HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

ANNUAL FINANCIAL REPORT OF 31 DECEMBER 2019

Pursuant to article 4 of L. 3556/2007

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A
G.C. REGISTRY.: 303401000
SA REGISTRY NO:2836/06/B/86/48
SEAT: Athens Tower, Building B, 2-4 Mesogeion Avenue

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The annual financial statements of the Company (in consolidated and non-consolidated basis), the Auditor’s Report and the management report of the Board of Directors are currently in the Company's website (www.elvalhalcor.com) and the Athens Exchange website (www.helex.gr).

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to Article 4 par. 2 of Law 3556/2007)

The undersigned in our capacity as members of the Board of Directors of the company with the name ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A, trading as ELVALHALCOR S.A., whose registered offices are in Athens, at 2-4 Mesogeion Avenue, do hereby declare and confirm that as far as we know:

(a) the attached annual company and consolidated financial statements for the company ELVALHALCOR S.A. for the period from 1 January to 31 December 2019, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2019 for ELVALHALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4, paragraphs 3 to 5, of Law 3556/2007; and

(b) the attached annual report of the Board of Directors of ELVALHALCOR S.A. contains the true information required by Article 4, paragraphs 6 to 8, of Law 3556/2007.

Athens, 12th of March 2020

Confirmed by

The Vice-Chairman of the Board	The Board-appointed Member	The Board-appointed Member
DIMITRIOS KYRIAKOPOULOS	**PERIKLIS SAPOUNTZIS**	**SPYRIDON KOKKOLIS**
ID Card No. AK 695653	**ID Card No. AK 121106**	**ID Card No. AN 659640** **Class A License Reg. No 20872**

BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2019 (1 January – 31 December 2019). This report was prepared in line with the relevant provisions of Codified Law 4548/2018, the provisions of Law 3556/2007 (Government Gazette 91A/30.4.2007) and of L.4374/2016 (Government Gazette 50A/01.04.2016) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of the Board of Directors of the HCMC.

This report details financial information on the Group and Company of ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A (hereinafter referred to for the purpose of brevity as "Company" or "ELVALHALCOR") for the year 2019, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties which Group's companies were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper, aluminium and their alloys, zinc rolling products and copper and aluminium winding (enamelled) wires.

1. Financials - Business report - Major events

Throughout 2019 the growth in the United States as well as in the developing markets trended mostly positive with the Eurozone, the Group's and the Company's main market decelerating, which affected negatively the sales of the Group and the Company. More specifically, industrial production after November 2019 compared to November 2018, according to preliminary data was reduced by 1.5% in the Eurozone and by 1.2% for Europe.[1]

The metal prices which the Group processes fluctuated at lower levels, with the average price of copper at Euro 5,358 per ton versus Euro 5,519 per ton in 2018. The average price of aluminium dropped to Euro 1,600 per ton versus Euro 1,786 per ton for the fiscal year 2018. Finally, the average price of zinc dropped to Euro 2,273 per ton vs. Euro 2,467 per ton for the fiscal year 2018.

Consolidated turnover in 2019 amounted to Euro 2,045 mil. compared to EUR 2,118 mil. in 2018, i.e. reduced by 3.4%, reflecting mainly the negative effect of the macroeconomic environment in the average prices of copper and aluminium and secondarily due to the effect from the volumes, which contrary to the negative environment, stood at prior year levels due to the first months of the year.

In regards to the aluminium segment for 2019, volumes remained high utilizing the production capacity, with sales of the aluminium segment of ELVALHALCOR which mainly consists of the rolling division of the company (ex ELVAL) and the subsidiary SYMETAL, marginally declining by 0.8% versus 2018. Turnover reached Euro 1,026 mil for 2019 versus Euro 1,079 mil., with sales directed to the Eurozone consisting the 69% of revenue. Especially for the United States market, it is worth noting that demand in the first nine months was extremely strong with high prices and increased sales, a situation that has changed over the last quarter, where demand and prices normalized. In regards to the product mix, 51% of sales were directed to the food packing industry (rigid and flexible), 22% to the transportation industry and 27% to the construction and industrial applications industry.

The copper segment sales were marginally higher in volumes by 0.3% for 2019, with the average price of copper affecting mainly the revenue, which amounted to Euro 1,018 mil. versus Euro 1,039 mil. for the prior fiscal year 2018, i.e. reduced by 2.0%. Copper tubes sales are driving the product mix by continuing to grow by 1.3%, with the rolling products of copper and copper alloys for industrial uses marginally dropping by 0.8%, as a result of the reduced, especially during the fourth quarter, industrial production output rates in general, and the continuing weakness of the automotive industry in particular. Copper tubes sales constituted 44% of sales, rolling products 32%, copper strips 15% and brass rods and tubes 9% of sales.

[1] https://ec.europa.eu/eurostat/documents/3217494/10447561/KS-BJ-20-002-EN-N.pdf/49c8ab77-f39a-4e08-92f5-b3f5f596a7ac

For 2019, consolidated Gross profit lagged by 13% reaching Euro 145.1 mil versus Euro 166.9 mil. in 2018. This decrease is mainly due to the negative effect of the falling metal prices, as metal result was a loss of Euro 2.1 mil. versus a profit of Euro 23.0 mil in the year before. Consolidated earnings before taxes, interest and depreciation (EBITDA) reached to profit of Euro 137.4 mil versus Euro 165.2 mil. for the prior year, i.e. reduced by Euro 27.8 mil., while consolidated EBIT rose to profits of Euro 80.0 mil. versus Euro 107.1 mil. in the prior fiscal year. Consolidated results (profit/loss before taxes), amounted in 2019 to profit of Euro 58.2 mil. from Euro 75.9 mil. in 2018 with consolidated profit after tax and non-controlling interests amounting to Euro 41.9 mil., i.e. Euro 0.1101 per share, versus Euro 63.6 mil., i.e. Euro 0.1806 per share in the prior fiscal year. It is noteworthy, that the adjusted-EBITDA (a-EBITDA), which isolates the effect of the metal prices amounted to Euro 140.2 mil. for 2019 versus Euro 142.2 mil. for the prior year, i.e. down by 1.9% reflecting the slowdown of the main market of Europe and the decline in the industrial production during the last quarter of 2019.

Furthermore, the efforts for the reduction of the financial cost continued bearing fruits as Net Finance Cost was reduced to Euro 25.6 mil. versus 32.2 mil. for the year 2018, as the reduction of interest rate margins initiated in the middle of 2018 continued within 2019.

At company level, revenue for 2019 amounted to Euro 1,430 mil. versus Euro 1,487, for the respective prior year, marking a drop of 3.8% due to the downtrend of the metal prices in the international markets. Gross Profit marked a decline of 9.1% to Euro 102.4 mil. versus Euro 112.1 mil. for the fiscal year 2018, and earnings before taxes, interest and depreciation (EBITDA) amounted to Euro 100.6 mil. compared to Euro 114.7 mil., with the metal result surpassing the positive effect from the improvement of prices and conversion margins, and amounting to a profit of Euro 1.7 mil. versus Euro 22.8 mil. for the prior year. The adjusted EBITDA (a-EBITDA) which isolates the effect from the metal prices and presents in a better way the operational profitability of the Company amounted to Euro 99.2 mil. for 2019 from Euro 91.9 mil. for the prior fiscal year, i.e. increased by 7.5%. The net financial cost amounted to Euro 16.1 mil. for 2019 versus Euro 21.4 mil. for 2018, as a result of the renegotiation of loans for the reduction of interest rates margins. Finally, earnings before taxes reached to Euro 46.9 mil. compared to Euro 53.9 mil. for the prior year.

On 08.08.2019 the transformation of the Branch in Pogoni-Ioannina into company under the initial trade name “EPIRUS METALWORKS SINGLE MEMBER S.A.”, was completed. In addition, on 24.12.2019 the 100% of the shares of “CABLEL Wires Hellenic Cable Industry S.A. was acquired.

In 2019 the ELVALHALCOR Group carried out total investments of Euro 148.8 mil. for the fiscal year, out of which the amount of Euro 127.0 mil. was dedicated to the upgrade of the parent company facilities at Oinofyta, distributed in Euro 118.6 mil. for the aluminium division mainly to the investment regarding the increase in production capacity and Euro 8.3 mil. for the copper division. Finally, the subsidiaries of the copper segment invested Euro 11.6 mil. and the aluminium subsidiaries invested Euro 3.8 mil., aiming at increasing production capacity, as well as at the production of high-added-value products.

2. Financial standing

ELVALHALCOR’s management has adopted, measures and reports internally and externally Ratios and Alternative Performance Measure. These measures provide a comparative outlook of the performance of the Company and the Group and constitute the framework for making decisions for the management.

Liquidity: Is the measure of coverage of the current liabilities by the current assets and can be calculated by the ratio of the current assets to current liabilities. The amounts are drawn by Statement of Financial Position. For the Group and the Company for the closing year and the comparative prior year are as follows:

GROUP €'000		31.12.2019		31.12.2018	
Liquidity =	Current Assets / Current Liabilities	736,865 / 444,723	1.66	775,050 / 464,939	1.67

COMPANY €'000		31.12.2019		31.12.2018	
Liquidity =	Current Assets / Current Liabilities	512,781 / 342,093	1.50	568,275 / 369,852	1.54

Leverage: Is an indication of the leverage and can be calculated by the ratio of Equity to Debt. The amounts are used as presented in the statement of financial position. For 2019 and 2018 the index is as follows:

GROUP €'000		31.12.2019		31.12.2018	
Leverage =	Equity / Loans & Borrowings	761,272 / 614,579	1.24	730,468 / 577,968	1.26

COMPANY €'000		31.12.2019		31.12.2018	
Leverage =	Equity / Loans & Borrowings	727,427 / 482,260	1.51	705,914 / 451,663	1.56

Return on Invested Capital: It is an indication of the returns of the equity and the loans invested and is measured by the ratio of the result before financial and tax to equity plus loans and borrowings. The amounts are used as presented in the statement of profit and loss and the statement of financial position. For the fiscal year 2019 and the prior year the index for the Group and the Company is as follows:

GROUP €'000		31.12.2019		31.12.2018	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	80,038 / 1,375,851	5.8%	107,051 / 1,308,436	8.2%

COMPANY €'000		31.12.2019		31.12.2018	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	62,820 / 1,209,687	5.2%	75,370 / 1,157,577	6.5%

Return on Equity: It is as measure of return on equity of the entity and is measured by the net profit / (loss) after tax to the total equity. The amounts are used as presented in the Statement of Profit and Loss and the Statement of Financial Position. For the closing years 2019 and 2018 the index is as follows:

GROUP €'000		31.12.2019		31.12.2018	
Return on Equity =	Net Profit / (Loss) / Equity	41,942 / 761,272	5.5%	64,303 / 730,468	8.8%

COMPANY €'000		31.12.2019		31.12.2018	
Return on Equity =	Net Profit / (Loss) / Equity	32,916 / 727,427	4.5%	47,339 / 705,914	6.7%

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss. For the period including the results of the absorbed after the transaction date for the prior year comparatives, it was calculated as follows:

€ '000		GROUP		COMPANY	
		2019	2018	2019	2018
Operating profit / (loss)		**80,038**	**107,051**	**62,820**	**75,370**
	Adjustments for:				
	+ Depreciation of tangible assets	55,758	58,838	35,458	38,798
	+ Depreciation of right of use assets	2,274	-	1,579	-
	+ Amortization	984	1,070	771	654
	+ Depreciation of investment property	227	162	1,215	1,142
	- Amortization of Grants	(1,884)	(1,955)	(1,256)	(1,311)
EBITDA		**137,397**	**165,166**	**100,588**	**114,652**

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets, investments if included in the operational results
- Other impairment

For the closing period:

€ '000		GROUP		COMPANY	
		2019	2018	2019	2018
EBITDA		**137.397**	**165.166**	**100.588**	**114.652**
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	2.137	(23.016)	(1.737)	(22.755)
	+ Impairment of fixed assets	671	-	397	-
a - EBITDA		**140.205**	**142.150**	**99.248**	**91.897**

The metal results stems from:

1. The time period that runs between the invoicing of the purchase, holding time and metal processing versus the invoicing of sales.
2. The effect of the beginning inventory (which is affected by the metal prices of prior periods) in the cost of sales, from the valuation method which is the weighted average.
3. Specific contracts with customers with closed prices that end in exposure to metal prices fluctuations between the period that the price was closed and the date the that the sale took place.

ELVALHALCOR and its subsidiaries use derivatives to reduce the effect of the fluctuation of metal prices. However, there will always be positive or negative effect in the result due to safety stock that is held. The calculation of the metal price lag as derived from the financial statements after the acquisition date can be analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	€ '000	€ '000	€ '000	€ '000
(A) Value of Metal in Sales	1,471,126	1,580,309	950,906	1,018,003
(B) Value of Metal in Cost of Sales	(1,475,963)	(1,567,949)	(948,160)	(1,003,018)
(C) Result of Hedging Instrunments	2,700	10,657	(1,010)	7,769
(A+B+C) Metal Result in Gross Profit	(2,137)	23,016	1,737	22,755

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. (see Note 33).

3. Main risks and uncertainties

The Group is exposed to the following risks from the use of its financial instruments:

Credit risk

The Group and the Company exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales (for the Group or Company) and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group and the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of collectability they have shown. Trade and other receivables include mainly wholesale customers of the Group and the Company. Customers characterized as being of "high risk" are included in a special list of customers and future sales should be collected in advance and approved by the Board of Directors. Depending on the background of the customer and his properties, the Group and the Company demands collateral demand collateral securities or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group and the Company record impairment allowances that reflect its assessment of losses and expected credit losses from customers, other receivables and investments in securities. This allowance mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet, as well as allowance for expected credit losses according to the Group's analysis which was formulated for the implementation of IFRS 9.

Investments

These items are classified by the Group pursuant to the purpose for which they were acquired. The Management decides on proper classification of the investment at the time of the acquisition and reviews classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

Guarantees

The Group's policy consists of not providing any financial guarantees, unless the Board of Directors decides so on an exceptional basis and as considered in article 99-101 of law 4548/2018, as in effect; The guarantees provided by the Group do not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. It is noted that the Group held cash and cash equivalents on 31 December 2019, which amounted to Euro 48.7 million and the Company Euro 16.2 million as well as approved but not utilized lines of credit, to cover current and medium-term liabilities. As far as investments are concerned, the Group and the Company take new loans according to their needs (see note 22). Moreover, the Group communicates with the banks to secure proper refinancing of loans that expire.

For the avoidance of liquidity risk the Group and the Company makes a cash flow projection for one year while preparing the annual budget as well as a monthly rolling projection for three months to ensure that it has adequate cash to cover its operating needs, including the fulfilment of its financial obligations. This policy does not take into account any impact of extreme conditions which cannot be foreseen.

Market risk

Market risk is the risk related to fluctuations in raw material prices, exchange rates and interest rates, which affect the Group's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Group exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Group enters into transactions which include derivative financial instruments, so as to hedge a part of the risks arising from market conditions.

Risk from fluctuation of metal prices (aluminium, copper, zinc, other metals, gas)

The Group bases both its purchases and sales on stock market prices/ indexes for the price of copper and other metals used and incorporated in its products. In addition, the Company is exposed to risk from fluctuation of gas prices, as part of its production cost. The risk from metal prices and gas prices fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group, however, does not hedge the entire working stock of its operation and, as a result, any drop-in metal prices may have a negative effect on its results through the impairment of inventories.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group and the Company hedges part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases and the greatest part of receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates variation, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly the Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs in working capital through bank and bond loans, as a result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

The Group and the Company may undertake loans issued at fixed rates for the reduction of the Interest rate risk when it is deemed necessary.

Capital management

The Groups' policy is to maintain a strong capital base to ensure investors', creditors' and market's trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

Macro-economic environment

In the context of the aforementioned analysis, the Group and the Company have evaluated any impacts that may be realized in the management of financial risks due to macroeconomic conditions in the markets that they operate.

Considering, however, the following:

1. The nature of ELVALHALCOR Group's operations, as exporting by the greater part. Indicatively at Group level for the fiscal year and at an annualized basis 92% of the turnover referred to exports,
2. The financial standing of the Company as well as the Group,
3. The production capacity of the units

it is obvious that there are adequate cash flows to cover the imports of raw materials which are necessary for the production. The availability and the prices of the basic raw materials follow the international markets and are not affected by the domestic situation in Greece or any other country.

In regards to the situation of the United Kingdom exiting the European Union, we don't see our position to be marginalized by the result of the Brexit. Most of our competitors in the Copper and Aluminium market operate within the Eurozone and will react to the fluctuations of the currency. Exports to the United Kingdom represent approximately the 6.2% of the total revenue.

Moreover, in regards to the imposition of import tariffs on the imports of aluminium products to USA, the Group and the Company management follows the developments closely and is evaluating the parameters. The sales of aluminium to this market for 2019 rose to €139.9 mil. from €126.0 mil., which constitutes approximately the 6.8% of the Group sales.

In spite of the above, the Management constantly evaluates the situation and its possible consequences, in order to secure that all necessary measures and actions have been taken for the minimization of any impact to the Group's and the Company's activities.

4. Outlook and targets for 2020

For 2020 the Group and the Company, considering the international outlook of macro-trends with demand for industrial and recyclable products forecasted to move upwards, will focus on those so that throughout 2020 they will continue to be the pillar of the Group's development. In spite of the decline of industrial output at the end of 2019, demand for non-ferrous metal products has recovered and is expected to move on a positive trend in the mid and long-term and the Group and the Company have already started to enjoy the benefits of the strategic investment of the latest years. The Group and the Company monitor the developments regarding the spread of the corona virus and are prepared to react in any transient fluctuations in demand. As the macro trends remain positive for the products for both the Group and Company, the long-term plan remains firm.

More specifically the Aluminium segment will focus on the completion of the Euro 150 mil. investment plan with the commencement of operation of the four-stand tandem aluminium hot finishing mill expected to be in the second quarter of 2020. In addition, in response to increased demand for aluminium products from the company's customers, the Company has ordered a 6-high aluminium cold rolling mill, as the initial stage of a wider EUR 100 million investment plan to be implemented in the course of the next two years for production equipment and R&D infrastructure. This investment will allow the Company to utilize up to an extra 150 thousand tons of the additional hot rolling capacity at the Oinofyta plant, which will more than double, following the installation of the new four-stand tandem hot rolling finishing mill.

In regards to the Copper segment, demand for 2020 is expected to remain in satisfactory levels, which will help with the absorption of the newly installed capacity in the copper tubes division. In addition, the Company completed the spin-off of the branch in Pogoni Ioannina, manufacturing plant of all types of coin blanks and rings into a company with the purpose of restarting the production unit through the upscaling of the export activity of the new entity. Moreover, the Copper segment materializes, according to schedule, the investment program of the joint venture of Nedzink, with the purpose of increasing the production of titan zinc and the strategic positioning of the Group's products in the European marketplace.

Finally, the Group and the Company will continue their expansion through the exports in Europe and in other markets, through the increase of market shares in industrial products and the strengthening of their activity in new markets with strong development prospects and improved margins.

5. Transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows:

Transactions of the parent company with subsidiaries (amounts in thousands Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
SYMETAL SA	96,510	14,775	3,929	13
SOFIA MED AD	45,764	26,371	34,546	180
ELVAL COLOUR SA	19,405	777	9,236	-
FITCO SA	19,552	6,482	2,507	1
VIOMAL SA	6,924	155	2,181	28
VEPAL SA	793	24,838	-	8,867
ANOXAL SA	460	7,121	124	243
TECHOR PIPE SYSTEMS SA	-	-	-	643
EPIRUS METALWORKS SA	488	2,811	2,551	38
TECHOR SA	-	71	-	35
TOTAL	**189,896**	**83,401**	**55,073**	**10,049**

Sofia Med SA buys from ELVALHALCOR raw materials and semi-finished products of copper and copper alloys, depending on its needs, as well as finished products which distributes to the Bulgarian market. In addition, ELVALHALCOR provides technical, administrative and commercial support services to Sofia Med. Respectively, ELVALHALCOR buys from SofiaMed raw materials, semi-finished products according to its needs, as well as finished products which distributes to the Greek market.

Fitco SA purchases raw materials from ELVALHALCOR. ELVALHALCOR processes Fitco's materials and delivers back semi-finished products. It also provides Fitco with administrative support services. Respectively, Fitco sells raw materials to ELVALHALCOR.

ELVALHALCOR purchases aluminium scrap from the production process of Symetal, which is re-used as raw material (re-casting). ELVALHALCOR, occasionally, sells spare parts and other materials to Symetal and provides other supportive services.

ELVALHALCOR S.A. sells final aluminum products to Viomal, which constitute raw material for the latter and Viomal sells back to ELVALHALCOR the returns from its production process.

Elval Colour S.A. buys final products from ELVALHALCOR, which are used as raw material by the latter and ELVALHALCOR processes Elval Colour's materials.

Vepal S.A. processes ELVALHALCOR's products and delivers semi-finished products. ELVALHALCOR sells raw materials to Vepal and also provides supporting administrative services to the latter.

Anoxal S.A., also, processes ELVALHALCOR's raw materials and ELVALHALCOR provides administrative support to Anoxal. Furthermore, Anoxal purchases from ELVALHALCOR other materials (spare parts and other consumables) for its production process.

Epirus Metalworks purchases raw materials from ELVALHALCOR, proceed with the process and then sales finished products to ELVALHALCOR. ELVALHALCOR provides administrative services to Epirus Metalworks.

Transactions of the parent company with other affiliated companies (amounts in thousands of Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	13,378	12,926	1,521	2,491
STEELMET GROUP	33	12,693	61	1,621
INTERNATIONAL TRADE	374,829	6	14,267	-
METAL AGENCIES LTD	65,088	93	4,592	16
TEPROMKC GMBH	54,934	1,508	5,697	302
REYNOLDS CUIVRE SA	41,721	501	9,106	34
ETEM BULGARIA SA	13,175	3,098	-	-
UEHEM	43,406	130	2,744	16
TEPRO METAL AG	6,155	763	-	-
STEELMET ROMANIA SA	9,819	337	8	2,093
ETEM COMMERCIAL SA	11,667	1,699	12,296	-
GENECOS SA	3,313	452	970	54
BASE METAL TICARET A.S.	-	606	-	179
ANAMET SA	524	11,161	254	121
ETEM Aluminium Extrusions SA	24,556	8,013	9,315	1,067
ALURAME SPA	105	1,717	19	209
SIDERAL SHRK	69	115	162	-
ETEM SCG DOO	386	5	94	1
HC ISITMA	-	-	-	-
AEIFOROS SA	-	13	-	12
VIANATT SA	126	-	78	-
VIOHALCO SA	153	160	264	-
METALIGN S.A.	27	416	1	4
METALLOURGIA ATTIKIS SA	65	-	31	-
TEKA SYSTEMS SA	41	8,100	446	3,165
ELKEME SA	202	1,350	47	383
VIEXAL SA	0	3,541	-	92
VIENER SA	63	973	53	109
SIDENOR INDUSTRIAL SA	133	316	3,453	2
OTHER	796	5,315	24,548	879
TOTAL	***664,764***	***76,011***	***90,026***	***12,850***

Cenergy Group purchases raw materials from ELVALHALCOR according to their needs. In its turn, it sells copper scrap to ELVALHALCOR from the products returned during its production process. CPW America CO trades ELVALHALCOR's products in the American market.

Steelmet Group provides ELVALHALCOR with administration and organization services.

International Trade trades ELVALHALCOR's Group products in Belgium and other countries of Central European countries.

Metal Agencies LTD acts as a merchant - central distributor of ELVALHALCOR Group in Great Britain.

TEPROMKC Gmbh trades ELVALHALCOR's products in the German market.

Steelmet Romania trades ELVALHALCOR's products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for ELVALHALCOR and provides consulting services in IT issues and SAP support and upgrade.

Anamet S.A. provides ELVALHALCOR with considerable quantities of copper and brass scrap.

Viexal SA provides ELVALHALCOR with travelling services.

Viohalco S.A. rents buildings and industrial premises to ELVALHALCOR .

Tepro Metall AG trades (through its subsidiary MKC) ELVALHALCOR products and represents the latter in the German market.

Genecos, as well as its subsidiary Reynolds Cuivre sell ELVALHALCOR's products and represent ELVALHALCOR in the French market.

ETEM BG purchases from ELVALHALCOR aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

ETEM Aluminium Extrusions SA purchases from ELVALHALCOR aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

ETEM COMMERCIAL SA rents industrial facilities from ELVALHALCOR, purchases aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

UACJ ELVAL HEAT EXCHANGER MATERIALS purchases from ELVALHALCOR finished aluminium products and distributes them to international markets.

