F.G. EUROPE S.A.

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P.C. Reg. No. 13413/06/B/86/111

ANNUAL FINANCIAL REPORT

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In accordance with
Article 4 of L. 3556/2007

CONTENTS

DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS
(in accordance with article 4 par. 2g of L. 3556/2007)

Members of the Board of Directors, Mr. Georgios Fidakis, Chairman of the Board, Mr. Ioannis Pantousis, Managing Director and Mr. Konstantinos Demenagas, executive Member of the Board of Directors, under their aforementioned membership, declare that to their best knowledge:

- The annual Financial Statements Company and Consolidated for the period ended on December 31, 2018, which were prepared in accordance with the International Financial Reporting Standards, present in a truthful manner the figures pertaining to assets, liabilities, shareholders equity and financial results of the Company and the F.G. EUROPE S.A. Group and companies consolidated.

- The Board of Directors' Report on the Company and Consolidated annual Financial Statements for the period ended on December 31, 2018 presents in a truthful manner the development, performance and financial position of F.G. EUROPE S.A., and its subsidiaries included in Group Consolidation, taken as a whole, including the description of the main risks and uncertainties.

Glyfada, March 22, 2019

Georgios Fidakis	**Ioannis Pantousis**	**Konstantinos Demenagas**
Chairman of the Board of Directors	**Managing Director**	**Member of the Board of directors**

F.G. EUROPE S.A.
SOCIETE ANONYME WHOLESALER OF ELECTRICAL AND ELECTRONIC APPLIANCES

BOARD OF DIRECTORS ANNUAL REPORT ON THE FISCAL YEAR PERIOD ENDED 31/12/2018 F.G. EUROPE S.A.

To the Shareholders of F.G. EUROPE S.A.,

The Company's Board of Directors hereby submits its Annual Report on the Fiscal Year ended December 31st, 2018, prepared in accordance with provisions set forth in Law 2190/1920, as replaced ,from 1/1/2019, from the articles 150-154, Law 4548/2018, Law 3556/2007 and the Decision No. 7/448/11-10-2007 of the Board of Directors of HCMC.

This Report provides brief information on the financial results, current financial status and any changes thereto, recent developments and other changes of the Company and the Group during the fiscal year period from January 1st, 2018 until December 31st, 2018.

Reference is also made to any significant events that took place during fiscal year 2018 and in any way affecting the Annual Financial Statements- Company and Consolidated-, to any significant risks that may arise for the Company and the Group, and to significant transactions between the Company and any related parties in accordance with IAS 24.

Companies of the **F.G. EUROPE Group**:

F.G. EUROPE S.A.: Parent Company of the Group. Listed on the Athens Stock Exchange since 1968. Active in the Durable Consumer Goods market (importing and acting as wholesaler of Air-conditioning Units of all types, both for residential and professional use, White Electrical Home Appliances, and Consumer Electronics).

F.G. EUROPE is a longtime wholesaler and distributor of durable consumer goods as the exclusive trusted partner of two of the largest manufacturers in their sector, Fujitsu and Midea. From mid-2012, F.G EUROPE became the exclusive distributor for the Greek Market of Air-conditioning Units and from March 2013 of the White Appliances of the Chinese manufacturer giant Midea. Midea is one of the largest manufacturing and export companies of White Electrical Home Appliances, globally.
Meanwhile, F.G. EUROPE carries its own line of white electrical home appliances under its own brand name, ESKIMO, which presence dates back to 1958.

F.G. EUROPE is active in 12 countries in total (Greece and Southeastern Europe) as the exclusive distributor of Fujitsu General Ltd products (mainly air-conditioners). Furthermore, starting from 2015, F.G. EUROPE is the exclusive distributor of Midea products in the Balkans, and, from 2017, also in Great Britain and Ireland.

FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET ANONIM SIRKETI: In order to expand the Company's operation in Turkey, a subsidiary company was incorporated in 2014, based in Istanbul, for sale of all types of air-conditioners in Turkey. The company's share capital amounts to €4.604 thousands and FG EUROPE SA's participation stake is 55%.

FG EUROPE ITALIA SPA: In order to expand the Company's operation in Italy, a subsidiary company was incorporated in 2014, based in Milano, for sale of all types of air-conditioners in Italy. The share capital amounts to €1.402 thousands and FG EUROPE SA's participation stake is 100%.
FG EUROPE UK LIMITED: In order to expand the Company's operation in UK, a subsidiary company was incorporated in 2017, based in London, for sale of all types of air-conditioners in UK and Ireland. The share capital amounts to €587 and FG EUROPE SA's participation stake is 100%.

R.F. ENERGY S.A.: Subsidiary of the Group. F.G. EUROPE S.A. currently owns a 50% stake. Restis Family also owns a 50% share. R.F. ENERGY is a holding company, and its business scope is development, management and ownership of energy production projects, focused on Renewable Energy Sources.

R.F. ENERGY S.A., through its 100% subsidiaries controls and operates :
- through KALLISTI ENERGIAKI S.A., a Wind Farm of 15MW in Tsouka, Arkadia, consisting of five Vestas 3MW wind turbines.

- through AIOLIKI KILINDRIAS S.A., a Wind Farm of 10MW in Kilindria, Kilkis, consisting of five Vestas 2MW wind turbines. During fiscal year 2012, the subsidiary received four new production licenses from biomass with total capacity of 9,328 MW.

- through AIOLIKI ADERES S.A., three Wind Farms of a total capacity of 35,4MW in Ermioni, Argolida, consisting of twelve Vestas 3MW wind turbines.

- through HYDROILEKTRIKI ACHAIAS S.A., two small-scale Hydro Power plants at Kerynitis river, in Aigialea area in the Peloponnese, with a total capacity of 3,615 (2,6 and 1,015) MW.

R.F. ENERGY A.E.
By resolution of the Extraordinary General Meeting of the shareholders of R.F. ENERGY A.E. on 06/12/2018, the share capital of the company increased by six hundred and twenty one thousand nine hundred and sixty six euros and seventy two cents (€ 621.966,72). The increase was made with an equal capitalization of the share premium reserve and was covered by an increase in the nominal value of the shares from thirty six cents (€ 0.36) to thirty-eight cents (€ 0.38).

By decision of the Extraordinary General Meeting of Shareholders on 06/12/2018, the Share Capital of the Company was reduced by the amount of ten million six hundred and seventy four thousand one hundred twenty seven euros and eighty cents (€ 10.674.127,80). The reduction will be made by cash return and will be covered by a reduction of twenty eight million eighty nine thousand eight hundred ten (28.089.810) common registered shares.
After the reduction, the Company's share capital will amount to one million one hundred forty three thousand two hundred thirty nine euros and eighty eight cents (€ 1.143.239,88), divided into three million eight thousand five hundred twenty six (3.008.526) common nominal shares of a nominal value of thirty-eight cents (€ 0.38) each.

RF ENERGY OMALIES A.E.
By decision of the Extraordinary General Meeting of Shareholders dated 21/05/2018, the Company's share capital was increased by euro, one hundred and five thousand euros (€ 105.000). The increase was made in cash and was covered by the issue of 3500 new shares, of a nominal value of thirty euro (€ 30.00).
In July 2018, the signing of the differential incremental operating aid contracts with LAGIE SA was signed. for the complex of 11 wind farms in southern Evia.
Pending issue of the Installation License by the Ministry of the Environment and Energy, expected in the 2020 semester.

