ANNUAL FINANCIAL REPORT

FISCAL YEAR

1st JANUARY TO 31st DECEMBER 2017

According to article 4 of L. 3556/2007

IKTINOS HELLAS S.A.

GREEK MARBLE INDUSTRY TECHNICAL AND TOURISTIC COMPANY

G.E.MI. Number 000949319001 (AR.M.A.E. 2304/06/B/86/53)

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1. Representations of the members of the Board of Directors (According to article 4 § 2 of L. 3556/2007)

The members of the Board of Directors of IKTINOS HELLAS S.A.

1. Chaidas Evangelos, son of Nikolaos, Chairman of the Board of Directors and CEO;
2. Chaida Ioulia, daughter of Evangelos, Vice-President of the Board of Directors;
3. Chaida Anastassia, daughter of Evangelos, Member of the Board of Directors.

In our abovementioned capacity, specifically appointed for this purpose by the Board of Directors of the Société Anonyme under the corporate name "IKTINOS HELLAS S.A." we hereby state and certify that as far as we know:

a) the attached annual company and consolidated financial statements for the fiscal period 01/01-31/12/2017, which have been prepared in accordance with the applicable accounting standards, provide a true picture of the assets and liabilities, equity and results of the company, as well as of the operations included in the consolidation, taken as a whole and,

b) the attached Board of Directors' report provides a true picture of the evolution, performance and of the financial position of the company, as well as of the operations included in the consolidation, taken as a whole, including a description of the main risks and uncertainties which they face.

c) the attached annual company and consolidated financial statements are ones approved by the Board of Directors of "IKTINOS HELLAS S.A." on 5th April 2018 and have been published by having been uploaded on the internet, at the www.iktinos.gr website.

Metamorfosi of Attica, 5 April 2018

The certifying individuals,

The Chairman of the BoD & CEO	The members appointed by the BoD	
Chaidas Evangelos	Ioulia Chaida	Anastassia Chaida
I.D. No. AE 079957	I.D. No. Ξ 371470	I.D. No. Ξ 2995

2. Independent Auditor's Report

To the Shareholders of the Company **«IKTINOS HELLAS SOCIETE ANONYME**»

Report on the audit of the company and consolidated financial statements
Opinion

We have audited the attached company and consolidated financial statements of the Company "IKTINOS HELLAS SOCIETE ANONYME" (the "Company"), which consist in the company and consolidated statement of financial position as at 31st December 2017, the company and consolidated comprehensive income statements, statement of changes in equity and statement of cash flows for the fiscal year then ended, as well as a summary of significant accounting principles and methods and other explanatory information.

In our opinion, the attached company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of its subsidiaries (the Group) as at 31st December 2017, their financial performance and cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards (IFRS), as these have been adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA), as these have been incorporated in Greek Legislation. Our responsibilities under those standards are further described in the paragraph of our report "Auditor's responsibilities for the audit of the company and consolidated financial statements". We are independent of the Company and its consolidated subsidiaries throughout the duration of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as this has been incorporated in Greek Legislation and the ethical requirements that are relevant to our audit of the company and consolidated financial statements in Greece and we have fulfilled our ethical obligations in accordance with the requirements of the applicable legislation and of 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.

Key audit matters

Key audit matters are those matters which, in our professional judgment, were of the highest significance in our audit on the company and consolidated financial statements in Greece of the current fiscal year. These matters and the related risks of material misstatement were treated in the context of the audit of the company and consolidated financial statements as a whole for the purpose of forming our opinion thereon and we do not express a separate opinion on these matters.

Key audit matter	**How the key audit matter was addressed in our audit**
Recoverability of trade receivables At 31/12/2017, the trade receivables of the Group and of the Company amount to € 8.93 m. and to € 10.22 m. respectively, while the relevant accumulated impairment amounts to € 1.55 m. for the Group and the Company, as stated in note 10.9 of the financial statements. In order to assess the extent of the impairment of its trade receivables, the management evaluates the recoverability of the trade receivables by reviewing the coming-of-age of the rest of the clients, their credit history and the settlement of the subsequent to the reference period recoveries. Given the significance of the matter and the degree of judgment and of assessments that were required by the management, we consider this to be one of the most significant audit matters. The notifications by the Company and the Group in relation to the nature of the above receivables and assessments used in evaluating their recoverability, are included in notes 6.3, 7.10 and 10.9 of the attached financial statements.	Our audit procedures regarding the evaluation of the recoverability of the trade receivables included, among else: • Understanding and examining the credit control procedures of the Group as well as the examination of the basic safeguards in relation to granting credit to clients. • Evaluating the assumptions and of the methodology used by the management to determine the recoverability of the trade receivables or to name them as doubtful. • Reviewing the response letters of the legal counsel about doubtful receivables they handled during the year and identifying any matters that point to balances from trade receivables that are not recoverable in the future. • Examining the coming-to-age of the rest of the trade receivables at the end of the fiscal year and identifying any debtors in financial difficulty. • Recalculating the impairment of the trade receivables taking into account specific factors for debtors, such as the coming-to-age of others and evidence that came up in discussing with the management. • Evaluating the recoverability of the remainder by comparing the amounts at the end of the fiscal year with subsequent recoveries/settlements. • Evaluating the adequacy of the notifications of the Company and of the Group in the attached financial statements, in relation to the above matter.
Valuation of inventories At 31.12.2017 the Group and the Company have inventories amounting to € 18.03 m. και € 17.34 m. respectively. Inventories are valued at the lowest price between the acquisition cost and net realizable value. The provision for the impairment of the value of the inventories is formulated on the basis of assessments by the management as to the actual condition and the possibility to use the inventories, if deemed necessary. We consider that the assessment of the valuation of the inventories of the Group is one of the most significant audit matters as inventories are one of the largest assets of the Company and of the Group. The notifications by the Company and the Group as regards their accounting policy and the assessments and assumptions used in the assessment of the valuation of the inventories, are included in notes 7.9 and 10.8 of the attached financial statements.	We evaluated the reasonableness of the assumptions of the management that were applied to the valuation of the inventories by: • Recording and evaluating the procedures and safeguards for the management of inventories that the Group's management has designed in relation to the inventories. • Evaluating the assessment of the design and application of the basic safeguards for the management of inventories in the course of following the natural stocktaking at specific warehouses and the conduct of sample counting of inventories. • Examining a sample of inventories in order to confirm the correct calculation of the acquisition cost, according to the purchase invoices and the correct allocation of the production expenses. • Evaluating the assessment of the valuation by comparing the net realizable value of the inventories at the reference date with the inventories' acquisition cost. • Checking the warehouse balance to trace immovable and slowly movable inventories. • Evaluating the adequacy of the of the notifications of the Company and of the Group in the attached financial statements, in relation to the above matter.

Evaluation of the impairment of investments in subsidiaries (company financial statements)

At 31st December 2017, the Company has acknowledged investments to subsidiaries of an amount of € 13.19 m., which are measured at the acquisition cost reduced by any accumulated impairment losses.
According to the IFRS, an economic unit is required to assess to which extent there are indications of impairment on the value of the assets. The assessment as to whether there is an indication that can lead to impairment loss of an asset requires a significant degree of judgment.
The recoverable amount of each Cash Flow Generating Unit (CFGU/investment in subsidiary) has been determined as the highest between the reasonable value less the sale costs and the use value. This requires a judgement on the part of the management as regards said units' future cash flows and the discount interest rates that apply to the projections of the future cash flows.
As regards future cash flows, the judgments of the management are related to variables, such as the income increase rate, the gross profit margins and the operational costs.
Given the degree of subjectivity in the assumptions on which the impairment analysis is based and the significant judgments and estimations required by the management, we consider the evaluation of the impairment of investments in subsidiaries as one of the most significant audit matters.
The notifications of the Company as regards its accounting policy, as well as the judgments and estimations used at the evaluation of the impairment of the investments in subsidiaries are included in notes 6.3, 7.2 and 10.4 of the attached financial statements.

Our audit approach included the following basic procedures:

- We examined the management estimation as to what extent there are indications of impairment of the investments in subsidiaries, through the evaluation of their functional operation and the comparison of their accounting value with the share of their participation in the Net Asset Value).
- With regard to investments in subsidiaries for which there were indications of impairment, we assessed, with the assistance of our expert officers on matters of valuations: (i) the reasonableness of the assumptions used in the determination of the foreseeable future cash flows, (ii) the application of generally acceptable methods of valuation, (iii) the reasonableness of the discount interest rates used, by evaluating the assumptions and comparing with external available sector and financial evidence and (iv) we confirmed the mathematical accuracy of the models' calculations.
- We assessed the reliability of the management's provisions by comparing the actual return with previous provisions.
- We evaluated the sufficiency and appropriateness of the relevant notifications in the attached financial statements.

Other information

The Management is responsible for the other information. The other information which are included in the Annual Financial Report, are the Board of Directors' Management Report, reference to which is made in the "Report on Other Legal and Regulatory Requirements" and the Representations of the Members of the Board of Directors, however, they do not include the financial statements and the audit report on such.

Our opinion on the company and consolidated financial statements does not cover the other information and by this opinion we do not express any form of assurance conclusion thereon.

In connection with our audit on the company and consolidated financial results, our responsibility is to read the other information and, in doing so, to examine if the other information is materially inconsistent with the company and consolidated financial results or our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the company and consolidated financial results

Management is responsible for the preparation and fair presentation of the company and consolidated financial statements in accordance with IFRS, as these have been adopted by the European Union, as well as for those internal audit safeguards, which the management determines as necessary, so as to render possible the preparation of company and consolidated financial results free of material misstatement, due either to fraud or to error.

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

The Audit Committee (art. 44 L.4449/2017) of the Company is charged with overseeing the Company's and the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance as to the extent to which the company and consolidated financial statements, on the whole, are free of material misstatement, due either to fraud or to error, and to issue an auditor's report, which includes our opinion. Reasonable assurance is a high level assurance, however, it is not a guarantee that the audit conducted in accordance with the ISAs, as such have been incorporated in the Greek Legislation, always detects a material misstatement, when such exists. Misstatements can arise from fraud or error and are deemed as material when, individually or in aggregate, could reasonably be expected to influence the financial decisions of the users, which are taken on the basis of those company and consolidated financial statements.

As part of an audit, in accordance with the ISAs, as such have been incorporated in the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore we:

- Identify and assess the risks of material misstatement in the company and consolidated financial statements, due either to fraud or to error, by designing and conducting audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or circumvention of internal audit safeguards.
- Understand the internal audit safeguards that are related to the audit, in order to design audit procedures that are suitable to the circumstances, not, however, for the purpose of expressing an opinion on the effectiveness of the Company's and of the Group's internal audit safeguards.
- Evaluate the appropriateness of the accounting principles and methods that have been used and the reasonableness of the accounting estimates and relevant disclosures that have been made by the management.
- Conclude on the appropriateness of the use by the management of the going concern basis of accounting and, based on the audit evidence obtained as to whether there is material uncertainty in relation to events or circumstances that could imply material uncertainty as to the Company's and the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are obligated to draw attention in our auditors' report to the related disclosures in the company and consolidated financial statements and if these statements are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. Nevertheless, future events or circumstances may cause the Company and the Group to cease to operate as going concern.

- Evaluate the overall presentation, structure and content of the company and consolidated financial statements, including the disclosures, as well as to what extent the company and consolidated financial statements depict the underlying transactions and events in a manner that achieves fair presentation.
- Collect sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express an opinion on these company and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and of its subsidiaries. We remain exclusively responsible for our audit opinion.

Among other matters, we notify those charged with governance about the planned scope and timeline of the audit, as well as about significant audit findings, including any significant deficiencies in the internal audit safeguards that we identify during our audit.

In addition, we state to those charged with governance that we have complied with the relevant ethical requirements regarding independence and notify to them all the relationships and other matters that could reasonably be considered to bear on our independence and, where applicable, the relevant safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of the highest significance in the audit of the company and consolidated financial statements of the current annual period and are, therefore, the key audit matters..

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into account that the management is responsible for the preparation of the Board of Directors' Management Report and the of the Corporate Governance Statement that is included in this report, pursuant to the provisions of paragraph 5 of article 2 του L.4336/2015 (part B), we note that:

a) The Board of Directors' Management Report includes a corporate governance statement, which provides the information set out in article 43bb του C.L. 2190/1920.

b) In our opinion, the Board of Directors' Management Report has been prepared in accordance with the applicable legal requirements of articles 43α και 107A and of paragraph 1 (cases c and d) of article 43bb του C.L. 2190/1920 and its contents correspond to the attached company and consolidated financial reports of the fiscal period ended on 31 December 2017.

c) Based on the knowledge acquired during our audit about the Company "IKTINOS HELLAS SOCIETE ANONYME" and its environment, we have not identified any material misstatements in the Board of Directors' Management Report.

2. Additional Report to the Audit Committee

Our opinion on the attached company and consolidated financial statements is consistent with the Additional Report to the Audit Committee of the Company, required pursuant to article 11 of the European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries any non-audit services which are prohibited according to article 5 of the European Union (EU) Regulation 537/2014.

The permissible non-audit services that we have provided to the Company and its subsidiaries during the fiscal year ended on 31st December 2017 are disclosed in note 12.40 of the attached company and consolidated financial statements.

4. Appointment of Auditor

We were appointed for the first time as Certified Auditors of the Company by decision of the annual ordinary general shareholders' meeting, dated 30/6/2009. Thereafter our appointment has been renewed uninterruptedly for a total period of 9 years based on the annual decisions of the ordinary general shareholders' meeting.

Athens, 5 April 2018

The Certified Auditor

Nikos Ioannou

A.M. S.O.E.L. 29301

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3. Annual Report of the Board of Directors του Διοικητικού Συμβουλίου

Management report of the Board of Directors of the company "IKTINOS HELLAS S.A. TECHNICAL AND TOURIST"

on the consolidated and company Financial Statements of the fiscal year from 1st January to 31st December 2017

The present Annual Report of the Board of Directors which follows (hereinafter referred to for the sake of brevity as the "Report") refers to the fiscal year 2017. The Report was prepared and is aligned with the relevant provisions of C.L. 2190/1920 as applicable, of law 3556/2007 (G.G. 91A/30.4.2007) and the executive decisions of the Capital Markets Commission issued pursuant to it.

The present report contains, in summary form, the financial information regarding the fiscal year 2017; significant events that took place during that period and their impact on the annual financial statements are described. There is also a description of the main risks and uncertainties that the Group and the Company may face over the next year and the significant transactions that were concluded between the issuer and their related parties are presented.

A. Evolution of the performance of the Company and of the Group over the fiscal year 1/1-31/12/2017.

A.1. Company

- **Turnover**

In fiscal year 2017 it reached the amount in Euros of 47,609,598, while in fiscal year 2016 the respective amount in Euros came to 31,724,004. Namely, there was an increase by an amount of 15,885,594 Euros and by a percentage of 50.07%. Exports comprise 95.15% of the fiscal year's turnover, while the percentage of exports has now more been stabilized at percentages over 90% of the turnover. The company's export orientation significantly contributes to the improvement of the company's cash flow, as the largest part of the sales is made on payment of the consideration in advance. The evolution of the exports and their uptrend is analyzed as follows:

	2017	2016
Exports	45.302.522	29.369.052
% on turnover	95,15%	92,58%

- **Gross results (Gross Profit)**

In fiscal year 2017 they amounted to Euros 28,066,420, while in fiscal year 2016 the respective amount in Euros came to 13,760,517. Namely, there was an increase by an amount of 14,305,903 Euros and by a percentage of 103.96%.

- **Management and Distribution Expenses**

In fiscal year 2017 they amounted to 9,308,671 Euros, while in fiscal year 2016 the respective amount came to 7,700,639 Euros. Namely, there was an increase by an amount of 1,608,033 Euros and by a percentage of 20.88%.

- **Research and Development Expenses**

In fiscal year 2017 they amounted to 948,721 Euros.

- **Earnings before taxes, financing, investment results and amortization (EBITDA)**

In fiscal year 2017 they amounted to 19,033,123 Euros, while in fiscal year 2016 the respective amount came to 7,468,901 Euros, showing an increase by an amount of 11,564,222 Euros and by a percentage of 154.83%.

- **Earnings before taxes**

In fiscal year 2017 they amounted to 14,910,132 Euros, while in fiscal year 2016 the respective amount came to 1,409,842 Euros. Namely, there was an increase by an amount of 13,500,290 Euros and by a percentage of 957.57%.

- **Earnings after taxes**

In fiscal year 2017 they amounted to 10,179,107 Euros, while in fiscal year 2016 the respective amount came to 109,270 Euros. Namely, there was an increase by an amount of 10,069,837 Euros and by a percentage of 9,215.56%.

- **Loan liabilities**

In fiscal year 2017 liabilities from loans amounted to 11,513,586 Euros, while in fiscal year 2016 the respective amount came to 13,430,685 Euros. Namely, there was a reduction in borrowing by an amount of 1,917,099 Euros and by a percentage of 14.27%.

A.2 GROUP

The companies in which IKTINOS HELLAS S.A. participated at 31/12/2017 and which are included in the consolidated financial statements of the Group are the following:

1. FEIDIAS HELLAS A.V.E.E.

In fiscal year 2017 its sales amounted to 869,943 Euros, while in fiscal year 2016 the respective amount came to 875,382 Euros. Namely, there was a reduction by an amount of 5,439 Euros and by a percentage of 0.62%. In fiscal year 2017, the Results (profits) before taxes amounted to 113,218 Euros, while in fiscal year 2016 the respective amount (profits) was 112,422 Euros. Namely, there was an improvement in the results by an amount of 797 Euros and by a percentage of 0.71% .

2. KALLITECHNOKRATIS E.P.E.

This company has been put into liquidation since 26/4/2007.

3. ELECTRIC POWER PRIVATE CORPORATION S.A. (ID.E.H. S.A.)

In fiscal year 2017 its sales amounted to 2,080,072 Euros, while in fiscal year 2016 the respective amount came to 2,034,979 Euros. Namely, there was an increase by an amount of 45,093 Euros and by a percentage of 2,22%. In fiscal year 2017, the Results (losses) before taxes of ID.E.H. S.A. amounted to 364,097 Euros, while in fiscal year 2016 the respective amount (losses) was 356,859 Euros, mainly due to amortizations and financial costs.

4. IKTINOS MARMARON S.A.

In fiscal year 2017 its sales amounted to 2,545,476 Euros, while in fiscal year 2016 the respective amount came to 3,221,518 Euros. Namely, there was a reduction by an amount of 676,041 Euros and by a percentage of 20,99%. In fiscal year 2017, the Results (losses) before taxes amounted to 386,459 Euros, while in fiscal year 2016 the respective amount (losses) came to 288.748 Euros. Namely, there was an increase in losses by an amount of 97,711 Euros and by a percentage of 33,84%.

5. LATIRUS LTD

This company is in a process of investments implementation, through its subsidiary "IKTINOS TECHNINAL & TOURIST S.A." in the group it is consolidated by the method of net position. The 2017 results amounted to losses of 2,158 thsd €, against losses of 581 thsd € in fiscal year 2016.

6. AIOLIKI MEGA ISSOMA S.A.

This is a company of the group (indirect participation via the subsidiary company IDEH) which was established in the context of the Group's engagement in renewable energy sources. The company is the process of licensing of an aeolian park of 24 MW at Domokos, Lamia at the location Mega Issoma. The A/P has an production license, an Environmental terms Approval and a Road Survey, while it is in the process of amending terms for connection.

7. AIOLIKI LYKOFOLIA S.A.

This is a company of the group (indirect participation via the subsidiary company IDEH) which was established in the context of the Group's engagement in renewable energy sources. The company is the process of licensing of an aeolian park of 9 MW in the Drama prefecture, Nikiforos Municipality at the location Lykofolia. The A/P has an production license, an offer of terms for connection and is in the process for the approval of the Environmental Studies and of the road survey.

8. AIOLIKI MAVROLITHARO S.A.

This is a company of the group (indirect participation via the subsidiary company IDEH) which was established in the context of the Group's engagement in renewable energy sources and has in its possession two aeolian parks production licenses:

- A/P Mavrolitharo I 18MW is located at Deskati, Grevena; it has a production license, an offer of terms for connection, Environmental Terms Approval and is in the process of acquiring a License of Establishment. On 6/8/2014 the company was transferred by the parent company IKTINOS HELLAS to the 100% subsidiary company IDEH S.A., for organizational reasons, so that the entire aeolian energy sector would come under one company.
- A/P Mavrolitharo II 10MW is located at Elassona, Larissa; it has a production license, provisional terms for connection and is in the process of Approval of the Environmental Terms and of a Road Survey. On 6/8/2014 the company was transferred by the parent company IKTINOS HELLAS to the 100% subsidiary company IDEH S.A., for organizational reasons, so that the entire aeolian energy sector would come under one company.

9. AIOLIKI SYNORA S.A.

This is a company of the group (indirect participation via the subsidiary company IDEH) which was established in the context of the Group's engagement in renewable energy sources. This is a neighboring to A/P Megalovouni A/P, while it has a license of establishment and is at a mature construction stage right before ordering of the W/M.

GROUP OPERATIONS' EVOLUTION

- **Turnover**

In fiscal year 2017 it reached the amount in Euros of 51,725,757, while in fiscal year 2016 the respective amount in Euros came to 35,701,188. Namely, there was an increase by an amount of 16,024,569 Euros and by a percentage of 44,89%.

- **Gross results (Gross Profit)**

In fiscal year 2017 they amounted to Euros 28,184,675, while in fiscal year 2016 the respective amount in Euros came to 13,884,269. Namely, there was an increase by an amount of 14,300,406 Euros and by a percentage of 103%.

- **Management and Distribution Expenses**

In fiscal year 2017 they amounted to 10,167,698 Euros, while in fiscal year 2016 the respective amount came to 8.600.603 Euros. Namely, there was an increase by an amount of 1,567,095 Euros and by a percentage of 18,22%.

