statement of Profit or Loss.

(b) Transactions with Group companies in foreign currency

Translation of the financial statements of the Group's companies (none of which had a currency in a hyperinflationary economy) which have a different functional currency from the presentation currency of the Group is performed as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated into Euro on the basis of the official foreign exchange rate ruling on the Consolidated Statement of Financial Position date.
- Revenues and expenses of foreign subsidiaries are translated into Euro at the foreign exchange rate of the foreign currency during the period and
- The resulting foreign exchange differences are recognized in other comprehensive income on the line "Foreign exchange differences" and transferred to the income statement on the sale of those companies.

4.3 Revenue recognition

Group recognizes revenue from the following major sources:

- Energy projects, related to high end projects of customized welded oil or gas pipelines,
- Sale of products
- Rendering 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 or the public sector. Group recognizes revenue when it transfers control of a product or service to a customer.

4.3.1 Energy projects

The Group produces and sells customized welded steel pipes to customers for energy projects. Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Group's failure to perform as promised. Revenue from such projects is therefore recognised over time.

For distinct performance obligations identified, the most appropriate method to measure progress is used. Progress is measured based on the quantity of manufactured and tested steel pipes compared with the total quantity to be produced according to the contract. This method is used for customized steel pipes, since the production of such products is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.

Management considers that this method is appropriate for the measurement of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on Company's and Consolidated Statement of Financial Position in the lines "Contract assets" and "Contract liabilities" respectively.

There is not considered to be a significant financing component in energy projects contracts with customers, as the period between the recognition of revenue and the milestone payment is less than one year.

Contract costs
Group recognizes the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and record them in the line "Contract costs" in Company's and Consolidated Statements of Financial Position. 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.
Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future.
Assets arising from contract costs are amortized based on the portion of revenue recognised during the execution of the related contract.

4.3.2 Sale of products

The Group sells the following products:

- hollow structural sections for the construction sector,
- Steel pipes which during production did not meet the technical specifications of the Group's customers. These pipes are sold at relatively lower prices than the pipes that meet the criteria of the Group's customers because they can be used in different uses than those originally intended,
- pipes which, during their production, did not meet the technical specifications of the Group's customers and can not be used for any other different use. These pipes are sold at scrap prices.

For sales of products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are according to Incoterms.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition. A receivable is recognised when the control is transferred to the customer, as this represents the point in time at which the right to consideration becomes unconditional.

4.3.3 Rendering of services

The Group recognizes the revenue from the provision of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed on the basis of the inspections carried out.

If the payment for the services is not due to the customer until their service is completed, a corresponding claim on clients' contracts is recognized for the period in which these services are provided and which reflects the right to remuneration for services rendered up to that date. Receivables from contracts with customers are presented in the statement of financial position on the line "Receivables from contracts with customers".

4.3.4 Dividends

Dividends are recognized as income when the right to receive them is established.

4.4 Employee benefits

(a) Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and its companies have a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plans
Defined-contribution plans are plans for the period after the employee has ceased to work during which Group pays a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programs is recorded as an expense in the period that the related service is provided.

(c) Defined benefit plans
Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.
The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in the Statement of Financial Position.

The Group determines the net interest expense by multiplying the net amount between the defined benefit plan and the fair value of the plan's assets with the applicable discount rate.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(d) Termination benefits
Termination benefits are paid to employees when they terminate their employment with the Group, before the retirement date. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when they recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. In the case of employment termination in which the Group is not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

4.5 Finance income and finance costs

Group's finance income and finance costs mainly include:

- finance income;
- finance costs;
- foreign currency gains and losses from deposits.

Finance income/ costs is recognised using the effective interest method.
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the financial liability.

4.6 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in OCI.

A. Current tax
Current tax comprised the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

B. Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurements of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

4.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined by applying the method of weighted average cost and includes the production and conversion cost and all direct expenses required to bring inventories at their current condition. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

4.8 Property, plant and equipment

A. Recognition and measurement
Property, plant and equipment include land, buildings, machinery, transporation equipment, furniture and other equipment. Property, plant and equipment are presented at their acquisition cost less accumulated depreciation and impairment. The acquisition cost includes all expenses that are directly associated with the asset's acquisition or self-construction. The cost of self-constructed fixed assets includes the cost of direct labor, materials and any other cost that is required for the fixed asset to be ready for use as well as any borrowing costs.
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Repair and maintenance costs are recorded in Company's and the Consolidated Statement of Profit or Loss when these are incurred.
On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying value thereof is recorded through profit or loss in the category "other operating income (expenses)".

Borrowing costs related to the construction of qualifying assets are capitalised during the period required for the construction to be completed.

B. Depreciation

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 generally recognised in profit or loss. Land is not depreciated.

Administrative buildings & plants	20-33 years
Machinery	8-25 years
Furniture	4-5 years
Transport means and Other equipment	7-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.9 Intangible assets

(a) Recognition and measurement

Research and development: Expenditure on research activities is recognised in profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercial feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software programs: Software licenses are recorded at their acquisition cost less accumulated amortisation. These assets are amortised on the straight line method over their estimated useful lives, which ranges between 3 to 5 years. Expenses that are associated with the software's maintenance are recognised in profit or loss in the year in which they are incurred.

(b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(c) Amortization and useful lives

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives for the current and comparative periods are as follows:

- Trademarks and licenses 10 – 15 years
- Software programs 3 – 5 years

4.10 Financial instruments

Accounting policies presented below were effective beginning January 1st 2018. Change in accounting policies related to the implementation of IFRS 9 are presented in Note 5.

1. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at Fiar Value through Profit and Loss, "FVTPL"), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

2. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured either at:

a) amortised cost, or
b) Fair Value through through Other Comprehensive Income ("FVOCI"), or
c) FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets all of the following conditions:

- it is not designated by Management as an asset measured at FVTPL
- it is not held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets (except derivatives held for hedging purposes) not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For the subsequent measurement of financial assets and liabilities, the following accounting principles are applied:

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost.

All financial liabilities (except derivatives held for hedging purposes) are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3. Derecognition

Financial assets

The Group derecognises a financial asset when

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction
    - in which substantially all of the risks and rewards of ownership of the financial asset are transferred or
    - in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its Consolidated Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to setoff the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

5. Derivatives and hedge accounting

The Group has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and continues to apply IAS 39. The Group holds derivative financial instruments designated as cash flow hedges. Derivatives are used to cover risks arising from changes in fluctuations of foreign exchange rates. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and the effective portion of changes in the fair value of derivatives is recognized in the “Hedging reserve”. Any ineffective proportion is recognized immediately in profit or loss.

Cash flow hedge

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognized in the “Hedging reserve”. Any ineffective proportion is recognized immediately in profit or loss.
The amounts recognized in the “Hedging reserve” are reclassified to the Statement of Profit or Loss when the hedged items affect profit or loss.
When a hedge item matures or is sold or when the hedge no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, amounts recorded in ‘Hedging reserve’ remain as a reserve and are reclassified to profit or loss when the hedged asset affects profit or loss. In the case of a hedge on a forecast future transaction which is no longer expected to occur, amounts recorded in ‘Hedging reserve’ are reclassified to profit and loss.
The Group examines the effectiveness of the cash flow hedges at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively), the effectiveness of the cash flow hedges is examined by applying the dollar offset method on a cumulative basis.

6. Fair value

The fair values of financial assets traded on active markets are designated based on current market value. In the case of assets that are not traded on an active market, fair values are designated using valuation techniques such as recent transaction analysis, reference to comparables and cash flow discounts.

4.11 Share capital

Share capital is composed of ordinary shares. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from the amount of increase of share capital, net of the respective income tax

4.12 Provisions

Provisions are recognized when the Group has a present (legal or constructive) obligation and it is probable that there will be an outflow of financial resources for its settlement which. Finally the amount of this obligation can be reliably estimated for a provision to be recognized. Provisions are reviewed at each reporting date of the financial statements and if it is no longer probable that there will be an outflow of resources to settle the obligation, they are reversed. Provisions are utilized only for the purpose for which they were initially recognized. Contingent assets and contingent liabilities are not recognized in the financial statements.

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale form part of the acquisition cost of that asset until the time it is substantially ready for its intended use or sale. Any income on the temporary investment of borrowings for financing the above qualifying asset and the collection of grants reduce the borrowing costs eligible for capitalization. In other events, borrowing costs are charged through profit or loss in the year in which they are incurred.
To the extent that funds are part of a general loan and are used for acquiring a qualifying asset, costs eligible for capitalization are specified by applying a capitalisation rate to the investment expenses incurred for that asset.

4.14 Re-presentation of comparative figures

4.14.1 Company's Statement of Financial Position

a) An amount of EUR 3.603 thousands was reclassified from Non-Current "Trade and other receivables" to "Property, plant and equipment", as a result of management's reassessment of the presentation of a prior year transaction related to the concession of land to a related party.
Specifically, Corinth Pipeworks, during 2008 granted land located in the Industrial Area (I.A.) of Thisvi to a related party (DIAVIPETHIV), an affiliate of Viohalco, which is the administrator of the I.A. According to applicable Greek law, this land shall be returned to the previous owners when the I.A. of Thisvi ceases being classified as an Industrial Area. This asset was previously presented as Non-Current "Trade and other receivables".
Due to the fact that such asset does not meet the definition of a financial asset based on IFRS 9 and based on management's reassessment of the presentation of such asset, a reclassification to Property, plant and equipment was performed.

b) The amount of EUR 23.884 thousands classified as "Other short-term financial obligations" concerned Factoring with Recourse, and it was reclassified at current "Loans and Borrowings" in order to improve presentation of Financial Statements.

c) The amount of EUR 10,5 thousands classified as "Financial assets at fair value through profit or loss" was reclassified to non-current "Other Investments" in order to comply with Cenergy Group's policy for these type of financial assets, effective January 1st 2019.

The overall effect of the above reclassifications on the Statements of Financial Position of the Company is presented below.

At 31 December 2017 **Amounts in EUR thousand**	**As reported**	**Reclassifications**	**Re-presented figures**
ASSETS			
Property, plant and equipment	176.051	-	176.051
Trade and other receivables	5.001	-	5.001
Other investments at FVOCI	-	11	11
Other non-current assets	1.812	-	1.812
Non-current assets	182.864	11	182.874
Other investments at FVTPL	11	(11)	-
Other Current assets	231.846	-	231.846
Current assets	231.857	(11)	231.846
Total assets	**414.720**	**-**	**414.720**
EQUITY			
Other components of equity	78.306	-	78.306
Other reserves	45.699	-	45.699
Retained earnings/(losses)	8.833	-	8.833
Total equity	**132.839**	**-**	**132.839**
LIABILITIES			
Non-current liabilities	52.116	-	52.116
Loans and Borrowings	123.235	23.884	147.119
Factoring with recourse	23.884	(23.884)	-
Other current liabilities	82.647	-	82.647
Current liabilities	229.766	-	229.766
Total liabilities	**281.882**	**-**	**281.882**
Total equity and liabilities	**414.720**	**-**	**414.720**

4.14.2 Company's Statement of Profit and Loss and OCI

In accordance to IFRS 9, any reversal of impairment loss or impairment loss on receivables, including contract assets, is now presented as a separate line on the Statement of Profit or Loss. Therefore, comparative figures have also been re-presented for this reason. Previously, any impairment loss on receivables was included in line "Other expenses", while amounts related to reversal of impairment loss on receivables were included in the line "Other income".