KALLISTI ENERGY SA
By decision of the Extraordinary General Meeting of Shareholders on 08/11/2018, the Company's Share Capital increased by three million one thousand eight hundred euros (€ 3.001.080). The increase was made with an equal capitalization of the share premium reserve and would be covered by an increase in the nominal value of the shares from one euro (€ 1) to six euros and thirty four cents (€ 6.34).
By decision of the Extraordinary General Meeting of Shareholders on 08/11/2018, the share capital of the company was reduced by three million one hundred and eighty euros (3.001.080). The decrease was made by reducing the nominal value of the shares from six euros and thirty four minutes (€ 6.34) to one euro (€ 1).
On 28/09/2018, a contractual payment of € 225.000 was made, and then the loan balance of € 1.037.000 was repaid in Germany using the frozen funds for servicing the loan. The cost of the above discount is € 94 thousand.
In 2018, the contract for the purchase and distribution of electricity for Tsoukas was extended for 10 more years.

AEOLIKI ADERES SA
By decision of the Extraordinary General Meeting of Shareholders of 07/12/2018, the Share Capital of the Company was reduced by the amount of seven million seven hundred thousand euros and forty cents (€ 7.700.001,40), this reduction was effected by canceling eight hundred forty six thousand one hundred and fifty four (846.154) shares of nominal value (€ 9.10) each.
On 06/12/2018 a contractual installment payment of € 801 thousand was made to AEOLIKI ADERES SA and then the balance of the bond loan of € 3.631 thousand was disbursed, using € 3.005 thousand available from the remaining companies.

CITY ELECTRIC A.E.
By decision of the Extraordinary General Meeting of Shareholders on 21/11/2018, the Company's Share Capital increased by € 4.202 (€ 4.020). The increase was made in cash and was covered by the issuance of 134 new shares, with a nominal value of thirty euro (€ 30.00) and a disposal price of three hundred euros (€ 300.00).
The difference, thirty-six thousand one hundred eighty euros (€ 36.180), was credited to the account "Share premium".

HYDROELECTRIC ACHAIAS SA
In 2018 the electricity purchase and sale contract for MYKIS KERINITIS was extended for 10 more years.

A. Recent Developments – Changes to the Financial Figures of the Company and the Group

2018 constitutes a transitional year, given that in September; an agreement was signed relevant to the sale of 51% of the subsidiary company in Italy. This agreement forecast the deposit of €10.000.000 , which was already submitted in bonded loan’s credit on January 2019.
This transaction was done in order to strengthen the already existing bonds with our main vendor, FUJITSU GENERAL and, through this cooperation, to achieve better results with the rename company, FUJITSU GENERAL COMERCIAL AIR CONDITIONING ITALIA SPA, which will purchase directly from FUJITSU GENERAL, fact that will give the company the ability to sell in competitive prices with profit margin.

This development had, as a result, the decrease of the financing needs for FG Europe’s working capital, for at least €15 mil., amount which was used to this day for the coverage of subsidiary’s needs in credit and inventory.

This positive development has a good impact with the main vendor of our company, FUJITSU GENERAL and imports respective future tactics collaborations.

In 2018 FG Europe, except the above, continues her developmental route, increasing the sales of durable goods in the markets of Balkans, Italy and UK.

The Group's sales of durable goods in external costumers amount to €83.18 mil. against €86.80 mil. in 2017, decreased by 4,17%.The sales in domestic market amount to €31.46 mil. against €32.70 mil. in 2017.

At the Parent Company Level:

The Company's total sales amounted to €78.29 mil against €80.86 mil in 2017, decreased by 3,2%. The sales of air-conditioners in 2018 amounted to €72.51 mil., against to €75.52 mil., decreased by 4,0%.

During 2018, the sales of ESKIMO brand white appliances were significantly increased, amounting to €5.78 mil. against €5 mil. in 2017.

The increase in the Company's total sales, along with the increase in the Gross Profit margin from 19,2% in 2017 to 21,18% in 2018, resulted to the increase in Gross Profits by 7%, amounting to €16.59 mil. in 2018, against €15.51 mil. in 2017.

The Company's general expenses decreased by 4,3% (from €13.04 mil. in 2017 to €12.48 mil. in 2018) in combination with the increase of gross profit in 2018 led to doubling the earnings before interest and taxes, amounting to €4.15 mil against €2.52 mil in 2017.

The abovementioned exchange rise resulted the increase of EBITDA by 250% for the current period, amounting from €1.27 mil. in 2017 to €4.45 mil. in 2018. Furthermore, the relevant EBITDA margin was increased from 1,6% in 2017 to 5,7% in 2018.

The outcome before taxes amounted from €2.18 mil. loss in 2017 to €1.04 mil. profit increased by 147,70% .

The Company's inventories in December 31, 2018 amounted to €42.26 mil. against €36.10 mil. in December 31, 2017, increased by 17,06%.

The Company's trade and other receivables have slightly increased by 2,35%, amounting to €32.13 mil. in 2018 against €31.39 mil. in 2017, due to the decrease of Mother Company's sales.

The Company's total liabilities increased to €92.35 mil. against €88.27 mil. in 2017, due to the increase of the total borrowings by 8,53% in 2018 (from €61.17 mil. to €66.39 mil. in 2018) in combination with the decrease of the company's trade and other liabilities (from €27.10 mil. to €25.94 mil. in 2018.

At the Group Level:

Sales: The total sales of the Group for 2018 amounted to €93.43 mil. against €97.06 mil. in 2017, decreased by 3,74% due to the above mentioned decrease of Mother Company's sales.

The Group's income from electricity's sale in 2018 remained at the same level with 2017, amounted to €10.25 mil.

Gross Profit: The Group's Gross Profit for the period, despite the decrease of sales, amounted to €25.86 mil. against €24.48 mil. in 2017, increased by 5,64%,. The G.P.M. was slightly increased by 2,46 points, amounted to 27,68% against 25,22% in 2017.

General Expenses: The general expenses of the Group amounted to €19.90 mil. against €19.35 mil. in 2017, slightly increased.

EBITDA: The Group's operating profit amounted to €9.59 mil. against €8.06 mil. in 2017 configuring EBITDA rate / sales to 10,26% against 8,3% in 2017.

Earnings before interest and taxes: The Group's earnings before interest and taxes increased by 15,65%, amounted to €6.65 mil. to €5.75 mil. in 2017.

Earnings before Taxes: Group's earnings before taxes (EBT) in 2018 amounted to €1.85 mil against €0.25 mil in 2017, increased by 640%.

Trade and other receivables: Trade and other receivables of the Group are significantly decreased by 11,30% in 2018, amounted to €33.66 mil. to €37.95 mil. in 2017.

Inventories: The Group's inventories appear increased, in 2018, by 11,99% (€44.64 mil. in 2018 against €39.86 mil. in 2017) due to the increase of Mother Company's inventories.

Total Liabilities: The Group's total borrowings decreased to €68.07 mil. in 2018, against €70.04 mil. in 2017.The Group's total liabilities appear increased, mostly due to the increase of Mother Company's total liabilities , amounted to €115.08 mil. against €112.91 mil. in 2017.