- **Research and Development Expenses**

In fiscal year 2017 they amounted to 948,721 Euros.

- **Earnings before taxes, financing, investment results and amortization (EBITDA)**

In fiscal year 2017 they amounted to 20,284,508 Euros, while in fiscal year 2016 the respective amount came to 8.694.605 Euros, showing an increase by an amount of 11,589,904 Euros and by a percentage of 133.30%.

- **Earnings before taxes**

In fiscal year 2017 they amounted to 14,602,263 Euros, while in fiscal year 2016 the respective amount came to 3,697,516 Euros. Namely, there was an increase by an amount of 10,904,746 Euros and by a percentage of 294,92%.

- **Earnings after taxes**

In fiscal year 2017 they amounted to 9,015,739 Euros, while in fiscal year 2016 the respective amount came to 804,533 Euros. Namely, there was an increase by an amount of 8.211.206 Euros and by a percentage of 1.020,62%.

- **Loan liabilities**

In fiscal year 2017 liabilities from loans amounted to 17,376,996 Euros, while in fiscal year 2016 the respective amount came to 21,013,982 Euros. Namely, there was a reduction in borrowing by an amount of 3,636,986 Euros and by a percentage of 17,31%.

Alternative Performance Indicators

The Group uses as alternative performance indicators the Earnings before Taxes, Interest and Amortization (EBITDA), the margin results before interest, taxes, investment results and amortization and the Net Debt. The abovementioned indicators are taken into account by the Group's Management in making strategic decisions.

Earnings before Taxes, Interest and Amortization (EBITDA)

	The Group		**The Company**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Earnings after taxes	9.015.739	804.533	10.179.107	109.270
Taxes	5.586.524	2.892.983	4.731.025	1.300.573
Net finance results	2.665.275	2.491.018	2.989.787	5.124.132
Amortization	2.587.428	2.390.644	1.133.203	934.926
Earnings before Taxes Interest and Amortization (EBITDA)	**19.854.966**	**8.579.178**	**19.033.123**	**7.468.901**
Investment results	429.542	115.426	0	0
Results before interest, taxes, investment results and amortization	**20.284.508**	**8.694.604**	**19.033.123**	**7.468.901**
Turnover	51.725.757	35.701.188	47.609.598	31.724.004
Margin results before interest, taxes, investment results and amortization	**39,22%**	**24,35%**	**39,98%**	**23,54%**

Net Debt

	The Group		**The Company**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**

Long term loan liabilities	8.050.543	9.479.371	3.423.875	3.696.037
Short term Loan Liabilities	10.043.725	11.887.397	8.806.983	10.087.434
Cash and Cash Equivalents	-5.682.955	-1.185.906	-5.538.691	-1.069.986
Net Debt	**12.411.313**	**20.180.862**	**6.692.167**	**12.713.486**

B. SIGNIFICANT EVENTS OF THE FISCAL YEAR 2017 AND OF THE PERIOD UP TO THE PREPARATION OF THE PRESENT REPORT

B.1 SIGNIFICANT EVENTS

A. VAT Return, Special Consumer Tax (S.C.T) and subsidy from OAED

The company set off tax liabilities against an amount of 3,748,000 Euros, following a provisional audit by the competent Tax Authority ATHENS FAE in relation to applications for VAT return, on the basis of POL 1073/2004 for the period 1-12/2017.

Furthermore, in 2017, the company received a S.C.T return of a total amount of 430,000 Euros.

B. Acquisition of Treasury Shares

By Extraordinary General Meeting No 78/26-10-2017 the company decided the acquisition of treasury shares of the Company via the Stock Market, according to the provisions of par. 1 and 2 of article 16 of C.L. 2190/20, pursuant to the following more specific terms and conditions:

- Term for which the approval is granted: 12 months
- Maximum limit of share price at which the acquisition can take place: € 6.00
- Minimum limit of share price at which the acquisition can take place: € 0.40
- Maximum number of shares that can be acquired: Up to 1/10 of the paid-up share capital (total number of shares).

At 31/12/2017 the Company has in its possession 303,953 treasury shares of a total value of 313,506 Euros.

C. Acquisition of Property

In the context of materializing its three-year investment plan, the company proceeded to the following:

1. By participating in a Public Auction Tender on 8/9/2017 pursuant to the procedure provided for by L. 4307/2016, it proceeded to acquire the assets of the industrial plants for the processing of marbles, located at the Industrial Area in Drama, of the company "G. LAZARIDES – DRAMA MARBLES S.A." under special administration and of part of its real assets at Xeropotamos, Drama – (ASSETS GROUP C, as named in the relevant invitation) against a total consideration of 1,600,000 Euros. The acquisition concerns industrial installations of marble processing and cutting, which are within the Industrial Area in Drama, of a total surface of 31.241.48 sq.m., industrial buildings of a total surface of 5,778.18 sq.m. which have been erected on the

abovementioned property, as well as the entirety of the mechanical equipment located within the factory. Moreover, a rural plot of a total surface of 10,000 sq.m. at the location of Xeropotamos of the Drama Municipality, lying outside the urban plan and outside the urban zone;

2. By participating in a Public Auction Tender on 9/11/2017 pursuant to the procedure provided for by L. 4307/2016, it proceeded to acquire real property of the "G. LAZARIDES – DRAMA MARBLES S.A." under special administration, located at Markopoulo, Attica – (SECTION OF ASSETS GROUP D, as named in the relevant invitation) against a total consideration of 205,000 Euros. The acquisition concerns a plot at the land district of the Markopoulo Municipality, of a surface of 9,223.37 sq.m. On the aforementioned plot, a two-stores building of 416,68 sq.m. has been erected.
3. It acquired from ALPHA BANK a plot of 3,820 sq.m. at the Industrial Area of Drama, on which there is an incomplete building of 1,300 sq.m. that is expected to be turned into the new offices in N. Greece, as well as into an exhibition hall.

D. Submission of an investment file

The company submitted an investment file pursuant to development law 4399/2016, of a total value of 6,913,000 Euros, concerning the modernization of the new factory at the Industrial Area in Drama, for the purpose of increasing its productive capacity and for improving the produced products. Upon completion of the investment, an increase of sales at 10,000,000 Euros on annual basis is expected. The company has already proceeded to ordering the mechanical and building equipment of a total value of 4,000,000 Euros approx., which is expected to be installed in the factory by the end of June 2018. The investment shall be completed at the end of 2019.

E. Acquisition of the company Latirus Ltd

On 19/1/2018 the company IKTINOS HELLAS proceeded to conclude an agreement for the purchase of 79.656% of the company Latirus Ltd by the company DolphinCi Thirteen Ltd, against a consideration of 14,000,000 or 15,000,000 Euros, depending on the date of payment of the consideration, by paying down an amount of 1,400,000 Euros. On 30/3/2018 it proceeded to conclude the final agreement against a consideration of 14,000,000 Euros, by paying the remainder thereof of 12,600,000 Euros. IKTINOS HELLAS already owned a percentage of 20,344% and after the acquisition it owns 100% of the company Latirus Ltd and is the sole shareholder.

F. Taking of a loan from the National Bank

IKTINOS HELLAS proceeded to take a loan from the NBG of an amount of 10,000,000 Euros to materialize its investment plans, which are the acquisition of Latirus Ltd against a total amount of

14,000,000 Euros, the completion of the investment plan for a new factory in N. Greece with a total investment value of 10,000,000 Euros.

B.2 SIGNIFICANT EVENTS IN THE RELATED LATIRUS LTD

The Company is active in the real estate sector. It has a property of 2,689,000 sq.m. approx., of which 556,000 approx. are located by the sea, at the bay of Faneromeni in Sitia, Crete, and the rest 2,133,000 sq.m. approx. are located a thousand meters further south, at the Sopata Mesorachis plateau of the Sitia Municipality in Crete.

1. **In the first stage, at the seaside location of the Faneromeni Bay there will be constructed:**

a) A tourist establishment, a 5 stars hotel of 357 beds, spa for 100 people, a conference centre for 200 people on a property of 116,320,000 sq.m. approx.,

b) A lodge for 85 tourist vessels.

c) A B-Residence residential area via the PERPO mechanism (of article 24 of L.2508/1997) on an property with a surface of 204,710,000 sq.m., where 75 country Houses, covering a surface of 20,430 sq.m. approx., will be erected.

2. **In the second stage, at the Sopata-Mesorachi plateau, there will be constructed:**

a) A B-Residence residential area via the PERPO mechanism (of article 24 of L.2508/1997) on a property with a surface of 304,080,000 sq.m. approx., for which a preliminary Environmental Approval has been granted.

b) An 18-holes GOLF course on an area of 1,500,000 sq.m. approx. at a neighboring property, for which a preliminary Environmental Approval has been granted.

DEVELOPMENT OF THE BUSINESS PLAN OF THE COMPANY "IKTINOS TECHNICAL & TOURISTIC S.A."

Up to now, for the accomplishment of this business plan, which is implemented via the Cypriot related corporation Latirus Ltd, the following have been completed:

- The purchase from its owners of a given property with a total surface of 758,000,000 sq.m., on behalf of "IKTINOS TECHNICAL & TOURISTIC". The non-absolute match of certain areas with the original obligation came up due to changes in the design of the area's development and to the modification of the location for the establishment of the Golf.
- To proceed to with the issuance of the necessary permits for the implementation of the business plan.
- **DEVELOPMENT OF THE WORKS**

- **a) The building permit for the construction of the hotel unit** of the aforementioned paragraph A.1.1 a) has been granted by the competent urban planning department of the Sitia Municipality (Permit No. 171/14.10.2009)
- The architectural study, which had been assigned to Wimberly Allison Tong & Goo, of a total cost of 910,000 Euros, has been concluded and approved by the competent Department of the Greek Tourism Organization (approval no. 514126-39917-17/3/09). By virtue of decision 2745/28-9-2016 of the General Direction of Zoning and Environmental Planning of the Decentralized Direction of Crete, the amendment of the Environmental Terms of the hotel unit has been approved.
- **b) The final permit for the construction of the tourist vessels lodge has been granted** by the competent Direction of Public Works of the Region of Crete. The investment has come under development law 3299 by decision 57486/27-12-2011.
- The relevant file has been checked by the competent Direction of Tourist Ports of the Greek Tourism Organization and has been sent to the competent technical authority (protocol no.2384-9/2/2009) for the file's control and for the grant of the construction license, which has been obtained within the year 2010.
- By decision no 18565/11.2.2014 of the Technical Works Direction of the Region of Crete, the final study was approved and by decision no 377/19-12-2014 of the General Direction for Zoning and Environmental Policy of the Decentralized Direction of Crete the construction of the project 85-seats tourist vessels lodge was approved, while by decision no 16540/25-7-2014 of the Direction of Tourist Ports of the Ministry of Tourism, the deadline for the execution of the project in question was extended until 26-6-2017.
- c) **The certificate of article 24 of law 2508/1997 on the private urban planning by the PERPO mechanism of the residential area at the Faneromeni Bay has been granted.** The preliminary environmental study (Ministry of Environment, Zoning and Public Works decision no 125975-11/5/2007) has been approved and the file of the private urban planning (protocol no. 20179-16/5/2007) has been submitted; after numerous bureaucratic procedures, certificate no 49688/29-12-2012 of article 24 of L. 2508/1997, which is necessary for obtaining a planning license, has been received. The planning study has been assigned to a planning expert and the study has been prepared, which has been pre-approved by the Ministry of Environment and Energy by decision with the protocol no. 7835/6-3-2012 in order to be considered in the context of the approval of the environmental implications study, which has been assigned for submission.
- By decision no 172426/16-2-2013 of the General Direction for Environment of the Ministry of Environment and Energy, the environmental terms of the project PERPO at the Faneromeni Bay have been approved. The urban plan for an area of tourism-recreation of a total surface of

205,000,000 sq.m. with the specification of building areas, roads, pedestrian roads, common sports areas, has been approved by a Presidential Decree, which was published in the Government Gazette in Issue 144/20-7-2016.

- d) **Construction of a second residential area at the location Sopata-Mesorachi.** The file of the study for the approval of the preliminary environmental repercussions has been prepared and has been submitted to the Ministry of Environment, Zoning and Public Works (Protocol No. 138207/1.4.2009) and the Preliminary Environmental Approval has been approved by decision 138207/24.9.2009. A file with the study for being granted a certificate of article 24 of law 2508/1997 has been submitted to the Direction of urban planning of the Ministry of Environment and Energy with protocol no 11240/11-3-2011 and, thereafter, complementary evidence with protocol no 56473/4.12.2014, following their request with protocol no. 11240/3.11.2011. Due to the general cessation of the procedure for granting certificates of article 24 of L. 2508/1997, as this has been replaced by L. 4820/2014, a document of the competent department of the Ministry of Environment and Energy is expected to continue the procedure.
- e) **Construction of a Golf course at the location Sopata-Mesorachi.** The preliminary environmental approval (PPE) has been obtained (decision.168966-2607-26/6/2007). Further decisions for the continuation, amendment and materialization of the Golf shall be taken by Dolpfin Capital following the judgment of the Administrative Court which will pass a final ruling on the judgment of the Chanea court of appeals regarding the characterization as forest land of part of the property.
- It is noted that by judgment no 122/2014 of the Chanea court of appeals, the decision of the Secondary commission of forest disputes was cancelled and the case was referred to the administration for new ruling. This decision had been appealed by the Regional Authority.
- To summarize, therefore, and taking into account the developments, which we describe above analytically, we believe that this business plan is developing smoothly.
- The commencement of the first stage constructions at the Faneromeni Bay, where all licenses have been received, depends on the Dolphin Capital Investors Ltd Group, which has 80% of Latirus Ltd (principal shareholder of IKTINOS TECHNICAL AND TOURISTIC by a 97,60% percentage).
- It is noted that the amount relating IKTINOS HELLAS S.A. (Euros 4,157,673), will be recorded in the income of the fiscal year, in which the agreed goals will have been attained and will benefit the results of that fiscal year.

C. 2018 PROSPECTS AND ANTICIPATED DEVELOPMENT

- **MARBLE SECTOR**

The company is working to find new exporting countries and for the increase of exports in countries where it is already active, in order to increase its sales and so that there may be the largest possible spread, in order to have limited dependency by certain countries and customers. About 2018, the sales are expected to exceed the levels of the 2017 fiscal year. The group's Management is optimistic as to the development of the sales, particularly on account of the world economic recession, because the messages from the commercial agreements it is negotiating or from those already closed and are under way are particularly encouraging.

In addition, IKTINOS MARMARON S.A., which is active in the domestic market and in projects abroad, is expected to give a new boost to the turnover and profitability of the group. The company employs capable officers of IKTINOS HELLAS, knowledgeable of the marble market and of the modern architectural applications. Combined with the financial guarantee of the parent company, it has all the prerequisites to be dominant in the domestic market.

- **AEOLIAN ENERGY SECTOR**

The Group is active in the sector of the aeolian energy via the subsidiary company IDEH SA, which is managing the operation of an aeolian park of a power of 22 MW, which is located at "Megalovouni" of the Nikiforos Municipality of the Drama Prefecture.

In the context of its program for a dynamic presence in the Renewable Energy Sources, the group has planned the development of new aeolian parks, over a time horizon to be determined depending on the market conditions. The development of these new projects has already been put to course; requests for the issuance of production licenses for aeolian parks of a total power of 69 MW have already been filed with the competent Authorities.

- **REAL ESTATE SECTOR**

The Group's activities in the sector of Real Estate via the related IKTINOS TECHNICAL & TOURISTIC S.A. are on course towards their implementation. A result of this will be the future increase of the value of properties and the proportional improvement of the results of the Group's investment activity.

NON-FINANCIAL STATEMENT OF THE MANAGEMENT REPORT

The Group is pursuing and follows a course of sustainable development and commits through its policies to safeguard the protection of the environment and the hygiene and security of the employees, of the local community and of the public. The Group's strategic approach aims at the optimization of the value

it produces for the broader society and the reduction of risk at environmental, economic and social level.
The Group's policies at the stages of its productive and operational activity place emphasis on:

- the provision of high quality products and services and to the servicing of clients.
- respect for the environment and the local communities, by taking measures to protect the environment, complying with the environmental legislation and with the relevant to its operation license environmental terms that that have been approved.
- compliance with the legal regulatory demands concerning the security and hygiene of the produced products.
- the research and development for finding new quarries.
- the application of procedures based on transparency and justice and the establishment of common principles and rules, which aim to the development of the greatest asset of the Company "its people".

I. ENVIRONMENTAL ISSUES

The goal is adopting good practices which promote the sustainable development and minimize the negative influence of the company on the environment.
The Group proceeded to the establishment of an Aeolian park of 22 MW in the area of Drama, thus indirectly contributing to the reduction of pollutants from the production of electric power.
Following the conclusion of the exploitation of every part of the quarries, the natural environment is restored by tree-planting.

II. SOCIAL ISSUES

IKTINOS HELLAS group employs 362 employees in the administration and in the productive units in the areas of Attica, Drama and Kavala. To fulfill its purpose the Group interacts and collaborates with the local communities, social bodies and competent authorities.

Main risks

The main risks as regards the corporate image vis-à-vis the local communities concern:

- The dependency of the production from the operation licenses of the establishments and the current urban plan, as well as from the leases of quarries, which are granted by the competent Regional Authorities.
- The regulatory compliance as regards the urban planning legislation, as well as the legislation on the protection of the environment, as the Group's establishments are in sensitive areas (forest and in close proximity with residential areas).

Policies that are applied

Employment and local communities: the greatest part of the Group's employees with full-time employment contracts are in the province and comes from the local communities. The Group's policy is to support the local communities through offering employment opportunities and active support of the local bodies.

Support of social bodies: Besides offering employment, the Group makes donations to institutions, associations and non-governmental organizations that support vulnerable units of the population to strengthen them and increase their contribution to the local communities.

III. EMPLOYMENT ISSUES

In 2017, IKTINOS HELLAS Group employed 362 employees at the administration's offices, at the quarry areas and in the factories it has. We approach subjects related to employment issues and respect for human rights, by monitoring our activities in the following fields:

- Hygiene and safety.
- Personnel selection, hiring procedures, avoidance of discriminations in the work space.
- Employees' training.

The Group's primary priority is maintaining and strengthening an peaceful working atmosphere and the continuous improvement and upgrade of the working conditions, in order to attain the maximum possible development of human resources at production level. The Group caters for taking all necessary measures and for adopting practices, in order to comply with the applicable provisions of the employment and social security legislation fully and perfectly.

Hygiene and safety at work

The Company's employees' hygiene and safety is a principal concern of the management, as is safeguarding their rights and complying with employment legislation.

Main risks

As regards hygiene and safety at work, the risks that are identified have to do with the working environment as the production process is decentralized and, to a large extent, it takes place at quarrying areas and in a marble processing factory, which leads to there being high risk as regards:

- Labor accidents as a result of faulty application of safety regulations.
- Abuse of the employees' rights or the exclusion of individuals on account of their race, sex, age, religion or other features thereof by the local managers.
- Violation of the employment legislation as regards compliance with work schedules and working hours.

Policies that are applied

Employee health and safety issues constitute a primary priority of the IKTINOS HELLAS Group and for this purpose, through the experience and knowledge of its offices, safety technician and employment doctors, it has formulated good practices and tried solutions which contribute to the reduction of risk in the work space. Due working conditions are evidenced by the fact that within 2016 no serious accident, leading to absence from work for over 30 days, took place.

Selection of personnel – avoidance of discriminations

As regards the selection of personnel, IKTINOS HELLAS Group applies the equal opportunities policy throughout its personnel, regardless of sex, age, race or nationality and does not tolerate any form of discrimination or harassment.

The procedures for hiring and evaluating are based on the qualifications, performance and skills of the candidates or of the employees and do not take into account the sex, background, race, religion, age and any other feature of the character or of the body that could differentiate an individual.

Personnel training

In the effort to improve the safety conditions at the units, besides prevention, the training of the personnel has played an important role.

IKTINOS HELLAS Group realizes a training program on issues related to the hygiene and safety at work by expert officers of the company.

The Group finances seminars as well as postgraduate courses for some employees for whom it considers that they are necessary to improve their performance.

D. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE FISCAL YEAR 2017

The Group and the Company are exposed to financial and other risks. The general risk management program of the Group aims at minimizing their potential negative impact on the financial performance of the Group.

The basic risk management policies are formulated by the Group Management. The Finance Direction monitors and handles the risks to which the Group is exposed, determines, assesses and, where necessary, counterbalances the financial risks, in collaboration with the departments facing those risks. Furthermore, it does not conduct transactions for profit, which are not related to the commercial, investment or loan-taking activities of the Group. More specifically as regards those risks, we not e the following:

1. Risk of Foreign Exchange

The Group's operating currency is the Euro. The Group conducts the largest part of its transactions in Euros, which leads to the immediate foreign exchange risk being limited. Nevertheless it also conducts commercial transactions at an international level, outside the Euro, and therefore it is exposed to zero foreign exchange risk, coming mainly from the US Dollar. Those transactions relate to a minimum part of the activities and therefore the foreign exchange risk is very limited.

2. Risk of Credit

Credit risk is the risk of potential delayed payment to the group of the counter-contracting parties' current and potential obligations. The Group's exposure to credit risk comes mainly from the cash and cash equivalents, the trade and other receivables. The Group does not have a significant concentration of credit risk with some of the parties it has contracted with, mainly due to the large spread of its customer basis. The Group's wholesales are made on the basis of its internal operation principles, which ensure that the sales of goods and services take place to customers with financial credibility. Furthermore, a substantial part of the receivables from the Group's customers are insured.