Transactions of ELVALHALCOR's *Group with other affiliated companies (amounts in thousands of Euro)*

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	14,908	16,221	2,120	2,748
STEELMET GROUP	44	13,650	76	1,910
INTERNATIONAL TRADE	445,605	7	16,887	-
METAL AGENCIES LTD	106,699	182	9,884	75
ETEM BULGARIA SA	14,074	3,380	-	-
MKC GMBH	92,566	3,008	8,215	760
REYNOLDS CUIVRE SA	58,182	531	10,905	23
UEHEM (Associate)	43,406	130	2,751	16
TEPRO METAL AG	9,696	1,658	-	-
STEELMET ROMANIA SA	14,891	468	483	2,093
ETEM COMMERCIAL SA	11,694	1,749	12,296	2
GENECOS SA	6,796	526	1,399	74
ALURAME SPA	479	2,291	42	247
ANAMET SA	738	10,469	366	149
SIDERAL SHRK	69	115	162	-
ETEM Aluminium Extrusions SA	24,556	8,062	9,315	1,067
ELKEME SA	215	1,808	51	510
VIANATT SA	126	-	78	-
VIOHALCO SA	153	362	269	13
SOVEL SA	130	22	4,107	-
VIENER SA	63	6,288	121	425
TEKA SYSTEMS SA	41	10,051	849	4,690
SIDENOR INDUSTRIAL SA	133	326	3,453	7
VIEXAL SA	0	4,479	-	160
OTHER	5,741	1,025	21,348	1,728
TOTAL	***851,004***	***86,808***	***105,179***	***16,697***

Fees of Executives and Board members (amounts in thousands Euro)

The table below sets out the fees paid to executives and members of the Board of Directors:

	Group	**Company**
Total fees of Board members	1,710	465
Total fees of management executives	8,205	4,502

6. Subsequent events

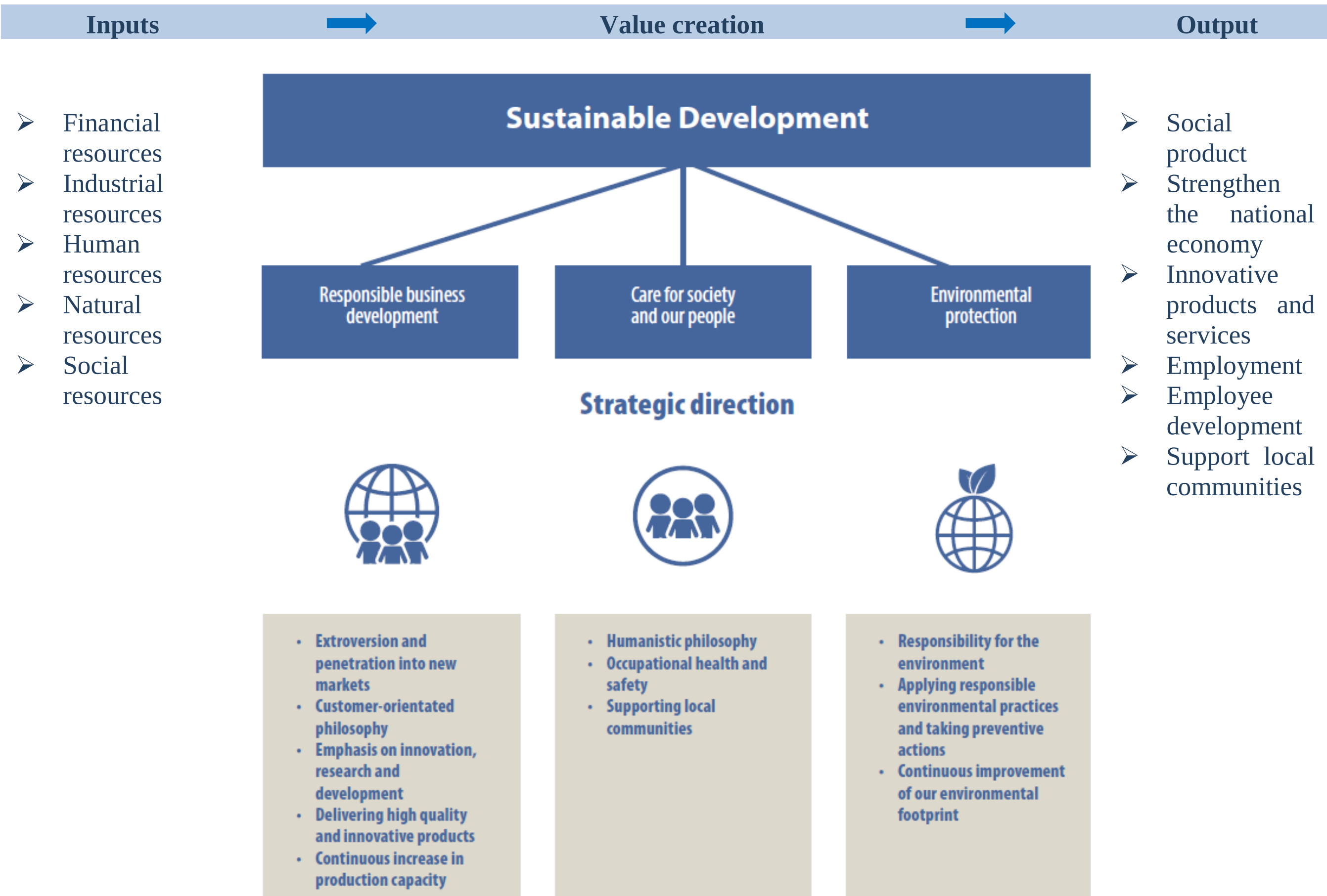
1. With its decision on 14.02.2020 the Board of Directors of the subsidiary “Epirus Metal Works S.A.” verified and certified the payment in full of the capital increase of €455,500.00, which was decided by the Extraordinary General Assembly on 02.12.2019.

2. On 12.03.2020 ELVALHALCOR received notice for the commencement of the preliminary phase for antidumping investigation and countervailing duty (CVD) investigation by the United States International Trade Commission (USITC) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened or the establishment of an industry in the United States is materially retarded by reason of imports of common alloy aluminum sheet from Greece and seventeen other countries (Bahrain, Brazil, Croatia, Egypt, Germany, India, Indonesia, Italy, Korea, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan and Turkey). On the date of publication of the financial statements there were no available information in order to estimate the potential impact on its financial results.

Business model

The ELVALHALCOR Hellenic Copper and Aluminium Industry S.A. (ELVALHALCOR) business model aims to create value for all stakeholders, shareholders, customers, employees, suppliers and generally local communities.

ELVALHALCOR operates in the aluminium and copper segments, boasting experience and know-how for more than 80 years and offering innovative solutions of high added value perfectly suited to the modern requirements of its international customers. ELVALHALCOR's success is derived from its commercial export orientation, customer-focused philosophy and continuous innovation with a strong focus on research and technology. Following its continuous strategic investments in research and development of new technologies, the Company currently owns state-of-the-art production facilities and is capable of creating new and innovative products and solutions, thus accomplishing its goal for continuous innovation at both domestic and international level.



Material issues (Materiality assesment)

The Company follows a specific process in order to identify the most important issues for its sustainable development by analysing and assessing its material issues. This process is based on the international GRI Standards and AA1000 standard, which provide guidelines on the assessment and hierarchy of significant material issues. The results of this survey are considered to exceptionally important and utilized as a framework for action planning towards Sustainable Development. The previous survey was conducted in 2018 and internal and external stakeholders participated through a digital platform. All parties involved were able to state their views through a questionnaire. This information was useful to draw conclusions, one of them being the new hierarchy and categorization of the most important issues.

ELVALHALCOR's material issues, are presented below:

- Company's financial performance (new investments and market share, innovation, products and services quality, customer satisfaction)
- Climate change
- Circular economy - Promote aluminum and copper recycling
- Corporate Governance (legal and regulatory compliance, business ethics, transparency, anti-corruption, personal data protection)
- Occupational Health and Safety
- Risk Management
- Responsible labour relations and human rights (employee training and development, compensation and benefits, equality)
- Supply chain responsibility
- Environmental management (waste management, energy consumption and saving, water use, air emissions)
- Supporting local communities (supporting local employment and local suppliers, volunteering actions).

In ELVALHALCOR's 2019 Sustainability Report, an extensive presentation of the important issues, their key performance indicators and their relevance to the UN Sustainable Development Goals (agenda 2030) are included. ELVALHALCOR's 2019 Sustainability Report is available on the corporate website https://www.elvalhalcor.com/el/sustainability/reporting/overview/.

Management of Sustainability matters

The Company has put in place mechanisms and procedures to highlight and manage sustainability issues focusing on occupational safety, respect for the environment and society as well as its financial and economically viable operations. Management commitment and the management framework of responsible operation matters are reflected on the Sustainability Policy established and implemented by ELVALHALCOR. Seeking to ensure its continuous improvement in relevant matters, the Company sets specific goals and monitors their progress on an annual basis, based on the relevant key performance indicators it has developed. To attain these KPI's and goals, the Company prepares and implements adequate plans and actions of responsible operation.

Policies and Systems

Wishing to reinforce its sound operation driven by Sustainable Development, ELVALHALCOR has established specific policies and puts into practice adequate management systems and procedures that uphold responsible operation and define the way in which the Company's goals are achieved. More specifically, the Company has established and implements, among others, the following policies and codes:

- Internal Operational Regulation
- Sustainability Policy
- Health and Safety Policy
- Environmental Policy
- Business Ethics and Anti-Corruption Policy
- Labour and Human Rights Policy
- Quality Policy
- Code of Conduct and Business Ethics
- Supplier Code of Conduct.

Integrated management of ELVALHALCOR's important matters is ensured through the Management Systems implemented by the Company. More specifically, ELVALHALCOR implements the following certified systems:

- Quality Management System in accordance with the ISO 9001:2015 international standard. Moreover, ELVALHALCOR's aluminium rolling division is certified as per IATF 16949:2016 for the automotive industry.
- Environmental Management System (ISO 14001:2015).
- Energy Management System (ISO 50001:2018).
- Occupational Health and Safety Management System (OHSAS 18001:2007).

All production facilities of the Company have put in place the above certified Management Systems.

This Non-Financial Reporting includes respective update on the main production subsidiaries that are consolidated. Specifically with respect to the production subsidiaries of the aluminium segment: Symetal S.A., Vepal S.A., Elval Colour S.A. and the copper segment: Fitco S.A. and Sofia Med S.A. Subsidiaries are considered the most important companies as they account for more than 1% of the consolidated turnover of ELVALHALCOR and are also presented in the Sustainability Report in compliance with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards).

ELVALHALCOR subsidiaries have established and put in place respective policies which strictly abide by the principles of the Company's policies, with the Management of each subsidiary being responsible for their implementation. Meanwhile, ELVALHALCOR subsidiaries have their own internal controls, procedures and management systems with respect to sustainable development matters and monitor their respective performance through the relevant indicators, the results of which are presented in this report. Specifically, all the above subsidiaries apply independent certified Management Systems, as presented below:

	Aluminium segment processing main subsidiaries			Copper segment processing main subsidiaries	
	Symetal S.A.	Vepal S.A.	Elval Colour S.A.	Fitco S.A.	Sofia Med S.A.
Quality Management System (ISO 9001:2015)	√	√	√	√	√ (& IATF 16949:2016)
Environmental Management System (ISO 14001:2015)	√	√	√	√	√
Occupational Management System (OHSAS 18001:2007, ISO 45001:2018)	√ (ISO 45001)	√ (OHSAS 18001)	√ (OHSAS 18001)	√ (OHSAS 18001)	√ (ISO 45001)
Energy Management System (ISO 50001:2011)	√	-	-	-	-

The sections below present the results of the policies and procedures implemented by ELVALHALCOR, setting forth relevant references to the environmental and social performance (presentation of corresponding non-financial indicators) of the Company and its main production subsidiaries.

Labour and social issues

ELVALHALCOR recognizes the determined contribution of their people in Company's successful business performance and future growth. In recognition of this, the Company invests materially and systematically in its people. ELVALHALCOR's management places particular emphasis on human resources development and strives to maintain a working environment based on an equal opportunities that respects each employee and rewards hard work. ELVALHALCOR's human resources practices and policies aim to attract, develop and retain capable executives and employees. Steadily oriented to human values, the Company strives to implement responsible management practices with regard to human resources. The Company focus on material issues such as:

- ensuring of the health and safety of its employees and associates
- creating a rewarding work environment, respecting human rights and diversity
- safeguarding jobs
- providing equal opportunities for all employees
- applying objective evaluation systems
- employee ongoing training and development
- providing additional benefits.

In 2019, ELVALHALCOR managed not only to maintain but also to increase jobs by 2.5% in relation to the previous year, creating 146 new jobs. In addition, the subsidiaries of the aluminium and copper segments recorded a 0.9% and 1.8% increase in jobs, respectively.

Labour KPI's (key performance indicators)

(ELVALHALCOR S.A.)	2017	2018	2019
Turnover rate	8.2%	5.1%	8.0%
Percentage of women in total workforce	8.3%	7.7%	7.9%

Aluminium segment processing main subsidiaries

(Symetal S.A., Elval Colour A.E., Vepal S.A.)	2017	2018	2019
Turnover rate	6.2%	8.0%	7.4%
Percentage of women in total workforce	10.4%	9.9%	11.2%

Copper segment processing main subsidiaries

(Fitco S.A., Sofia Med S.A.)	2017	2018	2019
Turnover rate	17.5%	19.8%	17.5%
Percentage of women in total workforce	18.3%	18.3%	17.3%

Turnover rate: Percentage of employees who left the company (due to resignation, dismissal, retirement, etc.) in total Company's workforce.

The age range of the Company's employees is a key advantage as the majority of ELVALHALCOR human resources (more than 76%) is less than 50 years old.

The ratio between male and female workers is approximately 92% to 8% respectively. The representation of women in human resources seems low in theory and is mainly due to the fact that employment in industry is not a choice often made by female professionals. As a result, the percentage of women in positions of responsibility (Managers and senior executives) is also low, at about 8% (percentage of the total number of executives in the Company).

We believe that training and development of our people is an investment in the long-term sustainable development of the Company. In 2019, 39,700 training man-hours were provided at ELVALHALCOR overall. Specifically, in 2019, over 50% of the overall training plan was devoted to occupational health and safety issues, highlighting the focus of the Company on related issues.

	Total training hours per employee		
	2017	**2018**	**2019**
ELVALHALCOR S.A.	15.1	16.4	15.0
Aluminium segment processing subsidiaries	9.1	13.2	16.0
Copper and copper alloy segment processing subsidiaries	11.4	9.7	11.3

Remuneration and benefits policy and systems have been developed with a view to recruiting, employing and retaining experienced personnel with the necessary capabilities and skills which lead to optimisation of individual and, by extension, overall performance. The remuneration of each employee reflects the educational background, experience, responsibility as well as the value/ importance of the post in the labour market. In addition, as part of its employee reward and satisfaction system, the Company provides a number of additional benefits.

Equal opportunities and respect for human rights

Showing respect for human rights and acting responsibly toward its people, the Company puts in place a human resources management policy based on equal opportunities without any discrimination on the basis of gender, nationality, religious belief, age or educational background. ELVALHALCOR opposes child labour and condemns all forms of forced and compulsory labour. In addition, the Company condemns and does not tolerate any behaviours that could lead to discrimination, unequal treatment, bullying or moral harassment, gestures and verbal or physical threats.

As a result of the control policies, procedures and mechanisms put in place, during 2019 like also in previous years, no incident of child or forced labour was identified and no incident related to violation of human rights has taken place.

Occupational Health and Safety

Ensuring the Health and Safety (H&S) of our employees, our partners and third parties is a firm priority and commitment of ELVALHALCOR. This view is highlighted through the H&S Policy established and implemented by the Company, thus clearly reflecting Management commitment in this field.

Company Management is instantly notified of any issue relating to H&S and takes steps to ensure seamless implementation of the policy. This policy is defined by Management, is based on cooperation and involvement of all personnel and is binding on each employee and partner. The Company fully complies with the relevant laws and regulations with respect to working conditions and occupational H&S, and focuses on the implementation of preventive measures and actions to avoid any incidents at work.

The goal of "Zero accidents" remains the Company's top priority. For this reason, the Company makes substantial and systematic investments in measures aiming at the continuous improvement of working conditions, and focusing on prevention and infrastructures reinforcing occupational safety. The Company's approach to the management of occupational H&S matters includes:

- Implementation of a H&S Management System (OHSAS 18001:2007) in all its premises with the involvement of all employees and administration.
- Continuous investments in infrastructure projects to reinforce safety at work (zero access).
- Behavioural audits in order to create a "Safety Climate".
- In-depth investigation and recording of all incidents, as well as near misses by implementing improvement measures aiming to reduce accidents.
- Employee targeted training and awareness raising so as to create a safety culture.

The Company implements internationally applicable and measurable indicators to monitor and evaluate performance in the field of occupational H&S.

Health and safety KPI's

	Lost time incident rate (LTIR)			Severity rate (SR)			Fatalities		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
ELVALHALCOR S.A.	4.87	7.47	6.1	112	126	134	0	0	0
Aluminium segment processing subsidiaries	10.11	5.25	7.5	226	121	128	0	0	0
Copper and copper segment alloy processing subsidiaries	7.02	10.04	9.1	300	145	507	0	0	0

LTIR: Lost time incident rate (number of LTI incidents per 10^6 working hours)

SR: Severity rate (number of lost work days per 10^6 working hours)

Social matters

The Company wishes to have its business activities interact in a positive and constructive manner with the communities in which it operates, contribute to the overall economic development of Greece and benefit local communities by creating jobs and offering business opportunities. It is worth mentioning that 56.7% of ELVALHALCOR total workforce originates from local communities (broader region of Viotia and Evia, as well as the regions of the North Attica: Avlona, Malakasa, Oropos, Chalkoutsi). In addition, the Company has a long tradition of fostering local entrepreneurship as it seeks to cooperate, when possible, with local suppliers.

As a Company operating responsibly, ELVALHALCOR provides its support on an annual basis to a number of bodies, organisations and associations through various sponsorships while also supporting and promoting the voluntary activities of its employees.

Through its operations, ELVALHALCOR generates multiple benefits for the society. In addition to the payment of salaries and other benefits to its employees, the Company pays the State the corresponding taxes and levies, and makes continuous investments and payments to the collaborating suppliers of materials and services. Thus, the overall positive impact of the Company on both local and broader communities is important.

Relevant KPI's

	ELVALHALCOR S.A.		
	2017	**2018**	**2019**
Employee new hires	109	228	146
% employees from local communities in total workforce	54.9%	55.2%	56.7

Anti-corruption and bribery-related issues

ELVALHALCOR implements an integrated framework of corporate governance (relevant details are given in the section "Corporate Governance Declaration" of this report), which aims to ensure transparent, proper and effective management of the Company which leads to business and economic development in the long run. In addition, ELVALHALCOR's Code of Conduct and Business Ethics, Supplier Code of Conduct and Business Ethics and Anti-Corruption Policy reflect the Company's commitment and views on transparency, anti-corruption and anti-bribery issues. Exposure to the risk of corruption is systematically monitored.

The Company is fully opposed to any type of corruption and it is committed to operate in an ethical and responsible manner. Even though the risk of corruption is low, the Company takes all necessary preventive measures and implements procedures and controls in order to ensure the combating of corruption cases. Furthermore, seminars on anti-corruption issues have been implemented where executives and employees of the Company have received relevant training. As a result of the Company's practices and policies, during 2019, as in previous years, no incident of corruption or bribery was recorded or reported.

Personal data protection

ELVALHALCOR respects the personal data protection and undertakes the appropriate measures according to the provisions of the General Data Protection Regulation 679/2016 of the European Union and the national implementation law 4624/2019. Aiming the attunement with the international standards and best practices, it adapted a Personal Data Protection Policy and established strict procedures for the protection of personal data throughout its spectrum of activities.

Environmental matters

Environmental protection is at the top of the Company's list of priorities. ELVALHALCOR cultivates environmental responsibility as an integral part of its corporate philosophy, having integrated in its strategy the responsible management of all environmental matters associated with its activities. Management's strong commitment in this field is reflected on the Environmental Policy (www.elvalhalcor.com, section "Sustainable Development/Environment). Management takes steps to implement good practices aiming at environmental protection and management of any environmental impacts arising from the Company's operation. The Company operates in accordance with the applicable environmental laws (applicable National and European laws). Wishing to reduce its environmental footprint on an ongoing basis with concrete actions, ELVALHALCOR:

- implements an Environmental Management System (ISO 14001:2015) in all its production facilities aiming at the integrated management of its environmental matters;
- implements targeted environmental management plans (e.g. energy saving plans, actions and initiatives to reduce air emissions, etc.);
- seeks the rational use of natural resources and operates in accordance with the principles of circular economy, when possible;
- implements an integrated waste management system (which focuses primarily on waste management according to the appropriate hierarchy and on the adoption of good practices aiming to prevent their generation);
- makes continuous investments in environmental protection infrastructure;
- focuses on continuous training and awareness raising of its employees and partners in environmental matters.

With respect to energy consumption, its main pursuit is to reduce its energy footprint, whenever possible, and ensure its increasingly efficient use. Concurrently, through the certified Energy Management System (ISO 50001:2018), the Company aims at the integrated management of energy matters and seeks to develop a continuous improvement culture. ELVALHALCOR monitors, records the gas emissions and ensures full compliance with the relevant legislation.

	Specific emissions (tn CO_2/tn of product)		
	2017	2018	2019
ELVALHALCOR S.A.	0.752	0.777	0.802
Aluminium segment processing subsidiaries	0.480	0.469	0.486
Copper and copper alloy processing segment subsidiaries	0.582	0.617	0.623

Note: For the calculation of the indirect CO2 emissions for the years 2018, 2019, the coefficient from the European Residual Mixes 2018, AIB has been used. The tons of product (tn) relate to the tonnage of the plant production in the respective years.

The above CO_2 indicators are subject to possible change according to the European Residual Mixes 2019, AIB. Therefore, the final indicators will be published in the company's Sustainability Report.

Water is important in ELVALHALCOR's production process. The Company takes all necessary steps to ensure its efficient use and limit its consumption in compliance with its environmental policy. At the same time, whenever possible, reuse practices are applied.

	Specific water consumption (m^3/tn of product)		
	2017	2018	2019
ELVALHALCOR S.A.	1.73	1.81	1.96
Aluminium segment processing subsidiaries	0.47	0.44	0.49
Copper and copper alloy segment processing subsidiaries	8.10	6.99	5.91

ELVALHALCOR has an integrated waste management system, covering all production stages right up to final waste disposal. Our approach to waste management focuses on techniques for waste volume reduction and reuse, either within the plant or in licensed external partners. ELVALHALCOR applies Best Available Waste Management Techniques and, as a consequence, most of the waste generated is led to recycling and energy recovery.

	Waste reduction (Kg/tn of product)*		
	2017	2018	2019
ELVALHALCOR S.A.	127	125	137
Aluminium segment processing subsidiaries	155	152	203
Copper and copper alloy segment processing subsidiaries	106	104	115

**Waste generated expressed in Kg of waste/ tn of production.*

It is worth mentioning that more than 97% of the waste generated was led to recycling and energy recovery in 2019.

	ELVALHALCOR S.A.			Aluminium segment processing subsidiaries			Copper and copper alloy segment processing subsidiaries		
	2017	**2018**	**2019**	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**
*Waste reused, recoveredand recycled***	97.84	97.54	97.63	96.19	97.41	98.58	95.76	95.31	94.60
*% of secondary raw materials in****	18.09	18.79	22.53	4.61	4.52	4.94	10.36	13.00	15.18

***Waste reused, recovered and recycled measured versus total waste generated*

****Portion of secondary raw materials in total raw materials used.*

Responsible management of the supply chain

ELVALHALCOR selects and treats its suppliers in a responsible manner. Having built long-standing partnerships and trust in its relationships with its customers and partners, the Company seeks to collaborate with suppliers showing respect for the environment and implementing responsible practices. Seeking to promote the principles of sustainable development across the supply chain, ELVALHALCOR prepared a "Supplier Code of Conduct ".

The Code describes the Company's expectations from its supply chain (suppliers and partners) in terms of responsible operation (environmental protection, occupational health and safety, labour practices, ethics and integrity, respect for competitiveness, merit-based advancement, equal opportunities, safeguard of human rights, etc.). ELVALHALCOR communicates this Code to its suppliers and contractors (existing and new ones) who should be aware of and adopt the responsible practices applied by the Company in the context of Sustainable Development.

Within the framework of the certified Management Systems (ISO 9001, OHSAS 18001, ISO 14001, ISO 50001), ELVALHALCOR implements supplier evaluation processes. ELVALHALCOR seeks to cooperate with suppliers that implement responsible practices and take care to promote the principles of Sustainable Development to our associates. In 2019, the Company applied an A, B, C supplier classification and re-launched the process of supplier self-assessment.

The Company's procurement policy applies a strategy aiming to boost local economy, offering business opportunities and employment to local suppliers. When evaluating and selecting suppliers, local origin is a criterion factored in.

Non-financial risks and dealing with such risks

The Company operates in an economic and social environment characterised by various risks, financial and others (all financial risks are laid down in the section "Risks and Uncertainties" of this report). Within this framework, the Company has established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the Company are environmental risks and risks related to occupational H&S. Managing these risks is considered as very important by the Management of the Company since they have the risk of directly or indirectly affecting the smooth operation of the Company.

ELVALHALCOR's Internal Operational Regulation/ by-laws (approved by the BoD) clearly describe the areas of risk and include specific procedures that have been developed on the basis of the Prevention Principle in H&S and Environment management.

In addition, in the context of the certified Management Systems implemented by the Company, the relevant risks are assessed on an annual basis. Aiming to reduce the likelihood and the importance of risks occurring in certain segments, the Company takes preventive steps, designs and implements specific plans and actions, and monitors their performance through the relevant indicators (quality, environment, occupational health and safety) it has set. Moreover, the Company has carried out all hazard studies prescribed by law, implements operation and safety criteria which are compliant with national and European laws, develops an emergency plan and cooperates closely with local authorities and the Fire Brigade in order to address any eventual incidents quickly and effectively.

NOTE:

The non-financial KPI's for 2019 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards). These KPI's were chosen strictly on the basis of their relevance to the Company's business (according to the materiality analysis conducted by the Company).

Details on the performance in terms of sustainable development, and the actions of the Company's responsible operation will be set forth in the 2019 Sustainability Report of ELVALHALCOR (May 2020). The Sustainable Development Report is an important tool as it reflects the way in which the Company responds to major issues and to the expectations of all its stakeholders.