B. Future perspectives and outlook

The Group's Management believes that the positive performance of the both the Company and the Group in total, will continue in the coming period.
The Group is aiming to regain sales in Italy, continue its growth in the Balkans, steadily increase its market share in the UK and a further increase in the domestic market from both air-conditioners' sales and ESKIMO white appliances.

In parallel, Group's Direction expects the foreseeable increase of domestic sales from the disposal of HITACHI white appliances from 1/4/2019, in Hellenic Market.

C. ALTERNATIVE PERFORMANCE MEASURES (APM)

The Group is using APMs as a decision making tool regarding the assessment of its performance. These APMs could be helpful in the better understanding of the finance and operating results, the financial position and the cash flow statement of the Group. The APMs should always be examined in combination with the financial results according to IFRS and under any circumstances they cannot replace them.

For the assessment of the Group's and the Company's performance, several profitability ratios are used. These are: EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), EBITDA Margin (EBITDA/ Sales), Earnings Before Taxes Margin (EBT/ Sales), ROE (Return on Equity). Also, inventory turnover ratio and liquidity ratios are used (Current and Quick Ratio).

Calculation on APMs presented below:

C1. Liquidity Ratios

In order to assess liquidity and count its ability to deal with current liabilities as they fall due, the Group is calculating below ratios:

	2018	2017	Definition
Current Ratio (Company level)	1,86	1,55	Current Assets / Current Liabilities
Current Ratio (Group level)	1,94	1,99	
Quick Ratio (Company level)	0,82	0,75	(Current Assets – Inventory) / Current Liabilities
Quick Ratio (Group level)	0,87	1,04	

C.2. Inventory Turnover Ratio

In order to show the efficient use of inventory, the Group is calculating Inventory Turnover Ratio. This ratio counts the number of days that inventory is stocked before it is sold.

	2018	2017	Definition
Inventory Turnover Ratio (Company level)	250	202	Inventory / Cost of Sales * 365
Inventory Turnover Ratio (Group level)	344	277	

C.3. Return of Equity Ratio (ROE)

In order to assess the effectiveness of equity, the Group is calculating the Return of Equity Ratio (ROE).
This ratio is showing the Profits after Taxes as a percentage of Equity.
Return of Equity Ratio is calculated in order to show how effective an entity is using its equity in order to create profit, expressed as a percentage.
ROE is used as an indication of effectiveness, showing how much profit can be realized by the use of resources invested by the shareholders (share capital) and reserves.

	2018	2017	Definition
Return of Equity Ratio (Company level)	1,88%	-5,29%	Profit after tax / Equity
Return of Equity Ratio (Group level)	1,44%	-0,28%	

C.4. Performance Ratios

In order for the assessment of its performance, the Group is calculating several performance ratios:

C.4.1. Profit before Taxes Margin is showing profit before taxes as a percentage of sales

	2018	2017	Definition
Profit before Taxes Margin (Company level)	1,32%	-2,70%	Profit before Taxes / Sales
Profit before Taxes Margin (Group level)	2,40%	0,25%	

C.4.2. EBITDA Margin which shows EBITDA as a percentage of sales.

	2018	2017	Definition
EBITDA Margin (Company level)	5,68%	1,57%	EBITDA (*) / Sales
EBITDA Margin (Group level)	13.44%	10,84%	

(*) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization calculated as follows:

	Group		Company	
	2018	2017	2018	2017
Profit before Taxes	1.666	186	1.035	(2.180)
+ Finance cost	10.111	7.312	3.997	5.527
- Debit Exchange Differences	(5.944)	(3.179)	(533)	(2.149)
- Finance income	(5.334)	(1.827)	(884)	(824)
+ Credit Exchange Differences	5.122	1.727	688	742
+ Depreciation of PPE and intangible assets	5.419	5.421	145	151
- Depreciation of Grants for assets	(1.704)	(1.704)	-	-
EBITDA	**9.336**	**7.936**	**4.448**	**1.267**

D. Significant events occurred after the reporting period

Significant events that occurred in a post balance sheet date are presented below:

The agreement with FUJITSU GENERAL LIMITED, started from 7/9/2018, completed on 4/1/2019. This agreement refers to the transfer of 51% of subsidiary's share in Italy, FG EUROPE ITALIA S.p.A., amounted to €10 mil. against the cost of the fore mentioned participation (51%) amounted to €0.715 mil.

Besides the abovementioned incident, there are no other significant incidents subsequent December 31th 2018, which have to notify or differentiate the funds of the published financial reports.

E. Risks and Uncertainties

Financial Risk Management

Financial risk factors: The Group's operations entail exposure to various financial risks (including foreign exchange risk, interest rate risk, cash flow risk, price risk credit risk and liquidity risk). The Group's risk management policy is focused in the unpredictability of the financial markets targeting the minimization of the factors that can negatively affect the financial performance of the Group. The Group uses financial derivative products in certain cases, in order to hedge its exposure to certain risks.
The risk management is conducted by the Company's financial management department in accordance with the policy authorized by the Company's Board of Directors. The financial management department detects, evaluates and hedges financial risks in close cooperation with the Group's other departments. The Board of Directors provides guidelines for the risk management in general and specifically covering such areas of risk as foreign exchange risk, interest rate risk,

credit risk, the use of derivatives and non-financial instruments as well as the investment of additional liquidity.
The sensitivity of the Group's and the Company's figures after tax 29% is presented below.

Market Risks

Foreign exchange risk: The Group operates internationally and as a result, it is exposed to foreign exchange risks arising from commercial operations in foreign currencies (USD and JPY) with customers and suppliers using currencies other than the Euro. In order to minimize risks the Group on occasion hedges its exposure to foreign currency risk through derivative contracts but does not use hedging accounting.

On 31/12/2018, Profit/ (Loss) after Tax and the equity for the Group and the Company would have been (€-5) and €144 respectively (€14 and €-98 respectively in 2017) (lower) / higher, if € was weaker / stronger than USD by 10% (for the respective period of 2017 the fluctuation was 8%), with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been €4 (€57 for the Group and for the Company in 2017) (lower) / higher, if € was weaker / stronger than JPY by 10% (for the respective period of 2017 the fluctuation was 8%), with the other variables held constant mainly as a result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

On 31/12/2018, Profit/ (Loss) after Tax and the equity for the Group and the Company would have been € 2 and €1 (€1 and €8 for the Group and for the Company in 2017) respectively (lower) / higher, if € was weaker / stronger than GBP by 10% (for the respective period of 2017 the fluctuation was 6%), with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

Price volatility risk: The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as financial assets available for sale. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.
Shares of the portfolio are included in the General Index of the ASE. The effect that an increase/decrease in the General Index of the ASE would have on equity of the Group for the fiscal year. The analysis is based on the assumption of increase / decrease of the General Index of the ASE by 20,72%, with all other variables held constant and the shares held by the Company following exactly this change.

Profits after Tax and Equity would have not increased /decreased (€1 in 2017) as a result of gains/losses resulting from the evaluation of the available for sale financial instruments.

Cash flow and interest rate risks: The Group has not interest-bearing assets and hence income and operating cash flows are not substantially affected by the changes in interest rates.
Interest rate risk results mainly from short and long term borrowing in Euro and in floating interest rates. The Group assesses its exposure to interest rate variation on a constant basis taking under examination any chance of refinancing of its existing obligations under different conditions and terms. On this basis the Group assesses any potential influence to its financial result arising out of contingent variations in interest rates pertaining to mid-term and long term financing facilities.