3. Risk of cash flow

Prudent administration of the cash flow risk presupposes sufficiency of cash and the existence of the necessary finance available resources. The Group manages the cash flow needs on a daily basis, through following the short-term and long-term financial obligations, as well as through the daily following of the payments conducted. At the same time, the Group continuously monitors the maturity both of the receivables, as well as of the payables, with the objective to maintain a balance between continuity of funds and flexibility, via its bank credit ability.

The cash flow needs are determined for a 6-months period and redefined on a monthly basis. The cash flow needs are followed on a weekly basis.

In periods of non-sufficient cash, the company is able to finance its needs in cash through borrowing from banks from approved limits it maintains with them.

4. Borrowing – Risk of fluctuating Interest Rates

The Group monitors and manages its borrowing, by proceeding to a combined use of short-term and long-term borrowing. There exist approved credit limits and satisfactory terms of cooperation and of the invoicing of the various banking operations, which help in cutting down the Group's financial cost. The Group's policy is to maintain the largest part of its loans in Euros with variable interest rate and a potential increase of the Euribor would mean an additional financial burden.

5. Risk of inventories-suppliers

The Group takes all necessary measures (insurance, security) to minimize the risk and the potential damages due to the loss of inventories as a result of natural disasters, thefts, etc. The Management constantly reassesses the net liquidation value of the inventories and proceeds to the appropriate impairments.

In addition, the Company considers that dependency on suppliers is very limited and in any case insignificant for the Group's financial scales, as there is no significant dependency on given suppliers, none of which supplies the Company with products at a percentage over 10% of its total purchases.

6. Dependency on Customers

The Group's customer basis shows great spread and there is no risk of dependency on big customers. The Group aims at satisfying an ever larger crowd of customers, on one hand, by increasing the spectrum of products it offers, and, on the other hand, by pursuing the immediate fulfillment of their needs.

E. PRESENTATION OF THE SIGNIFICANT TRANSACTIONS BETWEEN THE ISSUER AND THE PARTIES RELATED TO IT.

According to IAS 24, related parties means subsidiary companies, companies with common ownership or/and Management with the company, companies related to it, as well as to the members of Board of Directors and to the company's Managing officers. The company is provided with goods and services from the related parties, while itself supplies them with goods and services. The company's sales to the related parties concern mainly goods. The provision of services to the company concern mainly marble processing services.

The Board of Directors' members' and the Managing officers' fees concern fees for employed services. In the table below the remainders of the company's receivables and payables to related parties, as these are defined by IAS 24, are analyzed.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Sales of goods / services				
Subsidiaries	-	-	477.202	1.229.595
Totals	**0**	**0**	**477.202**	**1.229.595**
Other Income / Expenses				
Subsidiaries	-	-	73.000	72.000
Other Related Parties	-	40.000	0	40.000
Totals	**0**	**40.000**	**73.000**	**112.000**
Purchases of Goods / Services				
Subsidiaries	-	-	902.131	925.100
Σύνολα	**0**	**0**	**902.131**	**925.100**

	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Receivables				
Subsidiaries	-	-	4.858.076	4.233.489
Other Related Parties	8.752	307-	8.752	307
Totals	**8.752**	**307**	**4.866.828**	**4.233.796**
Payables				
Subsidiaries	-	-	624.581	1.048.901
Other Related Parties	-	0	0	0
Totals	**0**	**0**	**624.581**	**1.048.901**

	31/12/2017	31/12/2016
Fees to members of the BoD and other management officers	1.161.497	1.084.062
Sales to members of the BoD and other management officers	547.396	0
Receivables from members of the BoD and other management officers	671.964	0
Payables to members of the BoD and other management officers	361.524	427.725

F. Properties and installations of the Group

The mother company has the following properties in its possession:

- A property at 7, Lykovrissis str. – Metamorfossi, of a surface of the plot 10,775 sq.m., surface of the industrial engine-room 3,669.27 sq.m. and surface of the offices building 980 sq.m.
- A property at the location Koukouvagia in Thiva, Eleonas commune, of a surface of the plot 13,663.60 sq.m. and surface of the industrial engine-room 724 sq.m.
- Properties at Maroussi, at 56, Aut. Heracleou, a basement of 112 sq.m. and 6 basement parking lots of 99 sq.m.
- A property at the Industrial Area in Drama, of a surface of the plot 45,000 sq.m. on which buildings of a total surface of 7,000 sq.m. have been erected.
- A property-plot at Markopoulo Attica of a surface of 9.223,37 sq.m. on which a two-stores building of 416.68 sq.m. has been erected.

It is noted that against the company's property at 7, Lykovrissis str., there have been registered prenotations of mortgages of a value of Euros 6,500,000 (first mortgage), as security of the common bond loan of Euros 4,999,986, which was concluded with EUROBANK on 22/10/2008 and was amended on 17/10/2016 (the remainder at 31/12/2016 is 1,666,662 Euros). Moreover, there have been registered prenotations of a value of 5,000,000 (second mortgage) as security of the common bond loan of a value of Euros 7,000,000 which was concluded with ALPHA BANK (former EMPORIKI BANK) on 17.10.2008 and was amended on 31.1.2017 (the remainder at 31/12/2016 is 2,950,000 Euros).

Apart from the parent company's properties, the Group further has in its possession:

- A property at Vrilissia, a 50% undivided share of a plot with a surface of 8,000 sq.m., on which a horizontal property has been established; on the basis of such horizontal property the Group has a divided property with of a 4,000 sq.m. surface, with an industrial engine-room of 891 sq.m. (FEIDIAS HELLAS AVEE).

The company operates the following leased branches and quarries.

Branches : 1. 112, Kifissias Ave. – Maroussi Attica, 2. Eleonas - Thiva

Quarries: 1. VOLAKAS DRAMA, 2. PLATANOTOPOS KAVALA, 3. THASSOS KAVALA, 4. NESTOU KAVALA 5. KAVVAKIA KAVALA.

G. Dividend policy – Distribution of net profit

In relation to dividend distribution, the company's Management has decided the distribution of dividend the value of which shall be determined by the General Meeting to take place on 3/5/2018.

H. Explanatory report pursuant to article 4 par.7 & 8 of L.3556/2007

1. Structure of the share capital

The company's share capital amounts to Euros 11,432,000, fully paid-up and is divided in 28,580,100 ordinary registered shares, of par value 0.40 Euros per share. All shares are listed in the Capital Market of the Stock Market, in the category of Medium and Small Capitalization. The company's shares are ordinary registered ones with voting right. From each share derive all the rights and obligations that are stated in the Law and Company's Articles of Incorporation.

2. Restrictions in the transfer of shares of the company.

The transfer of shares of the company takes place as stated by the law and there are no restrictions in their transfer from its articles of incorporation.

3. Significant direct or indirect participations within the meaning of the provisions of L. 3556/2007.

Out of the notifications that have come to the knowledge of the Company, the significant direct and indirect participations within the meaning of L. 3556/2007 are the ones below:

Mr. EVANGELOS CHAIDAS owns at the date of 5/4/2018 of a percentage of 51.14 % of the share capital of the company with a number of shares 14,615,967, Ms. IOULIA CHAIDA owns a percentage of 6.446 % of the share capital of the company with a number of shares 1,842,214, Ms. ANASTASSIA CHAIDA owns a percentage of 6.432 % of the share capital of the company with a number of shares 1,838,333 and Ms. LYDIA CHAIDA owns a percentage of 6.415 % of the share capital of the company with a number of shares 1,833,333. No other natural or legal person owns a percentage higher than 5% of the share capital.

4. Owners of any kind of shares providing special control rights.

There are no shares of company providing special rights of control to their owners.

5. Restrictions to the voting right.

No restrictions to the voting right are provided in the Company's articles of incorporation.

6. Agreements between the shareholders of the company.

The company is not aware of the existence of agreements among its shareholders that would entail restrictions to the transfer of its shares or to the exercise of voting rights emanating from its shares.

7. Rules for the appointment and the replacement of members of the Board of Directors and for the amendment of the articles of incorporation.

The Board of Directors of the company consists in seven (7) members, which are elected by the General Meeting for a six-year term.

The rules provided in the articles of incorporation of the company for the appointment and replacement of the members of its Board of Directors and for the amendment of provisions of its articles of incorporation do not deviate from what is provided for in C.L. 2190/1920.

8. Competence of the BoD for the issuance of new shares or for the purchase of treasury shares according to article 16 of C.L. 2190/1920.

By decision No 77/20-12-2016 of the General Meeting the purchase of Treasury Shares was decided upon the following terms:

- Term for which the approval is granted: 12 months
- Maximum limit of share price at which the acquisition can take place: € 6.00
- Minimum limit of share price at which the acquisition can take place: € 0.40
- Maximum number of shares that can be acquired: Up to 1/10 of the paid-up share capital (total number of shares).

At 31/12/2017 had in its possession 303,953 treasury shares of a total value of 313,506 Euros.

9. Significant agreements that are put in force, are amended or terminated in case of a change of control of the company following a Public Offer.

There are no agreements put in force, amended or terminated in case of a change in the control of the Company following a public offer.

10. Agreements with Members of the BoD or with the personnel of the Company.

There are no agreements of the company with Members of the BoD or with its personnel which provide for the payment of compensation particularly in case of their resignation, or dismissal without cause, or of termination of their term or of their employment as a result of the Public Offer.

I. Corporate Governance Statement

The present statement is made in the context of the Company's compliance with the provisions of article 2 of L. 3873/2010, and refers to:

a) Compliance of the Company with the Code on Corporate Governance

Our Company complies with the policies and practices that are adopted by the "SEV's Code of Corporate Governance for Listed Companies" (hereinafter the "Code") and the text of which has been uploaded on SEV's website.

b) Deviation from special practices of the Code

The Company's practices, as applied in accordance with its Articles of Incorporation, its Internal Regulation and its Code of Conduct, deviate from the special practices of the Code on the following points:

i. There is no committee for the remuneration of the members of the BoD and of the chief officers, nor a committee for the election of nominations of Board of Directors' members (L. 3016/2002, article 5).

ii. There is no procedure for the evaluation of the productivity of the members of the Board of Directors and of its (article 7.1)

iii. In the Company's Articles of Incorporation there is no provision for a procedure of electronic voting or of voting via mail by the shareholders of the General Meeting (Part II. Article 1.2). The Company expects for the issuance of the relevant ministerial decisions in order to introduce the relevant procedure.

iv. The Company has not adopted a diversity policy, including a policy on balance between sexes as regards the members of the BoD.

Corporate Governance Rules and Practices

The following corporate governance rules and practices are set out analytically, with clarity and specificity, in the CCG:

<u>BOARD OF DIRECTORS</u>

The Board of Directors exercises the Management of the company property and the company's representation. As the highest organ of the company's management, it decides on all company affairs, except for those falling within the competence of the General Meeting.

Principal obligation and duty of the members of the Board of Directors is the reinforcement of the value of the company and the protection of the company interest.

The present Board of Directors consists of seven members and was elected by the Ordinary General Meeting of 30 June 2017, with a term until 30/6/2024.

The fees of the members of the BoD, as well as any other additional benefits and compensations are determined in accordance with the provisions of L. 2190/1920 and are approved by the General Meeting of Shareholders.

The Members of the Board of Directors are the following:

1. Evangelos Chaidas of Nikolaos – Chairman & CEO Executive Member,
2. Ioulia Chaida of Evangelos – Vice-President, Executive Member,
3. Anastassia Chaida of Evangelos – Member, Executive Member,
4. Lydia Chaida of Evangelos – Member, Executive Member,
5. Ioannis Tamaressis of Dionyssios – Member, Independent Non-Executive Member,
6. Efthimios Chatzistefanidis of Stavros – Member, Independent Non-Executive Member,
7. Katsikakis Peristeris of Georgios – Members, Non-Executive Member.

The total of the members of the Board of Directors that are mentioned above have participated in 16 meetings during the period 01/01/2017 – 31/12/2017 and have appeared in person.

GENERAL MEETING

The General Meeting of the Shareholders of the Company, according to its Articles of Incorporation, is the highest organ of management, which decides on every company affair and its legal decisions bind all shareholders.

The General Meeting of shareholders is convened by the Board of Directors and is regularly convening at a place and time specified by the Board of Directors within the first semester since the end of each company year.

The convocation of the general meeting is summoned at least 20 days prior to being held, by an invitation which clearly states the place and time of the convocation, the items of the agenda and the procedure which the shareholders have to follow in order to have the right to participate and vote. The Invitation is publicized as provided by the legislation and is uploaded on the Company's website.

The General Meeting meets and is in quorum provided that 1/5 of the share capital is present and represented, except in those cases where a higher quorum of 2/3 of the share capital is provided according to the articles of incorporation.

The shareholders who participate in the general meeting and have a right to vote elect a chairman and a secretary. Thereafter the items of the agenda are discussed and decisions are taken on those subjects with full majority.

For the items discusses and decided upon, minutes are kept which are signed by the Chairman and the secretary of the meeting.

A summary of the decisions of the General Meeting is presently uploaded on the Company's website.

The Board of Directors caters for the effective exercise of the rights of the company's shareholders, who must be fully briefed on all items of the agenda.

According to Law 3884/2010, the company has to post on its website at least twenty days prior to the General Meeting, information in relation to:

- The date, hour and place of the General Meeting's convocation,
- The voting procedures, the terms of representation by proxy and the forms used for voting by proxy,
- The total number of shares and of the voting rights at the date of the convocation.

The rights of the Company's shareholders emanating from its share are proportionate to the percentage of the capital, to which the paid value of the share corresponds. Each share grants all the rights provided for by C.L. 2190/1920.

The transfer of the shares of the Company takes place as provided by the Law and there are no restrictions to their transfer by its articles of incorporation, given, in fact, that they are dematerialized shares, listed in the Athens Stock Market.

RISK MANAGEMENT AND INTERNAL AUDIT

As internal audit system is defined the set of rules and measures which the company applies for the purpose of preventing and restraining the operations and procedures at all levels of its hierarchy and organizational structure, in order to ensure: the legality and safety of the management and of the transactions, the accuracy and reliability of the published financial statements and any other financial information and announcement, as well as the performance of the operational systems and workings of the company.

The BoD takes advantage of the internal audit system so as to protect the company's assets, assess the risks that emerge from all its operations and provide accurate and full information to the shareholders as to the actual condition and prospects of the company, as well as about the means of treating the risks that have been diagnosed.

To achieve the above, the BoD determines the framework of the internal audit's operation, approves the procedures for its conduct and the evaluation of its results and decides about its staffing, in compliance with the dictates of the applicable for the matter legal and institutional framework. It establishes a special departmental internal audit unit, which is independent, does not come hierarchically under any other organization unit and is supervised by the company's Audit Committee.

Composition and operation mode of the Audit Committee

The establishment of the Audit Committee takes place upon decision of the General Meeting of shareholders in the context of applying the existing institutional framework and the provisions on corporate governance. The Audit Committee reports to the BoD.

The Committee's main purpose is to assist the BoD in exercising its supervisory duties, in securing transparency in corporate activities and in fulfilling its responsibilities and obligations vis-à-vis the shareholders and the supervisory authorities. Article 44 par. 3 of the recent law 4449/24.1.2017 determines, among else, the competences of the Audit Committee.

The Chairman and the Members of the Committee are elected by the General Assembly of shareholders. The members of the Committee are three.

Ioannis Tamaressis, Independent Non-Executive Member,

Efthimios Chatzistefanidis, Independent Non-Executive Member,

Petropoulos Charilaos

The audit committee

1. Monitors the procedure and conduct of the mandatory audit of the individual and consolidated financial statements of the Company. In this context, it briefs the BoD by submitting a relevant report on the issues that have emerged from the conduct of the mandatory audit, explaining in detail:

a) The contribution of the mandatory audit to the quality and integrity of the financial information; namely, to the accuracy, completeness and correctness of the financial information, including the relevant notifications, which are approved by the BoD and published.

b) Its role in the procedure under (a) above; namely in recording the actions to which the Audit Committee proceeded in the context of conducting the mandatory audit.

2. Monitors, examines and evaluates the procedure for the preparation of the financial information; namely the mechanisms and production systems, the flow and dissemination of the financial information produced by the Company's organizational units that are involved. The Audit Committee informs the Board of Directors with its findings and submits proposals for the improvement of the procedure, if deemed purposeful.

3. Monitors, examines and evaluates the sufficiency and effectiveness of the totality of policies, procedures and safeguards of the Company as regards, on one hand, the internal audit system and, on the other hand, the assessment and management of risk in relation to the financial information. As regards the operation of the internal audit, the Audit Committee monitors and inspects the correct operation of the Group's Internal Audit Department and evaluates its work, adequacy and effectiveness, without, however, influencing its independence. In addition, it reviews the published information as regards the internal audit and the main risks and uncertainties of the Company, in relation to the

financial information. In this context, the Audit Committee informs the Board of Directors of its findings and submits improvement proposals if deemed necessary.

4. Monitors and follows the independence of the auditors or of the audit firms in accordance with L. 4449/2017 (articles 21, 22, 23, 26 και 27), as well as with article 6 of Regulation (EU) no. 537/2014 of the European Parliament and Council; particularly, the appropriateness of providing non-audit services to the audited entity, according to article 5 of the Regulation.

5. Is responsible for the process of selecting auditors or audit firms and nominates the auditors or audit companies to be appointed by decision of the General Assembly.

RELATIONS WITH SHAREHOLDERS – INVESTORS

The BoD has to cater for the good and continuous communication with all shareholders of the company. In that direction, the Shareholders' Service Department and the Corporate Announcements Department operate within the company; there is also a website in operation, whereat a number of useful information for the company's shareholders are published.

Apart from the above, the Chairman and CEO, the Financial Director or other officers, as per case, may appear at meetings with main principal shareholders of the company.

Metamorfossi 05/04/2018

The Chairman of the Board of Directors

Evangelos Chaidas

4. Annual Corporate and Consolidated Financial Statements for the period from January 1 to December 31, 2017

4.1. Statement of Comprehensive Income

(Amounts in €)		CONSOLIDATED DATA		CORPORATE DATA	
	Note	1/1 - 12/31/2017	1/1 - 12/31/2016	1/1 - 12/31/2017	1/1 - 12/31/2016
Sales	10.20	**51,725,757**	**35,701,188**	**47,609,598**	**31,724,004**
Cost of Sales	10.21	(23,541,082)	(21,816,919)	(19,543,178)	(17,963,488)
Gross Profit		**28,184,675**	**13,884,269**	**28,066,420**	**13,760,517**
Other operating revenue	10.22	1,232,986	1,509,878	676,718	951,752
Costs of disposal	10.21	(6,781,316)	(5,297,992)	(6,553,759)	(5,005,663)
Administrative expenses	10.21	(3,386,382)	(3,302,611)	(2,754,913)	(2,694,975)
Research and development expenses	10.21	(948,721)		(948,721)	
Other operating expenses	10.22	(604,162)	(489,584)	(585,827)	(477,655)
Profit before Tax Financial and investing Results		**17,697,080**	**6,303,960**	**17,899,919**	**6,533,975**
Financial Revenues	10.23	1,789	4,431	1,788	4,431
Financial Expenses	10.23	(1,424,167)	(1,427,448)	(997,984)	(1,110,562)
Other Financial Results	10.24	(1,242,898)	(1,068,001)	(1,993,592)	(4,018,001)
Profit / Loss from associates	10.25	(429,542)	(115,426)	0	0
Net Profit / (Loss) before tax		**14,602,263**	**3,697,516**	**14,910,132**	**1,409,842**
Income tax	10.26	(5,586,524)	(2,892,983)	(4,731,025)	(1,300,573)
Net Profit / (Loss) after tax (from continuing & discontinued operations)		**9,015,739**	**804,533**	**10,179,107**	**109,270**
Other Comprehensive Income:					
Amounts that are not reclassified in the Statements of Profit and Loss in subsequent periods:					
Actuarial Results	10.14	5,271	47,041	(1,528)	48,838
Income tax of items of the other comprehensive income	10.26	(1,529)	(13,642)	443	(14,163)
Total Other Comprehensive Income after tax		3,742	33,399	(1,085)	34,675
Total Comprehensive Income after tax		**9,019,481**	**837,932**	**10,178,022**	**143,945**
Total Comprehensive Profit or Loss after tax attributable to:					
Owners of the Parent Company		9,012,870	827,193	10,178,022	143,945
Non-controlling Interests		6,612	10,739		
Profit of the period after tax attributable to:					
Owners of the Parent Company		9,009,153	793,794	10,179,107	109,270
Non-controlling Interests		6,586	10,739		
Basic Earnings per Share attributable to the Owners of the Parent Company	10.27	0.3184	0.0279	0.3597	0.0038
Summary of results of the period:					
Profit before tax, Financial, Investment Results and Depreciation		20,284,508	8,694,605	19,033,123	7,468,901

4.2. Statement of Financial Position

(Amounts in €)