All the ELVALHALCOR's Sustainability Reports (according to the GRI Guidelines) are available on the Company's website http://www.elvalhalcor.com/sustainability.

BOARD OF DIRECTORS EXPLANATORY REPORT

(Article 4(7) and (8) of Law 3556/2007)

1. Structure of share capital

The Company's share capital following the 22.11.2017 decisions of the General Meetings and the 131569/30-11-2017 decision of the Ministry of Economy and Development, amounts to Euro 146,344,218.54 divided in 375,241,586 common, dematerialized, anonymous share with nominal value of Euro 0.39 each. All the shares are listed in the Athens Stock Exchange, included in the "Basic Resources" sector and the "Metal Fabricating" Subsector. Pursuant to the decisions of the General Meetings of 30.09.2019 and the 106722/21.10.2019 decision of the Ministry of Development and Investments (ΑΔΑ: 97ΔΔ465ΧΙ8-9Υ0), the Company's shares converted to dematerialized, registered with voting rights, in compliance with articles 40 and 184 of the L.4548/2018, as in effect.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a divided shall be deleted after the elapse of five (5) years from the end of the year in which the General Meeting approved distribution.
- Option in each share capital increase and right to subscribe new shares.
- Right to participate in the General Meeting of Shareholders.
- Ownership of shares automatically entails acceptance of the Company's Articles of Association and the decisions of its bodies taken in accordance with the law.
- Company shares are indivisible. Subject to the provisions on the community, pledge and usufruct, securities are only issued and transferred accompanied by the total of the rights they include and any separate disposal of rights is prohibited. Exceptionally, the profit sharing, interest or capital payments, as well as other independent rights generated by securities, are freely transferred, upon condition that the relevant securities terms of issuance do not provide for otherwise.
- Shareholder liability is limited to the nominal value of each share they hold.

2. Restrictions on the transfer of Company shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

3. Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2019 were as follows:

- VIOHALCO SA/NV: 91,44 % of voting rights

4. Shares granting special rights of control

There are no shares in the Company granting their holders special rights of control.

5. Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares. The rules in the Company's Articles of Association which regulate issues on the exercise of voting rights are contained in Article 26 and 27.

6. Agreements between Company's shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

7. Rules on the appointment and replacement of Board members and amendment of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in L. 4548/2018.

8. Powers of the Board of Directors to issue new shares or purchase own shares

- Article 6 § 1 of the Company's Articles of Association states that for the capital increase of the Company's capital the General Shareholders Meeting is required with an increased quorum and majority of the shareholders, according to the provisions of article 27 § 1 and 2 of the Company's Articles of Association (regular increase), unless the increase takes place according to article 24 of the L.4548/2018 as in force, under the provisions of paragraph 2 of article 6 of the Company's Articles of Association. In any case of increase the decision of the competent body is subject to publicity.
- According to paragraph 2 of Article 6 of the Company's Articles of Association: a) for a period of no longer that five years of the incorporation of the Company, the Board of Directors has the right, with its decision, taken by a 2/3 majority quorum to increase the share capital in part or in total with the issuance of new shares, for an amount that may not exceed three-times the initial capital. b) The aforementioned power can be granted to the Board of Directors with decision of the Shareholders' General Meeting, for time period no longer than five years. In this case, the capital can be increased by an amount no greater than three times the amount of the capital, which exists at the date when the power to capital increase was granted to the Board of Directors. c) The said power of the Board of Directors can be renewed with decision of the Shareholders' General Meeting for a period no longer than five years for every renewal granted. Each renewal applies from the expiry of the term of the previous. The decisions of the General Meeting for the grant or renewal of the capital increase power to the Board of Directors are subject to publicity. d) For a time period not exceeding five years from the incorporation of the company, the General Meeting may, by its decision, adopted by simple quorum and majority, increase the capital, wholly or partially, by the issue of new shares, in total up to eight-times the initial capital.
- The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 49 of L. 4548/2018, as in force.

9. Major agreements which take effect have been amended or expire in the case of change in control

The bank loans of both the Company and ELVALHALCOR Group, taken out fully by Banks and set out in Note 22 of the Annual Financial Report include clauses of change in control granting lenders the right to early terminate them.

There are no other major agreements which take effect, have been amended or expire in the case of change in control of the Company.

10. Agreements with Board of Directors members or Company's staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Code

The Company has adopted the practices of Corporate Governance on its management practices and operation, as these are specified under the applicable institutional framework of L. 3016/2002, of L. 4449/2017, of Decision 5/204/2000 of the Hellenic Capital Markets Committee and of L. 4548/2018 and the Corporate Governance Code recently published by the Hellenic Corporate Governance Council (HCGC) (hereinafter the “code”) and is available on the following website:

http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf

In the context of preparation of the Board of Directors’ Annual Management Report, the Company reviewed the Code. From this review, the Company concluded that it applies all special practices for listed companies and are described in the Code of Corporate Governance of HCGC with the exception the following practices with the corresponding explanations:

- **Part A.II (2.2 & 2.3): Size and composition of the Board of Directors**. The Board of Directors comprises of seven (7) non-executive and eight (8) executive members. The independent non-executive members of the current Board of Directors are four (4) out of fifteen (15) and therefore, their number is less by one third, in contrast to what is indicated in the Code. It was judged, at this juncture, that the enhancement of the number of non-executive members, as well as of the number of independent members or the limitation of the service of a member would not improve the efficiency of the company’s operation.

- Part A.III (3.3): Role and qualities required from the Chairman of the Board. The Vice Chairman of this Board does not have the status of independent non-executive member, although the Chairman is an executive member. It was judged, at this juncture, that the status of an independent member in the position of Vice Chairman beyond the aforementioned status as non-executive, would not provide more guarantees regarding the efficient operation of the company.

- Part A.I.(2.8) Role and competences of the Board of Directors: Regarding the adoption of diversity Policy, the Company has not adopted a certain policy on that. In spite of that, in the chapter “Non-Financial Reporting- labor and social issues” the diversity within the members of the Board of Directors and the Managers is achieved through the adoption of responsible practices focusing on equal opportunities to indicatively, gender, age, cultural and educational background, professional experience, aptitudes, practical knowledge and professional experience. The percentage of female participants in the Board of Directors and the executives amounts to 8%.

The Issuer does not implement any other corporate governance practices other than the special practices of the Corporate Governance Code of HCGC and the provisions of Law 3873/2010.

The Issuer complies with the Corporate Governance as in effect. In regards to the Corporate Governance Code, the Issuer implements the aforementioned Code with the deviations as published and justified until this day as ELVALHALCOR. The Issuer will examine periodically on whether the deviations continue to serve the corporate interest and will proceed to the necessary adjustments.

Main characteristics of the Internal Control and Risk Management Systems in relation to the preparation of the Financial Statements and financial reports.

i. Description of the main characteristics of Internal Control System and the Risk Management System, in relation to the preparation of financial statements.

The Internal Control System of the Company covers the control procedures involving the operation of the Company, its compliance with the requirements of supervisory authorities, risk management and preparation of financial reports.

The Internal Audit Department audits the proper implementation of each procedure and internal control system regardless of their accounting or non-accounting content and evaluates the enterprise by reviewing its activities, acting as a service to the Management.

The Internal Control System aims, among others, to secure the thoroughness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the generation of reliable financial statements.

Regarding the preparation of financial statements, the Company reports that the financial reporting system of the Issuer uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, as well as for publication purposes in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of revenue, cost/expenses and operating profits as well as other data and indexes. All reports towards the Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, along with the data of the respective period of the previous year.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, are reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Audit controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and responsibilities of executives; e) year-end closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc.) and f) safeguarding the data provided by information systems.

The preparation of the internal reports towards the Management and the reports required under C.L. 2190/1920 and by the supervisory authorities is conducted by the Financial Services Division, which is staffed with adequate and experienced executives for this purpose. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures regarding the collection of the necessary data from its subsidiaries, and ensures the reconciliation of individual transactions and the implementation of the same accounting principles by the companies of the Group.

ii. Annual evaluation of corporate strategy, main business risks and Internal Control System

The Company's Board of Directors states that it has examined the main business risks that the Group faces as well as the Internal Control System. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control System.

iii. Provision of non-audit services to the Company by its statutory auditors and evaluation of the effect that this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 3693/2008

The statutory auditors of the Company for the fiscal year 2019, "PriceWaterHouseCoopers Auditing Company SA" (AM SOEL 113) (268 Kifisias Av. PC:15232, Chalandri, tel: 2106874400) have been elected by the Ordinary General Assembly of the Company's Shareholders on 23.05.2019.

Regarding year 2019, the fees of our auditor's PriceWaterhouseCoopers S.A. for the Group and for the Company in respect of audit of the financial statements of the Company amounted to Euro 199 thousand (2018: Euro 162 thousand), for tax audit amounted to Euro 42 thousand (2018: Euro 45 thousand) and fees for other services reached Euro 14,5 (2018: Euro 164 thousand). In Group's level they amounted to Euro 293 thousand (2018: Euro 177 thousand), for tax audit Euro 64 thousand (2018: Euro 45 thousand) and fees for other services Euro 14,5 thousand (2018: Euro 164 thousand).

iv. Internal Auditor

The Issuer has awarded as Internal Auditor Mr. Epameinondas Batalas. Mr. E. Batalas holds a bachelor's degree in Economics and a postgraduate degree in Applied Economics and Finance from Athens University of Economics and Business (AUEB). Moreover, holds the Diploma in IFRS from the Association of Chartered Certified Accountants (ACCA). He initially joined STEELMET S.A. as a member of the Internal Audit in 2008 and was involved in the audit procedures which were performed in the subsidiaries of VIOHALCO, serving for a number of years as internal audit manager.

Public Takeover Offers - Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws (European and Greek legislation).

General Meeting of the Shareholders and rights of shareholders

The General Meeting is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 4548/2018, as amended and in force today. The Company makes the necessary publications and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company

Roles and responsibilities of the Board of Directors

The Company's Board of Directors is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Law 4548/2018 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

The role and responsibilities of the Board of Directors are summed up as follows:

- Supervision and monitoring of Company operations as well as control of fulfillment of business goals and long-term plans;
- Formulation and specification of Company core values and objectives;
- Securing the alignment of the adopted strategy with Company goals.
- The Board of Directors ensures that there are no situations of conflict of interests between its members and the company, guarantees that there are no issues of conflict of interests and examines any incidents or cases of deviation from the confidential information policy;
- Ensuring the reliability and approval of the Company's Financial Statements prior to their final approval by the Ordinary General Meeting;
- Securing the execution of its business activity on a daily basis through a special authorization system, while other affairs falling under its scope of responsibility are implemented under special decisions.

The existing Board of Directors of the Company consists of 15 members of whom:

- 8 are executive members (Chairman, Vice-Chairman & 6 Members)
- 3 are non-executive members (Other Members)
- 4 are independent, non-executive members (Other Members)

The current Board of Directors of ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A. consists of the following:

- THEODOSIOS PAPAGEORGOPOULOS, Chairman and executive member
- DIMITRIOS KYRIAKOPOULOS, Vice-chairman and executive member
- PERIKLIS SAPOUNTZIS, executive member and General Manager
- GEORGIOS KATSAMPAS, non-executive member
- EYTYCHIOS KOTSAMPASAKIS, executive member
- LAMPROS VAROUCHAS, executive member
- NIKOLAOS KOUDOUNIS, non-executive member
- KONSTANTINOS KATSAROS, executive member
- STAVROS VOLOUDAKIS, executive member
- SPYRIDON (SPYROS) KOKKOLIS, executive member and CFO
- THOMAS GEORGE SOFIS, independent non-executive member
- ELIAS STASSINOPOULOS, non-executive member
- NATALIA NICOLAIDIS, non-executive member
- NIKOLAOS GALETAS, independent non-executive member
- PANAGIOTS (TAKIS) ATHANASOPOULOS, independent non-executive member

The members of the Board of Directors of the Company are elected by the Shareholders' General Meeting for a one-year (1) term of office that starts on the day following their election by the General Meeting, and, pursuant to article 11, par. 2 of the Company's Articles of Association, is being automatically extended up to the day of the Ordinary General Meeting of the year of their exit, which may not be extended for more than two years.

The Board of Directors convened 95 times in 2019.

Audit Committee

i. Description of the composition, operation, work, responsibilities and of the issues discussed during Committee meetings

The Audit Committee, which is elected and operates according to Law 4449/2017, consists of three non-executive members of the Board of Directors, two of which are independent, and their main task, in the context of the obligations described by the above law, is to support the Company's Board of Directors to fulfill its mission to safeguard the effectiveness of accounting and financial systems, audit mechanisms, business risk management systems, assure compliance with the legal and regulatory framework, and the effective implementation of Corporate Governance principles.

More specifically, the Audit Committee has the following responsibilities:

- To examine the effectiveness of all Management levels in relation to the safeguarding of the resources they manage and their compliance with the Company's established policy and procedures;
- To evaluate the procedures and data in terms of their adequacy as for the attainment of objectives and assess the policy and the programme concerning the activity under review;
- To audit periodically the various functions of different divisions or departments so as to ensure that their various functions are carried out regularly, comply with Management's instructions, Company policy and procedures, and that they are aligned with the Company's objectives and standards of the Management practice;
- To review internal audit reports and specifically:
- to evaluate the adequacy of their scope;
- to confirm the accuracy of reports;
- to examine the adequacy of results' support.

The Audit Committee receives the following reports for the audit activity:

- Ad-hoc reports
- Semi-annual financial audit reports
- Ordinary annual audit reports
- Corporate Governance Reports
- Stock exchange reports
- Inventory-counting reports
- Productivity Efficiency reports
- Audit Opinion

The Audit Committee examines and ensures the independence of the Company's external auditors and takes consideration of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

According to its Regulation of Operation, the Audit Committee consists of two independent and non-executive members of the Board of Directors and one non-executive member who have the necessary knowledge and experience for the Committee's work.

With the decision of the Annual General Meeting of ELVALHALCOR's shareholders dated on 23.05.2019, the Audit Committee was elected pursuant to article 44 par. 1 of Law 4449/2017 (Government Gazette A 7 / 24.01.2017), which is a three-member and consists of two Independent members of the Company's new Board of Directors, namely Messrs. Panagiotis (Takis) Athanasopoulos, Nikolaos Galetas and Nikolaos Koudounis.

All proposed Audit Committee members have proven sufficient knowledge of the sector in which the company is engaged. Mr. Panagiotis Athanasopoulos holds a Bachelor of Science in Production Manager from the Institute of Technology Illinois and post-graduate degrees (MD, PhD) in Business Administration and has a considerable expertise both professionally and academically in the field of Business Administration and Financing. Apart from his academic involvement in USA universities he has served as a Professor (1981) and a Dean (1987-1990) at the University of Piraeus, in which he is Professor Emeritus (1999). In the professional area he served as President and CEO of the company Toyota Hellas, having participated as a co-founder (1989-2000). He served as Executive Vice President & Chief Operating Officer in Toyota Europe and as Managing Officer in Toyota Motor Corporation (Japan, 2004-2006). In 2007 he was awarded with the medal of the Rising Sun, Golden and Silver Star of the Emperor of Japan. Moreover, he served as President and CEO in the Public Power Corporation (2007-2009) while holding high positions in other enterprises. Presently, he is President of IOVE, President of the Board of Directors of AGET Heracles (member of the LafargeHolcim Group), member of the Board of Directors of Union Motors Ltd-Israel, member of the Board of Directors of Transparency International-Greece and Vice President of Neptune Lines Shipping and Managing Enterprises. Mr. Nikolaos Galetas is a graduate of Engineer of the School of Electrical Engineering of the National Technical School of Athens and has occupied, amongst others, managerial positions in E.T.V.A. and E.T.E.V.A., whilst the other proposed member of the Audit Committee Mr. Nikolaos Koudounis, is a graduate of the Higher School of Economic and Commercial Sciences (A.S.O.E.E.), has served as Head of the Accounting office of HALCOR S.A. (1974-1983), as CFO in ELVAL S.A. (1983-2000) as General Manager in ELVAL S.A. (2000-2005), having considerable scientific presence with articles in journals and the press on company taxation, economy growth etc. and he also has also proven sufficient knowledge of accounting and auditing (international standards), as he performed audits as auditor for companies, in his capacity as member of the Economic Chamber and holder of A' class signatory right, according to the provisions of article 36^{α} of C.L.2190/20 as was in effect.

ii. Number of times that the Audit Committee convened and participation of members

The audit committee convened 8 times during 2019, will full quorum.

iii. Evaluation of effectiveness and performance of the Committee

The performance of the Audit Committee was evaluated as adequate and effective for the fiscal year 2019 by the Remuneration and Valuation Committee.

<u>Remuneration and Nominations Committee</u>

I. Description of the composition, operation, work, responsibilities

With its decision on 23.12.2019 the Board of Directors decided the formulation of a Remuneration and Nominations Committee. The Committee is composed of three (3), members, of which, two independent non-executive members and one non-executive member appointed by the Board of Directors and with tenure equal to the one of the Board of Directors which nominated the Committee. The Committee is comprised by Mr. Natalia Nikolaidis, and Messrs. Nikolaos Koudounis and Nikolaos Galetas. On the same meeting the Board of Directors approved the Regulation Code of the Committee. The main responsibilities of the Committee are as follows:

a) Suggests to the Company's B.D. the benefits policy both for Company and its subsidiaries.

b) Suggests to the C.B. of Directors Εισηγείται the amount of the B.D.'s Members compensation

c) Assesses, periodically, the need to update the Company's Remuneration Policy, taking into account the legislative developments, best practices, and Internal Audit Service's related findings / recommendations

d) Reviews annually the Company's and its subsidiaries' benefits level pursuant to the optimum practices as well as the remuneration levels of the respective branch, proposing, if appropriate, the necessary modifications to the benefit level and the Remuneration Policy.

e) Reviews annually the Company's staff classes, of which the activity nature has a major impact on its risk profile. The review also takes into account the nature of activities, the participation degree of the assessed staff of these classes and the in general processes observed in each stage of the activities in question.
f) Assesses the performance of the Company's and its subsidiaries' B.D. Members by assessing the skills, knowledge and experience of the B.D. Members and informs the Company's B.D. accordingly.

g) Assesses the structure, composition and size of the Company's and its subsidiaries' B.D. and submits proposals as to the appropriate changes.

h) Examines regularly the independence of the Company's B.D. non-executive Members and submits proposals as to the appropriate changes.

i) Recommends to the Company's B.D. the re-election or not of the Company's and its subsidiaries' B.D. current members, including any relevant B.D. committees, at the end of their term of office.

j) Finds and proposes candidates to fill vacant positions in the Company's and its subsidiaries' B.D., including any relevant B.D. committees. In this context, the Committee assesses the adequacy of the candidates' skills, knowledge and experience. In addition, it prepares the description of the roles, competences and commitment period required by each position.

k) Drafts a plan for the succession of the B.D. and committee's members as well as for the chief executives pursuant to the from time to time needs of the Company and its subsidiaries.

l) Examines the managers election policy and makes recommendations to fill the vacancies.

m) Within the context of its duties, the Committee examines proposals of the interested parties, including the major shareholders and the Management of the Company.

CURRICULUM VITAE OF THE BOARD MEMBERS

Theodosios Papageorgopoulos, Chairman and executive member
Mr. Papageorgopoulos is a graduate of Athens University of Economics and Business. He has been working for the Viohalco's subsidiaries since 1962 and has served as General Manager of the copper tubes division of ELVALHALCOR from 1973 to 2004. Between 2004 and this date he serves as the Chairman of the Board of ELVALHALCOR.

Kyriakopoulos Dimitrios, Vice-Chairman, executive member
Mr. Kyriakopoulos studied Business Administration at AUEB and holds a Diploma in Business Studies from the City of London College and Marketing from the British Institute of Marketing. He holds the position of the executive Vice-chairman of ELVALHALCOR and the executive Vice-chairman of Cenergy Holdings S.A. He works for Viohalco since 2006, and since that date holds various managerial positions, among which financial manager of Viohalco and vice-chairman of the non-ferrous metals. Prior to Viohalco, he had a long standing carreer in Pfizer/Warner/Lambert holding the position of Regional Director of Europe / Middle East / Africa of ADAMS (Confectionery Division of Pfizer), chairman of the consumer products of Warner Lambert for Italy/ France/ Germany, Regional Director of Middle East/Africa and President and CEO of Warner Lambert in Greece**.** He was also appointed Deputy Managing Director of Duty Free SA.

Nikolaos Koudounis, executive Member
Mr. Koudounis is a graduate of Athens University of Economics and Business. He has been working for Viohalco since 1968 and he has been the Financial Manager of the aluminium rolling division of ELVALHALCOR (former Elval) (1983), General Manager of of the aluminium rolling division of ELVALHALCOR (former Elval) (2000) and Managing Director of Fitco SA (2004). He participates as an executive director in the Boards of ELVALHALCOR SA, DIA.VI.PE.THI.V SA (Chairman of BoD), Fitco SA (Chairman of BoD) and other Viohalco subsidiaries. He is also the Chairman of the Board of Viotia Association of Industries.

Lampros Varouchas, executive Member and General Manager of the aluminium rolling division
Mr. Varouchas is an Electrical Engineer of NTUA and he has been working in the aluminium rolling division of ELVALHALCOR (former Elval) since 1969. He has served as Factory Manager and from 1983 to 2004 he was the Technical Director responsible for the implementation and design of the Company's Investment Program. Since 2005 he has been General Manager at the aluminium rolling division of ELVALHALCOR. At the same time, he is a member of the BoD and Technical Officer of Bridgnorth Aluminium Ltd.

Perikles Sapountzis, executive Member and General Manager of the copper segment
Mr. Sapountzis is a Chemical Engineer, graduated from the University of Munich and has also a PhD (TUM). He has been working for the subsidiaries of Viohalco since 1995 when hired as a sales manager in Hellenic Cables SA. From 1997 to 2000 he was Commercial Director of Tepro Metall AG. In 2000 he became General Manager of ICME ECAB SA and in 2004 took the same position in the parent company Hellenic Cables SA. Since 2008 he holds the position of General Manager of the copper tubes division of ELVALHALCOR (former Halcor SA) and is serving as Board Member of ELVALHALCOR SA.

Spyridon (Spyros) Kokkolis, executive Member and Group CFO
Mr. Kokkolis is an economist, graduate of the Athens University of Economics and Business (ex ASOEE). He has been one of Viohalco executives since 1993 originally as internal auditor. In 2002 Mr. Kokkolis was appointed as CFO of the listed Halcor Group, and after the completion of the merger of Halcor with Elval, as Group CFO of the ELVALHALCOR Group.

Georgios Katsampas, non-executive member
Mr. Katsampas holds an MBA degree from Strathclyde University in Glasgow. He is a member of Viohalco's executive staff and its subsidiaries where he has been working since 2007. He has served as Aluminium Purchasing Manager initially in the aluminium rolling division of ELVALHALCOR (former Elval) and then as Aluminium Purchasing Manager for the Group. From 2016 he has taken over Viohalco's non-ferrous metals and scrap general management, and in 2017 he was elected as a member of ELVALHALCOR's (former Halcor) Board of Directors.

Eytychios Kotsampasakis, executive Member
Mr. Kotsampasakis holds the position of Administrative Director of Halcor. He has been working for the Viohalco Group since 1965. He serves on the Board of DIA.VI.PE.THIV. SA as a Vice-President and is treasurer of the Federation of Industries of Viotia.

Konstantinos Katsaros, executive member
Mr. Katsaros is a Mechanical and Electrical Engineer of the National Technical University of Athens. He is an Aeronautical Engineer of the Ecole Nationale Superieure d 'Aeronautique (Paris) and a Ph.D. Engineer of the University of Paris. He has been working in the aluminium rolling division of ELVALHALCOR (former Elval) since 1974 and he is mainly engaged in the international development of the division. Previously he worked in Pechiney in France for 6 years. He is a member of the Board of Directors of many companies, chairman and vice chairman of the Hellenic Aluminium Association and today is a member of the Board of the European Union of Aluminium.

Stavros Voloudakis, executive member
Mr. Voloudakis is a Production and Management Engineer with MSc in Artificial Intelligence and holds the position of Deputy General Manager of the Financial and Administrative operations of the aluminium rolling division of ELVALHALCOR (former Elval)**.** He has worked in ELVALHALCOR group and its subsidiaries since 2003. In addition he holds the position of Chairman of the BoD of the subsidiary VIOMAL S.A.

Panagiotis (Takis) Athanasopoulos, Independent non-executive member
Mr. Panagiotis (Takis) Athanasopoulos holds a BSc in Production Management from the Institute of Technology Illinois and post-graduate degrees (MD, PhD) in Business Administration and has a considerable expertise both professionally and academically in the field of Business Administration and Financing. Apart from his academic involvement in USA universities he has served as a Professor (1981) and a Dean (1987-1990) at the University of Piraeus, in which he is Professor Emeritus (1999). In the professional area he served as President and CEO of the company Toyota Hellas, having participated as a co-founder (1989-2000). He served as Executive Vice President & Chief Operating Officer in Toyota Europe and as Managing Officer in Toyota Motor Corporation (Japan, 2004-2006). In 2007 he was awarded with the medal of the Rising Sun, Golden and Silver Star of the Emperor of Japan. Moreover, he served as President and CEO in the Public Power Corporation (2007-2009) while holding high positions in other enterprises. Presently, he is President of IOVE, President of the Board of Directors of AGET Heracles (member of the LafargeHolcim Group), member of the Board of Directors of Union Motors Ltd-Israel, member of the Board of Directors of Transparency International-Greece and Vice President of Neptune Lines Shipping and Managing Enterprises.