On 31/12/2018, profit/(loss) after tax and equity for the Group would have been €401 (€142 in 2017) (lower) / higher, while for the Company would have been €401 (€42 in 2017) (lower) / higher, if the € interest rates were 2 basis points higher / (lower) for the Group of the subsidiary R.F. ENERGY S.A. and 86 basis points higher / (lower) for the Company with the other variables held constant (for the respective period of 2017 the fluctuation for R.F. ENERGY S.A. was 150 basis points and for the Company it was 10 basis points) . This would mainly happen due to higher / (lower) financial costs for bank loans with floating rate in €.

Credit risk: Credit risk is hedged at Group level. Such credit risk mainly arises from the existence of potentially doubtful receivables. For credit risk management purposes the Group has policies in place in order to continuously assess clients' credibility taking into consideration the client's financial standing, previous transactions with the client and the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash. Sales to individuals are about 1% of the total turnover of the Group and carried out mainly in cash. During the FY 2017 no excess in credit levels was noted and the Group does not expect any substantial potential losses which come as a result of inability to collect receivables. Moreover, the Company's receivables are spread in a wide number of customers, so there is no concentration and consequently severely limited credit risk.
The maximum exposure of the Group and the Company on 31/12/201, regarding Credit Risk, is presented and analyzed in Note 15.

Liquidity risk: Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing for working capital and issuance of letters of guarantee to suppliers, which amounted to €116.958 and € 114.691 for the Group and the Company respectively on 31/12/2018 (€118.068 and € 106.347 for the Group and the Company respectively on 31/12/2017).

The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.
The table below analyses the Group's liabilities based on the remaining contractual life at balance sheet date. The amounts presented below are in nominal values plus interest and, therefore, it is possible to differ from the amounts presented in the statement of financial position.

Consolidated December 31, 2018	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	15.958	8.260	31.245	15.535
Trade and other payables…………….	21.209	-	-	-
Total	**37.167**	**8.260**	**31.245**	**15.535**

Consolidated December 31, 2017	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	24.011	27.553	7.713	17.680
Trade and other payables…………….	21.288	-	-	-
Total	**45.299**	**27.553**	**7.713**	**17.680**

The table below analyses the Company's liabilities based on the remaining contractual life at balance sheet date. The amounts presented below are in nominal values plus interest and, therefore, it is possible to differ from the amounts presented in the statement of financial position.

Company December 31, 2018	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings………………………...	15.335	7.820	29.925	15.535
Trade and other payables…………….	25.964	-	-	-
Total	**41.299**	**7.820**	**29.925**	**15.535**

Company December 31, 2017	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings………………………...	21.673	25.193	3.468	17.240
Trade and other payables…………….	27.102	-	-	-
Total	**48.775**	**25.193**	**3.468**	**17.240**

F. Related Party Transactions

According to IAS 24, related parties are subsidiary companies, affiliate companies and companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Company sales to related parties primarily concern sales of products and merchandise. Sale prices are at cost plus a low profit margin. Services rendered to the Company primarily concern storage services (logistics etc.) as well as after sales services.
Intercompany transactions take place in accordance with Law 3728/18-12-2008, and under such conditions and terms which do not materially differ from relevant conditions and terms in agreements between the Company and third parties.

The compensation of Directors concerns compensation of regular payment according to employment contracts.

The following paragraph lists important transactions between the company and its related parties, having occurred during the period under review, in accordance with provisions of IAS 24, pertaining to amounts over € 10 thousand.

Within 2018, F.G. EUROPE S.A. conducted sales to the subsidiary FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET, which amounted to €3.79 as long as software support service's sales, amounted to €0.04 mil. From the above sales FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET owes to FG EUROPE S.A. the amount of €4.76 mil.

Within 2018, the subsidiary FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET conducted sales to F.G. EUROPE S.A. with a total amount of €0.60 mil.

Within 2018, FG EUROPE S.A. conducted sales to the subsidiary FG EUROPE ITALIA SPA, which amounted to €18.8 mil. as long as software support service's sales, amounted to €0.03 mil. From the above sales FG EUROPE ITALIA SPA owes to F.G. EUROPE S.A. the amount of €5.30 mil.

Within 2018, F.G. EUROPE S.A. conducted merchandises' service sales from the subsidiary FG EUROPE ITALIA SPA, which amounted to €0.06 mil.

Within 2018, F.G. EUROPE S.A. conducted sales to the subsidiary FG EUROPE UK LIMITED, which amounted to €1.34 mil. From the above sales FG EUROPE UK LIMITED owes to F.G. EUROPE S.A. the amount of €1.26 mil.

Within 2018, F.G. EUROPE S.A. owes to FG EUROPE UK LIMITED the amount of €0.04 mil. in framework of trading liabilities.

Within 2018, FG EUROPE S.A. conducted sales to the subsidiary RF ENERGY S.A., which amounted to €0.04 mil. as long as other services up to €0.01 mil. From the above sales R.F. ENERGY S.A owes to F.G. EUROPE S.A. the amount of €0.01 mil.

CYBERONICA S.A.'s income from leasing offices and storing facilities amounted to €3.27 mil during the period 2018 (the same amount in the respective period in 2017). From that amount the contribution of F.G. EUROPE S.A. was € 3.16 mil (the same amount in the respective period in 2017). The biggest part concerns leasing storage facilities of 25.000 s.m. in Aspropyrgos and Glyfada.
Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of €0.58 mil (the same amount in the respective period in 2017). The amount paid as guarantee from F.G. EUROPE S.A. is € 0.56 mil, remaining the same from the year 2015.

F.G. EUROPE S.A. has received CYBERONICA S.A. with a temporary cash facility the amount of €3.43 mil., from KALLISTI ENERGEIAKI S.A. the amount of €1.70 mil., from AIOLIKI KYLINDRIAS S.A. the amount of €0.90 mil., from RF ENERGY S.A. the amount of €0.75 mil. and from IDROILEKTRIKI ACHAIAS S.A. the mount of €0.15 mil.

Receivables from BoD members and Directors amount to €9.24 mil.
Major part of this amount concerns Mr. Georgios Fidakis', major shareholder and President of the BoD, given guarantee in favour of the Company, based on a signed agreement, for the coverage of any contigent losses that may arise from ATTICA BANK's (listed in the ASE) purchased shares. The nominal value of these shares is €10.17 mil. Loss from evaluation dated 31/12/2018 is €9.20 mil.
Payables to BoD members and Directors amount to €0.04 mil. and concern Company's obligation to Mr. Georgios Fidakis, major shareholder and President of the BoD, for a short-term cash facility.

G. Own Shares

As at December 31st 2018, FG EUROPE S.A. does not own any of its shares.

H. Information in accordance with article 4, par. 7 Law 3556/2007

a. Share Capital

Share capital amounts to Euro 15.840.046,20 and is divided into 52.800.154 common registered shares, with par value of Euro 0.30 each. Company's shares are listed in ASE (in Big Capitalization category). All the rights and obligations defined by the Law and the Articles of Association, derive from each share. Each share provides the right for a single vote. Each shareholder's liability is limited to the total nominal value of owned shares.

b. Limitations pertaining to transfer of Company's shares.