		THE GROUP		THE COMPANY	
Assets	**Note**	**12/31/2017**	**12/31/2016**	**12/31/2017**	**12/31/2016**
Non-Current Assets					
Tangible fixed assets	**10.1**	41,458,381	41,390,216	14,724,539	12,739,566
Property Investment	**10.1**	55,851	55,851	55,851	55,851
Goodwill of the enterprise	**10.2**	0	1.249.306	0	0
Intangible assets	**10.3**	506,407	558,466	203,578	228,885
Investments in subsidiaries	**10.4**	0	0	13,188,276	15,188,276
Investments in affiliates	**10.5**	5,584,922	6,004,292	1,515,908	1,505,736
Deferred tax assets	**10.6**	1,431,198	1,289,456	3,536,933	3,018,109
Other long-term receivables	**10.7**	56,079	71,461	31,849	47,651
		49,092,837	**50,619,047**	**33,256,934**	**32,784,074**
Current Assets					
Stock	**10.8**	18,027,869	17,615,796	17,339,263	17,092,839
Customers and other trade receivables	**10.9**	8,929,848	7,553,902	10,219,812	7,924,055
Other receivables	**10.10**	4,074,937	3,891,030	5,454,570	5,326,839
Financial assets measured at fair value through profit and loss		53,685	47,277	53,685	47,277
Cash and cash equivalents	**10.11**	5,682,955	1,185,906	5,538,691	1,069,986
		36,769,294	**30,293,912**	**38,606,021**	**31,460,996**
Total Assets		**85,862,131**	**80,912,959**	**71,862,955**	**64,245,070**
Own Funds & Liabilities					
Own Funds					
Equity Capital	**10.12**	11,432,040	11,432,040	11,432,040	11,432,040
Equity Premium		43,792	43,792	43,792	43,792
Asset Revaluation differences		461,172	461,172	437,237	437,237
Other Stocks		7,820,333	3,917,063	7,820,333	3,917,063
Reserve for Own shares		(313,506)	(195,904)	(313,506)	(195,904)
Retained Earnings		16,573,207	15,396,374	18.287,439	15,945,454
Equity capital attributable to the shareholders of the Parent Company		**36,017,038**	**31,054,537**	**37,707,335**	**31,579,681**
Non-controlling Interests		(12,213)	(18,824)		
Total Equity Capital		**36,004,825**	**31,035,712**	**37,707,335**	**31,579,681**
Long-Term Liabilities					
Long-term debt obligations	**10.13**	7,586,127	9,244,295	2,959,459	3,460,961
Obligations from financial leases	**10.13**	464,416	235,076	464,416	235,076
Deferred tax obligations	**10.6**	2,096,737	1,715,541	173,287	199,840
Post-employment Employee benefits obligation due to	**10.14**	706,296	653,063	615,307	561,937
Subsidies	**10.15**	7,174,193	7,841,960	251,861	376,700
Provisions	**10.16**	142,701	134,910	110,882	104,605
Total Long-Term Liabilities		**18,170,470**	**19,824,845**	**4,575,211**	**4,939,120**
Short-Term Liabilities					
Suppliers and other obligations	**10.17**	10,982,945	9,171,450	9,930,678	7,808,375
Current tax liabilities	**10.18**	6,439,758	3,966,477	6,271,694	3,709,143
Short-term debt obligations	**10.13**	7,401,687	8,969,006	7,321,611	8,325,708
Long-term debt obligations payable in the next fiscal year	**10.13**	2,389,182	2,800,682	1,232,516	1,644,016
Short-term obligations from financial leases	**10.13**	252,856	117,710	252,856	117,710
Other short-term liabilities	**10.19**	4,220,407	5,027,077	4,571,054	6,121,317
Total Short-Term Liabilities		**31,686,835**	**30,052,401**	**29,580,409**	**27,726,269**
Total Liabilities		**49,857,306**	**49,877,247**	**34,155,620**	**32,665,389**
Total Own Funds and Liabilities		**85,862,131**	**80,912,959**	**71,862,955**	**64,245,070**

4.3. Consolidated Statement of Changes in Equity

(Amounts in €)

	Attributable to the shareholders of the parent company								
	Equity Capital	**Equity Premium**	**Fair value reserve**	**Other stock**	**Reserve for Own Shares**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total Own Funds**
Total Equity Capital at the beginning of the 1/1/2016 period	**11,432,040**	**758,295**	**461,172**	**3,838,705**	**(180,623)**	**15,499,667**	**31,809,255**	**(29,563)**	**31,779,692**
Acquisition of Own Shares					(15,281)		**(15,281)**		**(15,281)**
Formation of Legal Reserve				78,359		(78,359)	**0**		**0**
Distribution of profits of previous fiscal years						(852,128)	**(852,128)**		**(852,128)**
Equity increase by capitalization of the equity premium reserve	714,503	(714,503)					**0**		**0**
Repayment of Share Capital	(714,503)						**(714,503)**		**(714,503)**
Transactions with Owners	**0**	**(714,503)**	**0**	**78,359**	**(15,281)**	**(930,486)**	**(1,581,911)**	**0**	**(1,581,911)**
Results of the Financial Period 1/1 - 12/31/2016						793,794	**793,794**	10,739	**804,533**
Other Total Revenue for the Period 1.1 - 12.31.2016						33,399	**33,399**		**33,399**
Total Comprehensive Income for the Period 1/1 - 12/31/2016	**0**	**0**	**0**	**0**	**0**	**827,193**	**827,193**	**10,739**	**837,932**
Balance Amounts 12/31/2016	**11,432,040**	**43,792**	**461,172**	**3,917,063**	**(195,904)**	**15,396,374**	**31,054,537**	**(18,824)**	**31,035,713**
Total own funds at the beginning of the 1/1/2017 period	**11,432,040**	**43,792**	**461,172**	**3,917,063**	**(195,904)**	**15,396,374**	**31,054,537**	**(18,824)**	**31,035,713**
Acquisition of Own Shares					(147,092)		**(147,092)**		**(147,092)**
Formation of Legal Reserve				48,894		(48,894)	**0**		**0**
Formation of reserve of own interests				3,830,555		(3,830,555)	**0**		**0**
Distribution of profits of previous fiscal years						(3,956,588)	**(3,956,588)**		**(3,956,588)**
Sales of Own Shares				23,821	29,491		**53,312**		**53,312**
Transactions with Owners	**0**	**0**	**0**	**3,903,270**	**(117,601)**	**(7,836,037)**	**(4,050,368)**	**0**	**(4,050,368)**
Results of the Financial Period 1/1 - 12/31/2017						9,009,153	**9,009,153**	6,586	**9,015,739**
Other Total Revenue for the Period 1.1 - 12.31.2017						3,717	**3,717**	25	**3,742**
Total Comprehensive Income for the Period 1/1 - 12/31/2017	**0**	**0**	**0**	**0**	**0**	**9,012,870**	**9,012,870**	**6,612**	**9,019,481**

Balance Amounts 31/12/2017	**11,432,040**	**43,792**	**461,172**	**7,820,333**	**(313,506)**	**16,573,207**	**36,017,039**	**(12,212)**	**36,004,826**

4.4. Statement of Changes in the Company's Equity

(Amounts in €)

	Equity Capital	Equity Premium	Fair value reserve	Other stock	Reserve for Own Shares	Retained Earnings	Total
Total Equity Capital at the beginning of the 1/1/2015 period	**11,432,040**	**758,294**	**437,237**	**3,862,928**	**(180,623)**	**16,731,995**	**33,041,871**
Acquisition of Own Shares					(15,281)		**(15,281)**
Formation of Legal Reserve				(24,224)			**(24,224)**
Distribution of profits of previous fiscal years				78,359		(78,359)	**0**
Equity increase by capitalization of the equity premium reserve						(852,128)	**(852,128)**
Repayment of Share Capital	714,503	(714,503)					**0**
Acquisition of Own Shares	(714,503)						**(714,503)**
Transactions with Owners	**0**	**(714,503)**	**0**	**54,135**	**(15,281)**	**(930,486)**	**(1,606,135)**
Results of the Financial Period 1/1 - 12/31/2016						109,270	**109,270**
Other Total Revenue for the Period 1.1 - 12.31.2016						34,675	**34,675**
Total Comprehensive Income for the Period 1/1 - 12/31/2016	**0**	**0**	**0**	**0**	**0**	**143,945**	**143,945**
Balance Amounts 12/31/2016	**11,432,040**	**43,792**	**437,237**	**3,917,063**	**(195,904)**	**15,945,454**	**31,579,682**
Total own funds at the beginning of the 1/1/2017 period	**11,432,040**	**43,792**	**437,237**	**3,917,063**	**(195,904)**	**15,945,454**	**31,579,682**
Acquisition of Own Shares				3,830,555		(3,830,555)	**0**
Formation of Legal Reserve				48,894		(48,894)	**0**
Formation of reserve of own interests						(3,956,588)	**(3,956,588)**
Distribution of profits of previous fiscal years					(147,092)		**(147,092)**
Sales of Own Shares				23,821	29,491		**53,312**
Transactions with Owners	**0**	**0**	**0**	**3,903,270**	**(117,601)**	**(7,836,037)**	**(4,050,368)**
Results of the Financial Period 1/1 - 12/31/2017						10,179,107	**10,179,107**
Other Total Revenue for the Period 1.1 - 12.31.2017						(1,085)	**(1,085)**
Total Comprehensive Income for the Period 1/1 - 12/31/2017	**0**	**0**	**0**	**0**	**0**	**10,178,022**	**10,178,022**

Balance Amounts 12/31/2017	**11,432,040**	**43,792**	**437,237**	**7,820,333**	**(313,506)**	**18,287,439**	**37,707,335**

4.5. Statement of Cash Flows (Indirect Method)

(Amounts in €)	THE GROUP 1/1 - 12/31/2017	THE GROUP 1/1 - 12/31/2016	THE COMPANY 1/1 - 12/31/2017	THE COMPANY 1/1 - 12/31/2016
Operating Activities				
Profit (Loss) before tax	**14,602,263**	**3,697,516**	**14,910,132**	**1,409,842**
Plus / minus adjustments for:				
Depreciations	3,255,196	3,217,441	1,258,043	1,205,508
Provisions	666,639	326,500	660,107	320,766
Exchange differences	21,001	(4,217)	21,001	(5,298)
Recognized revenue from subsidies	(667,767)	(770,304)	(124,839)	(217,486)
Results (income, expenses, profit and loss) from investing operation	1,644,460	1,171,684	1,969,612	4,011,258
Debit interest and related expenses	1,422,630	1,409,055	997,984	1,093,678
Plus / minus adjustments for changes in working capital accounts or that are related to the operating activities:				
Decrease / (increase) of reserves	(562,073)	(1,185,296)	(396,424)	(687,594)
Decrease / (increase) of receivables	(1,892,340)	(1,129,360)	(2,838,906)	(555,999)
Decrease / (increase) of liabilities (other than banking ones)	(2,187,364)	(94,799)	(2,303,990)	(570,642)
Minus:				
Paid debit interest and related expenses	(1,336,367)	(1,459,248)	(999,088)	(1,093,678)
Taxes paid	(161,136)	(13,345)	(146,313)	0
Total inflows / (outflows) from operating activities (a)	**14,805,142**	**5,165,627**	**13,007,318**	**4,910,356**
Operating activities				
-				
Acquisition of associates	(10,172)	(10,172)	(10,172)	(70,172)
Acquisition of tangible and intangible fixed assets	(2,549,978)	(1,271,298)	(2,496,385)	(1,111,080)
Purchased investment property	0	(43,218)	0	(43,218)
Proceeds from sales of tangible and intangible fixed assets	36,700	7,740	32,700	22,663
Proceeds from sales of investment property	0	80,000	0	80,000
Interest received	1,788	4,431	1,788	4,431
Total inflows / (outflows) from investing activities (b)	**(2,521,661)**	**(1,232,516)**	**(2,472,068)**	**(1,117,377)**
Financial operations				
Proceeds from investment grants	0	34,127	0	34,127
Acquisition of Own Shares	(147,092)	(15,281)	(147,092)	(15,281)
Repayment of Share Capital	0	(711,401)	0	(711,401)
Repayment of Loans	(3,636,987)	(1,270,612)	(1,917,099)	(1,235,773)
Repayment of obligations from financial leases (amortization)	(310,514)	(107,409)	(310,514)	(107,409)
Paid Dividends	(3,691,839)	(852,128)	(3,691,839)	(852,128)
Total inflows / (outflows) from financial operations (c)	**(7,786,432)**	**(2,922,704)**	**(6,066,545)**	**(2,887,865)**
Net increase / (decrease) in cash and cash equivalents of the period (a) + (b) + (c)	**4,497,048**	**1,010,407**	**4,468,705**	**905,115**
Cash and cash equivalents at the beginning of the period	1,185,906	175,500	1,069,986	164,871
Cash and cash equivalents at the end of the period Total	**5,682,955**	**1,185,906**	**5,538,691**	**1,069,986**

5. Information about the Group

5.1. General information

Iktinos Hellas company is a Greek société anonyme and constitutes the parent company of the group. It was established on 12/03/1974 by the Architect-Mechanic Evangelos Nik. Chaidas, who to date remains the principal shareholder. It operates under the corporate name "GREEK MARBLE INDUSTRY TECHNICAL AND TOYRISTIC COMPANY IKTINOS HELLAS S.A." and the distinctive title "IKTINOS HELLAS S.A." (GG 244-12/3/1974 S.A. and Ltd Liab. Co. (E.P.E.)).
The Group's seat is in Metamorfossi Attica (7, Lykovrisseos str., P.C. 144 52). The company's shares were listed in the Athens Stock Market in 2000.
The Company's term, following a decision of the General Meeting of its shareholders on 12/01/1999, was extended until 11/03/2049.

5.2. Nature of Operations

The objective of the company, as such is defined in **article 2** of the company's articles of incorporation has as follows:
Objective of the Company is:

- The exploitation in general of marble quarries, granites, decorative rocks, inert materials and related matters and byproducts, as well as the research, opening, shaping or exploitation of those quarries through a contracting or any other form of relationship, as well as the provision of know-how services.
- The cutting and processing, in any manner, of those products.
- The aforementioned products' export abroad.
- The aforementioned products' trade domestically.
- The conduct of any similar of related commercial activity, which is connected to the above objects.
- The conclusion of work contracts, for placing all of the aforementioned products in all kinds of construction works both inlands as well as abroad.
- The construction of all types of buildings, in owned or foreign properties, particularly via the known and common in transactions "flats-for-land" exchange system ("antiparochi"), the purchase and sale of property, the undertaking of any kind of technical works or studies, in combination or even separately, both inlands and abroad, on behalf of legal or natural persons of the State, Public Organizations as well as public utility Organizations, public law legal entities, etc., as well as the industry of construction materials industry and technical works materials, in general.

- The exercise of any type of Touristic Businesses, particularly those regarding the construction and operation of hotels of sleep and food, of hostels, lodges, settlements, beaches and, in general of areas on the seaside, or not, in Greece or abroad, and, in fact, either or owned or leased properties.
- The undertaking of commercial agencies of any kind and subject matter, as well as the representation of various houses and businesses of the country or foreign, as well as the distribution, against consideration, of any object related to the objective of the company.
- The production and trade of construction materials, their import as well as their export.
- Production and exploitation of electric power out of renewable sources of energy (RSE), such as aeolian energy, solar energy, waves' energy, tidal energy, biomass, gases emitted out of landfill sites and waste treatment plants, biogases, geothermal energy, hydraulic energy exploited by hydropower stations, as well as photovoltaic energy.
- The participation, in any manner and under any legal form, in any related, similar or identical, businesses, which operate individually or under a corporate form, that have been already established or are about to be established wither by it or by other persons, with the same objective or objectives related to those mentioned in the present article.
- All the aforementioned objectives of the company are acted on both in the interior of Greece as well as in any other foreign country.

By the extraordinary General Meeting of Shareholders of 20th March 2012, the objective of the Company was extended as follows:

- <<Production and trade of agricultural products in Greece and abroad, whether these are produced in Greece or abroad, as well as the participation, in any manner and under any legal form, in any kind of related, similar or identical businesses, which operate individually or under a corporate form, that have been already established or are about to be established wither by it or by other persons, with the same objective or objectives related to those mentioned in the present article.>>.

The basic sector in which IKTINOS HELLAS S.A. is business active today is the sector of marble quarrying, processing and trade in marbles and granites and other decorations.

5.3. Participations in other companies

IKTINOS HELLAS S.A. participates, directly and indirectly, in the following companies:

FEIDIAS HELLAS A.V.E.E.

The company was established in 1981 as a Limited Liability Company (E.P.E.), while in 1986 it was transformed into an A.V.E.E. Its seat is at Vrilissia Municipality, Attica, at 12A, Tinou str. Its primary object of business is marble processing, particularly the section of blocks, mainly for third parties (piecework), as well as the export of the aforementioned products abroad, any similar of related work, which is connected to the above objects. Finally, an object of work is also the conclusion of work contracts, for placing all of the aforementioned products in all kinds of construction works.

KALLITECHNOKRATIS E.P.E.

The KALLITECHNOKRATIS PROVISION OF SERVICES E.P.E. company was established in 1999. KALLITECHNOKRATIS E.P.E is seated at Metamorfossi, Attica and its offices are at 7, Lykovrissis str. The company's objective is the development of e sales and marbles network abroad. Its business plan has been approved by the ministry for Development and it has been included in the subsidies of the Industry Business Plan (subprogram 4, measure 2, action 9 – CLUSTERS Networks).

IKTINOS HELLAS SA participates in this company by 25% and FEIDIAS HELLAS SA by 5%. The ministry of Development has declined the approval of the subsidies and KALLITECHNOKRATIS E.P.E. has appealed to the Council of State. It has been put under liquidation.

ELECTRIC POWER PRIVATE CORPORATION S.A. (ID.E.H. S.A.)

IKTINOS HELLAS S.A., in the context of its direct business activity in the aeolian energy, has acquired at a 100% percentage (against a total cost of Euros 2,449,500) on 21/12/2007, the company under the corporate name IDIOTIKI EPICHEIRISI HELEKTRISMOU S.A. (ELECTRIC POWER PRIVATE CORPORATION S.A.), which has as objective the production of electric power by any legal manner or means and, particularly, of the electric power which comes from renewable sources of energy.

LATIRUS ENTERPRISES LIMITED

On 12/12/2006, IKTINOS HELLAS S.A. acquired (against an amount of 8,283 Euros) the Cypriot company under the corporate name LATIRUS ENTERPRISES LIMITED, to which it transferred the block of shares it owned in IKTINOS TECHNICAL & TOURISTIC S.A. Thereafter, an increase of Share Capital above par took place (the total amount of the Share Capital and above par increase come up to Euros 9,126,557), into which participated the company DolphinCI Thirteen Limited of Cyprus, a 100% subsidiary of the Dolphin Capital Investors LTD investment company, which is listed in the Stock Market of London (AIM). Through this and from the direct sale of shares, IKTINOS HELLAS S.A. retained a participation of a percentage of (20.344%) of the shares. IKTINOS HELLAS proceeded to purchase 79,656 % of the Latirus Ltd company against 14,000,000 Euros from the DolphinCi Thirteen Ltd company on 30/3/2018. After the acquisition, IKTINOS HELLAS owns 100% of the Latirus Ltd company and is the sole shareholder.

AIOLIKI MEGA ISSOMA S.A.

IKTINOS HELLAS S.A., in the context of its business activity in the aeolian energy, proceeded to establish by deed of incorporation no 8497/21-1-2010, at a 100% percentage, the "Aioliki Mega Issoma Société Anonyme of electric power production", which has as purpose the production of electric power in any legal manner or means and, particularly, of the electric power which comes from renewable sources of energy.

AIOLIKI LYKOFOLIA S.A.

IKTINOS HELLAS S.A., in the context of its business activity in the aeolian energy, proceeded to establish by deed of incorporation no 8854/24-2-2011, at a 100% percentage, the "Aioliki Lykofolia Société Anonyme of electric power production", which has as purpose the production of electric power in any legal manner or means and, particularly, of the electric power which comes from renewable sources of energy.

AIOLIKI MAVROLITHARO S.A.

IKTINOS HELLAS S.A., in the context of its business activity in the aeolian energy, proceeded to establish by deed of incorporation no 8855/24-2-2011, at a 100% percentage, the "Aioliki Mavrolitharo Société Anonyme of electric power production", which has as purpose the production of electric power in any legal manner or means and, particularly, of the electric power which comes from renewable sources of energy.

AIOLIKI SYNORA S.A.

IKTINOS HELLAS S.A., in the context of its business activity in the aeolian energy, proceeded to establish by deed of incorporation no 9377/21-3-2013, at a 100% percentage through its subsidiary company IDEH S.A., the "Aioliki Synora Société Anonyme of electric power production", which has as purpose the production of electric power in any legal manner or means and, particularly, of the electric power which comes from renewable sources of energy.

IKTINOS MARMARON S.A.

IKTINOS HELLAS, aiming at improving the services it provides in the domestic market and at undertaking big projects, decided to establish by deed of incorporation no 275/18-12-2015, a new company, IKTINOS MARMARON, which essentially comprises a continuation of the establishment of the store at Kifissias.

5.4. Companies participating in the consolidated financial statements of the Group

The companies which participate in the consolidated financial statements are presented on the following table:

CORPORATE NAME	SEAT	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
IKTINOS HELLAS S.A.	7, Lykovrissis, Metamorfossi Attica	Parent	Full Consolidation
FEIDIAS HELLAS S.A.	12A, Tinou, Vrilissia Attica	90,00%	Full Consolidation
KALLITECHNOKRATIS E.P.E.	7, Lykovrissis, Metamorfossi Attica	30,00%	Full Consolidation
IKTINOS MARMARON SA	112, Kifissias Av. - Maroussi	100,00%	Full Consolidation
IDEH S.A.	11, Aischylou and Agion Anargyron, Drama	100,00%	Full Consolidation
AIOLIKI MEGA ISSOMA S.A.	7, Lykovrissis, Metamorfossi Attica	100,00%	Full Consolidation
AIOLIKI MAVROLITHARO S.A.	7, Lykovrissis, Metamorfossi Attica	100,00%	Full Consolidation
AIOLIKI LYKOFOLIA S.A.	7, Lykovrissis, Metamorfossi Attica	100,00%	Full Consolidation
AIOLIKI SYNORA S.A.	7, Lykovrissis, Metamorfossi Attica	100,00%	Full Consolidation
LATIRUS Ltd	11, Florinis - Nicosia	20,344%	Net position

In the individual financial statements of the parent company, the subsidiaries are valued at their acquisition price.