Nikolaos Galetas, Independent non-executive member
Mr. Galetas is a graduate of the Theological School of Athens University with additional studies at Technische Hochschule Wien while he is also a graduate engineer of the School of Electrical Engineering of the National Technical University of Athens. During his long career, Mr. Galetas took over managerial positions in ETBA (Greek Bank for Industrial Development) in CPC (Planning and Development Company) and in the National Investment (National Bank for Industrial Development) where he served as General Manager. He has also served as Senior Advisor to the National Investment and EFG EUROBANK PROPERTIES SA, and was a board member to numerous companies including EFG EUROBANK PROPERTIES AEAAP and ERT (vice president), and various subsidiaries of National Investment Group where he was appointed as Chairman of the Board during the years of his career to this organization. In addition, in 1990-92 he offered advice to the Ministers of Interior, Agriculture and Co-ordination. Mr. Galetas is also a member of the Board of Directors in several companies of Viohalco.

Thomas George Sofis, Independent non-executive member
Mr. Thomas George Sofis is graduate of the West Point military academy in the USA, and started his career as a pilot of the US Air Force. After that, he assumed various administrative positions in the procurement department of ACF Industries and Westinghouse Corporation. During his long-standing professional career assumed managerial positions in Reynolds Metal Co., Findal SRL and served as sales representative of ELVAL's products in Italy.

Natalia Nicolaidis, Independent non-executive member
Mrs. Nicolaidis received her Juris Doctor and Masters of Foreign Service (JD/MSFS) degrees at Georgetown University and her BA in Economics at Yale University. She also obtained her Diplôme in European Law at Bruges, Belgium from the College d'Europe. Mrs. Nicolaidis is Credit Suisse's General Counsel globally for its Investment Banking and Capital Markets Division and prior to 2014, she was the head of Credit Suisse's Investment Banking Legal Department in EMEA. Mrs. Nicolaidis was elected as non-executive member of the BoD of ELVALHALCOR in December 2018.

Elias Stassinopoulos, non-executive member
Mr. Elias Stasinopoulos holds a Ph.D. from the Technical University of Clausthal-Zellerfeld in Germany and has been working in the LHoist Group since 1994 in leading positions of responsibility. He speaks in addition to Greek, English, French, German.

Vice-Chairman of the BoD	**Copper Segment General Director & Member of the BoD**	**Deputy General Manager of Aluminium Rolling Division & Member of the BoD**	**CFO and Member of the BoD**
DIMITRIOS KYRIAKOPOULOS	**PERIKLIS SAPOYNTZIS**	**STAVROS VOLOUDAKIS**	**SPYRIDON KOKKOLIS**

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Elvalhalcor Hellenic Coppers and Aluminium Industry SA"

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of "Elvalhalcor Hellenic Coppers and Aluminium Industry SA" (Company and the Group) which comprise the separate and consolidated statement of financial position as of 31 December 2019, the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2019, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

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

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.
The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st January 2018 to 31 December 2018 during the year ended as at 31 December 2018, are disclosed in the note 32 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Loan Liabilities **(Separate and Consolidated financial statements)**	We performed the following audit procedures:
As disclosed in Note 22 of the attached financial statements, as at 31 December 2019 the Group had loan liabilities amounting to Euro 615mn, of which amount Euro 74.6mn related to instalments of long-term and syndicated loans and finance lease liabilities, expiring in the short-term as at the balance sheet date. The contracts of the long-term syndicated loans contain financial covenants and other terms, such as change of control clauses. As disclosed in Note 22 of the attached financial statements, in 2019 the Group has obtained new loan contracts of Euro 87 mn, and agreed the maturity extension of existing loans amounting to Euro 70.5mn. For the evaluation of refinancing and the available future cash flows of the Group, management applied assumptions and estimates. The risk of non-compliance to the terms of the loan agreements was considered a significant audit risk. For these reasons,	• We obtained the agreements of the long term and syndicated loans and gained understanding of the terms of the agreements. • We recomputed financial loan covenants ratios and confirmed the assessment of the management in relation to compliance with those covenant ratios. • We examined the accounting classification of the new and amended contract relating to the main loans. • We tested the key assumptions used by the Group in the future cash flows • We assessed the reliability of management's forecast by reviewing actual performance against previous forecasts.

we consider this area to be a key audit matter.	• We tested the mathematical accuracy of the cash flow models and agreed relevant data to approved financial budgets. • We assessed management's estimate as regards the adequacy of future cash flows relating to the repayment of loan obligations of the Group. • As a result of our work, we did not identify exceptions as regards, recognition, measurement and classification of the loan liabilities and considered that the assumptions and estimates of management are within reasonable range. We found that the related disclosures included in the financial statements were adequate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statement of Members of the Board of Directors, Report of the Board of Directors, Explanatory Report of the Board of Directors, Corporate Governance Report and the Non-financial statements (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by

article 152 of Law 4548/2018 has been prepared.
Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 26/5/2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 3 years.

Athens, 12 March 2020
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701

Annual Financial Statements (Group and Company) as at 31 December 2019 according to International Financial Reporting Standards

THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	THE GENERAL DIRECTOR OF THE COPPER SEGMENT AND MEMBER OF THE BOD	THE DEPUTY GENERAL MANAGER OF THE ALUMINIUM ROLLING DIVISION AND MEMBER OF THE BOD	THE GROUP CHIEF FINANCIAL OFFICER
DIMITRIOS KYRIAKOPOULOS ID Card No. AK 695653	PERIKLIS SAPOUNTZIS ID Card No. AK 121106	STAVROS VOLOUDAKIS ID Card No. AE 620963	SPYRIDON KOKKOLIS ID Card No. AN 659640 Reg.Nr. A' Class 20872

ELVALHALCOR SA

G.C.Registry.: 303401000

SA Registry No: 2836/06/B/86/48

SEAT: Athens Tower, Building B, 2-4Mesogeion Avenue

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I. Statement of Financial Position

		GROUP		COMPANY	
		2019	2018	2019	2018
ASSETS	Note	€ '000	€ '000	€ '000	€ '000
Non-current assets					
Property, plant and equipment	10	813,265	720,564	543,612	459,754
Right of use assets	33	19,274	-	17,292	-
Intangible assets and goodwill	11	79,983	76,527	71,068	70,447
Investment property	12	6,589	6,838	20,045	19,591
Investments in subsidiaries	13	0	-	264,672	251,472
Investments in associates	13	85,801	82,846	80,965	82,661
Other Investments	14	3,611	3,853	1,682	3,853
Deferred income tax assets	15	1,167	1,717	-	-
Derivatives	18	1	3	1	3
Trade and other receivables	17	2,629	2,650	2,374	2,473
		1,012,320	**894,998**	**1,001,710**	**890,253**
Current Assets					
Inventories	16	469,952	519,218	300,058	343,286
Trade and other receivables	17	215,700	218,286	195,619	200,317
Income tax receivables		1,577	191	-	-
Derivatives	18	949	3,115	861	2,202
Cash and cash equivalents	19	48,688	34,241	16,243	22,470
		736,865	**775,050**	**512,781**	**568,275**
Assets held for sale	34	4,495	4,495	-	-
Total assets		**1,753,680**	**1,674,543**	**1,514,491**	**1,458,528**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	20	146,344	146,344	146,344	146,344
Share premium	20	65,030	65,030	65,030	65,030
Treasury Stock		-	-	-	-
Translation Reserve & Other reserves	20	305,261	281,103	315,592	291,906
Retained earnings/(losses)		230,553	224,310	200,460	202,634
Equity attributable to owners of the company		**747,188**	**716,788**	**727,427**	**705,914**
Non-Controlling Interest		14,084	13,679	-	-
Total equity		**761,272**	**730,468**	**727,427**	**705,914**
LIABILITIES					
Non-current liabilities					
Loans and Borrowings	22	440,374	372,905	361,663	299,841
Lease liabilities	22	11,813	11,511	10,502	11,511
Derivatives	18	12	101	12	101
Deferred tax liabilities	15	58,783	58,024	48,950	47,714
Employee benefits	23	17,929	15,584	12,776	11,270
Grants	24	17,365	19,602	9,811	11,067
Provisions	25	1,410	1,410	1,260	1,260
		547,685	**479,136**	**444,972**	**382,763**
Current liabilities					
Trade and other payables	26	258,979	244,506	211,850	209,222
Contract liabilities		8,722	9,238	6,802	7,425
Current tax liabilities		13,099	14,178	12,087	9,520
Loans and Borrowings	22	158,595	191,225	107,005	137,984
Lease liabilities	22	3,798	2,328	3,091	2,328
Derivatives	18	1,369	3,301	1,147	3,263
Provisions	25	162	162	110	110
		444,723	**464,939**	**342,093**	**369,852**
Total liabilities		**992,408**	**944,075**	**787,065**	**752,614**
Total equity and liabilities		**1,753,680**	**1,674,543**	**1,514,491**	**1,458,528**

The notes on pages 55 to 116 constitute an integral part of these Financial Statements.

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. Reporting Line “Lease liabilities” includes lease liabilities in total (see Note 33).

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

II. Income Statement

		GROUP		COMPANY	
		2019	2018	2019	2018
EUR	Note	€ '000	€ '000	€ '000	€ '000
Revenue	*6*	**2,044,606**	**2,117,789**	**1,429,922**	**1,486,972**
Cost of sales	*8*	(1,899,542)	(1,950,840)	(1,328,002)	(1,374,859)
Gross profit		**145,064**	**166,948**	**101,920**	**112,112**
Other Income	*7*	11,928	14,093	11,712	9,749
Selling and Distribution expenses	*8*	(21,284)	(21,468)	(11,323)	(10,472)
Administrative expenses	*8*	(47,771)	(42,909)	(33,391)	(31,377)
Impairment loss on receivables and contract assets		437	(505)	11	(149)
Other Expenses	*7*	(8,334)	(9,108)	(6,109)	(4,494)
Operating profit / (loss)		**80,038**	**107,051**	**62,820**	**75,370**
Finance Income	*9*	231	137	364	418
Finance Costs	*9*	(25,640)	(32,313)	(18,820)	(23,530)
Dividends		50	20	2,355	1,691
Net Finance income / (cost)		**(25,358)**	**(32,156)**	**(16,101)**	**(21,420)**
Impairment losses on investments	*13*	-	-	(300)	-
Share of profit/ (loss) of equity-accounted investees	*13*	3,500	953	-	-
Profit/(Loss) before income tax		**58,179**	**75,849**	**46,419**	**53,949**
Income tax expense	*15*	(16,238)	(11,546)	(13,503)	(6,610)
Profit/(Loss) for the year		**41,942**	**64,303**	**32,916**	**47,339**
Attributable to:					
Owners of the Company		41,304	63,646	32,916	47,339
Non-controlling Interests		638	656	-	-
		41,942	**64,303**	**32,916**	**47,339**
Shares per profit to the shareholders for period (expressed in € per share)					
Basic and diluted		0.1101	0.1806	0.0877	0.1343

The notes on pages 55 to 116 constitute an integral part of these Financial Statements.

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. (see Note 33). Reporting Line "Lease liabilities" includes lease liabilities in total (see Note 33).

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HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

III. Statement of Other Comprehensive Income

	Note:	GROUP 2019 € '000	GROUP 2018 € '000	COMPANY 2019 € '000	COMPANY 2018 € '000
Profit / (Loss) of the period from continued operations		**41,942**	**64,303**	**32,916**	**47,339**
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit liability	*23*	(1,496)	(139)	(1,184)	(281)
Equity investments in FVOCI - net change in fair value		(843)	-	(843)	-
Related tax		575	56	486	81
Total		**(1,764)**	**(83)**	**(1,540)**	**(201)**
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences		(326)	(166)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion		(454)	(2,275)	(297)	(1,074)
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss		680	(618)	1,159	(1,770)
Other movements		2,117	-	-	-
Related Tax		(132)	638	(311)	825
Total		**1,885**	**(2,420)**	**551**	**(2,020)**
Other comprehensive income / (expense) after tax		**121**	**(2,503)**	**(990)**	**(2,220)**
Total comprehensive income / (expense) after tax		**42,062**	**61,800**	**31,927**	**45,119**
Attributable to:					
Owners of the company		41,426	61,239	31,927	45,119
Non-controlling interests		636	561	-	-
Total comprehensive income / (expense) after tax		**42,062**	**61,800**	**31,927**	**45,119**

The notes on pages 55 to 116 constitute an integral part of these Financial Statements.

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. (see Note 33). Reporting Line “Lease liabilities” includes lease liabilities in total (see Note 33).

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IV. Statement of Changes in Equity

GROUP € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Foreign Exchange translation reserve	Total	Non-Controlling Interest	Total Equity
Balance as at 1 January 2018	**146,344**	**65,030**	**69,588**	**212,556**	**161,796**	**197**	**655,511**	**12,905**	**668,416**
Adoption of IFRS 9	-	-	-	-	(647)	-	(647)	(12)	**(659)**
Adoption of IFRS 15	-	-	-	-	911	-	911	-	**911**
Adjusted Balances as at 1 January 2018	**146,344**	**65,030**	**69,588**	**212,556**	**162,060**	**197**	**655,775**	**12,894**	**668,669**
Net Profit / (Loss) for the period	-	-	-	-	63,646	-	63,646	656	**64,303**
Other comprehensive income	-	-	-	(2,255)	13	(166)	(2,407)	(96)	**(2,503)**
Total comprehensive income	-	-	-	(2,255)	63,660	(166)	61,239	561	**61,800**
<u>Transactions with the shareholder's directly in equity</u>									
Transfer of reserves	-	-	-	1,183	(1,183)	-	-	-	**-**
Acquisition of NCI	-	-	-	-	(225)	-	(225)	225	**-**
Total transactions with the shareholders	-	-	-	1,183	(1,408)	-	(225)	225	-
Balance as at 31 December 2018	**146,344**	**65,030**	**69,588**	**211,485**	**224,312**	**31**	**716,790**	**13,679**	**730,469**
Balance as at 1 January 2019	**146,344**	**65,030**	**69,588**	**211,485**	**224,312**	**31**	**716,790**	**13,679**	**730,469**
Net Profit / (Loss) for the period	-	-	-	-	41,304	-	41,304	638	**41,942**
Other comprehensive income	-	-	-	(553)	1,002	(326)	122	(2)	**121**
Total comprehensive income	-	-	-	(553)	42,306	(326)	41,426	636	**42,062**
<u>Transactions with the shareholder's directly in equity</u>									
Transfer of reserves	-	-	-	25,037	(25,037)	-	-	-	**-**
Dividend	-	-	-	-	(11,257)	-	(11,257)	-	**(11,257)**
Change in ownership interests	-	-	-	-	231	-	231	(231)	**-**
Total of transactions with the Shareholder's	-	-	-	25,037	(36,063)	-	(11,026)	(231)	**(11,257)**
Balance as at 31 December 2019	**146,344**	**65,030**	**69,588**	**235,969**	**230,555**	**(295)**	**747,190**	**14,084**	**761,274**

The notes on pages 55 to 116 constitute an integral part of these Financial Statements.

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. Reporting Line "Lease liabilities" includes lease liabilities in total (see Note 33).

COMPANY € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Total
Balance as at 1 January 2018	**146,344**	**65,030**	**83,153**	**210,773**	**155,618**	**660,919**
Adoption of IFRS 9	-	-	-	-	(123)	**(123)**
Adjusted Balances as at 1 January 2018	**146,344**	**65,030**	**83,153**	**210,773**	**155,495**	**660,795**
Net Profit / (Loss) for the period	-	-	-	-	47,339	**47,339**
Other comprehensive income	-	-	-	(2,020)	(201)	**(2,220)**
Total comprehensie income	**-**	**-**	**-**	**(2,020)**	**47,138**	**45,119**
Balance as at 31 December 2018	**146,344**	**65,030**	**83,153**	**208,753**	**202,634**	**705,914**
Balance as at 1 January 2019	**146,344**	**65,030**	**83,153**	**208,753**	**202,634**	**705,914**
Net Profit / (Loss) for the period	-	-	-	-	32,916	**32,916**
Other comprehensive income	-	-	-	(90)	(900)	**(990)**
Total comprehensie income	-	-	-	(90)	32,017	**31,927**
Transactions with the shareholder's directly in equity						
Transfer of reserves	-	-	-	22,933	(22,933)	**-**
Spin off reserve	-	-	-	843	-	**843**
Dividend	-	-	-	-	(11,257)	**(11,257)**
Total transactions with the shareholders	-	-	-	23,776	(34,190)	**(10,414)**
Balance as at 31 December 2019	**146,344**	**65,030**	**83,153**	**232,439**	**200,460**	**727,427**

The notes on pages 55 to 116 constitute an integral part of these Financial Statements.

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. Reporting Line “Lease liabilities” includes lease liabilities in total (see Note 33).

V. Statement of Cash-Flows

		GROUP		COMPANY	
		2019	2018	2019	2018
Cash flows from operating activities		**€ '000**	**€ '000**	**€ '000**	**€ '000**
Profit / (loss) after taxes		41,942	64,303	32,916	47,339
Adjustments for:					
Tax		16,238	11,546	13,503	6,610
Depreciation and Amortization		**57,359**	**58,114**	**37,768**	**39,282**
Depreciation of tangible assets		55,758	58,838	35,458	38,798
Depreciation of right of use assets		2,274	-	1,579	-
Depreciation of intangible assets		984	1,070	771	654
Depreciation of Investment Property		227	162	1,215	1,142
Amortization of grants		(1,884)	(1,955)	(1,256)	(1,311)
Finance Income		(231)	(137)	(364)	(418)
Dividends		(50)	(20)	(2,355)	(1,691)
Share of profit/ (loss) of equity-accounted investees, net of tax		(3,500)	(953)	300	-
Interest charges & related expenses		25,640	32,313	18,820	23,530
(Profit) / loss from sale of tangible assets		(290)	(231)	(572)	(10)
(Profit) / loss from sale of intangible assets		(1)	-	(1)	-
(Profit) / loss from sale of investment property		(124)	-	-	-
Impairment/ (Reversal of Impairment) on fixed assets		671	-	397	-
Loss from assets and investment property write off		218	172	67	-
Impairment of inventories		(2,931)	3,978	(824)	824
Impairment/ (Reversal of Impairment) of receivables		(437)	505	(11)	149
(Other provisions)/Reversal of provisions		(0)	627	-	1,823
		134,505	**170,217**	**99,644**	**117,439**
Decrease / (increase) in inventories		52,197	(89,943)	44,052	(63,106)
Decrease / (increase) in receivables		3,023	(19,261)	4,688	(9,594)
(Decrease) / Increase in liabilities (minus banks)		22,446	73,486	(8,290)	68,539
(Decrease) / Increase in defined benefit obligation		2,346	268	1,506	(508)
(Decrease) / Increase in contract liabilities		(516)	462	(623)	-
		79,496	**(34,987)**	**41,333**	**(4,669)**
Interest charges & related expenses paid		(28,482)	(33,112)	(21,173)	(24,029)
Income tax paid		(11,462)	(7,794)	(5,244)	(4,592)
Net Cash flows from operating activities		**174,057**	**94,323**	**114,560**	**84,148**
Cash flows from investing activities					
Purchase of tangible assets	10	(163,756)	(92,247)	(127,691)	(73,056)
Purchase of intangible assets	11	(316)	(603)	(147)	(294)
Purchase of investment property	12	(13)	-	-	-
Proceeds from sales of fixed assets		1,546	285	4,243	25
Proceeds from sales of intangible assets		35	-	40	-
Proceeds from sale of other investments		1,263	-	1,263	-
Dividends received		50	20	2,355	1,691
Interest received		231	126	364	418
Acquisition of investments		(6,416)	(9,004)	(8,000)	(9,002)
Acquisition of other investments		(35)	(13)	(25)	(13)
(Increase in participation)/share capital decrease		(4,200)	(6,592)	(8,820)	(6,147)
Cash acquired from business combinations		-	1,511	-	-
Net Cash flows from investing activities		**(171,611)**	**(106,516)**	**(136,417)**	**(86,376)**
Cash flows from financing activities					
Dividends paid		(11,257)	-	(11,257)	-
Loans received		159,973	181,335	109,074	77,060
Loans settlement		(132,877)	(173,194)	(78,231)	(82,510)
Payment of lease liabilities		(3,836)	(3,152)	(3,956)	(2,426)
Net cash flows from financing activities		**12,002**	**4,989**	**15,629**	**(7,876)**
Net (decrease)/ increase in cash and cash equivalents		**14,448**	**(7,204)**	**(6,227)**	**(10,104)**
Cash and cash equivalents at the beginning of period		34,241	41,446	22,470	32,574
Foreign exchange effect on Cash and Cash equivalents		-	(2)	-	-
Cash and cash equivalents at the end of period		**48,688**	**34,241**	**16,243**	**22,470**

The notes on pages 55 to 116 constitute an integral part of these Financial Statements.

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. Reporting Line “Lease liabilities” includes lease liabilities in total (see Note 33).

2018 figures have been resclassified for comparability reasons.

1. Incorporation and Group Activities:

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A was created by the merger by absorption of “ELVAL HELLENIC ALUMINIUM INDUSTRY S.A.” (hereinafter “ELVAL”) by the listed “HALCOR METAL WORKS S.A.” (hereinafter “HALCOR”) with the 131569/30-11-2017 of the Ministry of Economy and Development.

The duration of the company has been set until 31.12.2200. It is listed on Athens Stock Exchange and is a subsidiary of Viohalco. The Company is registered at the Companies registry (M.A.E.) with number 2836/06/B/86/48 and at the General Commercial Registry (GEMI) with registration number 303401000.

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2019 include the individual financial statements of ELVALHALCOR and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 30 of the Financial Statements.

The Financial Statements of ELVALHALCOR are included in the consolidated Financial Statements of Viohalco SA/NV that is traded on the EURONEXT stock exchange in Belgium as well as in the Athens Exchange.

The principal activities of the Group lie in the production, processing and trade and representation of products made of copper, copper alloys, aluminium, aluminium alloys and zinc as well as from other metals or alloys, and any type of their products. The Group is operating in Greece, Bulgaria and Turkey.

The Company is seated in Greece, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525, Athens. The central offices of the Company and its contact address are located at the 62nd km of "Athens-Lamia" National Highway, Inofyta (Pref. of Viotia), GR-32011. The company's website is www.elvalhalcor.com.

2. Basis of preparation of the Financial Statements

(a) Compliance note

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the IASB may differ from those adopted by the European Union.

The financial statements ended 31 December 2019 were approved for publication by the Company’s Board of Directors on 12th of March, 2020 and remain under the approval of the General Assembly of Shareholders.

(b) Measurement basis

The Financial Statements have been prepared in accordance with the historical cost principle except the financial assets held for sale and the derivatives that are measured at fair value through profit and loss (FVTPL) and investments measured at fair value through other comprehensive income (FVOCI).

(c) Functional exchange rate and presentation

The Financial Statements are presented in Euro, which is the Company’s functional currency. The amounts indicated in the Financial Statements are denominated in thousands of Euro and are rounded up/down to the nearest thousand (any differences in sums are due to rounding up/down).

(d) Application of estimates and judgments

Preparing financial statements in line with the IFRS requires that Management take decisions, make assessments and assumptions which affect the implementation of accounting policies, and the book amounts of assets, liabilities, income and expenses. The actual results may finally differ from such estimates.

Estimates and related assumptions are continuously revised. These revisions are recognized in the period they were made and any subsequent ones.

Specific information about the areas for which estimates are uncertain and vital decisions must be made with respect to the application of accounting policies having a considerable effect on the amounts posted in financial statements is given in the notes below:

Significant Estimates

- Valuation of assets that are not measured at fair values: The Group and the company make estimates regarding any impairment of the fixed assets which are not measured in fair values (Investments in subsidiaries and associates, Intangible assets, Property, Plant and Equipment, Receivables from customers and contract assets and Investment property).
- Recoverability of deferred tax assets: The Group and the Company makes estimates in regards to future profits so losses can be offset for which the deferred tax assets have been created. The Group and the Company make estimates whether these deferred tax assets can be recovered, using the forecasted future taxable income in accordance to the approved business plan and the budget of each subsidiary.
- Uncertainty about taxes of prior years: The Group and the Company make estimates in regards to the possibility of imposition by the tax authorities taxes and penalties for prior fiscal years as well as estimates about the potential amount. For the calculation of the provisions the Group and the Company make estimates based on the results of the prior year tax audits.
- Assesment of goodwill impairment: The group assessed the impairment in goodwill.

3. New principles

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1st January 2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 16 'Leases'

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Regarding the accounting treatment, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect of this standard on the Group is presented in note 33 of the present document.

IFRS 9 (Amendments) 'Prepayment Features with Negative Compensation'

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

IAS 28 (Amendments) 'Long term interests in associates and joint ventures'

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

IFRIC 23 'Uncertainty over income tax treatments'

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) 'Plan amendment, curtailment or settlement'

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

IFRS 3 'Business combinations'

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 'Joint arrangements'

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 'Income taxes'

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 'Borrowing costs'

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 17 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021)

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

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

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

IAS 1 and IAS 8 (Amendments) 'Definition of material' (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

4. Significant accounting principles

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by all Group companies.

1.1. Basis of consolidation

a) Business combinations

The acquisitions of subsidiaries accounted under the purchase method on the date of acquisition, the date on which control is transferred to the Group. Control power is the power of operating and financial policies of an enterprise so as to benefit from the activity. In assessing control, the Group takes account of potential voting rights that presently may be exercisable.