Transfer of Company's shares may only take place in accordance with the relevant provisions of Greek Law and no further limitations are imposed in the Company's Articles of Association, than the Convention of the Joint Bond which has been signed in March 2018 and provides that the main shareholder of the Company undertakes to maintain throughout the term of the loan contract, at least 35% of the share capital of the Company.

c. Direct or indirect interest in the Company's share capital, having the same meaning as articles 9, 10 and 11, Law 3556/2007

As at December 31st, 2018 shareholders named below owned a percentage larger than 5% of the total Company's votes:

1. Georgios Fidakis indirect interest of 56,30% through:

1.1 SILANER INVESTMENTS LIMITED, direct interest 34,66%

1.2 MAKMORAL TRADING LIMITED, direct interest of 21,64%.

2. FIRST EUROPEAN RETAIL CORP. indirect interest of 11,08%.
3. Vassiliki Valianatou, direct interest of 5,09%.
4. Panagiotis Fidakis direct interest of 5,13%.

d. Limitations pertaining to voting rights
No special limitations pertaining to voting rights of shareholders exist in the Company's Articles of Association.

e. Premium Equity Shares.
No provisions are included in the Company's Articles of Association with regard to premium equity shares.

f. Shareholders agreements
Company is not under any such agreement and its Articles of Association include no provisions with regard to any agreement among shareholders which provide additional limitations concerning transfer of shares or voting rights.

g. Rules for selection or replacement of members in the Board of Directors and amendments to the Articles of Association, which are materially different from provisions under Codified Law 2190/20
Company's Articles of Association with regard to the election or replacement of members in the Board of Directors and amendments thereof do not materially differ from provisions set forth under C.L. 2190/20.

h. Power of the Board of Directors or certain members thereof for the issuance of new shares or the purchase of own company's shares, according to the article 16, C.L 2190/20
The Board of Directors is authorized, for a period of five years, to increase Company's Share Capital, at any time which the BoD deems appropriate, determining certain terms concerning the level of the equity increase, the number and the offer price of new shares. No other authorization to purchase company's own shares has been granted to the Board of Directors.

i. Significant agreements in force amended or subject to termination in the event of any change in Management of the Company following a public offer.
No such agreements exist.

j. **Significant agreements with members of Board of Directors or the Company's employees.**
No such agreements exist between the Company and any member of the Board of Directors or its employees, which provide for any form of compensation especially in case of resignation or lay-outs without reasonable cause or ending of service or employment due to public offer.

I. Explanatory Report in accordance with article 4 par. 7 Law 3556/2007

Clarifications on information in chapter G above follow:

1. Shareholders General Assembly on 28/6/2013, authorized the Company's Board of Directors in accordance with provisions set forth under paragraph 1 (b), and 4 (a), article 13, Codified Law 2190/1920 to proceed within a five-year period to an increase of the Company's Share Capital at any time the BoD shall deem appropriate, and accordingly determining the terms referring to the level of the increase, the number and the offer price of new shares.

2. Said Shareholders General Assembly also resolved to cancel (annul) 1,780,220 own shares, representing 3,26% of the Company's total Share Capital which were acquired Shareholders General Assembly resolution dated 8/2/2005. Cancellation (annulment) of shares consequently reduced the Company's Share Capital by Euro 534.066. After the decrease, Company's Share

Capital amounts to Euro 15.840.046,20, divided to 52.800.154 shares, with par value of Euro 0.30 each.

3. Shareholders General Assembly of 28/06/2017 elected the Company's Board of Directors with a two-year term

4. The Company's Board of Directors convened on 30/06/2017 as follows:

1. Fidakis Georgios, son of Athanasios, Chairman of the Board- Executive Member
2. Lioukas Spyros, son of Konstantinos, Vice president - Independent Non-executive Member
3. Pantousis Ioannis, son of Dimitrios, Managing Director
4. Fidakis Athanasios, son of Konstantinos, Executive Member
5. Demenagas Konstantinos, son of Andreas-Fotios, Executive Member
6. Ekonomopoulos Panagiotis, son of Konstantinos Non-executive Member
7. Katsoulakos Ioannis, son of Socrates, Independent Non-executive Member
8. Pimblis Nicolaos, son of Evarestos, Independent Non-executive Member

There are not changes in participations of shareholders to the company (above 5% participation share) in fiscal year 2018.

J. Internal Code of Conduct

The Company operates under an internal code of conduct, which is updated and kept abreast of current events, in order to incorporate any issues arising pertaining to matters of corporate governance, as well as any changes in the organizational structure of the Company.

K. Corporate Social Responsibility

F.G. EUROPE S.A. is especially sensitive to matters of environmental awareness and protection, responsibility towards its employees and contribution to society as a whole, through sponsorships and actions. Social responsibility is developed and implemented through a system of values, objectives and actions relating to corporate governance.
Respect for the environment, promoting renewable energy sources, taking part in recycling initiatives and implementing recycling policies, all are guidelines incorporated in FG Europe's strategy. The companies of the Group, following a path of sustainable growth, operate in a manner that protects both the environment and the health and safety of their employees.
Management's commitment is to continue, also in the future, actions aimed at relieving our fellow men, sparing no material and moral burden.

L. Dividend Policy

In accordance with relevant provisions of Greek Law, it is required that the Company must distribute a minimum of 35% of its net profit after tax and deductions for accounting reserve as dividend to its shareholders. Nevertheless, the Law provides that this obligation can be waived by a General Assembly of Shareholders resolution, in which a majority of at least 70% of shareholders are represented and vote.

M. Statement of Corporate Governance according to Law 3873/2010

This statement of Corporate Governance is a special part of the BoD's Annual Report, according to article 43 (bb) of C.L. 2190/1920, as amended.
F.G. Europe S.A. is committed to maintain high standards of corporate governance. Under the principles of Corporate Governance, the Company has applied the principles laid down by the Corporate Governance Code (CGC) established by the Hellenic Federation of Enterprises (SEV) and amended by the Hellenic Council of Governance Code on 28/6/13. This corporate governance statement sets out the way the Company applies the Code and provides explanations for any failure to comply with the provisions of this during the year 2018.

The Code aims at the constant improvement of the Greek institutional framework and general business environment and to increase the confidence of the investors regarding both the total of listed companies and each one of them and broadens the horizons to attract investment capital.

The term “corporate governance” describes how companies are run and monitored. Corporate governance is structured as a system of relations between the Management of the Company, the Board of the Company, shareholders and other interested parties. It is the structure through which the company’s objectives are approached and made, the means of achieving these objectives are identified and monitoring of the performance of the Management in the implementation process of the aforementioned is enabled.

Effective corporate governance plays an essential role in promoting business competitiveness, while promoting increased transparency has led to improved transparency in the whole economic activity of private enterprises and government organizations and institutions.