6. Framework of preparation of financial statements

6.1 General framework of preparation

The consolidated financial statements of IKTINOS HELLAS S.A. have been prepared on the basis of the principle the going concern and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB), as well as with their Interpretations, which have been issued by the Standards Interpretations Committee (IFRIC) and have been adopted by the European Union until 31/12/2017. The company and consolidated financial statements have been prepared on the basis of the historical cost principle, as this is amended by the readjustment of plots and buildings and of financial receivables and payables at reasonable values through the result.

The preparation of financial statements in conformity with the International Financial Reporting Standards (IFRS) requires the use of accounting estimates. It also requires the judgment of the management in applying the accounting principles of the group. Cases involving a higher degree of judgment or complexity, or cases where assumptions and estimates are significant to the consolidated financial statements, are included in note 6.3.

The accounting principles on the basis of which the financial statements were prepared, are consistent to those used for preparing the annual financial statements of the Group for fiscal year 2016 and have been consistently applied to all the periods presented.

6.2. Amendments to Accounting Policies

New Standards, Interpretations, Revisions and Amendments of existing Standards that have been put in force and have been adopted by the European Union

The following amendments and Interpretations of the IFRS have been issues by the International Accounting Standards Board (IASB), been adopted by the European Union and their application is obligatory since 01/01/2017 or subsequently.

The following amendments of Standards have been issued by the International Accounting Standards Board (IASB), been adopted by the European Union and their application is obligatory since 01/01/2017 or subsequently.

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

In January 2016, IASB proceeded to the issuance of amendments of a limited scope to IAS 7. The purpose of such amendments is to render possible for users of the financial statements to evaluate the changes in liabilities deriving from financial activities. The amendments demand from the economic entities to provide notifications, which would render possible for investors to evaluate the changes in liabilities that stem out of financial activities, including the changes that derive from cash flows, as well as the non-cash changes. The amendments have no effect on the consolidated Financial Statements.

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

In January 2016, IASB proceeded to the issuance of amendments of a limited scope to IAS 12. The purpose of such amendments is to clarify the treatment, for accounting purposes, of the deferred tax assets for unrealized losses from debt instruments measured at fair value. The amendments have no effect on the consolidated Financial Statements.

- **Annual Improvements of the IFRS –Cycle 2014-2016 (applies to annual periods starting on or after 01/01/2017)**

In December 2016, IASB proceeded to the issuance of "Annual Improvements of the IFRS – Cycle 2014-2016», which consists in a series of amendments of certain Standards and is part of the program for the IFRSs' annual improvements. The amendment which is included in this cycle and applies to annual periods starting on or after 1st January 2017 is the following: IFRS 12: Clarification of the scope of application of the Standard. The amendment has no effect on the consolidated Financial Statements. The other amendments which are included in the cycle in question and apply to annual periods starting on or after 1st January 2018 are analyzed in the following section.

New Standards, Interpretations, Revisions and Amendments of existing Standards that have not yet been put in force or have not been adopted by the European Union

The following new Standards and amendments of Standards have been issued by the International Accounting Standards Board (IASB), but either they have not yet been put in force or they have not been adopted by the European Union.

- **IFRS 9 "Financial Instruments" (applies to annual periods starting on or after 01/01/2017)**

In July 2014, IASB proceeded to the final edition of the IFRS 9. The improvements that were brought by the new Standard include the establishment of a rational model for the classification and measurement, a uniform provident model for "expected losses" of impairment, and also, a substantially revised approach for hedge accounting. The above have been adopted by the European Union, with 01/01/2018 as date of entry in force.

The new model of value impairment requires that the impairment provisions are recognized on the basis of the expected credit losses and not only on the realized credit losses, as applicable according to IAS 9. The Group will apply the simplified approach with regard to the trade receivables. The Group is in a process of final controls in order to determine the impact from the transition to the new standard. It is noted that on the basis of the analytical evaluation conducted, the Group has concluded that upon adoption of the new standard, no substantial differentiation of the existing provisions is expected to occur.

The new Standard also provides for additional notifications, by amending at the same time the way of presenting the information. The Group will duly amend the nature, extent and structure of the notifications provided with regard to the financial instruments, in order to comply with the new standard.

- **IFRS 15 "Revenues from Contracts with Customers" (applies to annual periods starting on or after 01/01/2018)**

In May 2014, IASB proceeded to the issuance of a new Standard, IFRS 15. The Standard in question is fully aligned to the requirements regarding the recognition of revenue in accordance with the principles both of the IFRS, as well as with the American Generally Acceptable Accounting Principles (US GAAP). The basic principles on which the Standard in question is based are consistent with an important part of the current practice. The new Standard is expected to improve the financial information, by establishing a stronger framework for the resolution of issues that come up, by increasing the comparability between sectors and capital markets, by providing additional notifications and by clarifying the treatment, for accounting purposes, of the cost of contracts. The new Standard comes to replace IAS 18 "Revenue", IAS "Construction Contracts", as well as certain Interpretations which are related to revenues. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the by the European Union, with 01/01/2018 as date of entry in force.

The Group intends to adopt the new Standard at the date of its entry in force, by readjusting the comparative information. In the context of the Standard's application, the Group realized an analytical evaluation of the contracts with clients and of the relevant accounting treatment for the total of the revenue sources. On the basis of the analytical evaluation conducted, the Management did not spot substantial differences of the existing provisions. Therefore, the adoption of the new standard is not expected to have an impact on the financial statements of the Group and of the Company upon its application.

- **Interpretations to IFRS 15 "Revenues from Contracts with Customers" (applies to annual periods starting on or after 01/01/2018)**

In April 2016, το IASB proceeded to the issuance of interpretations to IFRS 15. The amendments of IFRS 15 do not alter the basic principles of the Standard, but they provide clarifications as to the application of those principles. The amendments clarify the way in which an execution commitment in a contract is recognized, how it is ascertained if an economic entity constitutes the mandatory or the mandated party, and how its ascertained if the revenue from the grant of license should be recognized at a given moment in time or over time. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the by the European Union, with 01/01/2018 as date of entry in force. As analyzed below, the adoption of the new standard is not expected to have an impact on the financial statements of the Group and of the Company upon its application.

- **Amendments to IFRS 4: "Application of IFRS 9 Financial Instruments, in conjunction with the IFRS 4 Insurance Contracts" (applies to annual periods starting on or after 01/01/2018)**

In September 2016, το IASB proceeded to the issuance of amendments to IFRS 4. The purpose of the amendments in question is to determine the handling of the provisional accounting impacts due to the different date of entry in force of IFRS 9 Financial Instruments and of the Standard under issuance for insurance contracts. The amendments to the current requirements of the IFRS 4 allow to the economic entities whose main activities are related to insurance, to defer application of the IFRS 9 until 2021 ("provisional exemption"), and allow all issuers of insurance contracts to recognize in the remaining total income, instead of in the profits or losses, the variability that may result out of the application of IFRS 9 prior to the issuance of the new Standard for the insurance contracts ("the overlap approach"). The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the by the European Union, with 01/01/2018 as date of entry in force. The above amendments are not expected to have an impact on the financial statements of the Group and of the Company.

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

In January 2016, IASB proceeded to the issuance of a new Standard, IFRS 16. The work of IASB had the purpose to develop a new Standard for leases that would determine the principles which both parties to a contract would apply – namely, both the client ("the lessee") and the supplier ("the lessor") – in the provision of relevant information for leases in a way to accurately reflect those transactions. To achieve this purpose, the lessee has to recognize the assets and liabilities emanating from the lease. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the by the European Union, with 01/01/2019 as date of entry in force. The Management is at the stage of the final controls regarding the analytical procedure for assessing the appropriate accounting treatment per functional lease and the quantitative determination of the impact from the adoption of the new Standard. The final conclusions of said assessment, will be finalized in the forthcoming period of time.

- **Annual Improvements of the IFRS – Cycle 2014-2016 (applies to annual periods starting on or after 01/01/2018)**

In December 2016, IASB proceeded to the issuance of "Annual Improvements of the IFRS – Cycle 2014-2016", which consists in a series of amendments of certain Standards and is part of the program for the IFRSs' annual improvements. The amendments which are included in this cycle and apply to annual periods starting on or after 1st January 2018 are the following: IFRS 1: Deletion of the short-term exceptions for those adopting the IFRS for the first time; IAS 28: Measurement of a related or of a joint venture at reasonable value. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the by the European Union, with 01/01/2018 as date of entry in force.

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

In June 2016, IASB proceeded to the issuance of an amendment of a limited scope to IAS 2. The purpose of the amendment in question is to provide clarifications as to the handling, for accounting purposes, of specific types of share-based payment transactions. More specifically, the amendment introduces the requirements as to the treatment, accounting-wise, of the effect of vesting and non-vesting conditions on the measurement of share-based payments that are cash-settled; the treatment, accounting-wise, of share-based payment transactions bearing a feature of settlement on a set-off basis as regards the obligation for withholding tax, as well as an amendment to the terms and conditions of a share-based payment, which alters the classification of a transaction from cash-settled to equity-settled. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have been adopted by the by the European Union, with 01/01/2018 as date of entry in force.

- **Amendments to IAS 40: "Transfers of Investments in Property from or to other classes" (applies to annual periods starting on or after 01/01/2018)**

In December 2016, IASB to the issuance of amendments of a limited scope to IAS 12. The purpose of such amendments is to reinforce the principle for transfers from, or to investments in property, so as to determine that (a) a transfer from, or to investments in property must take place only if there is a change in the use of the property, and (b) such change in the use of the property must have included an evaluation as to what extent the property in question fulfills the criteria for its classification as investment property. Such change in use must be supported by relevant documentation /evidence. The

Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

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

In December 2016, IASB proceeded to the issuance of a new Interpretation, IFRIC 22. The Interpretation in question includes the requirements with regard to the foreign exchange rate that should be used in depicting transactions in foreign currency (e.g. income transactions) in cases where payment has been received or made in advance. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 28: "Long-term Participations in Related and Joint Ventures" (applies to annual periods starting on or after 01/01/2019)**

In October 2017, IASB proceeded to the issuance of amendments of a limited scope to IAS 28. The purpose of such amendments is to provide clarifications as to the treatment, for accounting purposes, of long-term participations in a related company or in a joint venture – to which the, IFRS 9, net position method does not apply. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 9: "Pre-paid Assets with Negative Return" (applies to annual periods starting on or after 01/01/2019)**

In October 2017, IASB proceeded to the issuance of amendments of a limited scope to IAS 9. On the basis of the current requirements of IFRS 9, an economic entity would measure a financial asset with negative return at a reasonable value through the results, as the "negative return" feature could be considered to create potential cash flows, which are not comprised merely of capital and interest payments. On the basis of the amendments, economic units are allowed to measures specific pre-paid financial assets with negative return at the amortized cost or at the reasonable value through the rest of the total income, provided a certain condition is fulfilled. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

- **Annual Improvements of the IFRS – Cycle 2015-2017 (applies to annual periods starting on or after 01/01/2019)**

In December 2017, IASB proceeded to the issuance of "Annual Improvements of the IFRS – Cycle 2015-2017", which consists in a series of amendments of certain Standards and is part of the program for the IFRSs' annual improvements. The amendments which are included in this cycle are the following: **IFRS 3 - IFRS 11:** Participation rights previously held by the acquirer in a joint operation; **IAS 12:** Effects on the income tax from payments in financial instruments classified as equity assets; **IAS 23:** Borrowing costs eligible for capitalization. The amendments apply to annual periods starting on or after

1st January 2019. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

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

In June 2017, IASB to the issuance of a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" determines the accounting treatment of the current and deferred tax, however, it does not determine the way in which the effects of the uncertainty should be reflected. IFRIC 23 includes the additional requirements to those of IAS 12, by determining the way in which the effects of the uncertainty in the accounting treatment of the income taxes should be reflected. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 19: "Amendment, Curtailment or Settlement of the Established Benefits Program" (applies to annual periods starting on or after 01/01/2019)**

In February 2018, IASB proceeded to the issuance of amendments of a limited scope to IAS 19, on the basis of which an economic entity is required to use updated actuarial assumptions in determining the current service cost and the net interest for the period that remains after the amendment, the curtailment or the settlement of an established benefits program. The purpose of such amendments is to reinforce the understanding of the financial conditions and to provide more useful information to their users. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

- **IFRS 17 "Insurance Contracts" (applies to annual periods starting on or after 01/01/2021)**

In May 2017, IASB proceeded to the issuance of a new Standard, IFRS 17, which replaces an intermediary Standard, IFRS 4. The work of IASB had the purpose to develop a uniform, principle-based Standard for the accounting treatment of all types of insurance contracts, including the counter-insurance contracts an insurance body may have. A uniform, principle-based Standard will reinforce the comparability of the financial reporting among economic entities, jurisdictions and capital markets. IFRS 17 determines the requirements that an economic entity should apply in financial information related to insurance contracts which it issues and to counter-insurance contracts it has. The Group will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

6.3 Important accounting estimations and judgments of the Management

The preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRS) requires the use of judgements, estimates and assumptions from the Management which affect the disclosed balances of assets and liabilities as at the balance sheet date of the financial statements. They affect also the contingencies disclosure of as at the balance sheet date of the financial statements and the amounts of income and expense relating to the reporting year. The actual results may differ from those estimated. The estimations and judgements are based on past experience and other factors, including also the expectation of future events that are believed to be reasonable under the specific circumstances, while they are constantly reevaluated with the use of all the information available.

The main estimates and assessments of the Management are the following:

Estimates from the calculation of the value in use of the Cash Generating Unit

The Group performs a measurement of impairment losses in investments in subsidiary and associate companies when there is an indication of impairment, in accordance with the provisions of IAS 36. In order to determine whether there are grounds for impairment, the calculation of the value in use and the fair value less cost of disposal is required for each Cash Generating Unit (CGU). The recoverable amounts of CGU are determined for the purposes of measuring impairment, based on the calculation of their value in use, which requires estimations.

For the calculation of value in use, the cash flow projections are discounted at their present value with the use of a discount rate which reflects the current market assessments of the time value of money and the risks specific to the CGU. Cash flow projections are used for the calculation which are based on approved business plans by the Management. These business plans and the cash flow projections usually cover a five-year period. Cash flows for periods beyond budgeted projections, are extended based on the estimated growth rate. The main assumptions used for determining the recoverable value of the different CGU are mentioned in note 10.4 of the financial statements, where it is explained in detail.

Provision for Income Tax

The provision for income tax based on IAS 12 is calculated with the estimation of the taxes which will be paid to the tax authorities and include the current income tax, for each financial year and a provision for additional taxes which may arise from tax audits. In order to determine the provision of the Group for income taxes the above must be thoroughly understood. Although it is not possible to reliably predict the results of the tax audit, the companies of the Group have used statistical data from prior tax audits of audited tax years, and have made a provision for the potential tax liabilities which may arise following a tax audit of the unaudited tax years.

In the event that the final taxable amounts which arise following the tax audits are different to the amounts initially recognized, these differences will affect the income tax and the provisions for deferred tax for the financial years for which the determination of tax difference took place.

Provisions for doubtful debts

The Group makes provisions for doubtful debts in respect to specific customers when there is information or indications which indicate that the payment of the total respective liability or part of it is not probable. The Management of the Group reassesses the adequacy of the allowance for doubtful debts periodically, taking into account its credit policy and reports available by the Group's Legal Department, which arise based on the processing of historical experience and recent developments in cases handled by it. In addition, it evaluates the recoverability of trade receivables by reviewing also the maturity of customers' balances, their credit history and the settlement of outstanding balances related to subsequent to the reporting period.

Provision for the indemnification of personnel

The amount of the provision for indemnification of personnel is calculated using actuarial methods. The actuarial method requires the assessment of specific parameters such as discount rates, the rate of increase in the remuneration of personnel, the increase in the consumer price index and the expected remaining working life. The assumptions used contain a great amount of uncertainty and the Group's Management re-evaluates them on a constant basis.

Contingent assets and contingent liabilities

The Group is involved in legal actions and claims in its usual course of operation. The management believes that any settlements would not adversely affect the financial position of the Group on December 31 2017.However, the determination of the potential liabilities related to legal actions and claims is a complicated procedure which includes assessments regarding the potential consequences and interpretations regarding the laws and regulations. Changes in the assessments and interpretations are likely to lead to an increase or decrease of the potential liabilities of the Group in the future.

Estimation of useful life of depreciable assets

The management of the company reviews at each year end the useful life of depreciable assets. On December 31, 2017 the management of the company assesses that the useful lives represent the expected usefulness of the assets.

Impairment of fixed tangible assets

Fixed tangible assets are reviewed for impairment purposes when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the calculation of the value in use the Management assesses the future cash flows from the asset or the cash generating unit of future cash flows and chooses the appropriate discount rate to calculate the current value of future cash flows.

7. Basic Accounting Principles

The accounting principles based on which the attached financial statements are drawn-up and which the Group systematically applies are the following:

7.1. Segment reporting

Business segment is a group of related assets and activities which provide products and services which are subject to different risks and returns that are different from those of other business segments.
Geographical segment is a geographical area which provides products and services which are subject to risks and returns that are different from those of other areas.
The Group is mainly active in the operation of marble quarries (mining and trade of Marbles). Geographically the Group is active in Greece, the Euro Area and Other Countries.

7.2. Consolidation

Subsidiaries: Are all the companies which are managed and controlled, directly or indirectly, by another company (parent), either through the ownership of the majority of the shares of the company in which the investment was made, or through its dependence on the know-how provided to it by the Group. In other words, subsidiaries are entities on which parent companies exercise control. Iktinos Hellas acquires and exercise control though voting rights. The existence of any potential voting rights which are exercisable at the time the financial statements are drawn up, is taken into account in order to determine whether the parent company exercises control over the subsidiaries. Subsidiaries are fully consolidated (full consolidation) with the method of acquisition from the date that control is acquired over them and cease to be consolidated from the date that such control does not exist.
The acquisition of a subsidiary by the Group is accounted for by using the purchase method. The cost of acquisition of a subsidiary is the fair value of the assets transferred, the shares issued and the liabilities assumed at acquisition date, plus any costs directly linked to the transaction. The assets, liabilities and potential liabilities which are acquired in a business combination are measured at their fair values at the acquisition date irrespective of the proportionate share. The cost of acquisition above the fair value of the assets acquired, is recognized as goodwill. if the total cost of acquisition is less than the fair value of the assets acquired, the difference is recognized immediately in the income statement.
Intercompany transactions, outstanding balances and non-realized profits from transactions between companies of the Group are eliminated. The non-realized losses are also eliminated, unless the transaction provides indications of impairment of the transferred asset. The accounting principles of the subsidiaries have been adjusted in order to be in conformity with the ones adopted by the Group.

Test for impairment of investment in subsidiaries(Company Financial Statements)

The participation of the parent company in the consolidated subsidiaries is valued at acquisition cost less accumulated impairment losses. At every reporting date, the Management assesses the existence or not of external and internal indicators of impairment of its investments on subsidiary companies. In the event that there are indications, the Company measures the impairment and determines the recoverable value for each Cash Generating Unit as the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of measuring impairment, the investments in subsidiaries are classified in the smallest group of assets which may generate independent cash flows to other assets or groups of assets of the Group (Cash Generating Units).

Impairment loss is recognized as the amount by which the carrying amount of a Cash Generating unit exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and its value in use. For the determination of the value in use, the Management determines the future cash flows expected to be derived from each Cash Generating Unit determining an appropriate discount rate in order to calculate the current cash flow value. The assets used for the impairment test arise directly from the approved budget of the Management. Discount factors are determined separately for each Cash Generating Unit and reflect the respective risks which have been determined by the Management for each one of them.

Associates: Are those entities over which the Group has significant influence but do not fulfil the conditions to be classified as subsidiaries or as joint venture. Investments in associates are initially recognized at cost and then valued using the equity method. At the end of each period, the cost of acquisition is increased by the Group's share in the associates' net assets change and is decreased by the dividends received from the associates.

As regards acquisition goodwill, it decreases the participation value by burdening the period's results, when its value decreases.

After the acquisition, the Group's share in the profit or loss of associates is recognized in the income statement, while the share of changes in reserves is recognized in equity. The accumulated changes affect the accounting value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment, including any other doubtful debts, the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's percentage ownership in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset.

7.3. Conversion of foreign currency

The consolidated financial statements are reported in Euros, which is the operating currency and the reporting currency of the parent Company and all of its subsidiaries. The "Operating" is the currency of the primary economic environment in which the Group operates and on the basis of which the items in the financial statements of the Group's companies are measured.

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

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are recorded in the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

7.4. Tangible Assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. After initial recognition the owner-occupied properties are valued at fair value and the excess is recorded in equity "Adjustment Differences", while the negative which is not set-off with the respective inventory is recorded in the income statement of the period.

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

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

Buildings 12-20 years

Mechanical equipment 6-9 years

Vehicles 5-7 years

Other equipment 3-5 years

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

Upon sale of the tangible fixed assets, any difference between the proceeds and the accounting value are recorded as profit or loss in the income statement. Expenditure on repairs and maintenance is recorded as an expense in the period they occur.

Restoration Cost of Quarries-Wind Farms: The entities which are active in the mining and renewable sources of energy sector are subject to environmental restoration obligations. In accordance with IAS 16 "Property, Plant and Equipment", the cost at which an tangible asset is recognized, includes amongst other things also the initial evaluation of the cost of dismantling or restoring the specific item in the site. This obligation arises from the construction of the fixed asset, the formation of the surrounding environment and the mining activity of the company. The group has recognized a provision for the restoration of the quarries and wind farm areas (refilling works, planting of areas and other works) which has the following characteristics:

1. It has been recognized as part of the cost of tangible assets (formations of quarries/wind farms) in accordance with IAS 16, and
2. It has been recognized as an obligation, in accordance with IAS 37.

The total sum of the amount for the provision of restoration and the carrying value of the tangible assets (formation of site) is not in excess of the recoverable amount for the specific fixed assets. In the event that the total amount of the carrying values of the tangible assets and the provision for restoration exceeds the recoverable value, the excess amount is recognized in the income statement in the period they occur.