At 31 December 2017 **Amounts in EUR thousand**	**As reported**	**Reclassifications**	**Re-presented figures**
Gross profit	23.770		23.770
Other income	1.060	-	1.060
Selling and distribution expenses	(3.730)	8	(3.722)
Administrative expenses	(6.275)	-	(6.275)
Impairment loss on receivables, including contract assets	-	(8.891)	(8.891)
Other Expenses	(8.883)	8.883	-
Operating profit / (loss)	**5.942**	**-**	**5.942**
Net finance cost	(10.873)	-	(10.873)
Share of profitof equity-accounted investees, net of tax	-	-	-
Profit/(Loss) before income tax	**(4.931)**	**-**	**(4.931)**
Income tax expense	5.047	-	5.047
Profit/(Loss) for the year	**116**	**-**	**116**
Other comprehensive income / (expense) after tax	(107)	-	(107)
Total comprehensive income / (expense) after tax	**10**	**-**	**10**

5. Change in accounting policy

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of Retained earnings. The impact relates to the recognition of expected credit losses under IFRS 9 (for a description of the transition method, see (iv) below).

Amounts in Euro thousand	**Impact of adopting IFRS 9 at 1 January 2018**
Retained earnings/ (losses)	(68)

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on Company's and Group's accounting policies related to financial liabilities.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets (except derivatives held for hedging purposes) not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see section (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 1 January 2018.

Company

Amounts in Euro thousand	Note	Original measurement under IAS 39	New measurement under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Forward foreign exchange contracts		Fair value – hedging instrument	Fair value – hedging instrument	1.058	1.058
Equity securities	a	Available-for-sale	FVOCI – equity instrument	11	11
Trade and other receivables, incl. contract assets		Loans and receivables	Amortised cost	88.345	88.277
Cash and cash equivalents		Cash and cash equivalents	Amortised cost	55.346	55.346

Group

Amounts in Euro thousand	Note	Original measurement under IAS 39	New measurement under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Forward foreign exchange contracts		Fair value – hedging instrument	Fair value – hedging instrument	1.058	1.058
Equity securities	a	Available-for-sale	FVOCI – equity instrument	11	11
Trade and other receivables, incl. contract assets		Loans and receivables	Amortised cost	95.270	95.202
Cash and cash equivalents		Cash and cash equivalents	Amortised cost	58.171	58.171

a. These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, lease receivables and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables (including contract assets) and cash and cash equivalents.

Under IFRS 9, loss allowances are 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.

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI. Before the adoption of IFRS 9, impairment loss on trade and other receivables and reversal of impairment loss on

trade and other receivables were presented under the line “Other expenses” and “Other income”, respectively

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company and the Group have determined that the application of IFRS 9’s impairment requirements at 1 January 2018 results in an additional impairment allowance as follows.

Amounts in EUR thousand	
Impairment loss at 31 December 2017 under IAS 39	**(19.546)**
Additional impairment recognised at 1 January 2018	(68)
Impairment loss at 1 January 2018 under IFRS 9	**(19.614)**

ECL’s calculation on trade receivables and contract assets

The ECLs were calculated based on actual credit loss experience over the last few years, current economic conditions and qualitative information such as credit risk grade and geographic region for the trade receivables and contract assets portfolio, depending on the significance of these factors on each of the business segments of the Group.

The Group performed the calculation of ECL rates after appropriately grouping the portfolio their customers.

iii. Hedge accounting

The Group has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and will continue applying IAS 39.

iv. Transition

Transition has been performed as follows:

- The Group has applied the exemption allowing not to restate comparative information for prior periods with respect to classification and measurement (including impairment loss) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 have been recognized in retained earnings and reserves as at 1 January 2018. However, in order to make profit or loss lines comparable, impairment loss on trade and other receivables and reversal of impairment loss on trade and other receivables of the previous year have been reclassified from Other expenses and Other income respectively, to the new line “Impairment loss on receivables and contract assets” (see note 4.14.2).
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.

6. Property plant and equipment

Group

(Amounts in Euro)	Land and buildings	Machinery and mechanical equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition Cost					
Balance as at 1 January 2017	**69.421.253**	**242.230.478**	**5.944.284**	**1.548.291**	**319.144.305**
Effect of movement in exchange rates	-	-	(42.121)	-	**(42.121)**
Additions	30.871	1.047.331	217.781	1.714.471	**3.010.455**
Disposals	-	-	(319)	-	**(319)**
Other reclassifications	683.654	661.565	19.261	(1.364.479)	**-**
Balance as at 31 December 2017	**70.135.777**	**243.939.374**	**6.138.885**	**1.898.283**	**322.112.320**
Balance as at 1 January 2018	**70.135.777**	**243.939.374**	**6.138.885**	**1.898.282**	**322.112.319**
Effect of movement in exchange rates	2.043	-	10.240	-	**12.283**
Additions	399.324	1.280.368	503.241	3.534.268	**5.717.202**
Disposals	-	-	(113.216)	-	**(113.216)**
Other reclassifications	1.450.527	83.778	(100.563)	(1.469.325)	**(35.583)**
Balance as at 31 December 2018	**71.987.672**	**245.303.521**	**6.438.588**	**3.963.225**	**327.693.006**
Accumulated depreciation					
Balance as at 1 January 2017	**(25.606.164)**	**(102.907.247)**	**(5.150.518)**	**-**	**(133.663.929)**
Effect of movement in exchange rates	-	-	22.695	-	**22.695**
Depreciation of the period	(1.208.314)	(7.676.008)	(227.061)	-	**(9.111.383)**
Disposals	-	-	48	-	**48**
Balance as at 31 December 2017	**(26.814.478)**	**(110.583.255)**	**(5.354.836)**	**-**	**(142.752.569)**
Balance as at 1 January 2018	**(26.814.478)**	**(110.583.255)**	**(5.354.836)**	**-**	**(142.752.569)**
Effect of movement in exchange rates	(1.259)	-	(6.191)	-	**(7.450)**
Depreciation of the period	(1.229.093)	(7.737.154)	(248.319)	-	**(9.214.565)**
Disposals	-	-	112.049	-	**112.049**
Other reclassifications	(40.029)	-	48.799	-	**8.771**
Balance as at 31 December 2018	**(28.084.858)**	**(118.320.409)**	**(5.448.498)**	**-**	**(151.853.764)**
Carrying amount as at 31 December 2017	**43.321.300**	**133.356.119**	**784.049**	**1.898.283**	**179.359.751**
Carrying amount as at 31 December 2018	**43.902.815**	**126.983.112**	**990.090**	**3.963.225**	**175.839.241**

CORINTH PIPEWORKS
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Company

(Amounts in Euro)	Land and buildings	Machinery and mechanical equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition Cost					
Balance as at 1 January 2017	**69.861.295**	**242.230.478**	**5.616.223**	**1.548.291**	**319.256.287**
Additions	30.871	1.047.331	217.086	1.714.471	**3.009.759**
Disposals	-	-	(319)	-	**(319)**
Other reclassifications	683.654	661.565	19.261	(1.364.479)	**-**
Balance as at 31 December 2017	**70.575.820**	**243.939.374**	**5.852.250**	**1.898.283**	**322.265.727**
Balance as at 1 January 2018	**70.575.820**	**243.939.374**	**5.852.250**	**1.898.283**	**322.265.727**
Additions	399.324	1.280.368	486.102	3.534.268	**5.700.063**
Disposals	-	-	(90.634)	-	**(90.634)**
Other reclassifications	1.385.547	83.778	-	(1.469.325)	**-**
Balance as at 31 December 2018	**72.360.691**	**245.303.521**	**6.247.719**	**3.963.226**	**327.875.156**
Accumulated depreciation					
Balance as at 1 January 2017	**(25.612.009)**	**(102.907.247)**	**(4.985.521)**	**-**	**(133.504.777)**
Depreciation of the period	(1.230.356)	(7.676.008)	(200.335)	-	**(9.106.699)**
Disposals	-	-	48	-	**48**
Balance as at 31 December 2017	**(26.842.365)**	**(110.583.255)**	**(5.185.808)**	**-**	**(142.611.428)**
Accumulated depreciation					
Balance as at 1 January 2018	**(26.842.365)**	**(110.583.255)**	**(5.185.808)**	**-**	**(142.611.428)**
Depreciation of the period	(1.251.135)	(7.737.154)	(234.697)	-	**(9.222.985)**
Disposals	-	-	89.805	-	**89.805**
Balance as at 31 December 2018	**(28.093.500)**	**(118.320.409)**	**(5.330.700)**	**-**	**(151.744.608)**
Carrying amount as at 31 December 2017	**43.733.455**	**133.356.119**	**666.442**	**1.898.283**	**179.654.299**
Carrying amount as at 31 December 2018	**44.267.191**	**126.983.112**	**917.019**	**3.963.226**	**176.130.547**

On 31/12/2018 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 of Euro 40.664.167 have been recorded on property, plant and equipment of the Company.

CORINTH PIPEWORKS
PIPE INDUSTRY S.A.