The goodwill arises from the acquisition of subsidiaries and constitutes the exceeding amount between the sum of purchase price and the amount of the non-controlling participation to the acquired entity at the date of acquisition and the fair value of the net assets acquired. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets then the difference of a bargain purchase is recognized in the profit and loss.

Any expenses related to the acquisition are posted directly on the profit and loss. Any consideration transferred is recognized at fair value at the acquisition date.

b) Accounting for acquisitions of minority interests

Acquisitions of minority interests are accounted as transactions of shareholders and percentages and therefore no goodwill is recognized in such transactions. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets of the subsidiary acquired, then the difference of a bargain purchase is recognized in the profit and loss

c) Subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

e) Investments in associates and joint ventures

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. A joint venture is an arrangement in which ELVALHALCOR has joint control, whereby ELVALHALCOR has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Investments in associates and joint ventures are accounted for using the equity method and recognised initially at their acquisition cost. The Group’s investments in associates include goodwill identified on acquisition, net of any accumulated impairment losses. In the consolidated financial statements, the Group represents the ratio of the results and the total income after any changes in accounting principles to be comparable to those of the Group from the date of obtaining significant influence until the date we lose it. When the Group’s share of losses exceeds its interest in an investment in associate or joint venture the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company’s financial statements, investments in associates and joint ventures are recorded at cost minus any impairment that may occur.

f) Transactions eliminated in consolidation

Inter-company transactions, balances and unrealised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between associates or joint ventures are eliminated against the Group's stake in the affiliated company. The same applies to non-realised losses, unless there are indications that the value of the assets that was transferred have been impaired.

g) Business combinations under common control

IFRS 3 “Business Combinations” does not apply to mergers of companies under common control and no guidance from IFRS applies for such transactions. According to paragraphs 10 to 12 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” the Group selects to apply the method of acquisition as described in IFRS 3 for such transactions, as stated above.

1.2. Foreign currency

a) Transactions and balances

Transactions that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions during the period and from the conversion of monetary assets that are expressed in a foreign currency based on the exchange rate that is applicable on the balance sheet date are recorded in the profit and loss statement.

b) Transactions with Group companies in different currency

The financial statements of Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities of foreign activities including goodwill and fair value adjustments arising during consolidation are converted into Euro based on the official exchange rate for the foreign currency that is in effect on the balance sheet date.
- Income and expenses are converted into Euro on the basis of the average rate of the foreign currency during the year which approaches the exchange rate in effect on the date of transactions.
- Any foreign exchange difference that may arise is recorded in an equity reserve named "Foreign exchange differences due to consolidation" through OCI and transferred to profit and loss when these companies are sold.

1.3. Financial instruments

a) Recognition and Measurement on initial recognition

An asset or liability is recognised on the date that is received by the entity, after the Management takes into consideration the business model and the purpose of the acquisition.

b) Trade and other receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their amortized cost less impairment losses. Impairment losses are recognised when there are objective indications that the Group is not in a position to collect all or part of the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of the estimated future cash flows. The amount of provision is recognised in the income statement as an expense.

In regards to the provision for expected credit losses, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has identified the ratings by ratings agencies for a customer who is rated individually, and the country rating in the case of a non-rated customer, as identifiers of the expected credit loss and accordingly adjusts the provision after those factors.

c) Cash and cash equivalents

Cash and cash equivalents include cash balances, sight deposits and short-term, high-liquid and low-risk investments.

d) Other investments

In this category included non-derivative financial assets for which the management, based on the company's business model has classified these instruments at FVOCI, take into account the provisions of IFRS 9.The acquisitions and sales of these assets are recognised on the date of the transaction, which is the record date that Group and Company is obliged to acquire or sale the investment. The investments initially recognised at fair value more acquisition costs. Any subsequent changes in fair value are recognised in other comprehensive income (OCI).

e) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as "Short-term Liabilities" unless the Group has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern. The recognition stops when the contractual obligations cancelled, terminated or sold.

f) Trade liabilities

Trade liabilities are initially booked in fair value and are subsequently valued at their amortized cost based on the effective interest rate method.

1.4. Derivatives and hedge accounting

The Group established a 'risk management strategy' as holds derivative instruments to offset the risk of foreign currency change. Derivatives are initially and subsequently recognized at fair value. The method of recognizing gains and losses depends on whether derivatives designated as hedging instruments or as held for trading.

The Group documents at the inception of the transaction the relationship between instruments of hedging and hedged items as well as the strategic management of risk. At the conclusion of the contract and on an ongoing basis later recorded assessment of the high efficiency of hedging for both fair value hedges and for cash flow hedges. To offset future transaction demonstrates the possibility of completing the transaction.

a) Fair value hedging

Changes in the fair value of derivatives which are defined as fair value hedges are posted to the results as are the changes in the fair value of the hedged assets which are attributed to the risk offset.

b) Cash flow hedging

The effective proportion of change in the fair value of derivatives defined as cash flow hedge are posted to an equity reserve. The gain or loss on the non-effective proportion is posted to the results. The amounts posted as an equity reserve are carried forward to the results of the periods where the hedged assets affect profits or losses. In cases of hedging forecast future transactions which result in recognition of a non-monetary asset (e.g. inventory) or liability, profits or losses which had been posted to equity are carried forward to acquisition cost of the non-financial asset generated.

When a hedge matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to 'Equity' remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to 'Equity' are carried forward to the income statement.

1.5. Share capital

The share capital consists of common shares. Direct expenses for the issuance of shares appear after deducting the relevant income tax, reducing the amount of growth.

1.6. Property, plant and equipment

a) Recognition and measurement

Non-current assets include Land, Buildings, Machinery, Transportation equipment, Furniture and other equipment are shown at acquisition cost, less subsequent depreciation. Items of Property Plant and equipment should be recognised as assets as costs incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is probable that the future financial benefits will accrue to the Group or the Company and the cost can be reliably measured. The cost of repairs and maintenance is posted to the results when incurred.

Upon sale of tangible assets, the differences between the proceeds and the carrying value is recorded as gains or losses on the results and the item 'Other operating income' or 'Other operating expenses "as appropriate. When the book value of tangible assets exceeds its recoverable amount, the difference (impairment loss) is recognized immediately as an expense in the income statement.

b) Depreciation

Plots – lots (Land) and assets under construction are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method during the estimated useful life of fixed assets and their segments if they have a different useful life. The estimated useful life of these categories is as follows:

Buildings	20-50	years
Machinery & equipment	1-40	years
Transportation equipment	4-15	years
Furniture and fixtures	1-8	years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date, if deemed necessary.

1.7. Intangible assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be finite or indefinite. The cost of intangible assets with a definite useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

Intangible assets with indefinite useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets which ranges from 3 to 5 years.

Expenses required to develop and maintain software are posted as expenses in the income statement during the year they incur.

1.8. Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss. Investment property is measured at cost less accumulated depreciation. If the net book value of the investment property exceeds the recoverable amount, the difference is posted as an impairment in the Statement of Profit and Loss.

The land-plots included in the investment property are not depreciated. The depreciation of the buildings are calculated on a straight line method based on their useful life.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the profit or loss.

1.9. Assets Held for sale

Assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

1.10. Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. Acquisition cost is determined by applying the annual average weighted cost method and includes the cost to buy, produce or manufacture and other expenses so as to acquire its current condition and location and the ratio of production expenses. The cost may include any transfer from the cash flow hedging reserve. Net realisable value is assessed based on current sale prices of inventories in the course of ordinary activities less any termination and sales expenses which apply to the case.

1.11. Impairment

(a) Non-derivative financial assets

The carrying values of Group financial assets not recognized at fair value through profit or loss, including investments accounted for by the equity method, are examined in each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired include:

- bankruptcy of a debtor or designation as insusceptible to recovery
- amount of debt adjustment because of changing conditions of payment,
- evidence that due to adverse economic conditions, the borrower or issuer will go into bankruptcy,
- adverse developments in the method of payment of borrowers or issuers.
- the disappearance of an active market for a share or
- observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets.

Assigned financial assets at amortized cost

The Group recognizes an indication of impairment of these assets both at independent asset and at entire. All individually significant assets reviewed individually for impairment. Whatever is not impaired individually, is collectively evaluated for impairment. Assets that are not individually significant, are collectively evaluated for impairment. Collective assessment results from the aggregation of assets with common risk characteristics.

An impairment loss is recognized as the difference between the carrying amount of the asset and the present value of expected future cash flows at the effective interest rate. The loss is recognized in the income statement as a provision. Where the Group decides that there is no realistic reason to restore the carrying amount of the asset, the provision deleted. If the amount of the impairment loss decreases and the decrease is linked to an objective event occurring after the impairment, then the original impairment loss was reversed and recognized in the Income Statement.

Investments accounted for by the equity method

Impairment loss on investments accounted for by the equity method is measured by comparing the recoverable amount of the investment with its carrying value. Impairment is recognized in profit and loss and is reversed if there is a favorable reversal in the estimates used to determine the recoverable amount of the investment.

(b) Non-financial assets

Excluding goodwill and fixed assets with unlimited lives, which are tested for impairment at least annually, the carrying amounts of other non-financial assets of non-current term assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life are not amortized but are examined to impairment testing annually and when certain events demonstrate that the carrying amount may not be recoverable.

The recoverable amount of the asset or cash-generating unit is the higher of value in use and fair value less any costs to sell. The value in use is based on expected future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk directly associated with the asset or cash-generating units.

Impairment is recognized if the carrying amount exceeds the estimated recoverable amount.

Impairment is recognized in the Income Statement.

The impairment of goodwill is not reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount to the extent it does not exceed the carrying amount of the asset (net of depreciation) that would have been determined if he had not registered the loss.

Goodwill is not amortized although is examined annually or more frequently if any events demonstrate or any other changes to conditions occur that its value may impaired. On the acquisition date (or on the date of the completion of the relevant allocation of the redemption price), goodwill that acquired, allocated to cash generating units that are expected to benefit from this unit or to cash generating units.

If the carrying amount of the cash generated unit, included the allocated goodwill, exceeds its recoverable amount, then an impairment loss is recognized. Impairment loss is recognized at the statement of profit and loss and is not reversed.

1.12. Employee benefits

(a) Short-term benefits

Short-term benefits to staff in cash and kind are posted as expenses when accrued. A liability is recognized for the amount expected to be paid as benefit to the staff and its executives if there is a legal or contractual obligation to pay this amount as a result of employee services and insofar as such liability can be reliably measured.

(b) Defined-contribution Plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognized as expense in profit or loss at the time they are due.

(c) Defined-Benefit Plans

Defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is the current value of the future benefit of the employee for these services for the defined benefit less the fair value of the plan assets and changes arising from the non-posted actuarial gains and losses and the past service cost. The discount rate corresponds to the rate of return on high-quality fixed income investments of the appropriate maturity. Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

The past service cost is recorded directly in the income statement with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case the past service cost is recorded in the income statement using the straight-line method within the maturity period.

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees that will make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability.

1.13. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. In addition, the amount of this obligation should be reliably measurable. Provisions are re-examined on each balance sheet date and, if it is likely that there will no longer be an outflow of resources to settle the obligations, the provisions are reversed. Provisions are used only for the purpose for which they were originally created. No provisions are recognized for future losses. Contingent assets and contingent liabilities are not recognized in the financial statements.

1.14. Income

(a) Sales of copper goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(b) Sales of aluminium goods

Income from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the purchaser, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured and no continuous involvement in goods management applies. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(c) Services

Revenue from the sale of services is recognised in the period in which the services are rendered, on the basis of the stage in completion of the actual service to the services as a whole.

(d) Income from interest

Income from interest is recognised when the interest becomes accrued (based on the effective interest rate method).

(e) Income from dividends

Dividends are recognised as income when the right of the Group to receive payment is established.

(f) Income from rents

Rents are recognized as revenue on a straight course in the lease.

1.15. Government grants

Government grants for investments in assets are recognised as accrued income where there is a reasonable assurance that the grant will be received and the Group will comply with all relevant conditions. Government grants relating to the purchase of fixed assets are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

Government grants compensating the Group for expenses are recognized in the results so that these will match the expenses that they will cover.

1.16. Leases

<u>The Group as a lessor</u>

From 1 January 2019, leases are recognized in the statement of financial position as a right of use of assets and the respective lease liability, on the date the leased asset is available for use. The effect of applying the standard on 1 January 2019 is described in note 33.

Lease liabilities include the present value of fixed future payments, variable leases, which depends on an index or interest rate, which are initially measured with the use of an index or interest rate at date of commencement of the lease term, the amounts expected to be paid under guaranteed residuals value, the exercise price of the purchase option, if it is certain that the Company will exercise that right, and the payment of a penalty for termination of the lease if the duration of the lease reflects the exercise of its right Company for termination of the lease.

The above lease payments are discounted at the interest rate implicit in the lease or, if this rate cannot be reliably determined by the incremental borrowing rate of the lessee. The incremental borrowing rate is the rate at which the lessee would be charged to borrow the necessary capital to acquire an asset of similar value to the leased asset for a similar period of time period, with similar collateral and in a similar economic environment.

For these lease categories where payments include fixed payments on non-leases, the Group has choose not to separate them from the leases and to include them in the lease obligation.

After initial recognition, lease liabilities increase with the financial cost and decrease with the interest expense. payment of rents. Lease liabilities are remeasured to reflect any revaluations or modifications to the lease.

Rights of use are initially measured at cost, and subsequently reduced by amount of accumulated depreciation and impairment.

The initial recognition cost of a right to use of the asset includes the amount of the initial measurement of the lease liability, any lease payments on the date of the lease commencement period or before, less any lease incentives received, any initial direct costs, and estimating any costs of disassembling or removing the underlying asset.

Depreciation is carried out using the straight-line method over the shorter period between the entity's useful life of the asset and the duration of the lease. When the lease obligations include an exercise price for the right to purchase the underlying asset the rights to use are amortized over the period useful life of these elements.

The Group has chosen to use recognition exemptions determined by the standard for all lease categories in short-term leases, ie leases of less than 12 months duration, and leases in which the underlying asset has low value. For the above leases, the Company recognizes the leases at statement of profit or loss as an expense with the straight-line method over the term of the lease.

The Group as lessee

Leasing contracts in which the Group is a lessor are classified as financial or operating. The lease contracts of the Group as at 31 December 2018 and 31 December 2019 related exclusively to operating leases.

1.17. Income tax and deferred tax

The income tax of the year includes both current and deferred tax. Income tax is posted in profit or loss save any cases concerning items directly posted to Equity, in which case it is recognized in Equity.

Current income tax is the tax expected to be paid on the taxable income for the year, based on enacted tax rates on the balance sheet date, and any adjustment to prior-period payable tax.

Deferred income tax is calculated using the liability method which arises from temporary differences between the book value and taxation basis of the assets and liabilities. Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled. The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

Deferred tax assets are recognised only to the extent that there will be a future taxable profit for use of the temporary difference generating the deferred tax assets. Deferred tax assets are reduced when the relevant tax benefit is realized.

Additional income taxes arising from the allocation of dividends are posted in the same year with the obligation to pay the relevant dividend.

1.18. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

1.19. Earnings per share

The Group presents both basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the profits or loss attributable to holders of common shares by the average weighted number of outstanding common shares during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of common shares and the average weighted number of outstanding common shares by the effect of all diluted eventual common shares consisting of convertible notes and shares with options granted to the staff.

1.20. Borrowing Cost

The borrowing cost that is directly linked with the purchase, construction or production of fixed assets for which a considerable amount of time is required so they can be completed for use or sale, is added to the cost of those assets until the time when these assets will be available for use or sale. The proceeds from the interests from amounts collected as to be used for the purpose of the construction of the asset as well as the amount of grants reduces the borrowing cost that is capitalized. In all other case the cost of borrowing is affecting the Income statement of the fiscal year. To the extent that general borrowing is used for the construction of an asset, the cost of borrowing for capitalization can be estimated using a capitalization rate.

1.21. Rounding

Any differences arising between the amounts on the financial statements and the relative amounts in the notes are related to rounding.

5. Operating segments

An operating segment is based on the structure of the information to the Group's management and internal reporting system. The Group is organized into business centers and business units based on the production of copper and aluminium products. In particular, it has two reportable operating segments. The operating segments of the Group are as follows:

- Copper products: this segment produces and sells copper and copper alloys rolled and extruded products
- Aluminium products: the aluminium segment produces and sell a wide range of aluminium products and their alloys

The segment analysis for the fiscal year 2019 considered as follows:

12 months until 31 December 2019

€ '000	Aluminium	Copper	Total
Total revenue per segment	1,026,684	1,018,631	**2,045,314**
Inter-segment revenue	(493)	(215)	**(708)**
Cost of sales	(927,312)	(972,230)	**(1,899,542)**
Gross profit	**98,879**	**46,185**	**145,064**
Other Income	6,731	5,197	**11,928**
Selling and Distribution expenses	(11,305)	(9,980)	**(21,284)**
Administrative expenses	(28,612)	(19,160)	**(47,771)**
Impairment loss on receivables and contract assets	29	407	**437**
Other Expenses	(4,617)	(3,717)	**(8,334)**
Operating profit / (loss)	**61,105**	**18,933**	**80,038**
Finance Income	40	192	**231**
Finance Costs	(11,584)	(14,056)	**(25,640)**
Dividends	-	50	**50**
Net Finance income / (cost)	**(11,544)**	**(13,814)**	**(25,358)**
Share of profit/ (loss) of equity-accounted investees	618	2,882	3,500
Profit/(Loss) before income tax	**50,178**	**8,001**	**58,179**
Income tax expense	(10,510)	(5,727)	**(16,238)**
Profit/(Loss) for the year	**39,668**	**2,274**	**41,942**

12 months until 31 December 2019	Aluminium	Copper	Total
Total assets	978,435	775,245	**1,753,680**
Total liabilities	536,607	455,801	**992,408**

Capital expenditure for 12 months until 31 December 2019	Aluminium	Copper	Total
Fixed Assets	143,684	20,072	**163,756**
Right of use assets	1,166	1,133	**2,299**
Intangible Assets	304	12	**316**
Investment Property	13	-	**13**
Total	**145,167**	**21,217**	**166,384**

€ '000	Aluminium	Copper	Total
Depreciation of fixed assets	(36,684)	(19,074)	**(55,758)**
Depreciation of right of use assets	(1,712)	(561)	**(2,274)**
Amortization of intangible assets	(517)	(467)	**(984)**
Depreciation of investments in real estate	(140)	(87)	**(227)**
Total depreciation and amortization	**(39,054)**	**(20,190)**	**(59,243)**

12 months until 31 December 2018

€ '000	Aluminium	Copper	Total
Total revenue per segment	1,079,617	1,038,922	**2,118,539**
Inter-segment revenue	(662)	(88)	**(750)**
Cost of sales	(967,472)	(983,368)	**(1,950,840)**
Gross profit	**111,483**	**55,466**	**166,948**
Other Income	7,019	7,073	**14,093**
Selling and Distribution expenses	(11,894)	(9,573)	**(21,468)**
Administrative expenses	(25,841)	(17,068)	**(42,909)**
Impairment loss on receivables and contract assets	(36)	(469)	**(505)**
Other Expenses	(3,778)	(5,330)	**(9,108)**
Operating profit / (loss)	**76,953**	**30,098**	**107,051**
Finance Income	28	109	**137**
Finance Costs	(15,206)	(17,106)	**(32,313)**
Dividends	-	20	**20**
Net Finance income / (cost)	**(15,179)**	**(16,977)**	**(32,156)**
Share of profit/ (loss) of equity-accounted investees	188	765	**953**
Profit/(Loss) before income tax	**61,962**	**13,886**	**75,849**
Income tax expense	(6,078)	(5,468)	**(11,546)**
Profit/(Loss) for the year	**55,885**	**8,418**	**64,303**

	Aluminium	Copper	Total
Total assets	931,062	743,480	**1,674,543**
Total liabilities	498,892	445,183	**944,075**
Fixed Assets	55,799	37,500	**93,300**
Intangible Assets	2,865	76	**2,940**
Total	**58,664**	**37,576**	**96,240**

€ '000	Aluminium	Copper	Total
Depreciation of fixed assets	(42,034)	(16,804)	**(58,838)**
Amortization of intangible assets	(420)	(650)	**(1,070)**
Depreciation of investments in real estate	(68)	(94)	**(162)**
Total depreciation and amortization	**(42,522)**	**(17,547)**	**(60,070)**

The operating segments are mostly managed centrally but the greater part of sales are overseas. The non-current assets of the Group based on the geographical standing are presented as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Property Plant Equipment				
Greece	670,499	582,333	543,612	459,754
International	142,766	138,231	-	-
Total	**813,265**	**720,564**	**543,612**	**459,754**

Right of use assets				
Greece	18,681	-	17,292	-
International	593	-	-	-
Total	**19,274**	**-**	**17,292**	**-**

Intangible assets and goodwill				
Greece	79,894	76,400	71,068	70,447
International	89	127	0	0
Total	**79,983**	**76,527**	**71,068**	**70,447**

Investment property				
Greece	6,589	6,838	20,045	19,591
Total	**6,589**	**6,838**	**20,045**	**19,591**

Capital expenditure				
Greece	152,074	86,302	147,021	75,687
International	14,311	9,938	-	-
Total	**166,384**	**96,240**	**147,021**	**75,687**

6. Income

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	€ '000	€ '000	€ '000
Sale of goods (at a point in time)	567,966	532,135	473,395	464,078
Metal Turnover in the sales of goods	1,471,126	1,580,309	950,906	1,018,003
Rendering of services	5,437	5,108	5,609	4,877
Other	78	237	12	12
Total	**2,044,606**	**2,117,789**	**1,429,922**	**1,486,970**

7. Other operating income and expenses

	GROUP		COMMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Other Income				
Grants of the Fiscal Year	484	4	26	4
Amortization of Grants	1,884	1,955	1,256	1,311
Rental income	738	659	569	527
Foreign Exchange Gains	1,263	4,062	1,193	960
Income from fees	396	365	186	209
Income from costs recharged	1,093	800	3,894	3,350
Damage Compensation	72	4,093	17	125
Gain from sale of Fixed assets	319	263	572	10
Gain from sale of Intangible assets	1	-	1	-
Gain from sale of Investment Property	124	-	-	-
Income from consulting services	416	425	480	349
Other Income	5,138	1,466	3,517	2,903
Total	**11,928**	**14,093**	**11,712**	**9,749**
Other Expense				
Impairment of Fixed assets	671	-	397	-
Loss from fixed assets write off	218	172	67	-
Production cost non-allocated to cost of goods sold	-	39	-	-
Loss from sale of Fixed assets	29	32	-	0
Foreign Exchange Losses	1,475	3,934	1,389	894
Commissions	34	-	-	-
Damages Paid	-	1,535	-	-
Other taxes	12	-	7	-
Penalties	303	17	286	7
Depreciation and amortisation	2,081	1,976	1,314	1,296
Expenses recharged	2,638	192	2,305	1,633
Other Expenses	873	1,210	343	664
Total	**8,334**	**9,108**	**6,109**	**4,494**
Net other income-expenses	**3,593**	**4,985**	**5,604**	**5,256**

8. Expenses by nature

The breakdown of expenses by nature was as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Cost of inventories recognized as an expense	81,461	55,312	120,028	122,511
Metal Cost	1,475,963	1,567,949	948,160	1,003,018
Employee benefits	116,262	105,654	70,249	63,559
Energy	43,226	41,959	27,701	27,667
Depreciation and amortisation	57,162	58,094	37,710	39,298
Taxes - duties	9,967	7,864	7,875	6,234
Credit insurance expenses	1,568	1,609	1,058	1,058
Other insurance expenses	4,861	4,485	2,800	2,657
Rental fees	2,134	3,589	1,496	2,148
Transportation costs (goods and materials)	48,661	47,915	33,320	31,706
Promotion & advertising	2,449	2,189	1,406	1,118
Third party fees and benefits	56,185	55,961	77,631	79,759
Other provisions	-	221	-	-
Gains/(losses) from derivatives	6,128	5,130	7,574	4,396
Storage and packing	4,369	4,386	1,126	1,070
Production tools	3,200	2,442	2,325	1,852
Commissions	13,821	12,950	7,930	7,593
Foreign exchange differences	(839)	298	97	476
Maintenance expenses	22,358	18,144	16,167	12,545
Travel and personnel transport expenses	5,345	4,974	3,924	3,399
Royalties	175	74	175	74
BOD Fees	1,691	1,946	481	764
Shared utility expenses	334	251	1	-
Other expenses	12,118	11,820	3,483	3,808
Total	**1,968,598**	**2,015,217**	**1,372,716**	**1,416,708**

For R&D expenses disbursed the amounts below:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Aluminium	3,991	3,330	3,446	2,886
Copper	2,500	1,082	1,792	1,022
Σύνολο	**6,491**	**4,412**	**5,238**	**3,908**

The cost of employees benefits can be broken down as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Employee remuneration & expenses	84,584	76,972	50,404	45,592
Social security expenses	20,879	19,474	12,451	11,604
Defined benefit plan expenses	1,449	1,058	918	724
Other employee benefits	9,351	8,150	6,475	5,640
Total	**116,263**	**105,654**	**70,249**	**63,559**

The number of staff employed by the Company at the end of the current year was: 1,475 (2018: 1,439) and as for the Group: 2,997 (2018: 2,874).