This specific provision for restoration is discounted at present values and is recognized at the cost of the tangible assets. The discount rate with which the future obligation is discounted is the interest rate before tax which reflects the current market assessments of the time value of money.

The provision for restoration is recognized in the income statement during the useful life of the tangible assets, through their depreciation. The estimated expenditure for restoration are reassessed at each Balance Sheet date, as to their adequacy and are accordingly adjusted by accordingly adjusting the respective provision.

On 31/12/2017 the restoration provision amounted in total for all the Quarries to € 110,882, while on 31/12/2016 it amounted to € 104,605.

7.5. Investments in Property

Investments in property are investments related to all the property owned by the owner, either for earning income from leasing them or for the increase in their value (capital increase) or for both.

The investments in property were initially recognized at their acquisition cost, plus all the expenditure related to the transaction for their acquisition (e.g. notarial, brokerage, transfer tax).The Group and the Company monitor the property in question at cost less accumulated depreciation.

7.6. Intangible Assets

Intangible assets include the rights to use and exploit the Quarries and other Tangible Assets, research and development expenditure, as well as software licenses.

Right to Operate Quarries and Other Tangible Assets:

Include the Rights to lease Land, as well as the Mineral Resources Exploitation Rights. The Group initially recognizes them at acquisition cost or at their nominal value. Following initial recognition, the Group adopts the Accounting principle of reporting the cost model and reporting the intangible assets at their cost less the accumulated depreciation and every accumulated impairment loss.

Exploration and Evaluation of Mineral Resources Expenditure: IFRS 6 does not specify specific principles for recognizing and measuring the costs which are realized during the stage of exploration and evaluation of mineral resources. Consequently, it would be acceptable for the specific costs to be recognized either as assets and to be deleted when it is determined that they will not generate any economic benefits or to be directly recognized in the income statement when realized if the final result (exploitation of the quarry) is uncertain.

The group measures the expenditures which arise from exploration and evaluation at cost, recognizing them as assets, if it judges that they will generate future economic benefits. The group makes a deduction for the depreciation of expenses for research and development of quarries in accordance with the term of the license for their exploitation, which ranges from 15 to 25 years. Costs which regard the exploration and evaluation of mineral resources includes as a rule the following:

(a) the acquisition of the exploration right

(b) the topographical, geological, geochemical and geophysical studies,

(c) the soil-drilling test,

(d) the excavation in explored trenches/pits,

(e) sampling and

(f) the activities related to the assessment of the technical feasibility and financial viability of mining a mineral resource.

The group ensures that the assets which arise from exploration and evaluation are depreciated at the end of each period. If it is assessed that the specific costs will not generate future economic benefit then their total is recognized in the income statement of the period.

Software: Software licenses are valued at cost less depreciation. Depreciation is calculated using the straight line method over their useful life, which ranges from 1 to 3 years.

7.7. Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the carrying value may not be recoverable. Assets that are depreciated are subject to an impairment review when there is indication that their carrying value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the accounting value of these assets (or the Cash Generating Unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

7.8. Financial Instruments

A financial instrument is any contract that creates a financial asset in an entity and a financial liability or equity instrument in another. The financial instruments of the Group are classified in the following categories, according to the substance of the contract and the purpose for which they were acquired.

i) Financial instruments valued at fair value through the income statement

These comprise financial assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or pred-efined payments which are not traded in active markets. The following are not included in this category (Loans and Receivables):

a) receivables related to transaction taxes which have been imposed in acocrdacne to the law by the state,

b) anything that is not covered by a contract which gives the company the right to receive cash or other financial assets.

Loans and receivables are included in current assets, except those with a maturity date exceeding 12 months from the balance sheet date. The latter are included in non-current assets.

iii) Investments held to maturity

These include non-derivative financial assets with fixed or defined payments and specific maturity and which the Group intends and it able to hold until their maturity.

iv) Financial assets available for sale

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Subsequently, financial assets available for sale are valued at fair value and the relevant profit or loss is recorded in equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the income statement. Impairment losses that have been recognized in the income statement are not reversed through the income statement.

The purchases and sales of investments are recognized on the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus costs directly related to the transaction. Costs directly related to the transaction are not added for items valued at fair value through the income statement. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in amortized cost using the effective interest method.

The realized and unrealized profits or losses arising from changes in the fair value of financial assets valued at fair value through the income statement, are recognized in the income statement of the period they occur.
The fair values of financial assets that are traded in active markets, are defined by their prices. For nontraded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category financial assets available for sale, and whose fair value cannot be determined in an accurate and reliable way, are valued at their acquisition cost.
At each balance sheet date, the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, any accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the income statement.

7.9. Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.
The acquisition cost includes the purchase price, import duties and other taxes, as well as transport, delivery expenses and directly attributable costs. Trade discounts, reductions in prices and other similar elements are deducted when determining the acquisition cost.
The cost of conversion of inventories includes the costs directly related to the production units, such as direct labour cost. It also includes a systematic allocation of fixed and variable production overheads, which are realized during the conversion of the material into finished goods. Fixed production overheads are the direct production costs which remain fixed, irrespective of the production volume, such as depreciation and maintenance of factory buildings and equipment, as well as the cost of directing and managing the factory. Variable production overheads are the indirect production costs which vary directly or almost directly depending on the production volume, such as indirect material and indirect labour.
The provision for inventory impairment is formed based on the estimations of the management regarding the actual situation and the ability to use the inventory if deemed necessary.

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7.10. Trade receivables

Receivables from customers are initially recorded at their fair value and are subsequently valued at their amortized cost using the method of the effective interest rate, less the provision for impairment. In the event that the amortized cost or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate. The relevant loss is immediately transferred to the period’s income statement. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

7.11. Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand, as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at their fair value through the income statement.

7.12.Non-current assets classified as held for sale

The assets available for sale also include other assets (including goodwill) and tangible fixed assets that the Group intends to sell within one year from the date they are classified as “held for sale”. The assets classified as “held for sale” are valued at the lowest value between their book value immediately prior to their classification as available for sale, and their fair value less the sale cost. Assets classified as “held for sale” are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets “held for sale” is included in in the income statement.

7.13. Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

When acquiring own shares, the consideration paid, including the respective costs, is deducted from equity (share premium reserve).

7.14. Income tax & deferred tax

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

Current income taxes include the short-term liabilities or assets from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods.
Current taxes are measured according to the tax rates and tax laws prevailing during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term taxable assets or liabilities are recognized as part of the tax expense in the income statement.
Deferred income tax is determined according to the liability method which results from the provisional differences between the carrying value and the tax base of assets or liabilities. Deferred tax is not recorded if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.
Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the Balance Sheet date. In the event where it is impossible to identify the timing of the reversal of the provisional differences, the tax rate in effect on the day after the balance sheet date is used.
Deferred tax assets are recognized to the extent that it is probable that there will be a future tax profit for the use of the provisional difference which creates the deferred tax asset.
Deferred income tax is recognized for the provisional differences that result from investments in subsidiaries and associates, except for the case where the reversal of the provisional differences is controlled by the Group and it is possible that the provisional differences will not be reversed in the foreseeable future.
Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the provisional differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

7.15. Employee benefits

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

Post-employment benefits comprise lump-sum payment of retirement benefit, pensions or other benefits the company provides after retirement, as an exchange for the employees' service with the company. Thus, such benefits include defined contribution schemes as well as defined benefits schemes.

The accrued cost of defined contribution schemes is recorded as an expense in the period it refers to. Pension plans adopted by the Group are partially financed through payments to insurance companies or government social security institutions.

(a) Defined contribution schemes

The defined contributions scheme involves the payment of contributions to Insurance Institutions (e.g. Social Security Institution), as a result the Group not being legally liable in the event that the National Fund is unable to pay the pension to the insurer. The employer's obligation is limited to the payment of employee benefits to the Funds. The payable contribution from the Group to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense in the income statement.

(b) Defined benefit scheme (Not funded)

According to Laws 2112/20 and 4093/2012, the Company pays its personnel compensation for employment termination or retirement. The compensation amounts depend on employment years, salary level and whether the employment was terminated or due to retirement. The establishment of the entitlement to participate in these schemes, usually depends upon the years of service of the employee till retirement.

The liability which is recognized in the Statement of Financial Position with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (reserve from the payments to the insurance company) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For discounting 2013 the selected interest rate is related to the tendency of iBoxx AA Corporate Overall 10+ EUR indices, consistent to the principles of IAS 19, meaning it is based on bonds corresponding to the currency and the duration relative to employees' benefits, also appropriate for long-term assumptions.

A defined contribution scheme, defines based on several parameters such as age, service years, salary, certain obligations for defined benefits. The provisions relating to the period are included in personnel cost in the attached company and consolidated income statement and consist of current and past employment cost, the pertinent financial cost, the actuarial gain or loss, as well as any additional charges. Regarding unrecognized actuarial gain or loss, amended IAS19R is adopted, that includes a series of amendments regarding accounting treatment of defined benefits scheme, amongst other things:

-recognition of actuarial profit/loss in other comprehensive income statement and their final exclusion from the results for the period

- non-recognition of annual return of benefits scheme in the income statement but the recognition of respective interest rate in the liability account based on discount rate used in measuring obligations for defined benefits scheme.

-the recognition of the service cost in the income statement for the period the earliest between the date the schemes are amended or when the respective restructuring is recognized or the final benefit

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

7.16. Government Grants

The Group recognizes government grants that cumulatively satisfy the following criteria: a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and b) it is probable that the amount of the grant will be received.

Government Grants are recorded at fair value and are systematically recognized as revenues, according to the principle of matching the grants with the corresponding costs that they are subsidizing. Government Grants that related to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenues over the useful life of the fixed asset.

7.17. Provisions

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

7.18. Recognition of income and expenses

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

- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Provision of services:** Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.

- **Income from the sale and leaseback of Tangible Assets** The fair value of the assigned rights is recognized as deferred income and are amortized through the income statement according to the completion of the contracts (based on useful life or term of lease) for which these rights have been assigned.
- **Interest Income**: Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their carrying value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then recorded using the same interest rate calculated on the impaired (new book) value.
- **Income from Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.
- **Expenses:** Expenses are recognized in the income statement on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.
- **Cost of Borrowing:** The cost of borrowing is directly related to the purchase, construction or production of eligible assets, it is passed on increasing the cost of these assets. The capitalization of the cost of borrowing is realized during the period of construction of the fixed asset and ends when the eligible asset is exploitable or tradable. When the fixed asset is completed in stages, the cost of borrowing, which corresponds to part of the asset stops being accounted for in the cost of the fixed asset and is transferred to the results for the period.

7.19. Leases

Leases of tangible assets with which all the risks and benefits related to the ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases. These leases are capitalized at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and the financial expenses, so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognized in the income statement for the period proportionately throughout the term of the lease. The sale and leaseback transactions for tangible assets are reported in accordance with IAS 17

"Leases". Consequently, any excess of proceeds over the carrying amount is not directly recognized as income from them seller-lessor. Adversely, it is recorded in the financial statements of the seller-lessee as deferred income and is amortized over the lease term.

7.20. Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

7.21. Related Parties

The transactions and intercompany outstanding balances with the Group's related parties are disclosed in accordance with IAS 24 "Related Party Disclosures". These transactions regard transactions between the management, the main shareholders and the subsidiary companies of a group with the parent company and the fellow subsidiaries of the Group.

8. Risk Management

Financial risk factors

The Company and the Group are exposed to financial and other risks. The Group's general risk management program aims at containing potential negative influence to the Group's financial results.

The Finance Department monitors and manages the risks to which the Group is exposed, it determines and hedges if necessary the financial risks in cooperation with the departments which are facing these risks. Further, it does not conduct any business transactions which are not related to the commercial, investment or borrowing activities of the Group.

More specifically, for these risk we note the following:

Foreign Exchange Risk

The Group conducts most of its transaction in Euros, thus limiting direct foreign exchange risk. However, apart from the Euro, it conducts commercial transaction at a global level and consequently is exposed to foreign exchange risk emanating mainly from the US dollar. These transactions regard only a small portion of its activities and thus the foreign exchange risk is limited.

Credit Risk

The Group does not exhibit any considerable concentration of credit risk in any of the contracted parties, since on the one part the exports are covered by bank guarantees and the retail sales are mostly in cash and on the other hand its customer base is dispersed in wholesale. The Group's wholesale is performed based on its internal rules of operation, which ensure that the sale of goods and services is made to creditworthy clients. Further, a significant part of claims from clients of the Group are insured. The company has a credit insurance cover for its wholesale with EULER HERMES.

The tables below summarize the Company's and the Group's credit risk:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Financial Assets				
Other long-term receivables	56,079	71.461	31,849	47,651
Receivables and advance payments	13,004,785	1,444,933	15,674,382	13,250,894
Cash in hand	5,682,955	1,185,906	5,538,691	1,069,986
	18,743,819	**12,702,300**	**21,244,922**	**14,368,531**

Liquidity Risk

The liquidity requirements are determined for a period of 6 months and are reviewed on a monthly basis. Payment requirements are monitored on a weekly basis. During periods of insufficient liquidity the company can finance its liquidity requirements through bank borrowing from approved credit limits it has with banks. With the purpose of dealing with the adverse economic conditions which prevail, the Group has taken measures aiming at reducing the time for recovery of claims and the maintenance of satisfactory amounts of cash and other assets with high liquidity.

The analysis of undiscounted contractual payments of the financial liabilities of the Group and the Company are as follows:

	THE GROUP		THE COMPANY	
Financial Liabilities	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Long-term loan liabilities	7,586,127	9,244,295	2,959,459	3,460,961
Current tax liabilities	6,439,758	3,966,477	6,271,694	3,709,143
Liabilities from finance leases	464,416	235,076	464,416	235,076
Trade and other short-term liabilities	15,203,353	14,198,527	14,501,732	13,929,692
Short-term loan liabilities	7,401,687	8,969,006	7,321,611	8,325,708
Short-term liabilities of finance leases	252,856	117,710	252,856	117,710
Deferred long-term loan liabilities	2,389,182	2,800,682	1,232,516	1,644,016
	39,737,379	**39,531,772**	**33,004,284**	**31,422,306**

	THE GROUP 31/12/2017			
	Short-term		Long-term	
Amounts in €	within 6 months	6 to12 months	1 to 5 years	over 5 years
Bank borrowing	4,949,397	4,841,471	7,113,227	472,900
Finance leases liabilities	126,428	126,428	464,416	0
Trade and other short-term liabilities	15,101,353	102,000	0	0
Current tax liabilities	1,274,094	5,165,664	0	0
Total	**21,451,273**	**10,235,563**	**7,577,643**	**472,900**

THE GROUP
31/12/2016

	Short-term		Long-term	
Amounts in €	**within 6 months**	**6 to12 months**	**1 to 5 years**	**over 5 years**
Bank borrowing	5,282,614	6,487,074	7,509,292	1,735,003
Finance leases liabilities	58,855	58,855	235,076	0
Trade and other short-term liabilities	14,051,527	147,000	0	0
Current tax liabilities	2,316,477	1,650,000	0	0
Total	**21,709,473**	**8,342,929**	**7,744,368**	**1,735,003**

THE COMPANY
31/12/2017

	Short-term		Long-term	
Amounts in €	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**over 5 years**
Bank borrowing	4,331,026	4,223,100	2,486,559	472,900
Finance leases liabilities	126,428	126,428	464,416	0
Trade and other short-term liabilities	14,399,732	102,000	0	0
Current tax liabilities	1,151,612	5,120,082	0	0
Total	**20,008,799**	**9,571,610**	**2,950,975**	**472,900**

THE COMPANY
31/12/2016

	Short-term		Long-term	
Amounts in €	**within 6 months**	**6 to 12 months**	**within 6 months**	**6 to 12 months**
Bank borrowing	4,382,632	5,587,092	3,460,961	0
Finance leases liabilities	58,855	58,855	235,076	0
Trade and other short-term liabilities	13,782,692	147,000	0	0
Current tax liabilities	2,059,143	1,650,000	0	0
Total	**20,283,322**	**7,442,947**	**3,696,037**	**0**

Interest Rate Fluctuation Risk

The Group monitors and manages its borrowing, by using a combination of short-term and long-term borrowing. There are approved credit limits and satisfactory terms of cooperation and invoicing of various bank services which assist in limiting the financial cost of the Group.

The table below represent the sensitivity of the income statement for the period, as well as of equity, based on a reonasble fluctuation in the interest rate in the range of +1% or –1%:

	THE GROUP			
	Fluctuation		**Fluctuation**	
	1%	**-1%**	**1%**	**-1%**
	31/12/2017		**31/12/2016**	
Results for the period (before taxes)	(173,770)	173,770	(210,140)	210,140
Net Position	(123,377)	123,377	(149,199)	149,199

	THE COMPANY			
	Fluctuation		**Fluctuation**	
	1%	**-1%**	**1%**	**-1%**
	31/12/2017		**31/12/2016**	

Results for the period (before taxes)	(115,136)	115,136	(134,307)	134,307
Net Position	(81,746)	81,746	(95,358)	95,358

Risk related to Inventory-Suppliers

The Group takes all the necessary measures (insurance, storage) to minimize the risk of potential losses from the loss of inventories due to natural disasters, theft etc. The Management continuously reviews the net realizable value of inventories and makes the necessary write-downs. In addition, the Company believes that dependence on suppliers is limited and in any case insignificant to the economic size of the Group, as there is no significant dependence on specific suppliers, as no one supplies the Company with products amounting to more than 10% of its total purchases.

Dependence on Customers

The Group's customer base is dispersed and there is no dependence risk from large customers. The Group aims in satisfying even a larger number of customers by expanding its range of products and aiming in directly satisfying their needs.

Capital Management

The primary objective of the Group's and Company's capital management is to ensure the maintenance of an acceptable credit rating and a healthy capital ratio, aiming for the smooth operation of its business activities and to maximize the value of its shareholders. The Group and the Company manage the capital restructuring and make adjustments in order to be in harmony with the changes in the economic environment.

A significant instrument for capital management is the use of a leverage ratio (debt-to-equity ratio), which is monitored at a Group level. The calculation of net borrowing includes interest bearing loans and bonds less cash and cash equivalents.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Loans	18,094,268	21,366,768	12,230,858	13,783,471
Less:Cash in hand	(5,682,955)	(1,185,906)	(5,538,691)	(1,069,986)
Net Borrowing	**12,411,313**	**20,180,862**	**6,692,167**	**12,713,485**
Total Equity	36,004,825	31,035,712	37,707,335	31,579,681
Total Capital	**36,004,825**	**31,035,712**	**37,707,335**	**31,579,681**
Leverage ratio	**0.34**	**0.65**	**0.18**	**0.40**

8. Segment financial reporting

A business segment is a group of assets and activities which include goods and services which are subject to different risks and returns from those of other business segments.

A geographical segment is a geographical area in which products and services are provided and which is subject to different risks and returns from other areas.

The Group is active in the exploitation of marble quarries (mining and trading of Marble), in the segment of wind energy, as well as in Real Estate. Geographically the Group is active in Greece, the Euro Area and Other Countries.

Primary reporting segment-business segments

The results of the Group per segment are analyzed as follows:

	THE GROUP			
1/1 - 31/12/2017	**Marble**	**Wind Energy**	**REAL ESTATE**	**Aggregate**
Total gross sales/segment	51,025,018	2,080,072	0	53,105,090
Intercompany sales/segment	(1,379,333)	0	0	(1,379,333)
Net sales per segment	**49,645,685**	**2,080,072**	**0**	**51,725,757**
Cost of Sales	(21,026,022)	(2,515,060)	0	(23,541,082)
Gross profit/(loss) from continued operations	**28,619,663**	**(434,988)**	**0**	**28,184,675**
Operating profit/(loss)	(10,963,423)	475,828	0	(10,487,595)
Financial profit/(loss)	(2,252,272)	(413,003)	0	(2,665,275)
Financial investment profit/(loss)	0	0	(429,542)	(429,542)
Profit before tax	**15,403,968**	**(372,163)**	**(429,542)**	**14,602,263**
Income tax	(5,156,190)	(430,334)	0	(5,586,524)
Net profit /(loss)	**10,247,778**	**-802,497**	**(429,542)**	**9,015,739**
Depreciation	**1,226,752**	**1,360,676**	**0**	**2,587,428**
Operating profit/(loss)before Taxes, Financial, Investment profit (loss), and Depreciation (EBITDA)	**18,882,992**	**1,401,516**	**0**	**20,284,508**

	THE GROUP			
1/1 - 31/12/2016	**Marble**	**Wind Energy**	**REAL ESTATE**	**Total**
Total gross sales/segment	35,820,904	2,034,979	0	37,855,884
Intercompany sales/segment	(2,154,695)	0	0	(2,154,695)
Net sales per segment	**33,666,209**	**2,034,979**	**0**	**35,701,188**
Cost of Sales	(19,152,171)	(2,664,748)	0	(21,816,919)
Gross profit/(loss) from continued operations	**14,514,038**	**(629,769)**	**0**	**13,884,269**
Operating profit/(loss)	(8,027,544)	447,235	0	(7,580,309)
Financial profit/(loss)	(2,175,929)	(315,089)	0	(2,491,018)
Financial investment profit/(loss)	0	0	(115,426)	(115,426)
Profit before tax	**4,310,565**	**(497,622)**	**(115,426)**	**3,697,516**
Income tax	(2,464,574)	(428,409)	0	(2,892,983)
Net profit /(loss)	**1,845,990**	**-926,031**	**(115,426)**	**804,533**
Depreciation	**1,026,628**	**1,364,016**	**0**	**2,390,644**

Operating profit/(loss)before Taxes, Financial, Investment profit (loss), and Depreciation (EBITDA)	**7,513,122**	**1,181,483**	**0**	**8,694,605**

The classification of the consolidated assets and liabilities of the business segments is as follows:

	THE GROUP			
31/12/2017	**Marble**	**Wind Energy**	**REAL ESTATE**	**Total**
Segment Assets	53,242,873	26,978,485	5,640,772	**85,862,131**
Segment Liabilities	34,724,024	15,133,282	0	**49,857,306**
31/12/2016	**Marble**	**Wind Energy**	**REAL ESTATE**	**Total**
Segment Assets	44,050,541	30,802,275	6,060,142	**80,912,958**
Segment Liabilities	30,972,802	18,904,444	0	**49,877,246**

Secondary reporting segment-geographical segments

The registered office of the Group is in China and the main regions where the company is active are Greece, the countries of the Euro Area and Asia.