In Greece, the corporate governance framework has been developed mainly through the adoption of binding rules, such as the Law 3016/2002, as amended by the Article 26 of Law 3091/2002, which requires the participation of non-executive and independent members of the Board of Greek listed companies, the establishment and operation of internal control unit and the adoption of internal operating rule. In addition, many other acts incorporated in the Greek legal framework European company law directives, creating new rules, such as Law 3693/2008, which requires the establishment of audit committees and important caveats with regard to ownership and corporate governance, and Law 3884/2010, relating to rights of shareholders and additional corporate disclosure obligations to shareholders in preparation of the General Assembly. The recent Law 3873/2010 incorporated into the Greek Law the no. 2006/46/EC4 Directive of the European Union and serves as a reminder of the need for the Code and a “cornerstone”. Finally, in Greece, like most other countries, the Law on societies anonymes, (Law 2190/1920, which has been amended by several provisions of the above EU-inspired laws), includes the basic rules of their governance.

1. Corporate Governance Code

1.1 Notification of voluntary compliance of the Company with the Corporate Governance Code

Our Company fully complies with the requirements and regulations relating to these laws and in particular c.l. 2190/1920, Law 3016/2002 and Law 3693/2008, which constitute the minimum content of any Corporate Governance Code. At the same time, complying fully with the requirements of the Law 3873/2010, it states that has adopted the only widely accepted until now Corporate Governance Code, developed by the Federation of Enterprises (SEV), as a Corporate Governance Code amended by the Hellenic Council of Governance Code on 28/6/13.

1.2. Deviations from the Corporate Governance Code and justification. Specific provisions of the Code that the Company does not apply and an explanation of non – implementation.

The Company confirms with this statement that it has faithfully and strictly implemented the provisions of Greek Law (c.l. 2190/1920, Law 3016/2002 and Law 3693/2008), which establish the minimum requirements to be met by any Corporate Governance Code applied by a company which shares are traded on a regulated market.

These minimum requirements are incorporated in this Corporate Governance Code which the Company is subject to, but this Code also contains a number of additional (relating to minimum requirements) specific practices and principles.
In connection with such additional practices and principles, there could be some deviations (including the case of non-application).

The general, by section, principles under the Code and the deviations with a brief analysis and explanation of the reasons justifying them, are presented below.

SECTION A - The Board and its members

I. Role and responsibilities of the board

The Board should provide effective leadership and direct the company's affairs in the interest of the company and all shareholders, ensuring that the management properly implements the company's strategy. The Board should also ensure the fair and equitable treatment of all shareholders, including minority and foreign shareholders.
In discharging its role, the Board should take into account the interests of key stakeholders such as employees, clients, creditors and the communities in which the company operates. The main, non-delegable, responsibilities of the Board should include:

- Approving the overall long-term strategy and operational goals of the company
- Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures
- Selecting and replacing, if necessary, the executive leadership of the company and overseeing planning
- Monitoring the performance of senior management and aligning executive remuneration with the longer term interests of the company and its shareholders
- Ensuring the integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management
- Being alert to and adequately addressing actual and potential conflicts of interests between the company, on the one hand and its management, board members or major shareholders, on the other (including shareholders with a direct or indirect power to control the board's composition and behavior); to this end, the board should put a set of procedures in place for supervising transactions by all related persons (including transactions that must be submitted to the shareholders for approval) in order to ensure transparency and protect the company's interests
- Ensuring that there is a satisfactory process for monitoring the company's compliance with relevant laws and regulations
- Deciding on and monitoring the effectiveness of the company's governance processes including its system of decision- making and delegation of authorities and duties to other key executives, and
- Formulating, disseminating and implementing key values and principles of conduct governing the company's relations with its stakeholders

II. Size and composition of the Board

The size and composition of the Board should enable the effective fulfillment of its responsibilities and reflect the size, activity and ownership of a company. Board composition should be driven by the fair and equitable treatment of all shareholders and demonstrate a high level of integrity. Moreover, it should include a diversity of knowledge, qualifications and experience relevant to the business objectives of the company.

Under Article 23 of the Articles of Association, the Company is managed by the Board of Directors, which consists of a minimum of seven (7) and a maximum of nine (9) members.

The last Board is a 7-member and consists mainly of four (4) independent non-executive members and three (5) executive members. Its composition will ensure that independent and effective functioning.

The mandate of the Board in accordance with Article 24 of the Articles of Association of the Company is 2 years.
The composition of the Board of Directors that elected by the Annual General Assembly on 30/6/2015 is as follows:

The Company's Board of Directors convened on 28/06/2017 as follows:

1. Fidakis Georgios, son of Athanasios, Chairman of the Board- Executive Member
2. Lioukas Spyros, son of Konstantinos, Vice president - Independent Non-executive Member
3. Pantousis Ioannis, son of Dimitrios, Managing Director
4. Fidakis Athanasios, son of Konstantinos, Executive Member
5. Demenagas Konstantinos, son of Andreas-Fotios, Executive Member
6. Ekonomopoulos Panagiotis, son of Konstantinos Non-executive Member
7. Katsoulakos Ioannis, son of Socrates, Independent Non-executive Member
8. Pimblis Nicolaos, son of Evarestos, Independent Non-executive Member

The CVs of the members of the Board of Directors are posted on the Company's website at the address http://www.fgeurope.gr.

No Corporate Secretary of the Board of Directors has been officially appointed, since, until now, this role was performed by one of the Executive members of the BoD. Intention of the Management is after the election of the next BoD, is the definition of the Corporate Secretary who possesses the necessary qualifications by the Code, in order to meet the needs of this specific position.

The Board shall meet whenever required by law, the Articles of Association or the needs of the Company, after invitation of the Chairman or that of his deputy either at the head office of the Company or any other Municipality within the prefecture where the head office are. The topics on the agenda must be indicated in the invitation, otherwise decision making may only be permitted if all members of the Board are present or represented and no one objects to this.
The Board may validly meet outside the office at another location, either in Greece or abroad, if all members of the Board are present or represented in this meeting and no one objects to holding the meeting and decision making. The Board may meet by teleconference. In this case, the invitation to members of the Board includes the necessary information for their participation in the teleconference. Meetings of the Board are chaired by the Chairman or his legal substitute.

The Board has established the following committees that are primarily staffed by Independent non-Executive directors:

1. Internal Control Committee: Charalampos Psaltakis (Responsible), Spyros Lioukas and Panagiotis Ekonomopoulos,

2. Remuneration, Benefits and Pension Plan Committee: Spyros Lioukas (Responsible), and Nicolaos Pimblis.

3. Environmental Issues Committee: Spyros Lioukas (Responsible), and Panagiotis Ekonomopoulos.

4. BoD Candidates Nomination Committee: Ioannis Katsoulakos (Responsible), Nicolaos Pimblis and Spyros Lioukas.

It should be noted that except the essential role played with their operation by the members of Internal Control Committee and Competition, Transparency and Corporate Governance Committee, other committees of the Board have worked few so far. Management's immediate priority is the full mobilization of the other committees of the Board.

The diversity policy, including gender balance for the members of the Board, as adopted by the Board, will be posted on the corporate website. In the statement of the corporate governance, a specific reference to:

a) the diversity policy applied by the company, regarding the composition of both the Board and senior management and
b) the percentage of representation of each sex, respectively should be included.

The Board of Directors now consists exclusively of men. No diversity policy regarding the composition of both the BoD and the senior management has been implemented so far by the company. The company's priorities include finding and adding qualified representative of female sex among the members of the Board, without bound in time for the company's compliance with the above practice, since the condition for its satisfaction is finding the right people to staff positions in the Board and the Management of the company.