9. Finance income and cost

The breakdown of financial income and expenses is as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Interest Income	231	137	364	418
Total	**231**	**137**	**364**	**418**
Interest expenses	23,652	28,570	17,547	20,784
Other Finance Expense	1,988	3,743	1,274	2,746
Total	**25,640**	**32,313**	**18,820**	**23,530**

10. Property, plant and equipment

GROUP	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2018	**101,395**	**177,171**	**838,190**	**17,470**	**16,700**	**21,184**	**32,520**	**1,204,629**
Effect of movement in exchange rates	-	-	2	-	-	-	-	**2**
Additions	700	4,182	7,624	-	1,579	880	78,335	**93,300**
Disposals	(73)	(2)	(831)	-	(143)	(34)	(402)	**(1,485)**
Mergers and absorptions	-	-	1,221	-	324	126	2	**1,674**
Write offs	-	(180)	(823)	-	(6)	(77)	-	**(1,086)**
Reclassifications	-	4,344	22,242	-	30	130	(26,854)	**(109)**
Other movements	(182)	-	-	-	-	-	-	**(182)**
Balance as at 31 December 2018	**101,841**	**185,514**	**867,624**	**17,470**	**18,483**	**22,209**	**83,602**	**1,296,743**
Accumulated depreciation								
Balance as at 1 January 2018	**-**	**(73,083)**	**(410,625)**	**(574)**	**(14,042)**	**(18,421)**	**(404)**	**(517,150)**
Depreciation of the period	-	(10,292)	(45,857)	(972)	(650)	(1,067)	-	**(58,838)**
Disposals	-	1	713	-	120	15	-	**849**
Mergers and absorptions	-	(695)	(872)	-	(295)	(95)	-	**(1,956)**
Write offs	-	69	767	-	2	77	-	**915**
Balance as at 31 December 2018	**-**	**(84,000)**	**(455,874)**	**(1,546)**	**(14,864)**	**(19,491)**	**(404)**	**(576,179)**
Carrying amount as at 31 December 2018	**101,841**	**101,514**	**411,750**	**15,924**	**3,620**	**2,718**	**83,198**	**720,564**

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VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

GROUP	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2019	**101,841**	**185,514**	**867,624**	**17,470**	**18,483**	**22,209**	**83,602**	**1,296,743**
Change in accounting policy	-	-	-	(17,470)	-	-	-	**(17,470)**
Effect of movement in exchange rates	-	(2)	(2)	-	-	-	-	**(4)**
Additions	923	1,535	4,478	-	1,022	1,586	154,210	**163,756**
Disposals	-	-	(1,281)	-	(325)	(216)	(1,121)	**(2,943)**
Mergers and absorptions	430	4,121	4,591	-	137	546	108	**9,934**
Reclassification to Investment Property	-	(1,800)	-	-	-	-	-	**(1,800)**
Write offs	-	-	(1,283)	-	(18)	(43)	(67)	**(1,412)**
Revaluation	-	(0)	-	-	-	(0)	-	**(0)**
Other reclassifications	-	16,272	47,551	-	510	283	(65,917)	**(1,301)**
Balance as at 31 December 2019	**103,194**	**205,641**	**921,678**	**0**	**19,808**	**24,364**	**170,816**	**1,445,503**
Accumulated depreciation								
Balance as at 1 January 2019	**-**	**(84,000)**	**(455,874)**	**(1,546)**	**(14,864)**	**(19,491)**	**(404)**	**(576,179)**
Change in accounting policy	-	-	-	1,546	-	-	-	**1,546**
Effect of movement in exchange rates	-	(5)	2	-	-	0	-	**(3)**
Depreciation of the period	-	(10,678)	(43,100)	-	(771)	(1,209)	-	**(55,758)**
Disposals	-	37	1,144	-	326	180	-	**1,687**
Mergers and absorptions	-	(783)	(2,763)	-	(137)	(514)	-	**(4,196)**
Reclassification to Investment Property	-	144	-	-	-	-	-	**144**
Write offs	-	-	1,132	-	18	43	-	**1,194**
Impairment loss	-	-	(270)	-	-	-	(401)	**(671)**
Other reclassifications	-	(1)	0	-	(0)	-	-	**(1)**
Balance as at 31 December 2019	**-**	**(95,286)**	**(499,729)**	**-**	**(15,427)**	**(20,990)**	**(806)**	**(632,238)**
Carrying amount as at 31 December 2019	**103,194**	**110,355**	**421,949**	**0**	**4,381**	**3,375**	**170,010**	**813,265**

Fixed Assets of Net Book value of Euro 4.5 mil. (cost Euro 5.7 mil. and accumulated depreciation of Euro 1.2 mil.) was transferred to other investments of current assets as held-for-sale (see also note 34).

For the fiscal year 2019, the line “M&A” includes PPE obtained through the acquisition of “Cablel Wires S.A.”.

The reporting line “Change in accounting policy” related to the effect of the implementation of IFRS 16 (Refer to note 33).

COMPANY	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2018	**54,963**	**117,988**	**596,182**	**17,470**	**13,682**	**13,194**	**24,770**	**838,249**
Additions	464	3,344	5,143	-	1,431	674	64,336	**75,393**
Disposals	-	-	(11)	-	(55)	(27)	(174)	**(267)**
Other reclassifications	-	4,342	14,412	-	13	-	(18,773)	**(6)**
Othe movements	(182)	-	-	-	-	-	-	**(182)**
Balance as at 31 December 2018	**55,246**	**125,675**	**615,726**	**17,470**	**15,071**	**13,841**	**70,159**	**913,187**
Accumulated depreciation								
Balance as at 1 January 2018	**-**	**(52,190)**	**(337,919)**	**(574)**	**(11,894)**	**(12,122)**	**-**	**(414,700)**
Depreciation of the period	-	(6,315)	(30,419)	(972)	(488)	(604)	-	**(38,798)**
Disposals	-	-	1	-	55	8	-	**64**
Balance as at 31 December 2018	**-**	**(58,505)**	**(368,337)**	**(1,546)**	**(12,327)**	**(12,718)**	**-**	**(453,434)**
Carrying amount as at 31 December 2018	**55,246**	**67,170**	**247,389**	**15,924**	**2,744**	**1,123**	**70,159**	**459,754**

COMPANY	Fields - Plots	Buildings	Machinery	Leased machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost								
Balance as at 1 January 2019	**55,246**	**125,675**	**615,726**	**17,470**	**15,071**	**13,841**	**70,159**	**913,187**
Change in accounting policy	-	-	-	(17,470)	-	-	-	**(17,470)**
Additions	918	1,322	1,544	-	947	1,181	139,699	**145,612**
Disposals	(2)	(46)	(888)	-	-	(95)	(3,223)	**(4,253)**
Reclassification to Investment Property	-	(1,800)	-	-	-	-	-	**(1,800)**
Write offs	-	-	(766)	-	-	-	(67)	**(833)**
Revaluation	-	314	530	-	-	(1)	-	**843**
Division/ segment spin off	(57)	(1,402)	(951)	-	(2)	(11)	(1,489)	**(3,913)**
Other reclassifications	-	14,234	37,054	-	22	179	(52,774)	**(1,285)**
Balance as at 31 December 2019	**56,105**	**138,296**	**652,250**	**(0)**	**16,038**	**15,094**	**152,305**	**1,030,088**
Accumulated depreciation								
Balance as at 1 January 2019	**-**	**(58,505)**	**(368,337)**	**(1,546)**	**(12,327)**	**(12,718)**	**-**	**(453,434)**
Change in accounting policy	-	-	-	1,546	-	-	-	**1,546**
Depreciation of the period	-	(6,652)	(27,515)	-	(600)	(691)	-	**(35,458)**
Disposals	-	37	282	-	-	10	-	**329**
Reclassification to Investment Property	-	144	-	-	-	-	-	**144**
Write offs	-	-	766	-	-	-	-	**766**
Division/ segment spin off	-	21	2	-	-	4	-	**27**
Impairment loss	-	-	(270)	-	-	-	(127)	**(397)**
Balance as at 31 December 2019	**-**	**(64,955)**	**(395,072)**	**-**	**(12,927)**	**(13,395)**	**(127)**	**(486,477)**
Carrying amount as at 31 December 2019	**56,105**	**73,341**	**257,177**	**(0)**	**3,111**	**1,699**	**152,178**	**543,612**

The reporting line “Change in accounting policy” related to the effect of the implementation of IFRS 16 (Refer to note 33).

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of the Group and the Company (see note 22).

(b) Assets under Construction

The account “Assets under construction” includes machinery the installation of which has not been completed as at December 31, 2019.

(c) Capitalization of Borrowing costs

For the fixed asset of the Group as well as the company Euro € 2.1 million was capitalized in 2019, which stands for the cost of loans which were drawn for the funding of those assets.

(d) Change in useful life of assets

In 2018 the useful life of equipment of the aluminium rolling division was increased which had as a consequence the depreciation expense to be reduced by €3.6 mil. approximately for the year 2018. The application of the new useful life was done prospectively according to the provisions of IAS 8, par. 36 within the fiscal year of 2018.

11. Intangible assets

GROUP

€ '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2018	**22,118**	**40**	**50,470**	**17,717**	**72**	**90,417**
Additions	2,338	-	-	558	45	**2,940**
Mergers and absorptions	-	-	-	45	-	**45**
Other reclassifications	-	-	2	109	-	**110**
Balance as at 31 December 2018	**24,456**	**40**	**50,472**	**18,429**	**117**	**93,513**
Accumulated amortization and impairment						
Balance as at 1 January 2018	**-**	**(40)**	**(41)**	**(15,717)**	**(72)**	**(15,870)**
Amortization for the period	-	-	(75)	(995)	(0)	**(1,070)**
Mergers and absorptions	-	-	-	(44)	-	**(44)**
Other reclassifications	-	-	(2)	-	-	**(2)**
Balance as at 31 December 2018	**-**	**(40)**	**(118)**	**(16,756)**	**(73)**	**(16,986)**
Carrying amount as at 31 December 2018	**24,456**	**-**	**50,354**	**1,673**	**44**	**76,527**

GROUP

€ '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2019	**24,456**	**40**	**50,472**	**18,429**	**117**	**93,513**
Effect of movement in exchange rates	-	(1)	-	-	-	**(1)**
Additions	-	-	-	316	-	**316**
Disposals	-	3	-	(40)	-	**(36)**
Mergers and absorptions	2,703	-	3	146	-	**2,853**
Division/ segment spin off	-	-	-	9	-	**9**
Other reclassifications	-	-	-	1,303	-	**1,303**
Balance as at 31 December 2019	**27,158**	**42**	**50,475**	**20,164**	**117**	**97,957**
Accumulated amortization and impairment						
Balance as at 1 January 2019	**-**	**(40)**	**(118)**	**(16,756)**	**(73)**	**(16,986)**
Effect of movement in exchange rates	-	1	0	(1)	-	**1**
Amortization for the period	-	(3)	(75)	(901)	(4)	**(984)**
Disposals	-	-	-	1	-	**1**
Mergers and absorptions	-	-	(3)	(1)	-	**(5)**
Balance as at 31 December 2019	**-**	**(42)**	**(196)**	**(17,659)**	**(77)**	**(17,973)**
Carrying amount as at 31 December 2019	**27,158**	**0**	**50,279**	**2,505**	**40**	**79,983**

For the fiscal year 2019, the line "M&A" includes PPE obtained through the acquisition of "Cablel Wires S.A.".

The addition of € 2.7 million in goodwill related to the goodwill occurred from the acquisition of 100% of "Cablel Wires S.A." from the related party "Hellenic Cables S.A.". The total value amounted to EUR 8.0 million according to valuation by independent certified accountant-auditor according to the provisions of articles 99-101 of L.4548/2018. (see also note 13)

As far as the goodwill of €22.1 million is concerned the test that was performed to check the impairment of the CGU of copper segment resulted that there was no need for impairment. The basic assumptions of the test were as follows:

- Risk-free rate: (0.58)%
- Market risk premium: 7.0%
- Expected income tax rate: 24%
- Unlevered beta: 1.04
- WACC 6.8%

The expected fair value will increase (decrease) if:

- The expected growth of the market increases (decreases)
- The expected cash flows increase (decrease)
- The discount rate decreases (increases)

COMPANY € '000	**Goodwill**	**Trademarks and licenses**	**Software**	**Total**
Cost				
Balance as at 1 January 2018	**22,118**	**47,370**	**13,928**	**83,416**
Additions	-	-	294	**294**
Other reclassifications	-	-	6	**6**
Balance as at 31 December 2018	**22,118**	**47,370**	**14,228**	**83,716**
Accumulated amortization and impairment				
Balance as at 1 January 2018	**-**	**-**	**(12,616)**	(12,616)
Amortization for the period	-	(67)	(587)	(654)
Balance as at 31 December 2018	**-**	**(67)**	**(13,202)**	**(13,269)**
Carrying amount as at 31 December 2018	**22,118**	**47,303**	**1,026**	**70,447**

COMPANY € '000	**Goodwill**	**Trademarks and licenses**	**Software**	**Total**
Cost				
Balance as at 1 January 2019	**22,118**	**47,370**	**14,228**	**83,716**
Additions	-	-	147	**147**
Disposals	-	-	(40)	**(40)**
Other reclassifications	-	-	1,285	**1,285**
Balance as at 31 December 2019	**22,118**	**47,370**	**15,620**	**85,108**
Accumulated amortization and impairment				
Balance as at 1 January 2019	**-**	**(67)**	**(13,202)**	**(13,269)**
Amortization for the period	-	(67)	(704)	**(771)**
Disposals	-	-	1	**1**
Balance as at 31 December 2019	**-**	**(134)**	**(13,905)**	**(14,039)**
Carrying amount as at 31 December 2019	**22,118**	**47,236**	**1,714**	**71,068**

12. Investment property

GROUP € '000	2019	2018
Cost		
Balance as at 1 January	**7,068**	**7,144**
Additions	13	-
Disposals	(1,737)	-
Reclassifications from PPE	1,800	-
Other reclassifications	-	(76)
Balance as at 31 December 2018	**7,144**	**7,068**
Accumulated depreciation		
Balance as at 1 January 2018	**(230)**	**(68)**
Disposals	46	-
Reclassifications from PPE	(144)	-
Depreciation	(227)	(162)
Balance as at 31 December 2018	**(555)**	**(230)**

COMPANY € '000	2019	2018
Balance as at 1 January	**32,274**	**32,350**
Additions	13	-
Reclassifications from PPE	1,800	-
Other reclassifications	-	(76)
Balance as at 31 December	**34,086**	**32,274**
Balance as at 1 January	**(12,682)**	**(11,540)**
Reclassifications from PPE	(144)	-
Depreciation	(1,215)	(1,142)
Balance as at 31 December	**(14,042)**	**(12,682)**

Investment property includes buildings and land that the Group and the Company intends to lease or sell to third parties in the near future, provided circumstances allow it. The investment property of the company is rented to Group Companies and at the consolidated financial statements are presented at Fixed Assets as PPE.

13. Investments

Investments in Subsidiaries:

	COMPANY	
	2019	2018
	€ '000	€ '000
Balance as at January 1	**251,471**	**242,471**
Additions	13,000	9,001
Division/ segment spin off	500	-
Impairment	(300)	-
Balance as at December 31	**264,672**	**251,472**

On 01.03.2019, the General Assembly of Fitco S.A, decided the increase of capital by Euro 5 million with cash consideration and issue of 1.666.670 new shares with nominal value of Euro 3.00 each. The Board of Directors with its decision on 19.03.2019 verified the full payment of the capital with cash.

On 04.02.2019 the Board of directors of ELVALHALCOR decided the transformation of the Branch in Pogoni-Ioannina into newly founded company limited by shares ("Société anonyme") in accordance with the third section of par. 2 of article 52 of L. 4172/2013, as replaced by article 23, par. 6.c., of L. 4223/2013. The newly founded company, following the decision ΑΔΑ: Ω4ΞΚ465ΧΙ8-54Β/7-8-19 of the Ministry for Investment and Development, is operating as a company limited by shares from 08.08.2019 under the trade name "Epirus Metalworks S.A.".

On 30.09.2019 subsidiary Sofia Med absorbed fully its 100% subsidiary Metalvalius EOOD. The transaction had no effect on the consolidated financial statements since the entities were consolidated in full.

On 02.12.2019 the increase of the share capital of "Epirus Metalworks" was decided for the amount of €455.5 thousand through the issue of 45,550 shares of nominal value of €10.00 each.

The Company after examination of the participation in TECHOR S.A. with the equity method, posted an impairment for the amount of €300 thousand.

On 24.12.2019 the Company acquired the total 4,296,075 shares of "Cablel Wires S.A." from "Hellenic Cables S.A.", for the amount of €8.0 million according to the valuation provided by independent certified accountant-auditor under the provision of articles 99-101 of L.4548/2018. The date of acquisition is determined as the closest to the monthly closing, after the securing the necessary approvals i.e. on 31.12.2019 and on which date the Fair values of Cablel Wires A.E., were as follows:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

	Cablel Wires S.A 2019 € '000
Property, plant and equipment & RoU	5,734
Intangible assets	145
Other Long-term assets	69
	5,948
Inventories	2,895
Trade and other receivables	6,323
Cash and cash equivalents	1,336
	10,554
Deferred tax liabilities	678
Other Non-current liabilities	326
	1,004
Trade and other payables	5,185
Loans, borrowings and lease liabilities	5,015
	10,201
Net Assets acquired	5,297
Consideration transferred	8,000
Goodwill	2,703

Information of subsidiaries with significant non-controlling interest presented in the next page:

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

2019

€ '000	VIOMAL S.A.	SOFIA MED S.A.	Other	Total
Percentage of Non-Controlling Interest	**50.00%**	**10.44%**		
Non-Current Assets	2,832	143,771		
Current Assets	5,345	124,085		
Non-current Liabilities	647	72,548		
Current Liabilities	3,689	78,799		
Net Assets	3,841	116,510		
Attributable to NCI	**1,920**	**12,164**	**-**	**14,084**
Revenue	13,911	489,147		
Profit / (Loss)	466	3,456		
Other Comprehensive Income	(16)	60		
Total Comprehensive Income	**450**	**3,516**		
Total OCI of NCI	225	367	44	**636**
Cash-Flows from Operating Activities	(316)	30,849		
Cash-Flows from Investing Activities	(81)	(10,724)		
Cash-Flows from Financing Activities	(338)	514		
Effect on Cash and Cash equivalents	**(735)**	**20,639**		

2018

€ '000	VIOMAL S.A.	SOFIA MED S.A.	Other	Total
Percentage of Non-Controlling Interest	**50.00%**	**10.44%**		
Non-Current Assets	3,025	146,872		
Current Assets	5,272	110,872		
Non-current Liabilities	674	65,632		
Current Liabilities	4,232	77,323		
Net Assets	3,391	114,790		
Attributable to NCI	**1,695**	**11,984**		**13,679**
Revenue	12,589	528,394		
Profit / (Loss)	(126)	6,518		
Other Comprehensive Income	8	(901)		
Total Comprehensive Income	**(118)**	**7,856**		
Total OCI of NCI	(59)	621		**562**
Cash-Flows from Operating Activities	303	10,661		
Cash-Flows from Investing Activities	203	(18,651)		
Cash-Flows from Financing Activities	(451)	8,868		
Effect on Cash and Cash equivalents	**55**	**878**		

On 18.02.2019 ELVALHALCOR acquired 50% of the share capital of UACJ ELVAL CONSULTING SA (ex. AFSEL), a consulting services company, from UACJ Corporation, for an amount of Euro 16 thousand. The company was renamed to ELVALHALCOR Consulting S.A.

ELVALHALCOR
HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

On 19.06.2019, ELVALHALCOR signed a Share Purchase Agreement (SPA) regarding the purchase of 147,749 shares in “Elpedison S.A.”, by “Elpedison BV ", that represents the 1.48% of its Share Capital, for an amount of Euro 1,225 thousand. Considering IFRS 9, following the decision of management, the result of the valuation of the transaction affected Other Comprehensive Income. On 26.07.2019, ELVALHALCOR received the consideration of Euro 1,225 thousand and completed the transfer of shares.

Finally, during the first semester was completed the sale of 110,480 shares of SIDMA S.A. by ELVALHALCOR for an amount of Euro 39 thousand.

The movement in the account of the companies consolidated using the equity method is as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Balance as at January 1	**82,846**	**64,186**	**82,661**	**65,339**
Effects from Foreign Exchange	(279)	(74)	-	-
Share in profit / (loss) after taxes	3,500	953	-	-
Additions	16	17,488	16	17,488
Dividends received	(583)	(319)	-	-
Share capital reduction (-)	(1,788)	-	(1,788)	-
Reclassifications	(28)	(68)	76	(68)
Other changes	2,117	-	-	(98)
Change in accounting policy	-	679	-	-
Balance as at December 31	**85,801**	**82,846**	**80,965**	**82,661**

The main financial assets of these associated companies can be broken down as follows:

€ '000

Trade Name	Country	Business	Current Assets		Non-Current Assets		Short-term Liabilities		Long-term Liabilities		Revenue		Profit / (Loss) after taxes		% of Participation	
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	Germany	Commercial	10,182	9,529	27	33	8,676	8,523	-	-	46,601	41,013	1,125	644	49.00%	49.00%
ELKEME S.A.	Greeece	Metallourgical Research	1,538	1,494	745	597	374	246	178	154	2,683	2,397	76	64	92.50%	92.50%
VIENER S.A.	Greeece	Energy	4,325	2,158	375	210	3,185	1,375	292	7	14,069	8,579	313	317	41.32%	41.32%
STEELMET S.A.	Greeece	Services	6,741	7,952	2,598	951	6,046	6,922	2,430	1,250	29,397	27,243	647	256	29.50%	29.50%
HC ISITMA A.S.	Turkey	Industrial	344	1,008	534	465	85	29	179	5	709	530	61	(66)	50.00%	50.00%
International Trade S.A.	Belgium	Commercial	113,172	123,329	8,879	7,678	83,321	95,257	2,659	1,530	1,037,393	954,412	2,168	5,744	27.97%	27.97%
NEDZINK B.V.	Netherlands	Industrial	22,659	26,366	28,794	25,275	19,144	21,777	25,731	21,496	82,244	84,622	(5,046)	(6,492)	50.00%	50.00%
VIEXAL S.A	Greeece	Services	1,453	1,409	18	17	878	887	78	106	11,298	10,592	459	377	26.67%	26.67%

Regarding the investment in Cenergy, that is listed in EURONEXT Brussels and Athens Stock Exchange, the financial statements have not been published until the publication date of ELVALHALCOR’s Group financial statements and as a result its financial figures are confidential until they get published.

Group does not control Elkeme S.A. as the management is being appointed directly by Viohalco. Elkeme is consolidated in full by Viohalco S.A.

14. Other investments

Other investments include the following:

	GROUP		COMPANY	
EUR	**2019**	**2018**	**2019**	**2018**
Listed Securities	**€ '000**	**€ '000**	**€ '000**	**€ '000**
-Greek Equity instruments	-	39	-	39
Unlisted Securities				
-Greek Equity instruments	3,180	3,371	1,251	3,371
-International Equity instruments	432	444	432	444
Total	**3,611**	**3,853**	**1,682**	**3,853**

Other investments, classified as financial assets available for sale, relate to investments in domestic and foreign companies with holding percentages below 20%.

The movement in Available-for-Sale was as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	€ '000	€ '000
Balance as at January 1	**3,853**	**3,771**	**3,853**	**3,771**
Additions	1,931	13	77	77
Change in Fair Value	(843)	-	(843)	-
Sales	(1,263)	-	(1,263)	-
Reclassifications	(65)	68	(141)	68
Balance as at December 31	**3,611**	**3,853**	**1,682**	**3,853**

The participations for which the fair value cannot be estimated were valued at cost. For the calculation of the fair value please see note 28.

15. Income tax

		GROUP				COMPANY		
		2019		2018		2019		2018
		€ '000		€ '000		€ '000		€ '000
Current tax expense		(15,161)		(14,103)		(12,092)		(8,121)
Deferred tax (expense)/income		(1,077)		2,557		(1,411)		1,511
Tax expense		**(16,238)**		**(11,546)**		**(13,503)**		**(6,610)**
Reconciliation of effective tax rate								
Accounting Profit/loss (-) before income tax		**58,179**		**75,849**		**46,419**		**53,949**
Tax rate in Greece								
Tax rate in the country of residence								
At statutory income tax rate	24%	(13,963)	29%	(21,996)	24%	(11,141)	29%	(15,645)
Non-deductible expenses for tax purposes		-		(1,702)		-		(300)
Tax-exempt income		1,179		-		1,832		-
Recognition of previously unrecognised tax losses, tax credit or temporary di		-		-		-		-
Effect of tax rates in foreign jurisdictions		726		1,290		-		-
Current-year losses for which no deferred tax asset is recognised		(732)		(45)		-		-
Tax-exempt reserves recognition		-		-		-		-
Withholding tax on international dividends		-		-		-		-
Change in tax rate or composition of new tax		3,881		11,604		2,853		9,335
Other taxes		(19)		15		-		-
Permanent Differences		(518)		(712)		-		-
Derecognition of previously recognised deferred tax assets		(7,163)		-		(7,048)		-
Changes in tax related to prior years		371		-		-		-
	-28%	**(16,238)**	-15%	**(11,546)**	-29%	**(13,503)**	-12%	**(6,610)**
Income tax expense reported in the statement of profit or loss		**(16,238)**		**(11,546)**		**(13,503)**		**(6,610)**

The deferred tax assets that arise from the losses carried forward are recognized only if it is possible that they will be recovered with future profits according to the Groups business plan. There were no losses carried forward for the Group and the Company, therefore on deferred tax asset has been recognized for the fiscal year 2019.