7. Intangible assets

Group

(Amounts in Euro)	Cost of development	Total
Acquisition Cost		
Balance as at 1 January 2017	**374.244**	**374.244**
Additions	180.285	180.285
Balance as at 31 December 2017	**554.529**	**554.529**
Balance as at 1 January 2018	**554.529**	**554.529**
Effect of movement in exchange rates	1.119	1.119
Additions	487.195	487.195
Other reclassifications	35.583	35.583
Balance as at 31 December 2018	**1.078.424**	**1.078.424**
Accumulated amortization		
Balance as at 1 January 2017	**(374.243)**	**(374.243)**
Amortization for the period	(36.057)	(36.057)
Balance as at 31 December 2017	**(410.300)**	**(410.300)**
Balance as at 1 January 2018	**(410.300)**	**(410.300)**
Effect of movement in exchange rates	(689)	(689)
Amortization for the period	(95.693)	(95.693)
Other reclassifications	(8.771)	(8.771)
Balance as at 31 December 2018	**(515.453)**	**(515.453)**
Carrying amount as at 31 December 2017	**144.228**	**144.228**
Carrying amount as at 31 December 2018	**562.971**	**562.971**

Company

(Amounts in Euro)	Cost of development	Total
Acquisition Cost		
Balance as at 1 January 2017	**374.244**	**374.244**
Additions	180.285	180.285
Balance as at 31 December 2017	**554.529**	**554.529**
Balance as at 1 January 2018	**554.529**	**554.529**
Additions	487.195	487.195
Balance as at 31 December 2018	**1.041.724**	**1.041.724**
Accumulated amortization		
Balance as at 1 January 2017	**(374.244)**	**(374.244)**
Amortization for the period	(36.057)	**(36.057)**
Balance as at 31 December 2017	**(410.301)**	**(410.301)**
Balance as at 1 January 2018	**(410.301)**	**(410.301)**
Amortization for the period	(82.544)	**(82.544)**
Balance as at 31 December 2018	**(492.845)**	**(492.845)**
Carrying amount as at 31 December 2017	**144.228**	**144.228**
Carrying amount as at 31 December 2018	**548.878**	**548.878**

8. Investments in subsidiaries

2018

Company Name	Country	Acquisition cost at January 1	Additions	Sales	Acquisition cost at December 31	Direct Holding Percentage	Indirect Holding Percentage
WARSAW TUBULARS TRADING Sp. z.o.o.	Poland	593.455	-	-	593.455	100%	0%
CPW AMERICA CO	USA	-	-	-	-	0%	100%
		593.455	**-**	**-**	**593.455**	**100%**	**100%**

2017

Company Name	Country	Acquisition cost at January 1	Additions	Sales	Acquisition cost at December 31	Direct Holding Percentage	Indirect Holding Percentage
WARSAW TUBULARS TRADING Sp. z.o.o.	Poland	593.455	-	-	593.455	100%	0%
CPW AMERICA CO	USA	-	-	-	-	0%	100%
		593.455	**-**	**-**	**593.455**	**100%**	**100%**

The Company has a 100% participation in Warsaw Tubulars Trading Sp. Z.o.o. which is established in Poland (thereon "WTT"). WTT has a 100% participation in one subsidiary, namely CPW America Co. which is established in Houston, Texas US.
Neither of the companies listed above is listed in any stock exchange market.

9. Investments in associated companies

Reconciliation of carrying amount of DIAVIPETHIV SA

Amounts in EUR	2018	2017
Balance at 1 January	1.090.239	1.073.950
Share in profit/ (loss) after taxes	24.227	16.289
Balance at 31 December	**1.114.467**	**1.090.239**

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.

During 2017 and 2018, participation of the Company to DIAVIPETHIV has been kept unchanged at 21,75%.

10. Financial instruments

Financial risk management

General

The Company and the Group are exposed to the following risks from the use of their financial instruments:

- Credit Risk
- Liquidity risk
- Market risk

This paragraph presents information regarding the Group's exposure to each of the above risks, the Group's objectives, the policies and procedures it applies for the calculation and management of risks, as well as the management of the Group's capital. Additional quantitative information on such disclosures is included throughout the financial statements.

The Board of Directors bears the overall responsibility for the creation and supervision of the Group's risk management framework. The Group's risk management policies are applied in order to identify and analyse the risks that the Group is exposed to and set audit points and risk-taking limits. The risk management policies and relevant systems are periodically examined so as to take into account any changes in the market and the Group's activities.

With respect to the exit of the United Kingdom from the European Union, the Group estimates that the outcome of Brexit will not challenge its position against its competitors. Most of our competitors operate within the Eurozone and will react to the exchange rate fluctuations. Nevertheless, Management continually assesses the situation and its possible implications to ensure that all necessary and possible measures and actions are taken to minimize any effect on the Group's activities and operations.

Credit Risk

Credit risk is the risk that the Group will incur financial loss if a client or third counterparty to a transaction on a financial instrument fails to meet its contractual obligations mainly arising from receivables from customers and investments in securities.

a) Trade and other receivables and contract assets

Group's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. It is noted that most of the sales of the Group during 2018 were performed towards clients in US. Both the credit rating and the country risk of these clients do not expose the Group to any credit risk.

Companies of the Group have laid down a credit policy which requires that all new customers are scrutinized individually as regards their creditworthiness before the standard payment and delivery are proposed to them. The creditworthiness test performed by the companies of the Group includes the examination of bank sources regarding customers.

Credit lines are set for each customer which account for the maximum open balance a customer may have without the approval of the Board of Directors, which are reviewed every quarter. Any customers not complying with the average of the Group's creditworthiness criteria may hold transactions with the Group solely based on prepayments or letters of guarantee.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Any customers characterized as being of "high risk' are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors.

Customer credit lines are normally determined based on the insurance limits obtained for them from insurance companies and then receivables are insured based on such credit lines.

The Group raises a special impairment provision in specific cases of exposure to risk, which reflects its assessment of losses from customers, contract assets and other receivables.

b) Investments

Investments are classified by the Group depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each reporting date. Management estimates that there will be no default in connection with such investments.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its financial liabilities in due time. Group's approach to liquidity management is to secure, as much as possible, by holding necessary cash assets and adequate credit lines from collaborating banks, that it will always have sufficient cash to meet its obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardizing the Group's reputation.

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

There is no substantive liquidity risk because the Group fulfils its obligations of all types in due time. The relevant payables to suppliers are interest-free and settled within three months maximum.

Market risk

Market risk is the risk of fluctuations in market prices, such as exchange rates, interest rates and raw material prices which can have an effect on the Group's results or the value of its financial instruments. Market risk management is aimed at controlling the Group's exposure to such risk within a framework of acceptable parameters, in parallel with performance optimization in terms of risk management.

Foreign exchange risk

The Group is exposed to exchange rate risk from sales and purchases taken out in a currency other than its functional currency which is Euro. The Group's loans and borrowings are denominated in Euro. Borrowing interest is also in Euro, namely in a currency identical to that of the cash flows arising from the Group's operating activities. Regarding other financial assets and liabilities denominated in foreign currencies, the Group secures that its exposure to foreign exchange risk is kept at an acceptable level by buying or selling foreign currencies at current exchange rates when deemed necessary to deal with short-term imbalances.

Interest rate risk

The Group obtains funds for its investments and its working capital through bank loans, and therefore debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Group will bear additional borrowing costs.

Capital management

The Board of Directors' policy is to maintain a robust capital base, in order to keep the Group and the Company trustworthy among investors, creditors and market players, and enable the future development of its operations. The Board of Directors monitors return on equity, which is defined as the net profits divided by the total equity. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Group does not have a specific treasury stock purchasing plan.

No changes were made to the approach adopted by the Group concerning capital management during the fiscal year.

The Group is not subject to external capital obligations.

Total borrowing of the Group in relation to its equity on the reporting date is as follows:

(Amounts in Euro)	**2018**	**2017**
Total loans and borrowings	217.687.810	183.406.084
Less: Cash and Cash equivalents	(34.665.804)	(58.170.543)
Net Debt	**183.022.006**	**125.235.542**
Total equity	142.903.514	136.600.273
Debt to equity ratio	**1,28**	**0,92**

10.1 Credit risk

Exposure to credit risk

The book value of financial assets represents the maximum exposure to credit risk. On the reporting date the maximum exposure to credit risk was:

Group

(Amounts in Euro)	2018	2017
Trade and Other receivables	87.484.400	58.052.371
Contract Assets	69.454.752	38.547.376
Total	**156.939.152**	**96.599.747**
Less:		
Downpayments	(1.193.629)	(182.456)
Tax assets	(1.128.132)	(26.635)
Other receivables	(2.357.891)	(1.407.619)
Total	**(4.679.652)**	**(1.616.711)**
Financial assets entailing credit risk	**152.259.500**	**94.983.036**

Company

(Amounts in Euro)	2018	2017
Trade and Other receivables	121.600.714	61.674.425
Contract Assets	40.336.970	28.000.038
Total	**161.937.683**	**89.674.463**
Less:		
Downpayments	-	-
Tax assets	(1.128.132)	-
Other receivables	(2.357.681)	(1.426.817)
Total	**(3.485.813)**	**(1.426.817)**
Financial assets entailing credit risk	**158.451.870**	**88.247.646**

Maximum exposure to credit risk for receivables on the balance sheet date per geographical area was:

Group

(Amounts in Euro)	2018	2017
Greece	18.687.560	27.018.899
Other EU Member States	41.851.757	24.510.555
Other European countries	23.546.180	1.316.108
Asia	2.019.456	4.902.474
America	62.028.042	37.213.277
Africa	4.126.504	20.361
Oceania	-	1.361
Total	**152.259.500**	**94.983.036**

Company

(Amounts in Euro)	2018	2017
Greece	18.590.316	27.176.803
Other EU Member States	41.851.757	24.510.555
Other European countries	23.546.180	1.316.108
Asia	2.019.456	4.902.474
America	68.317.657	30.319.984
Africa	4.126.504	20.361
Oceania	-	1.361
Total	**158.451.870**	**88.247.647**

Impairment losses
The maturity profile of trade receivables on the reporting date was:

Group

(Amounts in Euro)	2018	2017
Not past due	152.148.561	94.764.366
Overdue		
- Up to 6 months	107.664	171.151
- Over 6 months	3.274	47.519
Total	**152.259.500**	**94.983.036**

Company

(Amounts in Euro)	2018	2017
Not past due	158.340.932	88.028.977
Overdue		
- Up to 6 months	107.664	171.151
- Over 6 months	3.274	47.519
Total	**158.451.870**	**88.247.647**

The movement in impairment of trade and other receivables is as follows:

Group

(Amounts in Euro)	2018	2017
Balance as at 1 January	**19.545.707**	**12.180.243**
Change in accounting policy	67.963	-
Adjusted balance at 1 January	**19.613.670**	**12.180.243**
Impairment loss recognized	50.704	8.882.668
Amounts written off	(209.824)	-
Foreign exchange differences	863.199	(1.517.204)
Other changes	2.743	-
Balance as at 31 December	**20.320.492**	**19.545.707**

Company

(Amounts in Euro)	2018	2017
Balance as at 1 January	**19.545.707**	**12.180.243**
Change in accounting policy	67.963	
Adjusted balance at 1 January	**19.613.670**	**12.180.243**
Impairment loss recognized	50.704	8.890.668
Amounts written off	(209.824)	-
Foreign exchange differences	863.113	(1.525.204)
Balance as at 31 December	**20.317.663**	**19.545.707**

The greatest part of trade receivables is insured by insurance companies in case collection thereof fails.