The sales of the Group per geographical segment are analyzed as follows:

	THE GROUP		THE COMPANY	
SALES	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Euro Area	2,849,925	1,640,477	2,849,925	1,640,477
Other European Countries	1,629,174	605,792	1,629,174	605,792
Asia	31,527,103	19,450,940	31,527,103	19,450,940
America	4,975,776	4,516,509	4,975,776	4,516,509
Australia	189,836		189,836	
Africa	507,686	881,486	507,686	881,486
Export via third parties	3,623,022	2,273,848	3,623,022	2,273,848
Greece	6,423,235	6,332,137	2,307,076	2,354,953
Total	**51,725,757**	**35,701,188**	**47,609,598**	**31,724,004**

10.Notes on the Financial Statements

10.1. Property, Plant, Equipment

The analysis of the tangible assets of the Group and the Company is presented below:

THE GROUP

	Land Plots & Buildings	Transport Means & Mechanical Equipment	Furniture and other Equipment	Assets under Construction	Total
Carrying value on 1 January 2016	**12,240,980**	**31,085,468**	**164,734**	**3**	**43,491,185**
Gross carrying value	15,252,701	49,132,802	983,892	3	65,369,399
Accumulated depreciation and impairment of value	(3,350,966)	(19,799,575)	(828,641)	0	(23,979,183)
Carrying value on 31 December 2016	**11,901,735**	**29,333,227**	**155,251**	**3**	**41,390,216**
Gross carrying value	16,664,915	50,895,612	1,027,639	3	68,588,169
Accumulated depreciation and impairment of value	(3,679,480)	(22,564,638)	(885,671)	0	(27,129,789)
Carrying value on 31 December 2017	**12,985,435**	**28,330,975**	**141,967**	**3**	**41,458,381**

	Land Plots & Buildings	Transport Means & Mechanical Equipment	Furniture and other Equipment	Assets under Construction	Total
Carrying value on 1 January 2016	**12,240,981**	**31,085,468**	**164,733**	**3**	**43,491,185**
Additions	23,168	1,014,461	54,319	0	1,091,948
Disposals-Write-offs	(37,213)	(47,861)	(29,337)	0	(114,412)
Adjustment for depreciation of property	0	0	0	0	0
Depreciation	(325,200)	(2,763,259)	(61,292)	0	(3,149,750)
Disposals-Depreciation write-offs	0	50,528	20,717	0	71,245
Carried forward	0	(6,110)	6,110	0	0
Carrying value on 31 December 2016	**11,901,736**	**29,333,227**	**155,250**	**3**	**41,390,217**
Additions	1,412,236	1,809,479	43,746	0	3,265,462
Disposals-Write-offs	(22)	(46,669)	0	0	(46,691)
Depreciations	(328,514)	(2,801,322)	(57,030)	0	(3,186,865)
Disposals--Depreciation write-offs	0	36,259	0	0	36,259
Carried forward	0	0	0	0	0
Carrying value on 31 December 2017	**12,985,437**	**28,330,975**	**141,967**	**3**	**41,458,381**

THE COMPANY

	Land Plots & Buildings	Transport Means & Mechanical Equipment	Furniture and other Equipment	Assets under Construction	Total
Carrying value on 1 January 2016	**7,714,430**	**5,110,087**	**154,307**	**3**	**12,978,827**
Gross carrying value	9,700,081	13,103,905	925,481	3	23,729,470
Accumulated depreciation and impairment of value	(2,115,708)	(8,082,167)	(792,029)	0	(10,989,904)
Carrying value on 31 December 2016	**7,584,373**	**5,021,737**	**133,452**	**3**	**12,739,566**
Gross carrying value	11,097,270	14,840,529	962,631	3	26,900,432
Accumulated depreciation and impairment of value	(2,261,090)	(9,074,171)	(840,632)	0	(12,175,893)
Carrying value on 31 December 2017	**8,836,180**	**5,766,358**	**121,999**	**3**	**14,724,539**

	Land Plots & Buildings	Transport Means & Mechanical Equipment	Furniture and other Equipment	Assets under Construction	Total
Carrying value on 1 January 2016	**7,714,430**	**5,110,087**	**154,307**	**3**	**12,978,827**
Additions	62,719	885,893	38,221	0	986,833
Disposals-Write-offs	(85,891)	(8,467)	(29,337)	0	(123,695)
Depreciation	(147,699)	(962,799)	(56,567)	0	(1,167,065)
Disposals-depreciation write-offs	40,814	3,134	20,717	0	64,665
Carried forward	0	(6,110)	6,110	0	0
Carrying value on 31 December 2016	**7,584,373**	**5,021,737**	**133,452**	**3**	**12,739,566**
Additions	1,397,211	1,779,293	37,140	0	3,213,645
Disposals-Write-offs	(22)	(42,669)	9	0	(42,682)
Depreciation	(145,382)	(1,024,263)	(48,603)	0	(1,218,248)
Disposals-Depreciation write-offs	0	32,259	0	0	32,259
Carried forward	0	0	0	0	0
Carrying value on 31 December 2017	**8,836,180**	**5,766,358**	**121,999**	**3**	**14,724,539**

It is noted that on the property located at 7 Lykovrysi Street which is owned by the company, a pre-notation of mortgage has been registered in the amount of Euros 7,000,000 (first mortgage) as security for the common bond loan in the amount of Euros 4,999,986 which was signed with EUROBANK on 22/10/2008 (the outstanding balance on 31/12/2017 was Euros 1,111,108), a pre-notation of mortgage in the amount of Euros 3,500,000 (second mortgage) as security for the common bond loan in the amount of Euros 7,000,000 signed with ALPHA BANK (formerly COMMERCIAL BANK OF GREECE) (the outstanding balance on 31/12/2017 was Euros 2,734,600). There are no pre-notations of mortgages registered on the fixed assets of the subsidiaries.

The investment property of the Group and the Company amounting to Euros 55,851, regard the acquisition cost of two properties, the first acquired in 2015 and the second in 2016, with the purpose to exploit them. The Group and the Company monitor these properties at cost less accumulated depreciation.

10.2. Goodwill

The accounting value of goodwill is analyzed as follows:

	THE GROUP
Goodwill of IDEI S.A. 1/1/2016	**2,299,306**
Less goodwill impairment	(1,050,000)
Goodwill of IDEI S,A, 31/12/2016	**1,249,306**
Less goodwill impairment	(1,249,306)
Goodwill of IDEI S.A. 31/12/2017	**(0)**

On December 31, 2017 a goodwill impairment test was performed which has been recognized in the consolidated financial statements. From the test it arose that there was goodwill impairment in the amount of € 1,249,306.The impairment test was performed using the Discounted Cash Flow Model method of calculation.

10.3. Intangible Assets

	THE GROUP			
	Software	Rights	Other	Total
Carrying value on 1 January 2016	**35,817**	**316,906**	**268,810**	**621,533**
Gross carrying value	347,077	980,047	444,455	1,771,579
Accumulated depreciation and impairment of value	(317,887)	(691,831)	(203,395)	(1,213,113)
Carrying value on 31 December 2016	**29,190**	**288,216**	**241,060**	**558,466**
Gross carrying value	361,427	981,968	444,455	1,787,850
Accumulated depreciation and impairment of value	(331,444)	(719,854)	(230,147)	(1,281,444)
Carrying value on 31 December 2017	**29,984**	**262,114**	**214,309**	**506,407**

	Software	Rights	Other	Total
Carrying value on 1 January 2016	**35,817**	**316,906**	**268,810**	**621,533**
Additions	3,125	0	1,080	4,205
Disposals –Write-offs	0	0	0	0
Depreciation	(9,753)	(28,691)	(28,829)	(67,273)
Carried forward	0	0	0	0
Carrying value on 31 December 2016	**29,190**	**288,216**	**241,060**	**558,466**
Additions	14,350	1,921	0	16,271
Disposals –Write-offs	0	0	0	0
Depreciation	(13,557)	(28,022)	(26,751)	(68,330)
Carried forward	0	0	0	0
Carrying value on 31 December 2017	**29,984**	**262,114**	**214,309**	**506,407**

	THE COMPANY		
	Software	Rights	Total
Carrying value on 1 January 2016	**35,817**	**227,969**	**263,786**
Gross carrying value	347,494	634,512	982,006
Accumulated depreciation and impairment of value	(317,887)	(435,233)	(753,120)
Carrying value on 31 December 2016	**29,607**	**199,279**	**228,885**
Gross carrying value	360,060	636,433	996,492
Accumulated depreciation and impairment of value	(329,659)	(463,256)	(792,915)
Carrying value on 31 December 2017	**30,401**	**173,177**	**203,578**

	Software	Rights	Total
Carrying value on 1 January 2016	**35,817**	**227,969**	**263,786**
Additions	3,542	0	3,542
Disposals-Write-offs	0	0	0
Depreciation	(9,753)	(28,691)	(38,443)
Disposals-Depreciation write-offs	0	0	0
Carrying value on 31 December 2016	**29,607**	**199,279**	**228,885**
Additions	12,566	1,921	14,487
Disposals-Write-offs	0	0	0
Depreciation	(11,772)	(28,022)	(39,794)
Disposals-Depreciation write-offs	0	0	0
Carried forward	0	0	0
Carrying value on 31 December 2017	**30,400**	**173,177**	**203,578**

10.4. Investments in subsidiaries

Investments in subsidiaries are analyzed below:

THE COMPANY	FEIDIAS S.A. (90.00% Share)	KALLITECHNOKRATIS LTD. (30.00% Participation)	IDEI S.A. (100% Participation)	ΙΚΤΙΝΟΣ MARMARON S.A. (100% Participation)	TOTAL
Acquisition Cost 31/12/2016	**864,742**	**11,005**	**14,251,500**	**61,028**	**15,188,276**
Impairment			(2,000,000)		**(2,000,000)**
Acquisition Cost 31/12/2017	**864,742**	**11,005**	**12,251,500**	**61,028**	**13,188,276**

The Company during the use performed an impairment test on all of its subsidiaries. From the test it arose that there is an impairment in the value of its subsidiary IDEI in the amount of € 2,000,000 which burdened the results of the company. The basic assumptions used are:

Average price of energy for 2017 (Euros 86.00 per Megawatt)

The discount rate which was applied (Weighted Average Cost of Capital) is 6.94% until 2022 and 5.49% from 2023 and onwards.

The growth rate of cash flows was calculated in the approved business plans by the management, which have included the necessary revisions to provide for the current economic situation, which the management believes reflect past experience and other available information from external sources.

10.5. Investments in related Companies

The related company regards LATIRUS ENTERPRISES Ltd with registered office in Cyprus, in which, IKTINOS HELLAS S.A. participates with 20.344%, while the remaining 79.656% is owned by Dolphin CI Thirteen Ltd.

The Consolidated Statement of Financial Position dated 31/12/2017 and the Statement of Comprehensive Income 1/1-31/12/2017 of LATIRUS ENTERPRISES Ltd to which the subsidiary IKTINOS TECHNICAL AND TOURISM S.A. was consolidated via the full consolidation method (97.67% share in the subsidiary) is presented below.

	THE GROUP	THE COMPANY
Value of related company 1 January 2016	**6,109,546**	**1,495,564**
Participation in share capital increase	**10,172**	**10,172**
Share of profit/ (loss) from related company	**(115,426)**	
Value of related company 31 December 2016	**6,004,292**	**1,505,736**
Participation in share capital increase Participation in the increase of share capital	**10,172**	**10,172**
Share of profit/(loss) from related company	**(429,542)**	
Value of related company 31December 2017	**5,584,921**	**1,515,908**

Consolidated Statement of Financial Position of LATIRUS ENTERPRISES LIMITED

Assets	**01/01/2017 - 31/12/2017**	**01/01/2016- 31/12/2016**
Non-current assets	**33,770,800**	**35,857,524**
Current assets	**459,854**	**383,226**
Total assets	**34,230,654**	**36,240,750**
Equity attributable to parent's shareholders	**27,637,121**	**28,467,387**
Non-controlling interest	608,428	692,655
Total Equity	**28,245,549**	**29,160,043**
Total Liabilities	**5,733,646**	**5,733,646**

Consolidated Statement of Total Income of LATIRUS ENTERPRISES LIMITED

	01/01-31/12/2017	**01/01-31/12/2016**
Sales	**0**	**0**
Net profit / (loss) before tax	**(2,157,784)**	**(770,640)**
Income tax	0	189,842
Net profit / (loss) after tax	**(2,157,784)**	**(580,798)**
Profit for the period attributable		
Equity holders of the parent	**(2,111,395)**	**(567,372)**
Non-controlling interests	**(46,390)**	**(13,391)**

10.6. Deferred tax liabilities

The deferred tax receivables/ liabilities of the Group as they arise from the relevant provisional tax differences are as follows:

	THE GROUP			
	31/12/2017		**31/12/2016**	
	Receivables	**Liabilities**	**Receivables**	**Liabilities**
Non-current assets				
Intangible assets	513,562	0	565,685	
Tangible assets	172,276	2,048,238	169,662	1,660,302
Investments in related companies				
Current Assets				
Stock	43,500	0	0	0
Receivables	457,973	0	374,082	0
Inventory				
Tax deduction for inventory				
Long-term Liabilities				
Provisions	243,886	0	180,027	0
Other Long-term Liabilities				
Short-term Liabilities				
Short-term Provisions				
Other Short-term Liabilities	0	48,499	0	55,239
Total	**1,431,198**	**2,096,737**	**1,289,456**	**1,715,541**

Correspondingly, the deferred tax receivables/liabilities of the Company as they arise from the relevant provisional tax differences are as follows:

	THE COMPANY			
	31/12/2017		31/12/2016	
	Receivables	**Liabilities**	**Receivables**	**Liabilities**
Non-current assets				
Intangible assets	455,819	0	488,007	0
Tangible assets	127,365	125,326	123,103	144,601
Investments in related companies	2,242,570	0	1,870,500	0
Current Assets				
Stock	43,500	0	0	0
Receivables	457,973	0	356,473	0
Inventory				
Tax deduction for inventory				
Long-term Liabilities				
Provisions	209,706	0	180,027	0
Other Long-term Liabilities				
Short-term Liabilities	0	47,961	0	55,239
Short-term Provisions	**3,536,933**	**173,287**	**3,018,110**	**199,840**

The Group is subject to an income tax rate of 29% for both 2017 and 2016. The deferred tax has been calculated at the tax rate applicable each year that the recognition of a revenue or expenditure will be performed.

Deferred taxes in the Statement of Comprehensive Income are as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2017	**1/1 - 31/12/2016**	**1/1 - 31/12/2017**	**1/1 - 31/12/2016**
Intangible assets expenditure/(income)	51,516	72,053	32,188	53,119
Tangible assets expenditure/income)	370,250	367,647	(23,538)	(30,830)
Investments n related companies expenditure/(income)	0	0	(372,070)	(1,160,000)
Inventory expenditure/(income)	(43,500)	0	(43,500)	0
Receivables expenditure/(income)	(101,500)	(63,758)	(101,500)	(63,758)
Provisions expenditure/(income)	(31,562)	(20,224)	(29,236)	(18,121)
Other Short-Term Liabilities expenditure/(income)	(7,278)	14,750	(7,278)	14,750
Expenditure/(income) of Deferred tax in income statement	**237,926**	**370,468**	**(544,934)**	**(1,204,840)**

10.7. Other non-current assets

The other non-current assets of the Group and the Company are analyzed in the table below:

	THE GROUP		THE COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Given guarantees	56,079	71,461	31,849	47,651

10.8. Inventories

The inventories of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Raw materials	7,983,273	8,775,050	7,983,273	8,775,050
Finished and semi-finished products	6,941,736	6,271,197	6,941,736	6,271,197
Work in progress	0	0	0	0
Merchandise	1,399,592	1,312,523	737,109	812,737
Other	1,853,269	1,257,025	1,827,145	1,233,855
Provisions for impairment of inventory	(150,000)	0	(150,000)	0
Total	**18,027,869**	**17,615,796**	**17,339,263**	**17,092,839**

10.9. Customers and other trade receivables

Customers and other trade receivables of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Customers	9,640,437	7,966,747	10,943,106	8,336,900
Bills receivable	13,000	13,000	13,000	13,000
Checks receivable	827,050	678,753	814,344	678,753
Less: Impairment provisions	(1,550,638)	(1,104,598)	(1,550,638)	(1,104,598)
Net Trade receivables	**8,929,848**	**7,553,902**	**10,219,812**	**7,924,055**

The fair value of receivables do not fundamentally differ from the values recognized in the Financial Statements. The Group made a provision for doubtful debts in the amount of € 450,000.

The movement of the account of "provisions of doubtful debts" is the following:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Balance on January 1st	(1,104,598)	(862,858)	(1,104,598)	(862,858)
Addition of current period	(450,000)	(250,000)	(450,000)	(250,000)
Use of provisions	3,960	8,260	3,960	8,260
Total	**(1,550,638)**	**(1,104,598)**	**(1,550,638)**	**(1,104,598)**

The following table shows the change in trade receivables for the years ended 31/12/2016 and 31/12/2017:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Not past due and not impaired	5,490,994	4,845,013	8,346,687	6,297,865
Due and not impaired "				
0- 90 days	2,352,416	1,743,490	861,457	660,791
91 - 180 days	540,685	371,585	484,427	371,585
181 - 365 days	242,214	185,793	242,214	185,793
> 365 days	303,539	408,022	285,026	408,022
	8,929,848	**7,553,902**	**10,219,812**	**7,924,055**

Provisions and doubtful debts are recognized on an individual basis when there is objective indication that the group or the company will not collect all the amounts which are provided in accordance with the initial terms of the sales contracts. Indications of uncollectable amounts include the delay in recovery of receivables and significant financial difficulties of customers-debtors. The amount of the provision is the difference between the carrying amount of receivables and the estimated cash flows which will be collected. The carrying amount of receivables is written off with the recognition of the writing off in the results under the item "Other Expenditure". Subsequent recoveries of impaired amounts are recognized as revenue under the item "Other Income".

10.10. Other receivables

Other receivables of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Receivables from the Greek Government	2,949,191	3,202,277	2,817,933	2,971,261
Prepayments	34,203	25,364	34,203	25,364
Other receivables	1,091,543	663,389	2,602,435	2,330,215
Net receivables from debtors	**4,074,937**	**3,891,030**	**5,454,570**	**5,326,839**

The fair value of receivables do not fundamentally differ from the values recognized in the Financial Statements.

10.11. Cash and cash equivalents

The Cash in hand of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash in hand	7,012	4,450	372	759
Short-term bank deposits	5,675,943	1,181,456	5,538,319	1,069,227
Total	**5,682,955**	**1,185,906**	**5,538,691**	**1,069,986**

10.12. Equity

Share capital

	VALUE			
	Number of Shares	Share Capital	At a premium	Total
Balance on 1 January 2016	**28,580,100**	**11,432,040**	**758,295**	**12,190,335**
Share Capital above par value via capitalization	-	714,503	(714,503)	**-**
Return of share capital	-	(714,503)		**(714,503)**
Balance on 31 December 2016	**28,580,100**	**11,432,040**	**43,792**	**11,475,832**
Balance on 31 December 2017	**28,580,100**	**11,432,040**	**43,792**	**11,475,832**

The company adopted a decision with No. 78/26-10-2017 Extraordinary General Meeting for the acquisition of its own shares (treasury shares) via the Athens Stock Market in accordance with the provisions of par. 1 and 2 of article 16 of Codified Law 2190/1920 on the following specific terms and conditions:

-Approval is granted for a term of : 12 months

-Maximum share price for the acquisition to be made: € 6.00

-Minimum share price for the acquisition to be made: € 0.40

-Maximum number of shares which may be acquired: Up to 1/10 of the paid-up share capital (of the total number of shares).

The Company on 31/12/2017 holds 303,953 of its own shares (treasury shares) of a total value of Euros 313,506.

10.13. Loan liabilities

The loan liabilities of the Group and of the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Long-term loans				
Bank loans	7,586,127	9,244,295	2,959,459	3,460,961
Finance lease liabilities	464,416	235,076	464,416	235,076
Total long-term loans	**8,050,543**	**9,479,371**	**3,423,875**	**3,696,037**
Long-term liabilities payable in the following period	**2,389,182**	**2,800,682**	**1,232,516**	**1,644,016**
Short-term loans				
Bank loans	7,401,687	8,969,006	7,321,611	8,325,708
Finance lease liabilities	252,856	117,710	252,856	117,710
Total short-term loans	**7,654,543**	**9,086,715**	**7,574,467**	**8,443,418**
Total loans	**18,094,268**	**21,366,768**	**12,230,858**	**13,783,471**

The maturity dates of all of the loans of the Group and of the Company are the following:

	THE COMPANY			
	Up to 1 year	**Between 1 and 5 years**	**Above 5 years**	
31 December 2016				
Total loans	9,969,724	3,460,961	0	**13,430,685**
Total finance leases	117,709	235,076	0	**352,786**
31 December 2017				
Total loans	8,554,126	2,486,559	472,900	**11,513,586**
Total finance leases	252,856	464,416	0	**717,272**

	THE GROUP			
	Up to 1 year	**Between 1 and 5 years**	**Above 5 years**	**Total**
31 December 2016				
Total loans	11,769,687	7,509,292	1,735,003	**21,013,982**
Total finance leases	117,710	235,076	0	**352,786**
31 December 2017				
Total loans	9,790,868	7,113,227	472,900	**17,376,996**
Total finance leases	252,856	464,416	0	**717,272**

The weighted average interest rate of long-term and short-term borrowing of the Group, at the balance sheet date is 3.7% and 7% respectively.