In 2018, 2017, 2016 and 2015, the provisions of article 49 and paragraph 9 of article 72 of Law 4172/2013, concerning thin capitalization, were applicable according to which the limit of the additional interest expense is set to 30%, 40% and 50% of the EBITDA respectively. These amounts for interests that are not deducted can be settled with future tax profits with no time limitations. The respective tax asset corresponding to the aforementioned amounts to € 7.0 mil., which was posted at the reporting date 31.12.2018, was derecognized, as a consequence of the Company's profitability with the respective amount affecting the reporting line of tax in the Statement of Profit and Loss of the fiscal year 2019.

For 2019, the Company and its subsidiaries are under the audit of the Certified Public Accountants, according to the provisions of article 65A of L. 4174/2013. This audit is on-going and the relative report of tax compliance is expected to be issued after the publication of the financial statements for the year ended in 31st December 2019. The result of the audit is not expected to significantly affect the financial statements.

The unaudited years of the Group can be found in Note 30.

The movement in deferred tax assets and liabilities can be presented as follows:

GROUP

€ '000	Net balance at 1 January 2018	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Net Balance at 31 December 2018	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(69,775)**	11,455	-	-	**(58,320)**	954	(59,275)
Right of use asset	**-**	-	-	-	**-**	-	-
Intangible assets	**(13,871)**	2,168	-	-	**(11,702)**	244	(11,946)
Investment property	**(1,019)**	179	-	-	**(840)**	-	(840)
Other investments	**254**	(9)	-	-	**245**	245	(0)
Derivatives	**(740)**	(73)	638	-	**(176)**	605	(780)
Inventories	**243**	(1,401)	-	-	**(1,157)**	286	(1,443)
Loans and borrowings	**(635)**	0	-	-	**(635)**	0	(635)
Employee benefits	**3,859**	(330)	56	-	**3,585**	3,585	-
Provision/ accruals	**1,551**	220	-	-	**1,771**	1,777	(6)
Deferred income	**(27)**	49	-	-	**21**	49	(27)
Other items	**2,711**	1,028	-	-	**3,739**	3,739	-
Carryforward tax loss & thin capitalization	**17,891**	(10,728)	-	-	**7,163**	7,163	-
Tax assets/liabilities (-) before set-off	**(59,559)**	**2,557**	**694**	**-**	**(56,307)**	**18,647**	**(74,953)**
Set-off tax						(16,929)	16,929
Net tax assets/liabilities (-)					**(56,307)**	**1,718**	**(58,024)**

€ '000	Net balance at 1 January 2019	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Net Balance at 31 December 2019	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(58,320)**	5,739	-	(529)	**(53,110)**	813	(53,923)
Right of use asset	**-**	(512)	-	0	**(512)**	4	(516)
Intangible assets	**(11,702)**	342	-	-	**(11,361)**	208	(11,569)
Investment property	**(840)**	466	-	3	**(370)**	3	(373)
Other investments	**245**	(245)	202	-	**202**	202	-
Derivatives	**(176)**	37	(132)	-	**(270)**	66	(336)
Inventories	**(1,157)**	681	-	-	**(476)**	201	(677)
Loans and borrowings	**(635)**	858	-	-	**222**	230	(7)
Employee benefits	**3,585**	(55)	372	57	**3,960**	3,827	133
Provision/ accruals	**1,771**	141	-	-	**1,912**	1,918	(6)
Deferred income	**21**	(10)	-	-	**12**	35	(23)
Other items	**3,739**	(1,357)	-	(209)	**2,173**	1,249	924
Carryforward tax loss	**7,163**	(7,163)	-	2	**2**	2	-
Tax assets/liabilities (-) before set-off	**(56,307)**	**(1,077)**	**443**	**(675)**	**(57,616)**	**8,757**	**(66,373)**
Set-off tax						(7,591)	7,591
Net tax assets/liabilities (-)					**(57,616)**	**1,167**	**(58,783)**

COMPANY

€ '000	Net balance at 1 January 2018	Recognised in profit or loss	Recognised in OCI	Other	Net Balance at 31 December 2018	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(57,567)**	10,256	-	-	**(47,311)**	-	(47,311)
Intangible assets	**(13,503)**	2,174	-	-	**(11,329)**	-	(11,329)
Investment property	**(713)**	101	-	-	**(612)**	-	(612)
Other investments	**254**	(9)	-	-	**245**	245	-
Derivatives	**(673)**	(87)	825	-	**65**	65	-
Inventories	**269**	(1,675)	-	-	**(1,407)**	-	(1,407)
Loans and borrowings	**(628)**	-	-	-	**(628)**	-	(628)
Employee benefits	**2,835**	(421)	81	-	**2,495**	2,495	-
Provision/ accruals	**1,038**	105	-	-	**1,143**	1,143	-
Deferred income	**(27)**	-	-	-	**(27)**	-	(27)
Other items	**591**	1,909	-	104	**2,604**	2,604	-
Carryforward tax loss	**17,891**	(10,844)	-	-	**7,048**	7,048	-
Tax assets/liabilities (-) before set-off	**(50,234)**	**1,511**	**906**	**104**	**(47,714)**	**13,600**	**(61,314)**
Set-off tax					-	(13,600)	13,600
Net tax assets/liabilities (-)					**(47,714)**	**-**	**(47,714)**

€ '000	Net balance at 1 January 2019	Recognised in profit or loss	Recognised in OCI	Other	Net Balance at 31 December 2019	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(47,311)**	5,140	-	-	**(42,171)**	-	(42,171)
Right of use asset	**-**	(308)	-	-	**(308)**	-	(308)
Intangible assets	**(11,329)**	347	-	-	**(10,982)**	-	(10,982)
Investment property	**(612)**	40	-	-	**(572)**	-	(572)
Other investments	**245**	(245)	202	-	**202**	202	-
Derivatives	**65**	-	(311)	-	**(246)**	-	(246)
Inventories	**(1,407)**	827	-	-	**(579)**	-	(579)
Loans and borrowings	**(628)**	833	-	-	**205**	205	-
Employee benefits	**2,495**	(30)	284	-	**2,750**	2,750	-
Provision/ accruals	**1,143**	373	-	-	**1,516**	1,516	-
Deferred income	**(27)**	61	-	-	**34**	34	-
Other items	**2,604**	(1,403)	-	-	**1,201**	1,201	-
Carryforward tax loss	**7,048**	(7,048)	-	-	**(0)**	-	(0)
Tax assets/liabilities (-) before set-off	**(47,714)**	**(1,411)**	**175**	**-**	**(48,950)**	**5,908**	**(54,858)**
Set-off tax					-	(5,908)	5,908
Net tax assets/liabilities (-)					**(48,950)**	**-**	**(48,950)**

The movement of deferred tax in Other Comprehensive Income was as follows:

GROUP	2019			2018		
€ '000	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Amounts recognized in the OCI						
Remeasurements of defined benefit liability	(1,496)	372	**(1,123)**	(139)	56	**(83)**
Equity investments in FVOCI - net change in fair value	(843)	202	**(641)**	-	-	**-**
Foreign currency translation differences	(326)	-	**(326)**	(166)	-	**(166)**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(454)	187	**(267)**	(2,275)	350	**(1,925)**
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	680	(319)	**362**	(618)	288	**(330)**
Other movements that are or may be reclassified to profit or loss	2,117	-	**2,117**	-	-	**-**
Total	**(322)**	**443**	**121**	**(3,197)**	**694**	**(2,503)**

COMPANY	2019			2018		
€ '000	Before Tax	Tax (expense) / Benefit	Net of Tax	Before Tax	Tax (expense) / Benefit	Net of Tax
Amounts recognized in the OCI						
Remeasurements of defined benefit liability	(1,184)	284	**(900)**	(281)	81	**(201)**
Equity investments in FVOCI - net change in fair value	(843)	202	**(641)**	-	-	**-**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(297)	71	**(226)**	(1,074)	312	**(763)**
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	1,159	(382)	**777**	(1,770)	513	**(1,257)**
Total	**(1,165)**	**175**	**(990)**	**(3,126)**	**906**	**(2,220)**

16. Inventories

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	€ '000	€ '000	€ '000
Merchandise	3,088	3,407	1,940	2,524
Finished goods	119,797	123,803	76,739	85,410
Semi-finished goods	130,858	146,748	91,075	100,782
By-products & scrap	28,131	29,230	16,008	19,956
Work in progress	8,238	9,798	1,181	1,910
Raw and auxiliary materials	99,267	132,810	51,911	76,665
Consumables	9,322	8,624	5,272	4,950
Packaging materials	1,977	1,637	685	681
Spare parts	69,274	63,158	55,246	50,406
Total	**469,952**	**519,218**	**300,058**	**343,286**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less expenses for sale.

17. Trade and other receivables

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Trade receivables (excluding investment property clients)	86,000	93,752	35,331	42,742
Less: Impairment losses	(8,032)	(7,858)	(5,203)	(5,121)
Receivables from related entities	104,284	103,364	144,268	151,620
Trade receivables from contracts with customers	**182,253**	**189,258**	**174,396**	**189,241**
Down payments for the purchase of stocks	450	1,011	-	-
Other down payments	664	608	603	577
Tax assets	23,741	16,547	16,548	7,306
Other debtors	3,059	7,985	2,022	2,265
Other receivables	5,688	3,407	2,205	1,456
Receivables from dividends	56	-	56	-
Less: Impairment losses	(211)	(528)	(211)	(528)
Total	**215,700**	**218,288**	**195,619**	**200,317**
Non-current assets				
Non-current receivables from related parties	839	753	775	753
Non-current receivables	1,791	1,897	1,599	1,720
Total	**2,629**	**2,650**	**2,374**	**2,473**
Total receivables	**218,329**	**220,938**	**197,993**	**202,790**

The provision for doubtful customers is created for the outstanding balances for which the Management of the Group considers as impaired less the expected remuneration from the insurance.

18. Derivatives

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Non-current assets				
Forward foreign exchange contracts	-	3	-	3
Future contracts	1	-	1	-
Total	**1**	**3**	**1**	**3**
Current assets				
Forward foreign exchange contracts	290	726	226	35
Future contracts	659	2,389	635	2,166
Total	**949**	**3,115**	**861**	**2,202**
Non-current liabilities				
Forward foreign exchange contracts	12	-	12	-
Future contracts	-	101	-	101
Total	**12**	**101**	**12**	**101**
Current liabilities				
Forward foreign exchange contracts	221	371	92	352
Firm Commitments	-	35	-	35
Future contracts	1,147	2,896	1,055	2,876
Total	**1,369**	**3,301**	**1,147**	**3,263**

For the Group and the Company results from settled financial risk management operations recorded in the Income Statement during years 2019 and 2018 are included in Sales and Cost of Goods Sold for results from metal and exchange rate derivatives and in other income-expenses for results derived from swaps and forwards contracts.

19. Cash and cash equivalents

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	€ '000	€ '000	€ '000
Cash in hand	94	102	12	9
Short-term bank deposits	48,595	34,138	16,232	22,461
	48,688	**34,241**	**16,243**	**22,470**

Bank deposits are set at variable interest rates according to the applicable rates of interbank market.

In Note 27.c that is referred to currency risk of the Group, an analysis of cash per foreign currency is presented.

20. Share capital and reserves

a) Share capital and premium

After the completion of the Merger by absorption of "ELVAL HELLENIC ALUMINIUM INDSUTRY S.A." by "HALCOR METAL WORKS S.A.", the share capital of the Company amounts to Euro 146,344,218 (2018: Euro 146,344,218) divided to 375,241,586 (2018: 375,241,586) common anonymous shares of nominal value of 0.39 (2018: Euro 0.39) each traded at the Athens Stock Exchange.

The share premium of Euro 65,030,285 is considered a part of the share capital that rose from the issuance of shares for cash in a value greater than the nominal.

ElvaHalcor's capital was created as follows:

The share capital of Halcor amounted to Euro 38,486,258.26 divided to 101,279,627 common shares with voting rights, of nominal value of €0.38 each. The share capital of Elval amounted to € 105,750,180.62 divided to 27,046,082 anonymous shares of nominal value € 3.91 each.

The Merger had as a result the increase of Halcor's capital by:

- Amount of € 105,750,180.62 which corresponds to Elval share capital,
- Amount of € 2,107,779.66 which corresponds to the capitalization of share premium for rounding of the share price of the merged company.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

As a result, the present share capital of “ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.” increased from € 38,486,258.26 to €146,344,218.54 with the issuance of 273,961,959 new share in favour of Elval’s shareholders and the total number of shares amounted to 375,241,586 shares with nominal value of €0.39.

b) Reserves

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Statutory Reserves	8,388	4,799	5,740	3,373
Hedging reserves	367	279	(475)	(1,026)
Other fair value reserves	-	-	-	-
Special Reserves	43,415	23,229	43,376	23,229
Tax exempt reserves	176,463	176,463	176,463	176,463
Extraordinary Reserves	6,713	6,713	6,713	6,713
Other reserves	622	-	622	
Merger reserves	69,588	69,588	83,153	83,153
Foreign exchange difference	(295)	31	-	-
	305,261	**281,103**	**315,592**	**291,906**

The Board of Directors will propose to the General Assembly a dividend distribution of € 0.03 per share.

Line “Merger reserves” for the year 2018 contained an amount of Euro 233 thousand relating to a hedging reserve that existed at the date of the merger and settled within 2018.

Statutory Reserve

According to article 158 of L.4548/2018, the companies are obligated, from the profit of the year to create a statutory reserve for an amount at least equal to 1/20 of the net earnings. The creation of statutory reserve seizes to be compulsory, when this reaches 1/3 of the capital. The statutory reserve is used exclusively for the offsetting of losses. Pursuant to the decisions of the General Assemblies the Group and the Company created reserves amounted to EUR 3.6m and EUR 2.4m respectively.

Untaxed and special reserves

Untaxed and special reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves). Reserves from income exempt from taxation and reserves taxed pursuant to special laws concern income from interest for which a tax has been withheld at the source. In addition to any prepaid taxes, these reserves are subject to taxation in case they are distributed. No deferred taxes have been accounted for as regards the above untaxed reserves in case they are distributed.

During 2019 and considering the decision of the General Assembly the Group and the Company decided to present into a special tax reserve the amount of EUR 20,2m. and 19,3 respectively transferred from the Retained Earnings.

Exchange rate differences on consolidation

Exchange rate differences on consolidation arise from translating the financial statements of subsidiaries which are denominated in foreign currency, to the currency of the Parent Company which is in Euro.

Hedging reserves

Hedging reserves contain the effective portion of the changes in the fair value of the derivatives that had been considered under the hedge accounting. These reserves are transferred to the statement of profit and loss, when the hedging item will affect the statement of profit and loss.

Reserve of merger/absorption

The reserve of the absorption includes the difference between the acquisition price and the nominal value of the shares issued.

21. Earnings per share

	GROUP		COMPANY	
	2019	2018	2019	2018
Profits that correspond to the shareholders of the parent company (in thousands of EURO)	41,304	63,646	32,916	47,339
Weighted average number of shares	375,241,586	352,411,423	375,241,586	352,411,423
Basic profits per share (EUR per share)	0.1101	0.1806	0.0877	0.1343

Basic earnings per share are calculated by dividing the net profits (losses) attributable to the parent company's shareholders by the weighted average number of common shares, save the average number of common shares acquired by the Group and held as own shares.

22. Loans and obligations from financial leasing

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Non-current				
Borrowings	168,328	120,170	98,265	56,670
Bond Loans	272,046	252,735	263,398	243,170
Lease liabilities (ex. Finance)	8,996	11,511	8,996	11,511
Lease liabilities (ex. Operating)	2,817	-	1,506	-
Total	**452,186**	**384,415**	**372,164**	**311,351**
Current				
Borrowings	87,758	130,929	55,400	92,613
Current portion of Long-term borrowings	19,437	18,540	11,778	11,305
Bond Loans	51,400	41,756	39,826	34,066
Lease liabilities (ex. Finance)	2,376	2,328	2,376	2,328
Lease liabilities (ex. Operating)	1,422	-	715	-
Total	**162,393**	**193,553**	**110,096**	**140,312**
Total loans and borrowings	**614,579**	**577,968**	**482,260**	**451,663**
Between 1 and 2 years	68,919	74,894	55,476	57,522
Between 2 and 5 years	325,602	268,429	280,218	237,736
Over 5 years	57,666	41,093	36,471	16,093
Total	**452,186**	**384,415**	**372,164**	**311,351**

On 28.06.2019 ELVALHALCOR signed the agreement of syndicated bond loan, amounted to Euro 50 million with ALPHA BANK S.A. The loan has a maturity of seven years.

During August 2019, ELVALHALCOR signed the amendment of the existing loan agreement amounted to Euro 65 million with Commerzbank Aktiengesellschaft providing additional finance amounted to Euro 12.7 million, in order to fund the purchase and installation of mechanical equipment from SMS Group GmbH.

The subsidiary SOFIA MED SA signed the extension of the maturity of its syndicated collateralized long-term loan for 7 years amounted to Euro 60 million, with ALPHABANKS.A.-London Branch, Eurobank Bulgaria AD και Piraeus Bank Bulgaria AD. In addition, SOFIA MED SA signed the amendment of its loan with European Bank for Reconstruction and Development («EBRD»), total amount of Euro 25 million, which comprises of two parts: a) a loan of Euro 10.5 million with new seven-year maturity and b) a new loan of Euro 14.5 million, also with seven-year maturity for the financing of investment program for machinery and capacity increase.

On 08.11.2019 2019 ELVALHALCOR signed the agreement of syndicated bond loan, amounted to Euro 10 million with “Eurobank Ergasias Bank S.A.». The loan has a maturity of three years.

The Group and the Company has pledged assets of total amount Euro 663 million and Euro 542 million respectively. The fair value of the loans is approximating the book value.

The fair value of the long-term loans is approximating the book value.

The actual weighted average interest rates (both short and long term) at the balance sheet date were:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Bond loans	3.53%	3.79%	3.52%	3.78%
Bank loans in EUR	2.85%	4.00%	2.50%	3.63%
Bank loans in USD	6.60%	6.71%	6.60%	6.80%
Bank loans in GBP	4.20%	4.41%	4.20%	5.16%

For the bank loans of the Group and the Company that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause. The Group secures the consent of the lenders in case of non-compliance with the said clauses, when it is necessary.

23. Liabilities for employee's retirement benefits

The Group has fulfilled its obligations for pension plans set out by law. According to the Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in case of retirement equals 40 % of the compensation which would be payable in case of unjustified dismissal. The Group believes this is a defined benefit and it charges the accrued benefits in each period with a corresponding increase in the pension liability. Any payments made to retirees each year are charged against this liability. The displayed personal benefit obligation of the Company and the Group as at 31 December 2019 and 2018 is as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Balance at 1 January	**15,584**	**14,946**	**11,270**	**10,761**
Amounts recognized in profit or loss				
Current service cost	543	495	284	259
Past service credit	207	-	128	-
Settlement/curtailment/termination loss	460	351	331	309
Interest cost/income (-)	238	213	175	156
Total P&L Charge	**1,449**	**1,058**	**918**	**724**
Amounts recognized in OCI				
Remeasurement loss/gain (-):				
-Actuarial loss/gain (-) arising from:				
Demographic assumptions	(97)	(52)	-	-
Financial assumptions	1,129	(156)	826	(91)
Experience adjustments	463	348	358	372
-Return on plan assets excl. interest income	-	-	-	-
Total amount recognized in OCI	**1,496**	**139**	**1,184**	**281**
Other				
Division/ segment spin off	2	-	-	-
Mergers and absorptions	229	24	-	-
Benefits paid	(829)	(584)	(596)	(497)
	(599)	**(560)**	**(596)**	**(497)**
Balance at 31 December	**17,929**	**15,584**	**12,776**	**11,270**

The assumptions on which the actuarial study was based for the calculation of provision are the following:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Discount rate	0.76%	1.61%	0.77%	1.61%
Price Inflation	1.31%	1.50%	1.30%	1.50%
Rate of compensation increase	1.69%	2.00%	1.63%	2.00%

The aforementioned results depend on assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate less by 50 basis points had been used then the liability would be higher by 5.81% for the Company and 6.13% for the Group approximately, although with a discount rate increased by 50 basis points, the liability would have been dropped by 5,33% for the Company and by 5,58% for the Group. If an assumption of a future salary increase by 50 basis points annually had been used, then the liability would be higher by 5.40% for the Company and 5.71% for the Group, and if a future salary decreased by 50 basis points then the liability would have been less by 5.05% for the Company and by 5.31% for the Group.

24. Grants

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Opening balance	**19,602**	**21,557**	**11,067**	**12,378**
Collection of grants	(427)	-	-	-
Amortisation of grants	(1,884)	(1,955)	(1,256)	(1,311)
Mergers and absorptions	80	-	-	-
Other	(6)	-	-	-
Closing balance	**17,365**	**19,602**	**9,811**	**11,067**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account “Other income” of the income statement.

Grants have been provided for the purchase of tangible assets.

25. Provisions

There was no movement in the Provisions during the fiscal year. Amount of EUR 1.4 mil. for the Group and EUR 1.2 mil. for the company related to provisions for tax unaudited fiscal years.

26. Trade payables and other liabilities

Trade payables and other liabilities balance according to their current or non-current classification is as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Suppliers	212,994	192,691	167,096	157,676
Social Security funds	4,593	4,381	2,845	2,768
Amounts due to related parties	16,697	18,165	22,889	25,961
Dividends payable	6	-	6	-
Sundry creditors	11,429	17,626	8,159	14,026
Accrued expenses	6,724	5,619	5,966	3,890
Other Taxes	6,536	6,024	4,890	4,902
Total	**258,979**	**244,506**	**211,850**	**209,222**

27. Financial assets

The Board of Directors of the Group in conjunction with the parent Group has set rules and procedures for measuring the following risks:

- Credit risk
- Liquidity risk
- Exchange rate risk
- Interest rate risk

Below there were presented analytically the evidence of the size of each risk.

Credit Risk

Group exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Group includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Group. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must receive in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2019, the Group had an amount of Euro 48.7 million and the Company amount of Euro 16.2 million as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily. For serving the investments the Group and the Company make sure for the securing the necessary funding when needed (see also note 35). Moreover, the Group is in talks with the banks for the on time refinancing of the maturing loans.

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

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

The objectives, policies, risk management processes and measurement methods of risk have not changed compared to the previous year.

Capital management

The Groups' policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares. According to its policy the Company distributes dividend according to legislation in force and under the provision that it is capable to do so in relation to its cash and financial conditions. No dividend distribution is allowed from limited liability companies according t o L. 2190/1920.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

The Group does not have a specific plan for own shares purchase.