Management believes that the provision recorded as at 31.12.2018 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

10.2 Liquidity risk

The contractual maturity of financial liabilities including proportionate interest charges is given below:

Group

(Amounts in Euro)	2018				
	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2018
Bank loans	160.776.303	5.755.106	16.458.112	-	**182.989.521**
Bond issues	9.524.431	9.146.293	22.785.546	-	**41.456.269**
Derivatives	4.414.999	-	-	-	**4.414.999**
Contract Iiabilities	3.200.000	-	-	-	**3.200.000**
Trade and other payables	101.873.711	-	-	-	**101.873.711**
Total	**279.789.444**	**14.901.399**	**39.243.658**	**-**	**333.934.500**

(Amounts in Euro)	2017				
	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2017
Bank loans	113.756.566	5.970.176	17.184.086	5.166.602	**142.077.429**
Bond issues	38.472.965	2.901.783	7.769.617	-	**49.144.365**
Derivatives	1.050.644	-	-	-	**1.050.644**
Contract Iiabilities	2.981.858	-	-	-	**2.981.858**
Trade and other payables	84.116.075	-	-	-	**84.116.075**
Total	**240.378.107**	**8.871.959**	**24.953.703**	**5.166.602**	**279.370.371**

Company

(Amounts in Euro)	2018				
	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2018
Bank loans	160.776.303	5.755.106	16.458.112	-	**182.989.521**
Bond issues	9.524.431	9.146.293	22.785.546	-	**41.456.269**
Derivatives	4.414.999	-	-	-	**4.414.999**
Contract Iiabilities	3.200.000	-	-	-	**3.200.000**
Trade and other payables	90.804.569	-	-	-	**90.804.569**
Total	**268.720.301**	**14.901.399**	**39.243.658**	**-**	**322.865.358**

(Amounts in Euro)	2017 Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2017
Bank loans	113.756.566	5.970.176	17.184.086	5.166.602	**142.077.429**
Bond issues	38.472.965	2.901.783	7.769.617	-	**49.144.365**
Derivatives	1.050.644	-	-	-	**1.050.644**
Contract liabilities	2.981.858	-	-	-	**2.981.858**
Trade and other payables	78.614.316	-	-	-	**78.614.316**
Total	**234.876.349**	**8.871.959**	**24.953.703**	**5.166.602**	**273.868.612**

The Group has approved credit lines with collaborating banks and is not expected to face liquidity problems to meet its short-term liabilities.

10.3 Foreign exchange risk

The Group's and Company's exposure to foreign exchange risk is as follows:

Group

(Amounts in Euro)	2018 EURO	USD	GBP	Other	Total 31/12/2018
Trade and other receivables	56.860.772	30.495.472	69.148	211	**87.425.602**
Contract assets	22.341.702	47.113.050	-	-	**69.454.751**
Cash and cash equivalents	12.217.899	22.406.236	9.249	32.420	**34.665.804**
Total assets	**91.420.373**	**100.014.758**	**78.397**	**32.631**	**191.546.158**
Loans and Borrowings	169.101.780	48.586.031	-	-	**217.687.810**
Trade and other payables	69.282.802	32.453.053	14.296	37.565	**101.787.716**
Contract Iiabilities	3.200.000	-	-	-	**3.200.000**
Total liabilities	**241.584.582**	**81.039.084**	**14.296**	**37.565**	**322.675.527**
Net (Assets-Liabilities)	**(150.164.209)**	**18.975.674**	**64.101**	**(4.934)**	**(131.129.368)**
Derivatives for risk hedging (Nominal Value)	-	(86.148.472)	-	-	**(86.148.472)**
Total risk	**(150.164.209)**	**(67.172.797)**	**64.101**	**(4.934)**	**(217.277.840)**

(Amounts in Euro)	2017 EURO	USD	GBP	Other	Total 31/12/2017
Trade and other receivables	41.910.910	12.992.711	3.148.299	451	**58.052.371**
Contract assets	10.322.809	28.224.567	-	-	**38.547.376**
Cash and cash equivalents	44.449.605	13.665.101	4.533	51.304	**58.170.542**
Total assets	**96.683.324**	**54.882.379**	**3.152.832**	**51.755**	**154.770.290**
Loans and Borrowings	168.514.862	14.891.222	-	-	**183.406.084**
Trade and other payables	53.640.640	30.402.198	70.931	2.306	**84.116.075**
Contract Iiabilities	2.981.858	-	-	-	**2.981.858**
Total liabilities	**225.137.359**	**45.293.420**	**70.931**	**2.306**	**270.504.017**
Net (Assets-Liabilities)	**(128.454.036)**	**9.588.959**	**3.081.902**	**49.448**	**(115.733.727)**
Derivatives for risk hedging (Nominal Value)	-	(112.944.389)	(2.956.551)	-	**(115.900.940)**
Total risk	**(128.454.036)**	**(103.355.430)**	**125.351**	**49.448**	**(231.634.667)**

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Company

(Amounts in Euro)	2018 EURO	USD	GBP	Other	Total 31/12/2018
Trade and other receivables	56.860.772	64.611.995	69.148	-	**121.541.915**
Contract assets	22.341.702	17.995.268	-	-	**40.336.970**
Cash and cash equivalents	12.217.899	817.016	9.249	63	**13.044.227**
Total assets	**91.420.373**	**83.424.279**	**78.397**	**63**	**174.923.112**
Loans and Borrowings	169.101.780	48.586.031	-	-	**217.687.810**
Trade and other payables	69.282.802	21.472.121	14.296	35.349	**90.804.568**
Contract liabilities	3.200.000	-	-	-	**3.200.000**
Total liabilities	**241.584.582**	**70.058.152**	**14.296**	**35.349**	**311.692.379**
Net (Assets-Liabilities)	**(150.164.209)**	**13.366.127**	**64.101**	**(35.286)**	**(136.769.267)**
Derivatives for risk hedging (Nominal Value)	-	(86.148.472)	-	-	**(86.148.472)**
Total risk	**(150.164.209)**	**(72.782.344)**	**64.101**	**(35.286)**	**(222.917.739)**

(Amounts in Euro)	2017 EURO	USD	GBP	Other	Total 31/12/2017
Trade and other receivables	41.910.910	16.614.764	3.148.299	451	**61.674.425**
Contract assets	10.322.809	17.677.229	-	-	**28.000.038**
Cash and cash equivalents	44.449.605	10.891.665	4.533	5	**55.345.808**
Total assets	**96.683.324**	**45.183.659**	**3.152.832**	**456**	**145.020.271**
Loans and Borrowings	168.514.862	14.891.222	-	-	**183.406.084**
Trade and other payables	53.627.773	24.913.307	70.931	2.306	**78.614.317**
Contract liabilities	2.981.858	-	-	-	**2.981.858**
Total liabilities	**225.124.492**	**39.804.529**	**70.931**	**2.306**	**265.002.259**
Net (Assets-Liabilities)	**(128.441.169)**	**5.379.130**	**3.081.902**	**(1.851)**	**(119.981.987)**
Derivatives for risk hedging (Nominal Value)	-	(112.944.389)	(2.956.551)	-	**(115.900.940)**
Total risk	**(128.441.169)**	**(107.565.259)**	**125.351**	**(1.851)**	**(235.882.928)**

The exchange rates used per fiscal year are as follows:

	Euro rate on	
	31/12/2018	**31/12/2017**
USD	1,1450	1,1993
GBP	0,8945	0,8872

Sensitivity analysis:

A 10% decrease/increase of Euro in relation to the following currencies on 31 December would increase (decrease) equity and results of the Group and the Company by the amounts set out below. This analysis assumes that all the other variables and especially interest rates remain fixed.

	Profit or loss		**Equity**	
Euro	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2017				
USD (10% change)	(597.681)	489.012	11.951.696	(9.778.660)
2018				
USD (10% change)	(1.061.225)	1.297.053	5.778.670	(7.062.818)

10.4 Interest rate fluctuation risk

For the periods ended December 31, 2018 and December 31, 2017 all loans and borrowings of the Group had been concluded based on floating interest rate terms.

A 0.25% change in interest rates on the reporting date would increase (decrease) equity and profit or loss of the Company and the Group by the amounts set out below. This analysis assumes that all the other variables and especially exchange rates remain fixed.

	Profit or loss	
Effect as at 31/12/2018	**0.25% increase**	**0.25% decrease**
Floating rate financial instruments	(503.836)	503.836

	Profit or loss	
Effect as at 31/12/2017	**0.25% increase**	**0.25% decrease**
Floating rate financial instruments	(458.515)	458.515

10.5 Fair value

Fair value compared to book value

The fair value of the financial assets and financial liabilities shown in the Consolidated and the Company's Statement of Financial Position is the same with their book value. The major part of the balance of the items "Trade receivables" and "Trade and other payables" has a limited maturity (up to one year) and, therefore, it is estimated that the carrying amount of these items approximates their fair value.

"Other investments" refer to investments of the Company in shares of other companies whose shares are not traded in any regulated stock market and, therefore, their fair value cannot be determined. These investments are tested annually in terms of impairment.

Classification of financial instruments based on their valuation according to fair value hierarchy

A classification table of financial instruments for both the Company and the Group is provided below which depends on the quality of the data used to assess fair value:

- Level 1: Financial instruments measured at fair value using active market prices
- Level 2: Financial instruments measured at fair value using other unquestionably objective prices beyond active market
- Level 3: Financial instruments valued according to the Company's and the Group's estimates since there is no observable input in the market.

	2018			**2017**		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other investments	-	-	11.337	-	-	10.537
Derivative financial assets	-	654.359	-	-	1.057.503	-
Derivative financial liabilities	-	4.414.999	-	-	1.050.644	-
Total	**-**	**5.069.357**	**11.337**	**-**	**2.108.147**	**10.537**

11. Inventories

Group's and Company's inventories are analysed as follows:

Group

(Amounts in Euro)	2018	2017
Merchandise	207.823	490.828
Finished goods	15.330.261	11.339.016
Semi-finished goods	3.974.723	3.540.608
By-products and scrap	8.779.747	5.865.566
Raw and auxiliary materials	80.506.941	62.417.707
Consumables	1.505.440	1.161.007
Packaging materials	31.424	31.424
Spare parts	3.185.117	2.716.385
Total	**113.521.476**	**87.562.540**

Company

(Amounts in Euro)	2018	2017
Merchandise	207.823	267.913
Finished goods	11.087.410	11.165.388
Semi-finished goods	3.974.723	3.540.608
By-products and scrap	8.779.747	5.865.566
Raw and auxiliary materials	80.506.941	62.417.707
Consumables	1.505.440	1.161.007
Packaging materials	31.424	31.424
Spare parts	3.185.117	2.716.385
Total	**109.278.624**	**87.165.997**

Increase in the value of "Finished goods" and "Auxiliary and Raw materials" for the Group and the Company is mainly attributed to the increased volume of projects in progress on December 31, 2018 compared to the ones undertaken on December 31, 2017.

Inventories are presented at the lower between their acquisition or production cost and net realisable value which is their expected selling price less the costs required for such sale.

The cost of inventory that was recognised as an expense in the cost of sales of the Group for the fiscal year ended December 31st, 2018 amounts to EUR 353.224.069 (2017: EUR 249.956.097) (note 23).

The cost of inventory that was recognised as an expense in the cost of sales of the Company for the fiscal year ended December 31st, 2018 amounts to EUR 315.902.329 (2017: EUR 242.959.769) (note 23).

At December 31, 2018 the net realizable value of certain finished products was lower than their production cost, and as a result an impairment loss of EUR 173.373 was recorded (2017: EUR 216.901), for both the Group and the Company.