10.14. Employee benefit liabilities

In accordance with Greek employment law, employees are entitled to indemnification in the event of dismissal or retirement, the amount of which is related to the salary of employees, the amount of years of employee service and if it is through dismissal or retirement. The employees who resign or are dismissed for cause are not entitled to indemnification. The indemnification payable in case of retirement is equal to 40% of the amount which would have been paid in the event of dismissal.

The changes in the present value of employee indemnification due to exit from service are the following:

	THE GROUP		**THE COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Opening balance for period on 01/01/2016	**653,064**	**631,721**	**561,937**	**548,287**
Current labor cost	50,746	56,753	45,729	51,929
Financial cost	11,756	12,634	10,111	10,963
Cost of transfer of personnel	-231	0	-231	-119
Cost (result) of Settlements	3,473	0	3,473	0
Benefits paid within the current period	-7,240	-1003,2	-7,240	-286
Actuarial (profit)/loss	-5,271	-47,041	1,528	-48,838
Closing balance on 31/12/2017	**706,297**	**653,064**	**615,307**	**561,937**

The main actuarial assumptions used are the following:

	31/12/2017	**31/12/2016**
Discount interest rate	1,70%	1,80%
Future increases in salaries	2,50%	2,50%
Inflation	2,00%	2,00%

The use of a higher discount interest rate by 0.5% would result in the actuarial liability being 7% less for the Company and the Group, while the exact reverse movement, i.e. the use of a lower discount interest rate by 0.5% would result in the actuarial liability being 7% more for the Company and the Group.

The use of a higher expectation of increase in salaries by 0.5% would result in the actuarial liability being 8% less for the Company and the Group, while the exact reverse movement, i.e. the use of an expectation of increase in salaries by 0.5% would result in the actuarial liability being 7% more for the Company and the Group,

Sensitivity analysis

	THE GROUP		**THE COMPANY**	
	Actuarial Liability	**% Change**	**Actuarial Liability**	**% Change**
Increase of discount interest rate by 0.5%	656,227	-7%	572,583	-7%
Decrease of discount rate by 0.5%	762,660	8%	662,519	8%
Increase of projected salary increase by 0.5%	759,327	8%	661,498	8%
Decrease of projected salary increase by 0.5%	657,542	-7%	573,042	-7%

10.15. Government Grants

The grants of the Group and of the Company are analyzed as follows:

	THE GROUP	
	31/12/2017	**31/12/2016**
Grants 1/1	7,841,960	8,578,138
New Grants	0	34,127
Less: Attributable depreciation for the period	-667,767	-770,304
Total	7,174,193	7,841,960

10.16. Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

	THE GROUP Provisions	**THE COMPANY Provisions**
Opening balance on 1 January 2016	**376,598**	**347,802**
Additional provisions for the period:		
Tax for unaudited periods	(249,118)	(249,118)
Wind farm restoration costs	1,509	
Quarries restoration costs	5,921	5,921
Opening balance on 31 December 2016	**134,910**	**104,605**
Additional provisions for the period:		
Wind farm restoration costs	1,515	
Quarries restoration cost	6,276	6,276
Closing balance on 31 December 2017	**142,701**	**110,882**

10.17. Suppliers and other liabilities

The analysis of the outstanding balances of suppliers and other related liabilities of the Group and of the Company are as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Suppliers	414,186	3,030,599	157,778	2,476,348
Checks payable	7,521,941	3,801,811	7,044,311	3,118,014
Prepayments from customers	3,046,818	2,339,040	2,728,589	2,214,012
Total	**10,982,945**	**9,171,450**	**9,930,678**	**7,808,375**

10.18. Current tax liabilities

The current tax liabilities of the Group and of the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Income tax	5,165,664	1,650,000	5,120,082	1,650,000
Other taxes	1,274,094	2,316,477	1,151,612	2,059,143
Total	**6,439,758**	**3,966,477**	**6,271,694**	**3,709,143**

10.19. Other short-term liabilities

Other short-term liabilities of the Group and of the company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Insurance and pension contributions payable	1,733,745	2,108,227	1,643,626	2,044,598
Dividends payable	14,245	225,327	14,245	225,327
Other obligations	2,244,085	2,506,080	2,810,221	3,710,259
Accrued expenses	228,332	187,444	102,962	141,134
Total	**4,220,407**	**5,027,077**	**4,571,054**	**6,121,317**

10.20. Sales

The sales of the group and of the company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Merchandise	2,093,590	2,334,720	483,125	207,736
Goods	15,027,577	13,937,877	14,692,393	13,337,591
Raw materials	30,581,013	16,579,769	30,581,013	16,579,769
Services	1,530,696	537,709	1,476,000	1,361,371
Wind Energy	2,080,072	2,034,979	0	0
Other	412,808	276,133	377,067	237,538
TOTAL	**51,725,757**	**35,701,188**	**47,609,598**	**31,724,004**

10.21. Expenditure per category

The expenditure of the Group and of the Company is analyzed as follows:

Sales Cost

	THE GROUP		THE COMPANY	
	01/01-31/12/2017	01/01-31/12/2016	01/01-31/12/2017	01/01-31/12/2016
Employee remuneration	6,587,619	6,619,504	6,185,495	6,195,438
Professional fees	1,220,449	2,314,676	1,571,166	1,431,342
Charges for outside services	1,554,983	2,115,551	865,204	1,379,491
Taxes-Duties	130,101	127,373	45,940	28,520
General Expenses	239,895	344,331	193,263	309,758
Financial	13,403	0	13,403	0
Depreciation	2,974,994	3,007,730	1,014,998	1,034,578
Total	**12,721,444**	**14,529,165**	**9,889,470**	**10,379,128**
Inventory cost	10,726,728	7,376,158	9,560,799	7,672,763
Impairment of inventory	150,000	0	150,000	0
self-supply	(57,091)	(88,403)	(57,091)	(88,403)
Sales Cost	**23,541,081**	**21,816,919**	**19,543,178**	**17,963,488**

Management costs

	THE GROUP		THE COMPANY	
	01/01-31/12/2017	01/01-31/12/2016	01/01-31/12/2017	01/01-31/12/2016
Merchandise	107	4.167	107	4.167
Direct and indirect raw materials	0	543	0	543
Employee remuneration	1,880,127	1,696,378	1,490,770	1,358,396
Professional fees	701,213	771,489	671,849	745,571
Charges for outside services	97,181	99,885	161,407	162,708
Taxes-Duties	57,108	29,651	43,850	29,131
General Expenses	458,118	507,955	236,574	240,195
Financial	18,229	10,963	18,229	10,963
Depreciation	120,313	125,543	83,156	91,490
Provisions	53,988	56,035	48,971	51,810
Total	**3,386,382**	**3,302,611**	**2,754,913**	**2,694,975**

Disposal costs

	THE GROUP		THE COMPANY	
	01/01-31/12/2017	01/01-31/12/2016	01/01-31/12/2017	01/01-31/12/2016
Merchandise	17,906	75,074	17,906	75,074
Direct and Indirect Materials	5,142	9,855	5,142	9,855
Consumable materials	481,988	350,451	481,988	350,451
Employee remuneration	1,066,086	1,029,177	963,729	942,025
Professional fees	346,237	232,849	326,067	208,635
Charges for external services	253,392	268,631	159,674	163,019
Taxes-Duties	32,426	49,404	32,426	35,871
General Expenses	4,501,362	3,202,912	4,490,050	3,141,095
Depreciation	76,777	79,639	76,777	79,639
Total	**6,781,316**	**5,297,992**	**6,553,759**	**5,005,663**

Employee remuneration is analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Salaries and daily wages	7,807,319	7,325,599	7,095,000	6,645,224
Employer contributions	2,043,922	1,919,467	1,869,860	1,756,849
Other	169,778	156,028	157,304	145,595
	10,021,019	**9,401,094**	**9,122,164**	**8,547,669**

For the year ended on 31/12/2017 the expenditure of the Group and of the Company include remuneration for auditing services of a total amount of € 6,500.

10.22. Other operating income/expenditure

The other operating income/expenditure of the Group and of the Company are analyzed as follows:

Income	THE GROUP		THE COMPANY	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Tax and duty rebate	431,072	502,099	430,207	502,099
Foreign exchange gains	647	13,253	647	13,253
Income from attributable depreciation	667,767	770,304	124,839	217,486
Gains on disposal of fixed assets	26,191	4,972	22,191	4,972
Other	107,308	219,250	98,833	213,943
Total	**1,232,986**	**1,509,878**	**676,718**	**951,752**

Expenditure	THE GROUP		THE COMPANY	
	1/1 - 31/12/2017	1/1 - 31/12/2016	1/1 - 31/12/2017	1/1 - 31/12/2016
Foreign exchange losses	27,732	7,955	21,648	7,955
Impairment for doubtful debts	468,376	252,357	468,376	252,357
Prior period expenditure	1,528	0	0	0
Other	106,526	229,272	95,803	217,344
Total	**604,162**	**489,584**	**585,827**	**477,655**

10.23. Finance income/expenditure

The finance income/expenditure of the Group and of the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Other Credit Interest	23	35	23	35
Other capital gains	1,766	4,396	1,766	4,396
Total	**1,789**	**4,431**	**1,788**	**4,431**

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Bank loans & overdrafts	1,109,066	1,143,335	696,137	837,441
Bank Guarantees Commissions	34,853	9,803	34,853	9,803
Other Bank Expenditure	270,137	263,346	256,883	252,356
Other Finance Expenditure	10,111	10,963	10,111	10,963
Total	**1,424,167**	**1,427,448**	**997,984**	**1,110,562**

10.24. Other financial results

The other financial results of the Group and the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Impairment of investment value	0	0	(2,000,000)	(4,000,000)
Goodwill impairment	(1,249,306)	(1,050,000)	0	0
Valuation of derivatives of Shares and Warrants	6,408	(18,001)	6,408	(18,001)
Total	**(1,242,898)**	**(1,068,001)**	**(1,993,592)**	**(4,018,001)**

10.25. Gains/losses from related companies

The results of investment activity of the Group and of the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Gains / (Loss) from related companies (Latirus Ltd)	(429,542)	(115,426)	0	0
Total	**(429,542)**	**(115,426)**	**0**	**0**

10.26. Income tax

The income tax of the Group and of the Company is analyzed as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Tax for the period	5,292,401	1,930,584	5,241,913	1,930,584
Deferred tax for the period expenditure/(income)	237,926	370,468	(544,934)	(1,204,840)
Tax audit differences	0	542,276	0	542,276
Other taxes not incorporated in the operating cost	56,197	49,656	34,046	32,554
TOTAL	**5,586,524**	**2,892,983**	**4,731,025**	**1,300,573**

The consistency between the amount of income tax and the amount which arises from the application of the applicable income tax rate for the Company in Greece (2017:29&. 2016:29%) on the results before tax, is as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profit/ (loss) before income tax	**14,602,263**	**3,697,516**	**14,910,132**	**1,409,842**
Income tax calculated using the current tax rate	4,234,656	1,072,280	4,323,938	408,854
Διαφορές φορολογικού ελέγχου Tax audit differences	0	542,276	0	542,276
Other taxes not incorporated in the operating cost	56,197	49,656	34,046	32,554
Tax effect of expenses not deductible in for tax purpose	79,621	42,975	72,951	36,305
Other	573,226	618,557	300,090	280,584

Tax effect of period losses for which no deferred tax receivable was recognized	642,823	567,239		
Income tax reported in the income statement	**5,586,524**	**2,892,983**	**4,731,026**	**1,300,572**

10.27. Earnings per share

The Earnings per share of the Group and of the Company are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Number of shares	28,580,100	28,580,100	28,580,100	28,580,100
Less: Number of shares of parent	(303,953)	(184,349)	(303,953)	(184,349)
Total shares	**28,276,147**	**28,395,751**	**28,276,147**	**28,395,751**
Profits corresponding to the parent's shareholders	**9,009,153**	**793,794**	**10,179,107**	**109,270**
Weighted average number of shares in circulation	28,296,438	28,483,407	28,296,438	28,483,407
Basic profit per share (Euros per share)	**0.3184**	**0.0279**	**0.3597**	**0.0038**

10.28. Fair value of financial instruments

Fair Value Hierarchy

The Group uses the hierarchy below for determining and disclosing the fair value of financial instruments per valuation technique.

Level 1: Negotiable prices in active markets for similar assets or liabilities.

Level 2: Valuation techniques for which all the inflows which significantly affect the recorded fair value are either directly or indirectly observable.

Level 3: Valuation techniques which use inflows which significantly affect the recorded fair value and are not based on observable market data.

	THE GROUP / THE COMPANY			
Financial instruments valued at fair value:	**Valuation at Fair Value at the end of the reporting period using:**			
Description	**31/12/2017**	**Level1**	**Level 2**	**Level3**
Financial assets valued at fair value through the income statement				
- Shares assets available for sale	53,685	53,685		
Total	**53,685**	**53,685**	**0**	**0**

Capital management policies and procedures

The objectives of the Group and of the Company as regards capital management are the following:

-to ensure the Company's continuous smooth operation of its business activities and

-to provide satisfactory returns to the shareholders by invoicing services according to their cost and ensuring capital restructuring,

-to ensure the maintenance of health capital ratios

The Company monitors the capital management on the basis of the following ratio which is based on indicators as these are presented in the Statement of Financial Position.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Loans	18,094,268	21,366,768	12,230,858	13,783,471
Less: Cash in hand	(5,682,955)	(1,185,906)	(5,538,691)	(1,069,986)
Net borrowing	**12,411,313**	**20,180,862**	**6,692,167**	**12,713,485**
Total Equity	36,004,825	31,035,712	37,707,335	31,579,681
Total Capital	**36,004,825**	**31,035,712**	**37,707,335**	**31,579,681**
Leverage ratio	**0.34**	**0.65**	**0.18**	**0.40**

10.29. Contingent assets-liabilities

There are no legal or subject to arbitration differences before judicial or arbitration bodies which significantly affect the financial position or operation of the Group.

The unaudited tax years of the companies of the Groups are as follows:

CORPORATE NAME	REGISTERED OFFICE	UNAUDITED TAX YEARS
IKTINOS HELLAS S.A	7 Lykovryssis Str., Metamorfossi, Attica	-
FEIDIAS HELLAS S.A.	Tήνου 12A Tinou Str., Vrilissia, Attica	2010
KALLITECHNOKRATIS LTD.	7 Lykovryssis Str., Metamorfossi, Attica	UNDER LIQUIDATION
IKTINOS MARMARON S.A.	112 Kifisias Avenue-Maroussi	2015
IDEI S.A.	11 Aischylou and Agion Anargyron Str. , Drama	2010
AIOLIKI MEGA ISOMA S.A.	7 Lykovryssis Str., Metamorfossi, Attica	2014-2017
AIOLIKI MAVROLITHARO S.A.	7 Lykovrysis Str., Metamorfossi, Attica	2011-2012 & 2014-2017
AIOLIKI LYKOFOLIA S.A.	7 Lykovryssis Str., Metamorfossi, Attica	2011-2012 & 2014-2017
AIOLIKI SYNORA S.A.	7 Lykovryssis Str., Metamorfossi, Attica	2014-2017
LATIRUS LTD.	11 Florinis Str.-Nicosia	2006-2017

For financial years 2011-2013, the Greek Societes Anoymes whose annual financial statements where mandatorily audited, must receive an "Annual Certificate" as provided by par. 5 of article 82 of Law 2238/1994, which is issued following a tax audit performed by the same Statutory Auditor or auditing office which audits the annual financial statements. From 2014 and onwards, the above Greek Societes Anonymes, except those which by virtue of Circular 1124/2015 are exempted from an annual certificate by statutory auditors as provided by the provisions of article 65A of Law 4174/2013, since the net income of each company does not exceed the amount of Euros one hundred and fifty annually, must receive an "Annual Certificate" as provided by the provisions of par. 1 of article 65A of Law 4174/2013.
The result of the above audits leads to the issuance of a tax certificate, which if the relevant conditions are met, substitutes the audit by a public authority, which however reserves the right of performing a subsequent audit without concluding its tax obligations for the relevant accounting period. The Group chose to continue receiving the Annual Certificate for the companies which meet the criteria of Circular 1124/2015. For financial year 2017, the tax audit is currently being performed for the issuance of a "Tax Compliance Report" for the Company and its subsidiaries IKTINOS MARMARON S.A., FEIDIAS HELLAS S.A. and IDEI S.A., while it is not expected that significant tax obligations will arise further to those recorded and which are reported in the financial statements.

10.30. Transactions with related parties

The amounts of purchases and sales of the company to and from related parties as these are specified in IAS 24, cumulatively from the beginning of the current period 1/1 – 31/12/2017 and 1/1-31/12/2016, as well as the outstanding balances of assets and liabilities of the above companies on 31/12/2017 and 31/12/2016 are analyzed below:

	GROUP		**COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Sale of Merchandise/services				
Subsidiaries	-	-	477,202	1,229,595
Totals	**0**	**0**	**477,202**	**1,229,595**
Other Income/Expenditure				
Subsidiaries	-	-	73,000	72,000
Other Related Parties	-	40,000	0	40,000
Totals	**0**	**40,000**	**73,000**	**112,000**
Purchase of Merchandise/services				
Subsidiaries	-	-	902,131	925,100
Totals	**0**	**0**	**902,131**	**925,100**
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**

Receivables				
Subsidiaries	-	-	4,858,076	4,233,489
Other Related Parties	8,752	307-	8,752	307
Totals	**8,752**	**307**	**4,866,828**	**4,233,796**
Liabilities				
Subsidiaries	-	-	624,581	1,048,901
Other Related Parties	-	0	0	0
Totals	**0**	**0**	**624,581**	**1,048,901**

The receivables/liabilities and the remuneration of administrative and executive officers of the group for the years ended on December 31, 2017 and 2016 are as follows:

	31/12/2017	31/12/2016
Remuneration to members of the BofD and other executive officers	1,161,497	1,084,062
Sales to members of the BofD and other executive officers	547,396	0
Receivables from members of the BofD and other executive officers	671,964	0
Liabilities of members of the BofD and other executive officers	361,524	427,725

10.31. Dividends

As regards the distribution of dividends the Management of the company has decided the distribution of dividend, the amount of which will be determined by the General Meeting which will take place on 3/5/2018.

10.32. Number of employees

The Number of employees engaged by the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
On a salary	141	134	123	116
On a daily wage	221	207	209	193
Total	**362**	**341**	**332**	**309**

10.33. Website where the financial reports of the group are uploaded

The annual financial statement of the parent company IKTINOS HELLAS S.A., as well as of its subsidiaries are uploaded at the following web addresses:

Corporate name	Website address
IKTINOS HELLAS S.A.	iktinos.gr
FEIDIAS HELLAS S.A.	fidiashellas.gr
PRIVATE POWER CORPORATION S.A.	idei.gr
AIOLIKI MEGA ISOMA POWER PRODUCTION SOCIETE ANONYME	aiolikimegaisoma.gr

AIOLIKI MAVROLITHARO POWER PRODUCTION SOCIETE ANONYME	aiolikimavrolitharo.gr
AIOLIKI LYKOFOLIA POWER PRODUCTION SOCIETE ANONYME	aiolikilikofolia.gr
AIOLIKI SYNORA POWER PRODCUTION SOCIETE ANONYME	aiolikisinora.gr

10.34. Events subsequent to the balance sheet date

IKTINOS HELLAS concluded an agreement on 19/1/2018 for the acquisition of 79,656% of Latirus Ltd from DolphinCi Thirteen Ltd, for the price of Euros 14,000,000 or 15,000,00 depending on the date the amount is paid, paying in advance the amount of Euros 1,400,000. On 30/3/2018 it concluded the final agreement for the price of Euros 14,000,000, paying the remaining amount OF Euros 12,600,000. IKTINOS HELLAS already owned 20.344% and after the acquisition it owns 100% of Latirus Ltd and it is its sole shareholder.

The company purchased form ALPHA BANK a plot of land in the Industrial Area of Drama of an area of 3,820 sq. m in which there is an unfinished building which will become the new offices of the company in Northern Greece, as well as an exhibition area.

The company submitted an investment file based on development law 4399/2016 of a total value of Euros 6,913,000 which regards the modernization of the new factory In the Industrial Area of Drama, with the objective of increasing its productivity and improving the products it produces. The company has already ordered mechanical and building equipment of a total value of approx. Euros 4,000,000, which is expected to be installed in the factory by the end of June 2018. The investment will be concluded end of 2019.

IKTINOS HELLAS S.A. received a loan at the beginning of 2018 from the National Bank of Greece in the amount of Euros 10,000,000 for realizing its investment plans, which is the acquisition of Latirus Ltd and the conclusion of the investment plan for the new factory in Northern Greece of a total investment of Euros 10,000,000.

Further to the events mentioned there are no subsequent events to the financial statements, regarding the Group or the Company, on which reporting is imposed by the International Financial Reporting Standards.

Metamorfossi Attica, 5 April 2018

The Chairman of the BoD & Managing Director (CEO)	The Vice-Chairwoman	The Chief Financial Officer
Evangelos Chaidas	Ioulia Chaida	Peristeris Katsikakis
ID Card No. AE 079957	ID Card No. Ξ 371470	ID Card No. X 630853