There were no changes in the approach adopted by the Group in how capital was managed during the financial year.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

a) Credit risk

The Financial assets subject to credit risk are as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	€ '000	€ '000	€ '000
Trade & Other receivables	218,329	220,936	197,993	202,790
Total	**218,329**	**220,936**	**197,993**	**202,790**
Less:				
Downpayments	(1,115)	(1,619)	(603)	(577)
Tax assets	(23,741)	(16,547)	(16,548)	(7,306)
Other receivables	(3,475)	(3,407)	(1,861)	(1,456)
Total	**(28,330)**	**(21,572)**	**(19,012)**	**(9,338)**
Financial assets entailing credit risk	**189,999**	**199,364**	**178,981**	**193,452**

The balances included in Receivables according to maturity can be classified as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	€ '000	€ '000	€ '000
Neither past due nor impaired	177,034	180,984	175,620	190,031
Overdue				
- Up to 6 months	12,602	17,538	3,198	3,277
- Over 6 months	363	842	163	143
Total	**189,999**	**199,364**	**178,981**	**193,452**

The movement in the account of provision for impairment was as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	€ '000	€ '000	€ '000	€ '000
Balance as at 1 January	**8,386**	**7,488**	**5,648**	**5,375**
Impairment loss recognized	109	515	109	160
Amounts written off	(292)	(35)	(224)	-
Impairment loss reversed	(546)	(10)	(120)	(10)
Mergers and absorptions	585	-	-	-
Change in accounting policy	-	428	-	124
Balance as at 31 December	**8,243**	**8,386**	**5,414**	**5,648**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Greece	37,982	29,926	49,645	62,603
Other EU Member States	112,750	122,035	109,305	107,722
Other European countries	13,484	12,586	7,490	6,661
Asia	10,805	13,143	3,344	3,885
America (North & South)	9,478	16,450	5,539	9,671
Africa	5,467	4,877	3,629	2,872
Oceania	34	348	28	38
Total	**189,999**	**199,364**	**178,980**	**193,452**

The Group insures the greater part of its receivables in order to be secured in case of failure to collect.

b) Liquidity risk

GROUP
€ '000

	2018					
Liabilities	**Carrying Amount**	**Up to 1yr**	**1 to 2 yrs**	**2 to 5 yrs**	**Over 5 yrs**	**Total**
Bank loans	269,640	153,702	29,355	67,266	41,435	**291,758**
Lease liabilities	13,838	2,988	3,201	8,679	987	**15,855**
Bond issues	294,490	47,654	54,836	220,511	-	**323,001**
Derivatives	3,403	3,301	101	-	-	**3,403**
Contract liabilities	9,238	9,238	-	-	-	**9,238**
Trade and other payables	244,506	336,590	-	-	-	**336,590**
	835,115	**553,473**	**87,493**	**296,456**	**42,422**	**979,845**

GROUP
€ '000

	2019					
Liabilities	**Carrying Amount**	**Up to 1yr**	**1 to 2 yrs**	**2 to 5 yrs**	**Over 5 yrs**	**Total**
Bank loans	275,522	116,438	27,217	113,911	42,531	**300,096**
Lease liabilities	15,611	4,418	4,272	8,372	203	**17,264**
Bond issues	323,446	62,379	52,118	218,875	16,241	**349,612**
Derivatives	1,381	1,369	12	-	-	**1,381**
Contract liabilities	8,722	8,722	-	-	-	**8,722**
Trade and other payables	258,979	260,398	-	-	-	**260,398**
	883,660	**453,722**	**83,619**	**341,157**	**58,975**	**937,473**

COMPANY
€ '000

	2018					
Liabilities	**Carrying Amount**	**Up to 1yr**	**1 to 2 yrs**	**2 to 5 yrs**	**Over 5 yrs**	**Total**
Bank loans	160,588	105,708	19,860	33,679	15,645	**174,892**
Lease liabilities	13,838	2,988	3,201	8,679	987	**15,855**
Bond issues	277,236	39,618	45,139	220,316	-	**305,073**
Derivatives	3,364	3,263	101	-	-	**3,364**
Contract liabilities	7,425	7,425	-	-	-	**7,425**
Trade and other payables	209,222	212,878	-	-	-	**212,878**
	671,674	**371,880**	**68,301**	**262,675**	**16,632**	**719,488**

COMPANY € '000	2019					
Liabilities	**Carrying Amount**	**Up to 1yr**	**1 to 2 yrs**	**2 to 5 yrs**	**Over 5 yrs**	**Total**
Bank loans	165,443	73,254	14,251	66,787	21,032	**175,323**
Lease liabilities	13,593	3,642	4,453	11,785	-	**19,880**
Bond issues	303,224	48,365	49,732	214,813	16,241	**329,151**
Derivatives	1,159	1,147	12	-	-	**1,159**
Contract liabilities	6,802	6,802	-	-	-	**6,802**
Trade and other payables	211,850	211,455	-	-	-	**211,455**
	702,071	**344,667**	**68,447**	**293,384**	**37,273**	**743,770**

c) Exchange rate risk

GROUP € '000	2018					
	EUR	**USD**	**GBP**	**BGN**	**RON**	**Other**
Trade and other receivables	166,730	33,192	15,089	5,842	82	1
Cash & cash equivalents	24,193	9,345	433	188	77	4
Total assets	**190,924**	**42,537**	**15,522**	**6,030**	**160**	**5**
Loans and Borrowings	545,718	19,204	5,067	7,979	-	-
Trade and other payables	207,241	10,068	18,303	8,830	-	64
Contract liabilities	8,956	261	-	22	-	-
Total liabilities	**761,915**	**29,533**	**23,370**	**16,830**	**-**	**64**
Net (Assets-Liabilities)	**(570,991)**	**13,004**	**(7,848)**	**(10,800)**	**160**	**(59)**
Derivatives for risk hedging (Nominal Value)	-	2,761	(4,032)	-	-	-
Total risk	**(570,991)**	**15,765**	**(11,880)**	**(10,800)**	**160**	**(59)**

GROUP € '000	2019					
	EUR	**USD**	**GBP**	**BGN**	**RON**	**Other**
Trade and other receivables	180,950	23,380	10,500	3,132	366	-
Cash & cash equivalents	36,126	8,466	1,110	2,911	70	5
Total assets	**217,076**	**31,847**	**11,610**	**6,044**	**437**	**5**
Loans and Borrowings	611,460	1,872	639	608	-	-
Trade and other payables	206,398	30,658	180	21,033	125	585
Contract liabilities	8,425	130	157	10	-	-
Total liabilities	**826,283**	**32,660**	**975**	**21,651**	**125**	**585**
Net (Assets-Liabilities)	**(609,208)**	**(813)**	**10,635**	**(15,607)**	**311**	**(580)**
Derivatives for risk hedging (Nominal Value)	-	(1,136)	(7,285)	-	-	-
Total risk	**(609,208)**	**(1,949)**	**3,350**	**(15,607)**	**311**	**(580)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

COMPANY	2018					
€ '000	EUR	USD	GBP	BGN	RON	Other
Trade and other receivables	178,536	17,279	6,974			1
Cash & cash equivalents	15,838	6,277	355			-
Total assets	**194,374**	**23,556**	**7,330**			**1**
Loans and Borrowings	430,289	18,595	2,779			-
Trade and other payables	188,719	2,252	18,223			28
Contract liabilities	7,314	112	-			-
Total liabilities	**626,321**	**20,958**	**21,002**			**28**
Net (Assets-Liabilities)	**(431,947)**	**2,598**	**(13,672)**			**(27)**
Derivatives for risk hedging (Nominal Value)	-	-	-			-
Total risk	**(431,947)**	**2,598**	**(13,672)**			**(27)**

COMPANY	2019					
€ '000	EUR	USD	GBP	BGN	RON	Other
Trade and other receivables	181,445	12,085	4,464			(1)
Cash & cash equivalents	13,810	2,352	82			-
Total assets	**195,255**	**14,437**	**4,545**			**(1)**
Loans and Borrowings	479,749	1,872	639			-
Trade and other payables	183,603	27,176	140			479
Contract liabilities	6,645	-	157			-
Total liabilities	**669,998**	**29,048**	**936**			**479**
Net (Assets-Liabilities)	**(474,743)**	**(14,611)**	**3,609**			**(480)**
Derivatives for risk hedging (Nominal Value)	-	4,250	-			-
Total risk	**(474,743)**	**(10,361)**	**3,609**			**(480)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

The rates that were applied for the foreign exchange translation were:

	AVERAGE		AT YEAR END	
	2019	**2018**	**2019**	**2018**
USD	1.1195	1.1810	1.1234	1.1450
GBP	0.8778	0.8847	0.8508	0.8945
RON	4.7453	4.6540	4.7830	4.6635
TRY	6.3578	5.7077	6.6843	6.0588

BGN is locked with the Euro which is the reporting and operating currency of the Group and the Company with rate 1.9558 and as a result there is no foreign exchange risk.

Sensitivity analysis

A change in the price of Euro against other currencies that the Group trades would have corresponding impact on the income statement and in equity as follows:

GROUP € '000	**2018**			
	Profit or loss		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	(1,489)	1,489	(914)	914
GBP (10% movement)	702	(702)	505	(505)
RON (10% movement)	(74)	74	(54)	54

GROUP € '000	**2019**			
	Profit or loss		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	177	(217)	135	(165)
GBP (10% movement)	(305)	372	(231)	283
RON (10% movement)	(28)	35	(22)	26

COMPANY € '000	**2018**			
	Profit or loss		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	(297)	297	(66)	66
GBP (10% movement)	1,223	(1,223)	342	(342)

COMPANY € '000	**2019**			
	Profit or loss		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	942	(1,151)	716	(875)
GBP (10% movement)	(328)	401	(249)	305

d) Interest rate risk

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Fixed-rate instruments	€ '000	€ '000	€ '000	€ '000
Financial liabilities	5,989	3,331	-	-
Variable-rate instruments				
Financial liabilities	608,590	574,637	482,260	451,663

Sensitivity analysis

The effects of an increase in the interest rates of 25 basis points both in the Income statement and the Equity can be depicted as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
0.25% increase	(1,543)	(1,437)	(1,222)	(1,129)
0.25% decrease	1,543	1,437	1,222	1,129

28. Fair value of financial assets

The different levels have been defined as follows:

- Level 1: consists of exchange traded derivatives and shares which are based on market prices.
- Level 2: consists of OTC derivatives that are based on prices from brokers.
- Level 3: Includes unlisted shares. They come from estimates of the Company as there are no observable market data.

The financial information concerning Level 3 refers to holdings in domestic and foreign companies with a stake of less than 20%. These holdings which are not quoted and the fair value cannot be reliably measured, they are valued at cost and are subject to impairment testing (see Note 14).

GROUP € '000	2019 Level 1	Level 2	Level 3	Total
Other Investments	-	-	3,611	**3,611**
Derivative financial assets	660	290	-	**950**
Derivative financial liabilities	(1,147)	(234)	-	**(1,381)**
	2018			
Other Investments	39	-	3,814	**3,853**
Derivative financial assets	2,389	729	-	**3,118**
Derivative financial liabilities	(2,997)	(406)	-	**(3,403)**

GROUP € '000	Level 1	Level 2	Level 3	Total
Other Investments	-	-	1,682	**1,682**
Derivative financial assets	636	226	-	**862**
Derivative financial liabilities	(1,055)	(104)	-	**(1,159)**
	2018			
Other Investments	39	-	3,814	**3,853**
Derivative financial assets	2,166	39	-	**2,205**
Derivative financial liabilities	(2,977)	(387)	-	**(3,364)**

The derivatives of level 1 comprise of futures traded in ‘London Metal Exchange – LME’ for which there is an observable market price for all prompt dates on which the contract is settled. The mark-to-market valuations of the futures are based on evening evaluations of LME, as well as the counterparties valuations in contracts, which are LME brokers. The derivatives of level 2 comprise of forward FX contracts. The valuation stems from the counterparty banks based on a valuation model.

(b) Fair Value in Level 3

The movement of investments classified as Level 3 was as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Balance as at 1 January	**3,814**	**3,733**	**3,814**	**3,733**
Additions	1,931	13	77	13
Disposals	(1,263)	-	(1,225)	-
Fair value adjustment through OCI	(843)	-	(843)	-
Reclassifications	(27)	68	(141)	68
Balance as at 31 December	**3,611**	**3,814**	**1,682**	**3,814**

During the fiscal year, there were no reclassifications of financial assets between levels.

The financial assets classified in Level 3 are valuated with the discounted cash flow method. The valuation model calculates the present value of the net cash flows that the Cash Generating Unit is creating. (CGU)

The expected cash flows have been discounted using rates as follows:

- Risk-free rate: (0.58)%
- Market risk premium: 7.0%
- Expected income tax rate: 24%
- Unlevered beta: 1.04
- WACC 6.8%

The expected fair value will increase (decrease) if:

- The expected market development increases (decreases)
- The expected cash flows increases (decreases)
- The discount rate decreases (increases)
-

29. Commitments

The contractual obligations are:

	GROUP		COMPANY	
	2019	2018	2019	2018
	€ '000	€ '000	€ '000	€ '000
Tangible assets	9,359	8,004	6,969	7,052

30. Contingent liabilities / assets

The tax liabilities of the Company and its subsidiaries for certain financial years have not been audited by taxation authorities and thus are not finalized yet for such years.

The table below presents unaudited tax years of the companies consolidated by ELVALHALCOR SA by applying either full consolidation or equity method.

Company		Country	Business	Direct Participation	Indirect Participation	Consolidation Method	Unaudited Fiscal Years
ELVALHALCOR	-	GREECE	Industrial	-	-	-	2014-2018
FITCO A.E.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2014-2018
SOFIA MED S.A.	(1)	BULGARIA	Industrial	89.56%	0.00%	Consolidation in Full	-
EPIRUS METALWORKS S.A	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2019
TECHOR A.E.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2014-2018
ELKEME S.A	(2)	GREECE	Metallourgical Research	92.50%	0.00%	Equity Method	2010-2019
VIEXAL S.A	(2)	GREECE	Services	26.67%	0.00%	Equity Method	2014-2018
VIENER S.A	(2)	GREECE	Energy	41.32%	0.00%	Equity Method	2012-2018
CENERGY HOLDINGS S.A.	(2)	BELGIUM	Holdings	25.16%	0.00%	Equity Method	-
INTERNATIONAL TRADE S.A.	(2)	BELGIUM	Commercial	29.97%	0.00%	Equity Method	-
TECHOR PIPE SYSTEMS	(3)	ROMANIA	Industrial	0.00%	100.00%	Consolidation in Full	-
HC ISITMA A.S.		TURKEY	Industrial	50.00%	0.00%	Equity Method	-
STEELMET S.A	(2)	GREECE	Services	29.50%	0.00%	Equity Method	2014-2018
SYMETAL S.A	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2014-2019
ELVAL COLOUR A.E.	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2013 & 2017,2018
VEPAL S.A	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2013-2018
ANOXAL S.A	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2014-2018
VIOMAL S.A	(1)	GREECE	Industrial	50.00%	0.00%	Consolidation in Full	2013-2019
ROULOC A.E.	(4)	GREECE	Industrial	0.00%	100.00%	Consolidation in Full	2016-2018
ELVAL COLOUR IBERICA S.A.	(4)	SPAIN	Commercial	0.00%	100.00%	Consolidation in Full	2018
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH		GERMANY	Commercial	50.00%	0.00%	Equity Method	-
UACJ ELVAL ΣΥΜΒΟΥΛΕΥΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ (πρω		GREECE	Services	50.00%	0.00%	Equity Method	-
NEDZINK B.V.		NETHERLANDS	Industrial	50.00%	0.00%	Equity Method	-
CABLEL WIRES A.E	(1)	GREECE	Industrial	100.00%	0.00%	Consolidation in Full	2019

(1) Susbidiary of ELVALHALCOR
(2) Subsidiary of Viohalco SA
(3) Subsidiary of Techor S.A.
(4) Subsidiary of Elval Colour S.A.

31. Related parties

Affiliated parties shall mean all companies and natural persons with whom direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter) is established.

	GROUP		COMPANY	
€' 000	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sale of goods				
Subsidiaries	-	-	180,362	195,495
Equity accounted investees	793,608	481,934	611,669	439,653
Joint Ventures	-	17	-	17
Other	51,844	383,584	49,983	260,860
	845,451	**865,535**	**842,014**	**896,025**
Sale of services				
Subsidiaries	-	-	7,708	6,922
Equity accounted investees	1,510	663	1,365	663
Joint Ventures	-	3	-	3
Parent	153	187	153	187
Other	1,749	1,826	1,561	1,750
	3,412	**2,679**	**10,786**	**9,525**
Sale of fixed assets				
Subsidiaries	-	-	1,827	29
Equity accounted investees	279	-	12	-
Joint Ventures	-	174	-	174
Other	1,862	7	21	-
	2,141	**181**	**1,860**	**203**
Purchase of goods				
Subsidiaries	-	-	49,955	66,174
Equity accounted investees	14,030	1	10,429	-
Other	29,218	46,324	28,251	40,489
	43,248	**46,325**	**88,635**	**106,663**
Purchase of services				
Subsidiaries	-	-	33,424	34,674
Equity accounted investees	33,086	5,540	22,390	4,178
Parent	362	433	160	218
Other	4,925	28,775	3,156	19,439
	38,373	**34,748**	**59,131**	**58,509**
Purchase of fixed assets				
Subsidiaries	-		22	243
Equity accounted investees	5,187	63	4,753	27
Joint Ventures	-	123	-	123
Other	-	13931	7,031	12,790
	5,187	**14,117**	**11,806**	**13,183**

End-of-year balances from sale / purchase of goods, services, fixed assets, etc.

	GROUP		COMPANY	
€' 000	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables from related parties:				
Subsidiaries	-	-	55,073	65,771
Equity accounted investees	53,510	18,595	39,084	16,138
Joint Ventures	-	21	-	21
Parent	269	212	264	210
Other	51,401	84,537	50,678	70,232
	105,179	**103,365**	**145,099**	**152,372**
EUR				
Liabilities to related parties:				
Subsidiaries	-	-	10,049	10,644
Equity accounted investees	9,309	618	7,599	427
Joint Ventures	-	18	-	18
Parent	13	66	-	24
Other	7,374	17,463	5,240	14,847
	16,697	**18,165**	**22,888**	**25,960**

Services towards and from affiliated parties, as well as sales and purchases of goods, are realized in accordance with the fee schedules, which apply for non-affiliates.

Benefits to Key Management Personnel	**GROUP**		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Fees - benefits to the members of the Board of Directors and executives	9,915	10,750	4,967	5,018
	9,915	**10,750**	**4,967**	**5,018**

32. Auditor's fees

Regarding year 2019, the fees of our auditor's PriceWaterhouseCoopers S.A. for the Group and for the Company in respect of audit of the financial statements of the Company amounted to Euro 199 thousand (2018: Euro 162 thousand), for tax audit amounted to Euro 42 thousand (2018: Euro 45 thousand) and fees for other services reached Euro 14,5 (2018: Euro 164 thousand). In Group's level they amounted to Euro 293 thousand (2018: Euro 177 thousand), for tax audit Euro 64 thousand (2018: Euro 45 thousand) and fees for other services Euro 14,5 thousand (2018: Euro 164 thousand).

33. Effect of IFRS 16

The mandatory adoption of IFRS 16 for the period started from 1st January 2019 resulted for Group and Company to recognize Right of Use of assets and finance lease liabilities (ex. operating), regarding the leases that Group and Company considered as lessor. For the leases that previously classified as operating lease under the provisions of IAS 17, followed by the mandatory adoption of IFRS 16, the Group and the Company implemented the cumulative retrospective approach. The liabilities measured to the present value of the remaining lease payments discounted by the incremental borrowing rate, approximately 4%, on 1st January 2019. The Right of Use of assets recognized to an amount equal to the Finance Lease Liabilities (ex. operating). The leases above related to machinery.

The reconciliation of the finance liabilities for the Group and the Company on 1st January 2019 for the commitments for operating leases as at 31 December 2018 presented below:

	GROUP € '000	COMPANY € '000
Operating lease commitments disclosed as at 31 December 2018	5,424	1,869
Discounted operating lease commitments of at the date of initial application	4,667	1,788
Add: finance lease liabilities recognised as at 31 December 2018	13,838	13,838
(Less): Recognition exemption for short-term leases at transition	(1,165)	-
Lease liability recognised as at 1 January 2019	17,340	15,627
Of which are:		
Current lease liabilities	3,626	3,013
Non-current lease liabilities	13,714	12,614
Lease liability recognised as at 1 January 2019	17,340	15,627

The Group used the option to not reassess any existing lease as finance lease on the date of the initial implementation under the provisions of IFRS 16.

In addition, the Group granted the above practical concessions that allowed by the standard regarding the leases that previously classified as operating, as considered in IFRS 17:

- Use of a single discount rate on a portfolio of similar leases characteristics.
- Leases with a residual duration of less than 12 months from 1 January 2019, as short-term leases.
- Exemption of initial direct costs for measuring the rights of use of assets data at the date of first application.
- Use of later knowledge to determine the duration of the lease contract that includes a term of extension or termination of the contract.

Regarding the lease for buildings, the Group did not recognize any lease liability and right of use of assets as these contracts determined as short-term. The related leases are on most of them leases with related parties and are cancellable at any time. Both the lessor and the lessee may exercise their right to terminate the agreement at any time and do not have any great financial incentive to continue implementing the contract terms.

GROUP € '000	Land	Buildings / Warehouses	Machinery	Transportation equipment	Total
Cost					
Balance as at 1 January 2019	-	-	-	-	**-**
Change in accounting policy	-	104	17,470	3,326	**20,899**
Additions	274	54	-	1,970	**2,299**
Terminations	-	-	-	(126)	**(126)**
Mergers and absorptions	-	-	-	26	**26**
Modifications	-	-	-	(77)	**(77)**
Balance as at 31 December 2019	**274**	**158**	**17,470**	**5,119**	**23,021**
Accumulated depreciation					
Balance as at 1 January 2019	-	-	-	-	**-**
Change in accounting policy	-	-	(1,546)	-	**(1,546)**
Depreciation of the period	(6)	(51)	(828)	(1,390)	**(2,274)**
Terminations	-	-	-	69	**69**
Mergers and absorptions	-	-	-	4	**4**
Balance as at 31 December 2019	**(6)**	**(51)**	**(2,374)**	**(1,317)**	**(3,747)**
Carrying amount as at 31 December 2019	**268**	**107**	**15,096**	**3,802**	**19,274**

COMPANY € '000	Land	Buildings / Warehouses	Machinery	Transportation equipment	Total
Cost					
Balance as at 1 January 2019	-	-	-	-	**-**
Change in accounting policy	-	-	17,470	1,788	**19,258**
Additions	-	-	-	1,250	**1,250**
Terminations	-	-	-	(100)	**(100)**
Modifications	-	-	-	(55)	**(55)**
Balance as at 31 December 2019	**-**	**-**	**17,470**	**2,882**	**20,352**
Accumulated depreciation					
Balance as at 1 January 2019	-	-	-	-	**-**
Change in accounting policy	-	-	(1,546)	-	**(1,546)**
Depreciation of the period	-	-	(828)	(751)	**(1,579)**
Terminations	-	-	-	63	**0**
Write offs	-	-	-	2	**0**
Balance as at 31 December 2019	**-**	**-**	**(2,374)**	**(686)**	**(3,125)**
Carrying amount as at 31 December 2019	**-**	**-**	**15,096**	**2,196**	**17,292**

During the period, there were recognized financial costs related to leases of Euro 120.0 thousand at Group level and Euro 50.0 thousand at Company level.

During the period finance interest expense related to leases was recognized in the income statement amounted to Euro 102.0 thousand for the Group and Euro 88.0 thousand for the Company and related to low value contract rents. In addition, short-term rental expenses of Euro 1,918.0 thousand and Euro 1,368.0 thousand at Group and Company level were recognized respectively.

If the Group and the Company had implemented the IFRS 16 for the comparable period, then EBITDA and a-EBITDA would have been increased by Euro 1.5 million for the Group and Euro 0.7 million for the Company.

34. Held for Sale

The amount of Euro 4.5 mil. is the book value of machinery (cost Euro 5.7 mil. and accumulated depreciation Euro 1.2 mil.) recognized according to IFRS 5. The aforementioned asset classified in the Copper Segment. For the aforementioned equipment the provisions of par. 8 of IFRS 5 are in effect, providing the fact that the Management has set forth a plan for the sale which is expected to materialized in 2020.

35. EBITDA and a-EBITDA

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss.

€ '000		GROUP		COMPANY	
		2019	2018	2019	2018
Operating profit / (loss)		**80,038**	**107,051**	**62,820**	**75,370**
	Adjustments for:				
	+ Depreciation of tangible assets	55,758	58,838	35,458	38,798
	+ Depreciation of right of use assets	2,274	-	1,579	-
	+ Amortization	984	1,070	771	654
	+ Depreciation of investment property	227	162	1,215	1,142
	- Amortization of Grants	(1,884)	(1,955)	(1,256)	(1,311)
EBITDA		**137,397**	**165,166**	**100,588**	**114,652**

€ '000		GROUP		COMPANY	
		2019	2018	2019	2018
EBITDA		**137,397**	**165,166**	**100,588**	**114,652**
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	2,137	(23,016)	(1,737)	(22,755)
	+ Impairment losses of Fix Assets	671	-	397	-
a - EBITDA		**140,205**	**142,150**	**99,248**	**91,897**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

	31.12.2019 € '000	31.12.2018 € '000	31.12.2019 € '000	31.12.2018 € '000
(A) Value of Metal in Sales	1,471,126	1,580,309	950,906	1,018,003
(B) Value of Metal in Cost of Sales	(1,475,963)	(1,567,949)	(948,160)	(1,003,018)
(C) Result of Hedging Instrunments	2,700	10,657	(1,010)	7,769
(A+B+C) Metal Result in Gross Profit	(2,137)	23,016	1,737	22,755

The Group applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. (see Note 33).

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets and investments if included in the operational results
- Other impairments

For the current and the respective previous period the figures were as follows:

		ALUMINIUM	
		31.12.2019 € '000	31.12.2018 € '000
Operating profit / (loss)		**61,105**	**76,953**
	Adjustments for:		
	+ Depreciation	39,054	42,522
	- Amortization of Grants	(1,669)	(1,724)
EBITDA		**98,490**	**117,751**
EBITDA		**98,490**	**117,751**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(1,218)	(21,984)
a - EBITDA		**97,272**	**95,768**

	ALUMINIUM	
	31.12.2019 € '000	31.12.2018 € '000
(A) Value of Metal in Sales	571,724	654,745
(B) Value of Metal in Cost of Sales	(567,070)	(639,089)
(C) Result of Hedging Instrunments	(3,437)	6,328
(A+B+C) Metal Result in Gross Profit	1,218	21,984

		COPPER	
		31.12.2019	**31.12.2018**
		€ '000	**€ '000**
Operating profit / (loss)		**18,933**	**30,098**
	Adjustments for:		
	+ Depreciation	20,190	17,547
	- Amortization of Grants	(215)	(231)
EBITDA		**38,907**	**47,415**
EBITDA		**38,907**	**47,415**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	3,354	(1,032)
	+ Impairment losses of Fix Assets	671	-
a - EBITDA		**42,933**	**46,383**

	COPPER	
	31.12.2019	**31.12.2018**
	€ '000	**€ '000**
(A) Value of Metal in Sales	899,402	925,564
(B) Value of Metal in Cost of Sales	(908,893)	(928,860)
(C) Result of Hedging Instrunments	6,137	4,328
(A+B+C) Metal Result in Gross Profit	(3,354)	1,032

36. Subsequent events

1. With its decision on 14.02.2020 the Board of Directors of the subsidiary "Epirus Metal Works S.A." verified and certified the payment in full of the capital increase of €455,500.00, which was decided by the Extraordinary General Assembly on 02.12.2019.

2. On 12.03.2020 ELVALHALCOR received notice for the commencement of the preliminary phase for antidumping investigation and countervailing duty (CVD) investigation by the United States International Trade Commission (USITC) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened or the establishment of an industry in the United States is materially retarded by reason of imports of common alloy aluminum sheet from Greece and seventeen other countries (Bahrain, Brazil, Croatia, Egypt, Germany, India, Indonesia, Italy, Korea, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan and Turkey). On the date of publication of the financial statements there were no available information in order to estimate the potential impact on its financial results.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

Information under article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE ADDRESS	WEBSITE MAP
1.	Annual Financial Report 2019	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
2.	Interim Financial Statements H1 2019	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
3.	Press releases during 2019	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Press releases
4.	Announcements to the Stock Exchange during 2019	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Announcements