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12. Trade and Other Receivables

Group

Amounts in Euro	2018	2017
Current Assets		
Trade receivables	76.419.713	45.715.763
Less: Impairment losses	(20.320.492)	(19.508.707)
Trade receivables from contracts with customers	**56.099.220**	**26.207.055**
Other down payments	1.193.629	182.456
Cheques and notes receivables	-	37.000
Receivables from related entities	22.165.444	20.043.925
Tax assets	1.128.132	26.635
Other debtors	3.451.392	8.713.991
Other receivables	2.357.891	1.480.591
Less: Impairment losses	-	(37.000)
	30.296.489	**30.447.599**
Total	**86.395.709**	**56.654.655**
Non-current assets		
Other non-current receivables	1.088.691	1.397.716
Total	**1.088.691**	**1.397.716**
Total receivables	**87.484.400**	**58.052.371**

Increase in Trade receivables from Euro 45,7mil. on December 31, 2017 to Euro 76,4mil. on December 31, 2018 is mainly attributable to increased operations of the Group during last months of 2018 in comparison to the activity during the same period of 2017. Increased operations resulted in increasing both invoiced and contractual receivables during last months of 2018 compared to last months of 2017.

Company

Amounts in Euro	2018	2017
Current Assets		
Trade receivables (excluding investment property clients)	52.646.993	36.978.044
Less: Impairment losses	(20.317.663)	(19.508.707)
Trade receivables from contracts with customers	**32.329.330**	**17.469.337**
Cheques and notes receivables	-	37.000
Receivables from related entities	82.851.344	32.593.592
Tax assets	1.128.132	-
Other debtors	1.900.114	8.713.991
Other receivables	2.357.681	1.499.789
Less: Impairment losses	-	(37.000)
	88.237.270	**42.807.372**
Total	**120.566.600**	**60.276.709**
Non-current assets		
Other non-current receivables	1.034.114	1.397.716
Total	**1.034.114**	**1.397.716**
Total receivables	**121.600.714**	**61.674.425**

During 2018 the Company transferred receivables amounting to EUR 53.480.567 to a bank in exchange for cash (2017: EUR 24.810.373).

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 million (EUR 21.7 million as at 31 December 2018), plus legal interest.

Following a series of court proceedings, in 2017, the Dubai Court of Cassation issued its final judgment which ruled to reject any counterclaim of the former customer and to confirm the amount due to the Company.

In order to recover this long overdue balance, the Company has recently initiated the enforcement procedures against the assets of the former customer that are located within any of the countries, where the Court of Cassation judgment issued against the former customer is enforceable (i.e. UAE and various other countries in the Middle East).

The Company has recorded in the past an impairment loss of USD 23.1 million (EUR 20.2 million as at 31 December 2018) to reflect the recoverability of that receivable. Since no substantial developments have taken place during 2018, management considers that there is no reason to revise the impairment recorded in the past related to this overdue receivable. However, the Company will continue any and all actions required to collect the full amount of that receivable.

Information about Company's exposure to credit and market risks, and impairment losses for trade and other receivables, is included in Note 10.

13. Derivatives

The following table sets out the carrying amount of derivatives for both the Group and the Company:

(Amounts in Euro)	2018	2017
Current assets		
Forward foreign exchange contracts	654.359	1.057.503
Total	**654.359**	**1.057.503**
Current liabilities		
Forward foreign exchange contracts	4.414.999	1.050.644
Total	**4.414.999**	**1.050.644**

The amounts recognized in the Statement of Profit or Loss are the following for both the Group and the Company:

	For the year ended 31 December	
(Amounts in Euro)	2018	2017
Gain / loss (-) on FX forwards contracts	(3.927.680)	(2.500.973)
Total	**(3.927.680)**	**(2.500.973)**

Profit or loss related to derivatives used for cash flow hedging and recognized in other comprehensive income (Hedging reserve) as at 31 December 2018 will be recognized in profit or loss during the following financial year.

14. Cash and Cash equivalents

Cash & cash equivalents for the Group and the Company were as follows:

Group

(Amounts in Euro)	2018	2017
Cash in hand	34.479	67.940
Short-term bank deposits	34.631.325	58.102.602
Total	**34.665.804**	**58.170.543**

Decrease of Cash and Cash equivalents of the Group from Euro 58,1mil. on December 31, 2017 to Euro 34,6mil. on December 31, 2018 is mainly attributable to the increase of Inventories and Trade and contractual receivables from Customers, which in turn was caused by the increased volume of operations of the Company during last months of 2018, in comparison to last months of 2017.

Company

(Amounts in Euro)	2018	2017
Cash in hand	2.122	16.641
Short-term bank deposits	13.042.105	55.329.167
Total	**13.044.227**	**55.345.808**

Any foreign exchange differences on Cash and cash equivalents are posted in the Consolidated Statement of Profit or Loss as Financial income/(expenses).

15. Share capital

On 31 December 2018 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. The share capital of the Company remained unchanged compared to December 31, 2017.

On 31 December 2018 the share capital of WTT amounted to PLN 2,783,750 divided into 55,675 shares with a nominal value of PLN 50 each. The share capital of the Company remained unchanged compared to December 31, 2017.

On 31 December 2018 the share capital of CPW America amounted to USD 500,000 divided into 5,000 shares with a nominal value of USD 100 each. The share capital of the Company remained unchanged compared to December 31, 2017.

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16. Reserves

The movement of the reserves during the period is as follows:

Group

(Amounts in Euro)	Statutory Reserves	Hedging reserves	Absorption Reserve	Tax exempt reserves	Translation Reserve	Other reserves	Total
Balance 1 January 2017	**665.822**	**-**	**25.071.684**	**19.961.294**	**619.911**	**94**	**46.318.805**
Other comprehensive income, net of tax	-	-	-	-	(947.031)	-	(947.031)
Balance 31 December 2017	**665.822**	**-**	**25.071.684**	**19.961.294**	**(327.121)**	**94**	**45.371.774**
Balance 1 January 2018	**665.822**	**-**	**25.071.684**	**19.961.294**	**(327.121)**	**94**	**45.371.774**
Other comprehensive income, net of tax	-	(1.464.944)	-	-	573.425	-	(891.520)
Balance 31 December 2018	**665.822**	**(1.464.944)**	**25.071.684**	**19.961.294**	**246.304**	**94**	**44.480.254**

Company

(Amounts in Euro)	Statutory Reserves	Hedging reserves	Absorption Reserve	Tax exempt reserves	Other reserves	Total
Balance 1 January 2017	**665.822**	**-**	**25.071.684**	**19.961.294**	**94**	**45.698.894**
Balance 31 December 2017	**665.822**	**-**	**25.071.684**	**19.961.294**	**94**	**45.698.894**
Balance 1 January 2018	**665.822**	**-**	**25.071.684**	**19.961.294**	**94**	**45.698.894**
Other comprehensive income, net of tax	-	(1.464.944)	-	-	-	(1.464.944)
Balance 31 December 2018	**665.822**	**(1.464.944)**	**25.071.684**	**19.961.294**	**94**	**44.233.950**

Statutory reserve: According to the Greek company law, companies are obliged to withhold 5% of their net annual post-tax profits to form statutory reserve until the balance of such statutory reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution but can be used to offset losses.

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. Contributing Company of the sector was Corinth Pipeworks Holdings S.A.

Tax exempt reserves: Tax exempt 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, they will be taxed using the tax rate applying at such time.

17. Loans and borrowings

A. Overview

A review of both Group's and Company's Loans and borrowings is presented below.

Amounts in Euro	2018	2017
Non-current		
Unsecured bank loans	21.147.775	26.687.140
Secured bond issues	29.470.271	9.600.000
Total	**50.618.046**	**36.287.140**
Current		
Unsecured bank loans	105.002.174	79.038.034
Current portion of unsecured bank loans	5.476.888	7.833.571
Current portion of secured bond issues	8.004.672	36.362.949
Recourse Factoring	48.586.031	23.884.391
Total	**167.069.764**	**147.118.945**
Total loans and borrowings	**217.687.811**	**183.406.084**

The maturities of non-current loans are as follows:

	2018	2017
Amounts in Euro	**Total**	**Total**
Between 1 and 2 years	13.273.596	7.801.470
Between 2 and 5 years	37.344.450	23.404.409
Over 5 years	-	5.081.260
Total	**50.618.046**	**36.287.140**

The effective weighted average interest rates of the main categories of loans and borrowings at the reporting date are as follows:

	2018		2017	
Amounts in Euro	**Carrying amount**	**Interest rate**	**Carrying amount**	**Interest rate**
Bank lending (non-current)	26.624.663	2,0%	34.520.710	2,0%
Bank lending (current)	105.002.374	4,4%	79.038.034	4,8%
Bond issues	37.474.743	4,3%	45.962.949	4,3%
Recourse factoring	48.586.031	6,2%	23.884.391	5,2%

During 2018, Corinth Pipeworks obtained new loans of EUR 49,3 million and repaid long term loans of EUR 17,1 million. The new loans mainly concern withdrawals from existing and new revolving credit lines of current bank loans having similar terms and conditions for project financing.

Short term facilities are predominately revolving credit facilities which finance working capital needs and specific ongoing projects.

Loans and borrowings increased by EUR 34,2 million, driven by the significant working capital needs of the Company.

During 2018, the negotiations with several banks regarding the conversion of a significant portion of short-term borrowings to long-term ones were successfully concluded. As a result, loans and borrowings of the Company, amounting to EUR 25,1 million were successfully reprofiled through a 5-year extension of the syndicated bond loan initially received in 2013 with improved pricing terms.

Mortgages and pledges in favour of banks have been recorded on property, plant and equipment of the Company. The carrying amount of assets mortgaged or pledged is EUR 40,7 million.