III. Role and profile of the chairman of the Board

The Chairman should be responsible for leading the board, setting its agenda and ensuring that the work of the board is well organized and meetings conducted efficiently. The Chairman is also responsible for ensuring that board members receive accurate and timely information. The Chairman should ensure effective communication with all shareholders as well as the fair and equitable treatment of their interests.

The Board has not explicitly established the responsibilities of the Chairman in relation to those of the Managing Director, so that these be reflected in writing and notified to shareholders.
The last Board of Directors elected by the General Assembly on 28/6/2017, trough implementation of the special practice laid down by the Code, elected independent Vice-Chairman among its independent non-executive members, given that the Chairman comes from the executive members of the Board.

IV. Duties and conduct of board members

Each board member has a duty of loyalty to the company an all shareholders, including minority and foreign shareholders. Board members should act with integrity and in the best interest of the company, as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the company and should avoid any position or activity which creates or appears to create a conflict between their personal interests and the interests of the company, including holding board or executive positions in competing companies without the

approval of the general meeting of shareholders. Board members should contribute their expertise and devote to their duties the necessary time and attention. Board members should also limit the number of other professional commitments (in particular any directorships held in other companies) to the extent that allows for their satisfactory performance as board members. Finally, board members should endeavor to attend all meetings of the Board and the relevant committees.

The Board has not adopted as part of the Company's internal regulations, policies which set the framework for acquisition of sufficient information by the Board, so as to base its decisions on the transactions between related parties, following the standard of a prudent businessman. The Board, during the administration of company affairs and, hence, transactions between the Company and its related parties presents the same diligence of a prudent businessman, so that these transactions be fully transparent and in accordance with the terms and conditions of the market and full compatibility with the existing regulatory framework, as determined by the relative provisions of both the corporate and tax legislation. The same care is followed regarding the transactions between company's subsidiaries and related parties. The company's intention, if necessary, is to establish the necessary procedures in order to ensure and acquire, on behalf of the BoD, sufficient information, in order to base its decisions for the transaction between its related parties on the standard of prudent businessman.

The Board has not adopted as part of the Company's internal regulations, policies relating to management of conflicts of interest between its members and the Company, as well as the procedures, according to which, the members of the Board should promptly notify the Board any interests in corporate transactions or their conflicts of interests with the Company or its subsidiaries.

V. Nomination of board members

Nominations to the board should be made on merit using objective criteria. The board should ensure the orderly succession of board members and senior executives so as to ensure the long–term success of the company
The committee relating to proposal of candidates for the Board of Directors does not make a periodic assessment of the size and composition of the Board and not submit proposals for consideration on its profile.
The committee shall meet when it comes to indicating the nominations and qualification of the candidates for their election to the BoD.

Company's Operating Rules, which will explain the role and responsibilities of the committee, have not been written or posted on the website of the Company.

The committee does not use the services of external consultants and therefore it is not necessary to provide funds to the committee for this purpose.

The committee has not submitted proposals for diversity policy that should be applied by the Company, including gender balance, but its intension is the submission of diversity proposals in the next election of members of the BoD.

VI. Functioning of the Board

The Board should meet sufficiently regularly to discharge its duties effectively. The Board should supplied by the management in a timely manner with information in a form and of a quality to enable it to discharge its responsibilities effectively.

There is no specific regulation for the operation of the Board, as the provisions of the Internal Operating Rules and the Articles of Association of the Company are assessed as adequate for the organization and operation of the Board.

There is no calendar of meetings and 12-month action plan adopted by the Board, which may be revised depending on the needs of the Company, since all members are residents of the Capital and therefore convergence of a meeting of the Board is quite easy whenever imposed by the needs of the company or the law, but not necessarily with a predetermined agenda.

There is no provision for support of the Board in the performance of work by skilled and experienced internal secretary, since the compliance of its members collectively and individually with the internal regulations, relevant laws and regulations, is guaranteed through the professional and scientific knowledge and experience of its members.

There is no provision for introductory information programs for new members of the Board and continuing professional development and training for the other members, since the proposed for election as members of the Board persons have experience, scientific training and organizational – administrative capacity.

There is no provision for providing resources to the committees of the Board to fulfill their duties and to hire external consultants to the extent necessary, since necessary in these cases resources are approved by the Company’s management, based on the needs of the Company.

VII. Board evaluation

The Board should undertake a regular evaluation of its own performance and that of its committees.

No grievance procedure for evaluating the effectiveness of the Board and its committees has been established.
No procedure for evaluating the performance of the Chairman of the Board which is headed by the independent Vice-Chairman, in spite of the presence independent Vice- Chairman in the last BoD, has been established. This procedure is not considered necessary on the basis of the current organizational structure of the Company.
No procedure for convergence of independent non-executive members of BoD without the presence of executive members to assess their performance and determine their fees has been established, since the executive members of the BoD do not receive compensation for their participation in the meetings of the Board.

SECTION B – Internal Control

Internal Control – Audit Committee

The Board should present a balanced and clear assessment of the company’s position and prospects and ensure the integrity of financial statements and disclosures to shareholders and to the public.

The Board should maintain a sound system of internal control to safeguard shareholders’ investment and the company’s assets, and ensure that significant risks are identified and adequately managed. The Board should regularly review the corporate strategy, the main risks to the business, and the effectiveness of the systems of internal control in managing these risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the risk management systems. The Board, through its audit committee (where applicable) should also develop a direct and ongoing relationship with and receive regular reports from the company’s auditors in respect of the effective functioning of the control system.

Internal Control System and Risk Management

Main features of the internal control system:

The Company’s internal audit is conducted by the Head of the Internal Audit and in accordance with the audit plan set by the Audit Committee.
It is noted that the audit, according to which the respective Report is issued, is conducted within the current framework. During his exercise of control, the Head of Internal Audit takes note of all necessary books, documents, records, bank accounts and portfolios of the Company, with the continuing cooperation of the Management in order to be provided with all information and data necessary for the smooth implementation of planned and emergency audits and preparation of reports provided with the utmost accuracy in the information and conclusions contained therein.

The audit does not include any assessment of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well, since these are subject to review by the statutory auditor of the Company.

The purpose of the audit is to assess the overall level and operating procedures of internal control system. In each test period, some areas – control fields are selected, while the operation of the Shareholder Services Department and the Office of Corporate Communications is permanently monitored and reviewed.

The Company fully complying with the provisions and requirements of Law 3693/2008, elected at the Annual General Assembly held on 30/6/2015 the Audit Committee, consisting of three independent non-executive members of the Board.
The responsibilities and duties of the Audit Committee shall consist of:

1. Regarding the system of Internal Control and Information Systems, the Audit Committee:

a) Monitors the financial reporting process and the reliability of financial statements of the company. Also, it should oversee any formal announcement relating to the financial performance of the company and examine the key points of the financial statements that involve significant judgments and estimates on behalf of the Management.
b) Oversees internal financial controls of the company and monitors the effectiveness of the systems of Internal Control and Risk Management of the company, unless this responsibility clearly belongs to the Board of Directors or another committee. For this purpose, the Audit Committee should periodically reviews the systems of Internal Control and Risk Management to ensure that the main risks are identified, faced and disclosed correctly.
c) Should address conflicts of interest during transactions of the company and its subsidiaries with related parties and submit relevant reports to the BoD.
d) To the extent required by the company policy, supports the BoD as to obtain adequate information for making decisions relating to transactions between related parties.
e) Should consider the existence and the content of those procedures under which personnel of the company may, in confidence, express their concern about possible illegalities and irregularities in financial reporting or other matters relating to the operation of the company. It should ensure the existence of procedures for effective and independent investigation of such matters and for appropriate response, as well.