During 2018, there was a breach in the terms of one covenant of the syndicated bond loan received in 2013, for which a waiver was obtained by the lending banks.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

(Amounts in Euro)	**2018**	**2017**
Balance at 1 January	183.406.084	200.336.763
Changes from financing activities		
Proceeds from new borrowings	49.316.441	6.425.745
Repayment of borrowings	(17.118.551)	(24.228.290)
Total changes from financing activities	**32.197.890**	**(17.802.545)**
Other changes		
Capitalised borrowing costs	591.321	-
Amortization of loan fees	660.661	870.874
Interest expense	8.441.631	8.564.154
Interest paid	(7.609.778)	(8.563.161)
	2.083.835	**871.867**
Balance at 31 December	**217.687.810**	**183.406.084**

18. Income tax expense

The analysis of Income tax expense recognized in the Statement of Profot or Loss and Other Comprehensive Income for the Group and the Company is as follows:

	GROUP		COMPANY	
(Amounts in Euro)	**2018**	**2017**	**2018**	**2017**
Current tax expense	(1.301.934)	301.080	(60.799)	313.768
Deferred tax (expense)/ income	1.809.590	4.572.626	1.653.037	4.733.107
Tax income	**507.655**	**4.873.706**	**1.592.238**	**5.046.875**

Current tax

According to Laws 4334/2015 and 4336/2015 that were enacted in 2015, the income tax rate for legal entities in Greece is set at 29%. According to Article 23 of Law 4579/2018, it will be gradually reduced by 1% per annum as follows:

- 28% for fiscal year 2019
- 27% for fiscal year 2020
- 26% for fiscal year 2021
- 25% for fiscal year 2022 and onwards

Reconciliation of applicable tax rate for the Group and the Company is as follows:

	GROUP		COMPANY	
(Amounts in Euro)	**2018**	**2017**	**2018**	**2017**
Accounting Profit/loss (-) before income tax	**6.706.376**	**(4.343.670)**	**1.005.240**	**(4.930.660)**
Tax calculated by using the applicable tax rate	(1.944.849)	1.271.643	(291.520)	1.429.892
Non-deductible expenses for tax purposes	(367.568)	(515.605)	(376.489)	(426.259)
Recognition of previously unrecognised tax losses, tax credit or temporary differences of a prior period	428.763	3.299.976	324.916	3.299.976
Effect of tax rates in foreign jurisdictions	455.976	(18.860)	-	-
Change in tax rate or composition of new tax	1.996.131	-	1.996.129	-
Other taxes	-	93.285	-	-
Permanent differences	-	429.499	-	429.499
Changes in tax related to prior years	(60.799)	313.768	(60.799)	313.768
	507.655	**4.873.706**	**1.592.238**	**5.046.875**
Applicable tax rate	**7,57%**	**-112,20%**	**158,39%**	**-102,36%**

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Deferred tax

The deferred tax assets and liabilities that were accounted for and the movements of the relevant accounts are shown below:

Group

(Amounts in Euro)	Balance 1/1/2018	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change in tax rate - Recognised in profit or loss	Change in tax rate - Recognised in OCI	Other	Balance 31/12/2018
Property, plant and equipment	(18.591.532)	(1.101.697)	-	-	1.526.165	-	16.224	**(18.150.840)**
Intangible assets	947.195	(162.461)	-	-	584.715	-	-	**1.369.449**
Thin Capitalisation	384.560	292.371	-	-	(93.370)	-	-	**583.561**
Derivatives	(1.989)	502.528	590.047	-	(17.260)	(20.346)	-	**1.052.979**
Inventories	(910.200)	-	-	-	-	-	-	**(910.200)**
Loans and borrowings	(1.048.477)	170.268	-	-	156.007	-	-	**(722.203)**
Employee benefits	496.824	18.108	(13.384)	-	(58.619)	(10.560)	-	**432.368**
Provisions	5.592.493	253.668	-	-	(199.810)	-	-	**5.646.351**
Deferred income	7.137	2.784	-	(232)	-	-	-	**9.688**
Contracts with customers	(208.661)	(311.539)	-	(153.462)	50.793	-	-	**(622.870)**
Other items	(656.572)	(191.711)	-	-	59.273	-	3.864	**(785.146)**
Carryforward tax loss	-	341.140	-	-	(11.763)	-	-	**329.377**
Total	**(13.989.223)**	**(186.541)**	**576.662**	**(153.695)**	**1.996.131**	**(30.906)**	**20.088**	**(11.767.484)**

(Amounts in Euro)	Net balance at 1 January 2017	Recognised in profit or loss	Recognised in OCI	Foreign exchange differences	Change in accounting policy	Other	Net Balance at 31 December 2017
Property, plant and equipment	**(17.820.005)**	(771.527)	-	-	-	-	**(18.591.532)**
Intangible assets	**1.109.656**	(162.461)	-	-	-	-	**947.195**
Thin Capitalisation	**-**	384.560	-	-	-	-	**384.560**
Derivatives	**(1.839)**	(150)	-	-	-	-	**(1.989)**
Inventories	**144.863**	(1.055.063)	-	-	-	-	**(910.200)**
Loans and borrowings	**-**	252.841	-	-	-	(1.301.318)	**(1.048.477)**
Employee benefits	**427.266**	26.032	43.526	-	-	-	**496.824**
Provisions	**-**	5.592.493	-	-	-	-	**5.592.493**
Deferred income	**2.408**	4.508	-	221	-	-	**7.137**
Contracts with customers	**-**	(154.312)	-	-	(54.349)	-	**(208.661)**
Other items	**(2.415.160)**	455.707	-	-	-	1.302.882	**(656.571)**
Total	**(18.552.811)**	**4.572.626**	**43.526**	**221**	**(54.349)**	**1.564**	**(13.989.223)**

CORINTH PIPEWORKS
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Company

(Amounts in Euro)	Balance 1/1/2018	Recognised in profit or loss	Recognised in OCI	Change in tax rate - Recognised in profit or loss	Change in tax rate - Recognised in OCI	Balance 31/12/2018
Property, plant and equipment	(18.711.057)	(1.074.795)	-	1.526.165	-	**(18.259.687)**
Intangible assets	947.195	(162.461)	-	584.715	-	**1.369.449**
Thin Capitalisation	384.560	292.371	-	(93.370)	-	**583.561**
Derivatives	(1.989)	502.528	590.047	(17.260)	(20.346)	**1.052.979**
Inventories	(926.424)	-	-	-	-	**(926.424)**
Loans and borrowings	(1.048.477)	170.268	-	156.007	-	**(722.202)**
Employee benefits	496.824	18.108	(13.384)	(58.619)	(10.560)	**432.369**
Provisions	5.592.493	253.668	-	(199.810)	-	**5.646.351**
Contracts with customers	(54.349)	(492.210)	-	50.793	-	**(495.766)**
Other items	(656.573)	(191.712)	-	59.273	-	**(789.013)**
Carryforward tax loss	-	341.140	0	(11.763)	-	**329.377**
Total	**(13.977.798)**	**(343.093)**	**576.662**	**1.996.129**	**(30.906)**	**(11.779.006)**

(Amounts in Euro)	Balance 1/1/2017	Recognised in profit or loss	Recognised in OCI	Change in accounting policy	Other	Balance 31/12/2017
Property, plant and equipment	**(17.820.005)**	(891.052)	-	-	-	**(18.711.057)**
Intangible assets	**1.109.656**	(162.461)	-	-	-	**947.195**
Thin Capitalisation	**-**	384.560	-	-	-	**384.560**
Derivatives	**(1.839)**	(150)	-	-	-	**(1.989)**
Inventories	**-**	(926.424)	-	-	-	**(926.424)**
Loans and borrowings	**-**	252.841	-	-	(1.301.318)	**(1.048.477)**
Employee benefits	**427.266**	26.032	43.526	-	-	**496.824**
Provisions	**-**	5.592.493	-	-	-	**5.592.493**
Contracts with customers	**-**	-	-	(54.349)	-	**(54.349)**
Other items	**(2.415.160)**	457.269	-	-	1.301.318	**(656.573)**
Total	**(18.700.082)**	**4.733.107**	**43.526**	**(54.349)**	**-**	**(13.977.798)**

19. Employee benefits

According to IFRS, the liabilities of the Group towards social security funds of its employees are split into defined-contribution and defined-benefit plans.

According to the Greek Labor Law employees are entitled to compensation when dismissed or retiring, the level of which is related to employee salary, length of service and the mode of departure (dismissal or retirement). Employees who resign or are dismissed on specific grounds are not entitled to compensation. The compensation payable in the case of retirement is 40% of the amount which would have been paid for unjustified dismissal. The level of compensation finally paid by the Company is determined by taking into account the employee's length of service and salary.

i) Defined contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Group pays a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programs is recorded as an expense in the period that the related service is provided. A liability is considered related to defined contribution plans when the accrued part thereof is regularly accounted for. This practice is similar to the practice under current Greek law, in other words payment to insurance funds of employer contributions for the length of employee service.

ii) Defined benefit plans

For pension plans falling into the defined benefit category, the IFRSs have set certain requirements concerning the valuation of the current liability and the principles and actuarial assumptions which have to be followed to assess the liability deriving from those pension plans. The obligation which is posted is based on the projected unit credit method which calculates the current value of the accrued obligation.

Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group determines the net interest expense by multiplying the net amount between the defined benefit plan and the fair value of the plan’s assets with the applicable discount rate.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity of years 2018 and 2017 respectively and for both the Group and the Company.

a. Changes in the present value of the liability for the Group and the Company

(Amounts in Euro)	**2018**	**2017**
Changes in net liability recognised in the Statement of Financial Position		
Balance at 1 January	1.713.177	1.487.992
Benefits paid	(154.699)	(187.066)
Total expenditure recognised in the statement of profit or loss	217.138	262.161
Total expenditure recognised in OCI	(46.152)	150.090
Balance at 31 December	**1.729.465**	**1.713.177**

Breakdown of the amounts recognized in the statement of profit or loss		
Current service cost	88.868	83.919
Past service cost	1.239	17.044
Settlement/curtailment/termination loss	101.564	137.511
Interest cost/income (-)	25.467	23.688
Total expenditure recognized in the statement of profit or loss	**217.138**	**262.161**

Amounts recognized in OCI		
Actuarial loss / (gain) - financial assumptions	36.777	26.399
Actuarial loss / (gain) experience in the period	(82.929)	123.691
Total	**(46.152)**	**150.090**

b. Actuarial assumptions

The main assumptions on which the actuarial study was based to calculate the provision are as follows:

	2018	**2017**
Discount rate	1,61%	1,50%
Price Inflation	1,50%	1,50%
Rate of compensation increase	0,75%	0,50%
Plan duration	15,01	15,44

c. Sensitivity analysis

The defined benefit obligation (DBO) depends on the assumptions used in the actuarial study. Therefore, on the reporting date (31/12/2018):

- If a lower discount rate by 0.5% had been used (namely 1.11% instead of 1.61%), the DBO would have been higher by approximately 7.94%.
- If a higher discount rate by 0.5% had been used (namely 2.11% instead of 1.61%), the DBO would have been lower by approximately 7.21%.
- If a higher by 0.5% increase rate of compensation had been used (namely 1.25% instead of 0.75%), the DBO would have been higher by approximately 7.97%.
- If a lower by 0.5% increase rate of compensation had been used (namely 0.25% instead of 0.75%), the DBO would have been lower by approximately 7.31%.

d. Expected maturity analysis

(Amounts in Euro)	2018	2017
Up to 1 year	12.924	30.694
Between 1 and 2 years	28.702	-
Between 2 and 5 years	81.390	77.685
Over 5 years	2.101.835	1.604.798
Total	**2.224.851**	**1.713.177**

20. Provisions

The movement of the Long term provisions, other than the provisions for Employee Benefits (see note 19), was as follows, both for the Group and the Company:

(Amounts in Euro)	Other provisions
Balance as at 1 January 2017	**137.753**
Balance as at 31 December 2017	**137.753**
Balance as at 1 January 2018	**137.753**
Additional provisions of the fiscal year	-
Provisions reversed during the year	(39.818)
Balance as at 31 December 2018	**97.935**

The amount of the said provision regards ongoing out of court disputes of the Company and is calculated based on estimations of our legal department. The provision is not expected to be used in its entirety within 2019. The Management of the Group considers that the formed provision is sufficient and no additional burden is expected to arise beyond the amount already booked.

21. Trade and other payables

The analysis of the Group and the Company's Trade and Other payables is as follows:

Group

(Amounts in Euro)	2018	2017
Suppliers	88.535.266	68.325.365
Social Security funds	877.494	812.515
Amounts due to related parties	7.806.377	5.792.734
Dividends payable	1.671	1.671
Sundry creditors	556.821	5.941.837
Accrued expenses	3.001.692	2.624.061
Income Tax	85.995	-
Other Taxes	1.008.396	617.891
Total	**101.873.711**	**84.116.075**

The increase of the liabilities towards Suppliers of the Group, from Euro 68,3mil. on December 31, 2017 to Euro 88,5mil. on December 31, 2018 is mainly attributable to the increased liabilities towards suppliers of Raw materials caused by orders made to face increased production needs during the last months of 2018.

Company

(Amounts in Euro)	2018	2017
Suppliers	83.489.002	68.308.481
Social Security funds	877.494	812.515
Amounts due to related parties	2.938.261	5.618.110
Dividends payable	1.671	1.671
Sundry creditors	556.821	635.120
Accrued expenses	2.941.320	2.620.528
Other Taxes	-	617.890
Total	**90.804.568**	**78.614.316**

22. Revenue

A. Significant accounting policy

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

CPW Group has early adopted IFRS 15 "Revenue from Contracts with Customers" with a date of initial application of 1 January 2017.

For the detailed accounting policy, see note 4.3

B. Nature of goods and services

Steel pipes projects

Corinth Pipeworks produces and sells customized products to customers mainly for onshore and offshore pipelines for oil and gas transportation and casing pipes. Under the terms of the contracts and due to the high degree of customization, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than Company's failure to perform as promised. Revenue from such projects is therefore recognised over time.

Hollow structural sections

These steel products are primarily used in the construction sector and they are used as structural components in metal constructions. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

C. Disaggregation of revenue

In the following table revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Group		Company	
(Amounts in Euro)	**2018**	**2017**	**2018**	**2017**
Primary geographical markets				
Greece	18.344.493	137.800.289	18.344.493	137.800.289
Other European Union countries	185.910.734	76.080.185	185.910.733	76.080.184
Other European countries	13.432.978	4.624.556	13.432.978	4.624.555
Asia	4.327.700	36.373.277	623.642	36.373.277
America	249.147.023	80.929.375	205.063.397	71.062.145
Africa	4.138.961	177.471	4.138.961	177.471
	475.301.888	**335.985.153**	**427.514.204**	**326.117.922**

	Group		Company	
(Amounts in Euro)	**2018**	**2017**	**2018**	**2017**
Major products and other materials				
Steel pipes	429.608.488	291.000.662	389.984.044	284.903.748
Hollow structural sections	28.569.230	35.826.204	28.569.230	35.826.204
Sales of raw materials and other products	17.124.170	9.158.287	8.960.930	5.387.970
	475.301.888	**335.985.153**	**427.514.204**	**326.117.922**

Timing of revenue recognition for revenue recognised during 2018 and 2017 in line with the provisions of IFRS 15:

	Group		Company	
(Amounts in Euro)	**2018**	**2017**	**2018**	**2017**
Revenue recognized over time	429.550.228	287.884.802	383.031.007	281.787.887
Revenue recognized at a point in time	45.751.660	48.100.351	44.483.197	44.330.035
	475.301.888	**335.985.153**	**427.514.204**	**326.117.922**

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 49.3 million and 50.6 million for the Group and the Company respectively. This amount is expected to be recognised during 2019 based on the time schedules included in the open contracts as of 31 December 2018, which have original expected durations of less than one year after the reporting date.

D. Contract Assets and Liabilities

The following table provides information about contracts assets and contracts liabilities from contracts with customers:

	Group		Company	
(Amounts in Euro)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Contract assets	69.454.752	38.547.376	40.336.970	28.000.038
Contract liabilities	3.200.000	2.981.858	3.200.000	2.981.858

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented separately in the Consolidated and Company's Statements of Financial Position.

For products & services for which revenue is recognised over time, such as customized steel pipes products, amounts are billed as work progresses in accordance with agreed-upon contractual terms. Billing is made:

- upon achievement of contractual milestones, or
- at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customized products produced over time resulting in contract assets. However, advances are sometimes received from customers before revenue is recognized, resulting in contract liabilities. These assets and liabilities are reported on a contract-by-contract basis at the end of each reporting period.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Group		Company	
(Amounts in Euro)	**Contract assets**	**Contract liabilities**	**Contract assets**	**Contract liabilities**
Balance 1 January 2017	-	-	-	-
Change in accounting policy	1.416.595	5.309.481	1.416.595	5.309.481
Adjusted Balance 1 January 2017	**1.416.595**	**5.309.481**	**1.416.595**	**5.309.481**
Increases due to fulfillment of performance obligations	38.547.376	-	28.000.038	-
Increases due to cash received, excluding amounts recognised as revenue during the period	-	2.981.858	-	2.981.858
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(5.309.481)	-	(5.309.481)
Transfers from contract assets recognised at the beginning of the period to receivables	(1.416.595)	-	(1.416.595)	-
Balance 31 January 2017	**38.547.376**	**2.981.858**	**28.000.038**	**2.981.858**
Balance 1 January 2018	**38.547.376**	**2.981.858**	**28.000.038**	**2.981.858**
Effects from Foreign Exchange differences	1.427.812	-	-	-
Increases due to fulfillment of performance obligations	68.323.285	-	40.336.970	-
Increases due to cash received, excluding amounts recognised as revenue during the period	-	3.200.000	-	3.200.000
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(2.981.858)	-	(2.981.858)
Transfers from contract assets recognised at the beginning of the period to receivables	(38.843.721)	-	(28.000.038)	-
Balance 31 January 2018	**69.454.752**	**3.200.000**	**40.336.970**	**3.200.000**

E. Contract costs

Management expects that fees, commissions and other costs associated with obtaining contracts for energy projects are recoverable.

In addition, costs to fulfill a contract are capitalised if they are directly associated with the asset and are recoverable. Such contract costs may include materials used for tests necessary for the production, labor costs, insurance fees and other costs necessary to fulfil performance obligations under a contract once it is obtained, but before transferring the control of goods or rendering services to the customer.

Therefore, as at 31 December 2018 CPW Group has recorded as contract costs an amount of EUR 366 thousand classified as current assets.

Contract costs of obtaining or fulfilling a contract are expensed to cost of sales when the related revenue is recognised.

Applying the practical expedient of IFRS 15 paragraph 94, CPW Group recognises incremental costs of obtaining and fulfilling contracts as an expense when incurred if the amortisation period of the assets would be one year or less, i.e. if the initial expected duration of a contract obtained in less than one year.

23. Expenses by nature

The analysis of Expenses by nature for the Group and the Company is as follows:

Group

(Amounts in Euro)	2018	2017
Cost of inventories recognized as an expense	353.224.069	249.956.097
Employee benefits	24.054.305	19.660.679
Energy	3.650.555	3.287.795
Depreciation and amortisation	9.310.258	9.147.440
Taxes - duties	445.696	555.431
Credit insurance expenses	936.853	251.354
Other insurance expenses	3.918.705	3.546.355
Rental fees	1.012.005	1.024.988
Transportation	23.408.542	15.936.954
Promotion & advertising	357.181	273.906
Third party fees and benefits	28.728.585	15.049.691
Gains/(losses) from derivatives	3.927.680	2.500.973
Commissions	1.220.300	1.088.478
Foreign exchange differences	(111.394)	(4.205.996)
Maintenance expenses	3.331.439	1.056.190
Travel expenses	1.533.538	1.462.263
BOD Fees	158.948	177.999
Shared utility expenses	187.858	117.371
Other expenses	1.072.041	742.888
Total	**460.367.163**	**321.630.856**

Company

(Amounts in Euro)	2018	2017
Cost of inventories recognized as an expense	315.902.329	242.959.769
Employee benefits	20.769.893	18.000.679
Energy	3.650.555	3.287.795
Depreciation and amortisation	9.305.530	9.142.756
Taxes - duties	436.711	552.521
Credit insurance expenses	839.555	251.354
Other insurance expenses	3.879.159	3.499.763
Rental fees	807.675	833.824
Transportation	23.329.227	15.882.447
Promotion & advertising	351.281	232.452
Third party fees and benefits	27.988.822	14.976.656
Gains/(losses) from derivatives	3.927.680	2.500.973
Commissions	1.220.300	1.088.478
Foreign exchange differences	(111.394)	(4.205.996)
Maintenance expenses	3.331.439	1.021.008
Travel expenses	1.331.035	1.320.324
BOD Fees	130.025	176.010
Shared utility expenses	187.858	93.529
Other expenses	978.636	730.497
Total	**418.256.314**	**312.344.839**

The Group significantly invests in research and development in order to continuously bring value-added products and services to the market and improve production processes and to promote the recycling of materials and proper use of natural resources. The aggregate amount of research and development expenditure recognised as an expense for 2018 amounts to EUR 515 thousand.

The caption “third party fees and benefits” in the tables above includes fees of EUR 122.200 and EUR 160.200 paid to the auditors of the Group and the Company respectively for 2018.

24. Personnel expenses

The analysis of personnel expenses for the Group and the Company is as follows:

Group

(Amounts in Euro)	2018	2017
Employee remuneration & expenses	19.147.084	15.150.066
Social security expenses	4.032.907	3.764.598
Defined contribution plan expenses	146.707	214.054
Defined benefit plan expenses	217.138	262.161
Other employee benefits	510.469	269.799
Total	**24.054.305**	**19.660.678**

Personnel expenses are included in the following items in the financial statements:

(Amounts in Euro)	2018	2017
Cost of Sales	15.518.394	13.825.397
Selling and distribution expenses	5.998.662	3.743.606
Administrative expenses	2.537.249	2.091.675
Total	**24.054.305**	**19.660.678**

The personnel employed on 31 December 31 2018 for the Group numbered to 502 (2017: 471).

Company

(Amounts in Euro)	2018	2017
Employee remuneration & expenses	16.229.353	13.792.675
Social security expenses	3.914.794	3.676.043
Defined benefit plan expenses	217.138	262.161
Other employee benefits	408.609	269.799
Total	**20.769.893**	**18.000.679**

Personnel expenses are included in the following items in the financial statements:

(Amounts in Euro)	2018	2017
Cost of Sales	15.518.394	13.941.936
Selling and distribution expenses	2.714.250	2.083.606
Administrative expenses	2.537.249	1.975.137
Total	**20.769.893**	**18.000.679**

The personnel employed on 31 December 31 2018 for the Group numbered to 489 (2017: 460).

25. Other income

The analysis of Other income for the Group and the Company is as follows:

Group

(Amounts in Euro)	2018	2017
Grants of the Fiscal Year	35.570	7.039
Rental income	17.886	11.160
Income from fees	812.961	990.917
Income from costs recharged	37.062	-
Damage Compensation	255.390	19.893
Gain from sale of Fixed assets	20.161	811
Income from consulting services	-	28.665
Income from reversal of other provisions	39.818	-
Other Income	691.725	1.263
Total	**1.910.575**	**1.059.748**

Company

(Amounts in Euro)	2018	2017
Grants of the Fiscal Year	35.570	7.039
Rental income	17.886	11.160
Income from fees	812.961	990.917
Income from costs recharged	37.062	-
Damage Compensation	255.390	19.893
Gain from sale of Fixed assets	20.161	811
Income from consulting services	-	28.665
Income from reversal of other provisions	39.818	-
Other Income	691.725	1.263
Total	**1.910.575**	**1.059.748**

26. Other expenses

The analysis of Other expenses for the Group and the Company is as follows:

Group

(Amounts in Euro)	2018	2017
Loss from sale of Fixed assets	1.097	-
Consulting fees	190.400	-
Total	**191.497**	**-**

Company

(Amounts in Euro)	2018	2017
Consulting fees	190.400	-
Total	**190.400**	**-**

27. Finance income

The analysis of Finance income for the Group and the Company is as follows:

Group

(Amounts in Euro)	2018	2017
Interest Income	83.460	93.656
Foreign Exchange gains	223.363	29
Total	**306.823**	**93.685**

Company

(Amounts in Euro)	2018	2017
Interest Income	82.285	93.656
Foreign Exchange gains	223.363	-
Total	**305.647**	**93.656**

28. Finance costs

The analysis of Finance expense for the Group and the Company is as follows:

Group

(Amounts in Euro)	2018	2017
Interest expenses	6.087.606	7.916.433
Guarantee commissions	1.046.561	1.016.440
Other bank commissions	69.027	182.737
Amortization of loan fees	660.661	870.874
Interest expense on factoring with recourse	2.354.032	647.721
Foreign Exchange losses	9.885	342.816
Total	**10.227.773**	**10.977.021**

Company

(Amounts in Euro)	2018	2017
Interest expenses	6.087.599	7.916.433
Guarantee commissions	1.046.561	1.016.440
Other bank commissions	69.027	172.197
Amortization of loan fees	660.661	870.874
Interest expense on factoring with recourse	2.354.032	647.721
Foreign Exchange losses	9.885	342.816
Total	**10.227.767**	**10.966.481**

29. Commitments and contingent liabilities

29.1 Payables from operating leases

The Group leases transportation means and buildings, based on operating leases. The future payable total rental fees are as follows for the Group and the Company:

Group

(Amounts in Euro)	2018	2017
Less than one year	643.913	498.643
Between one and five years	1.449.589	1.099.578
More than five years	351.200	63.000
Total	**2.444.702**	**1.661.221**

Company

(Amounts in Euro)	2018	2017
Less than one year	504.279	498.643
Between one and five years	1.033.144	1.099.578
More than five years	351.200	63.000
Total	**1.888.623**	**1.661.221**

During the year 2018 an amount of EUR 1.012.005 and EUR 807.675 in relation to operating leases rental fees was charged to Profit or loss for the Group and the Company respectively (2017: EUR 1.024.988 and EUR 833.824 for the Group and the Company respectively).

29.2 Contingent liabilities

The Company and the Group have contingent liabilities related to bank guarantees, issued in its ordinary course of business. The said contingent liabilities are shown below for both the Group and the Company:

(Amounts in Euro)	2018	2017
Guarantees to secure payables to suppliers	7.539.134	5.607.915
Guarantees to secure the good performance of contracts with clients	17.900.821	15.523.725
Mortgages and statutory notices of mortgage issued against lots & buildings	40.664.167	56.760.000
Guarantees for factoring with recourse	53.480.567	24.810.373
Other liabilities	97.935	143.622
Total	**119.682.623**	**102.845.635**

29.3 Capital commitments

The capital expenditures in progress for the Group and the Company at 31/12/2018 were EUR 7.510.853 (2017: EUR 3.351.585) and related to machinery and other fixed assets.

29.4 Unaudited tax years

Tax declarations of subsidiaries are usually subject to audit by the tax authorities in most of the jurisdictions in which the Group operates. These audits may result in the payment of additional taxes. The Group recognizes a provision for additional taxes in relation to the result of these tax audits by the amount that is expected to be paid (or recovered).

As far as the Company is concerned, years 2012 to 2015 remain unaudited by the Greek tax authorities. For the above period, tax compliance certificates have not been issued by the statutory auditor appointed by shareholders of the Company, in line with the provisions of law 2190/1920 as replaced by law 4548/2018, because the Company did not meet the relative audit requirements.

For the year 2016 and according to circular POL.1034 / 2016, significant amendments were made regarding the annual certificate issued by statutory auditors and audit firms. Article 65a of Law 4174/2013 was amended making the issue of a tax compliance certificate by the statutory auditor of Company, no longer obligatory for the tax years 2016 and afterwards, in other words for the periods 1.1.2016 - 31.12.2016, 1.1.2017 - 31.12.2017 and 1.1.2018 - 31.12.2018.

The Company received a tax compliance certificate for the years 2016 and 2017 from its statutory auditors while for the fiscal year 2018 the Company is subject to the tax audit of the Certified Public Accountants under the provisions of Article 65A of Law 4174/2013. This audit is in progress and the relevant tax compliance report is expected to be issued following the publication of the Financial Statements for the year ended December 31, 2018. The outcome of the audit estimates that it will not have a material impact on the Financial Statements.

In addition, on the basis of risk analysis criteria, Greek tax authorities may choose the Company for tax audit in the context of audits carried out on companies that have received tax compliance certificates with the assent of their statutory Auditor. In this case, the Greek tax authorities have the right to carry out a tax audit of the fiscal years they choose, taking into account the work already performed for the issuance of the tax compliance certificate. The Company has not received any control orders from the tax authorities for unaudited years. The Company does not expect any additional taxes and surcharges to be incurred from a possible audit from the Greek tax authorities.

30. Related party transactions

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

The Company's related parties consist of its subsidiaries and associates, executive members of its Board of Directors as well as the subsidiaries and associates of VIOHALCO SA/NV Group.

The balances of Company transactions with its subsidiaries and associates and the results related to such transactions are as follows:

a) Transactions with subsidiary companies

(Amounts in Euro)	2018	2017
Trade receivables	60.785.351	12.647.834
Contract assets	8.000.592	17.677.229
Liabilities	392.661	172.319
Sales of products and other income	205.119.404	71.062.145
Purchases of products and other expenses	671.494	120.253

b) Transactions with the parent company*

(Amounts in Euro)	2018	2017
Receivables	1.241.525	2.753.314
Liabilities	-	1.525.432
Purchases of products and other expenses	33.757	120.944

*: The intermediate parent company CENERGY Holdings S.A. and the ultimate parent company VIOHALCO SA/NV are included.

c) Transactions with subsidiaries of VIOHALCO SA/NV Group

(Amounts in Euro)	2018	2017
Receivables	23.206.239	17.192.444
Liabilities	3.260.190	3.920.359
Sales of products and other income	8.941.506	7.571.241
Sales of fixed assets	687	271
Purchases of products and other expenses	7.103.164	6.317.053
Purchases of fixed assets	114.281	70.423

d) BoD members

(Amounts in Euro)	2018	2017
Fees	130.025	176.010

All transactions with related parties took place in accordance with the generally accepted commercial terms and will be settled within a reasonable period of time.

31. Subsequent events

On February 21st, 2019, the U.S. Department of Commerce (the 'DoC') announced its affirmative final determinations in the antidumping duty investigations initiated in early 2018 on imports of large diameter welded pipe (thereon "LDW") from Canada, Greece, Korea and Turkey. Similar determinations about imports from China and India were announced in December 2018. In the Greece investigation, the DoC assigned an antidumping duty rate of 9.96% for the pipes produced by Corinth Pipeworks and sold to US through its subsidiary CPW America Co.

On April 16, 2019 the U.S. International Trade Commission (the "ITC") completed and filed its injury determinations in the antidumping and countervailing duty investigations concerning LDW pipes from Canada, Greece, Korea and Turkey.

The ITC ruled that LDW structural pipe imports from Greece do not cause and are not a threat to cause material injury to the U.S. industry. Therefore, structural pipe from Greece will not be covered by the antidumping duty ("AD") order to be issued by the DoC.

As far as imports of LDW steel line pipe from Greece are concerned, the DoC will issue an AD order which will impose a tariff of 10,26%. Imports of LDW line pipes from Greece, which were entered prior to the publication date of DoC dumping order, will not be assessed dumping duties – hence, any deposited preliminary dumping duties will be refunded.

Management considers that there will be no material impact on the Group's financial performance for 2019 from the above final determination of ITC, and the Group through its subsidiary Corinth Pipeworks, will remain competitive versus other importers, as well as local producers of Large Diameter pipes, thanks to the prevailing market conditions in USA (increased number of new pipeline projects) and the high quality of products and services offered to its US customers.

There are no other subsequent events occurred after the date of these Consolidated Financial Statements which are required to be disclosed to or be adjusted therein.

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Athens, 24 June 2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	AN AUTHORISED MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER	THE ACCOUNTING MANAGER
MELETIS FIKIORIS AK 511386	IOANNIS STAVROPOULOS AN 087212	IOANNIS DIMITRIOS PAPADIMITRIOU AA 035130	PAVLOS KOUMPIS AB 589945

C. Independent Auditor’s Report

Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
CORINTH PIPEWORKS PIPE INDUSTRY S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying Separate and Consolidated Financial Statements of CORINTH PIPEWORKS PIPE INDUSTRY S.A. (the "Company") which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2018, the Separate and Consolidated 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 accompanying Separate and Consolidated Financial Statements present fairly, in all material respects, the financial position of CORINTH PIPEWORKS PIPE INDUSTRY S.A. and its subsidiaries (the "Group") as at 31 December 2018 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.

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 Separate and Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our 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.

Other Matter

We draw attention to the fact that the Consolidated Financial Statements of the Company for the prior year ended 31 December 2017 are not audited by a Certified Auditor.

Responsibilities of Management for the Separate and Consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

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

Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report, 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 legal requirements of Articles 150 and 153 of L. 4548/2018 and its contents correspond with the accompanying Separate and Consolidated Financial Statements for the year ended 31 December 2018.

(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, 28 June 2019

KPMG Certified Auditors S.A.
AM SOEL 114

Nick Vouniseas, Certified Auditor Accountant
AM SOEL 18701