2. Regarding the oversight of the Internal Audit, the Audit Committee:

a) Should ensure the functioning of the internal audit in accordance with international standards for the professional application of internal control. It identifies and examines the rules of the internal audit of the company.
b) Monitors and supervises the proper functioning of the internal audit and examines quarterly control reports.
c) Ensures the independence of the internal audit, recommending to the Board the appointment and dismissal of the head of the internal audit
d) Evaluates the head of the internal audit

3. Regarding the supervision of the regular audit, the Audit Committee:

a) Should, through the Board, make recommendations to the General Assembly on the appointment, reappointment and withdrawal of the regular auditor and approving the remuneration and terms of the appointment of the regular auditor.
b) Reviews and monitors regular auditor's independence and objectivity and the effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.
c) Examines and monitors the provision of additional services to the company by the audit company that owns the regular auditor/s. For that purpose, it should develop and

implement a police for hiring statutory auditors on the provision of non-audit services and oversee its implementation.

d) Should discuss with the auditor about the essential audit differences that arose during the audit, regardless of whether they subsequently resolved or remained unresolved.

e) Should discuss with the auditor about the report referred to deficiencies in the internal control system, particularly in those relating to the process of providing financial reporting and the preparation of financial statements.

Mission of the Audit Committee is to ensure the effectiveness and efficiency of corporate operations, testing the reliability of financial reporting to investors and the shareholders of the Company. Other missions are the compliance of the Company with the current legal and regulatory framework, the safeguard of the investments and assets of the Company and the identification and dealing with major risks.

It is clarified that the Regular Auditor of the Company, who conducts the audit of the annual and interim financial statements, does not provide other non-audit services to the Company or is associated with any other relationship with the Company, in order to ensure the objectivity, impartiality and independence.

The Audit Committee meets today four times a year. There is no specific operation rule of the audit committee, since the duties and responsibilities of that committee are adequately specified in the current provisions.

There are not specific resources for the Audit Committee for use to hire external consultants, since its composition, the specialized knowledge and experience of its members ensure its effective operation.

Support to the Board of Directors, by the Audit Committee, in order to obtain adequate information for decision-making on issues related to transactions between related parties, is not required by the applicable policy of the Company.

SECTION C – Remuneration

Level and structure of remuneration

The level and structure of remuneration should aim to attract, retain and motivate board members, executives and employees who will add value to the company with their skills, knowledge and experience. A company should avoid paying more than is necessary for this purpose. The Board should have a clear view as to how the company is paying its top talents.
No options are granted to executive directors, members of the Board and staff of the Company.

There is no provision in the contracts of the executive directors that the Board may recover all or part of the bonus awarded due to revised financial statements for previous years or inaccurate financial data used to calculate this bonus, as any rights for bonus mature only after the final approval and audit of financial statements.

No procedure for approval of the remuneration of the executive directors is followed, after proposal of the Remuneration Committee, without the presence of executive directors.
The Board has established a Remuneration Committee regarding the benefits of managers and pension plan, which is not consist exclusively of independent non-executive members of the Board and despite the fact that its objective is the fixing of remuneration of executive and non executive member of the Board, little has worked.

Therefore, there is no precise provision for the duties of this committee, the frequency of its meetings and other matters relating to its operation. With the full activation of the committee, the operating rules of the company, which will explain clearly the roles and responsibilities, will be posted on its website.

<u>SECTION D – Relations with shareholders</u>

<u>I. Communication with shareholders</u>

The Board should maintain a continuous and constructive dialogue with the company's shareholders, especially those who hold significant stakes and have a long-term perspective.

At the website of the company, there is no comprehensive publication of matters relating to information for investors about corporate governance.

The company has not adopted and does not intent to adopt specific communication practice with shareholders about submitting questions to the Board.

<u>II. The general meeting of shareholders</u>

The Board should ensure that the preparation and conduct of the general meeting of shareholders allows for active and well-informed exercise of shareholders' ownership rights. The Board should ensure, within the framework set out by the company's statutes, that as many shareholders as possible, including minority, foreign and remotely residing, have the opportunity to participate in the general meeting of shareholders. The Board should use the general meeting of shareholders to facilitate genuine and open discussion with the company.

At the General Assembly of the Shareholders, the members of the BoD, the Internal Auditor and the Auditor are present, in order to provide any information and update to shareholders on issues within their competence.

For issues relating to the convening of the General Assembly, the voting process and updating shareholders on the resolutions of the General Assembly, all the provisions of the Code of Corporate Governance are implemented on behalf of the Company.

1.3 Practices of corporate governance implemented by the company in addition to the provisions of the Law

The Company has not so far applied any other additional provisions except for those of the Law.

This Statement of Corporate Governance is an internal and special part of the annual Management Report of the Board of the Directors.

Those above mentioned about the financial condition of the Company and the Group can be noted from the financial statements of December 31, 2018.

Glyfada, March 22, 2019

Chairman of the
Board of Directors

Georgios Fidakis

Independent Auditor's Report

To the shareholders of FG Europe SA

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

We have audited the accompanying separate and consolidated financial statements of the company "FG Europe S.A." (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2018, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as of December 31, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. 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) as transposed in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and the 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 matter
Valuation of inventories	
At 31.12.2018, the Group holds stock inventory of € 44.6m (Company: € 42.3m). The above amount includes an obsolescence provision of € 1.25m. (Company: € 1.21m). Stock inventory is valued at the lowest price between purchase cost and net realizable value. The Management conducts estimates to determine the appropriate impairment for inventory based on detailed breakdown of slow moving and obsolete items. Taking into consideration the significant amounts of the inventory valuation mentioned above and the use of management's assumptions and estimates for the determination of the net realizable value, we	Our audit approach included, among others, the following procedures: • We attended on a part of the main warehouses of the Group and carried out inventory counts. • Historical cost and margins were tested on a sample basis through reconciliation of purchase cost with the original purchase invoices. • We assessed whether there were inventories which were sold with a negative margin and whether this was considered for inventory valuation at the lower of cost or

consider this area as a key audit matter. Group and Company's disclosures relating inventory valuation are included in explanatory notes 2.14, 4, 8.3 and 14 of the financial statements.	net realizable value. • We assessed the inventory masterfile for slow moving inventories. • We assessed management's estimations for slow moving inventories. We assessed the adequacy of the related disclosures included in notes 2.14, 4, 8.3 and 14 of the financial statements.

Recoverabilty of trade and other receivables	
At 31.12.2018, the Group's trade and other receivables amounted to € 33.7m. (Company: € 32.1m) while the related cumulative allowance for the Group amounted to € 8.06m. (Company: € 7.96m). At the end of each reporting period, Management assess the recoverability of the Group's trade receivables in order to present them in their recoverable amount, recognizing the required impairment provisions for expected credit losses. This process involves significant judgments and estimates in relation to the application of IFRS 9 "Financial Instruments" which was adopted by the Group on January 1, 2018 using the cumulative effect method. Taking into consideration the significant amounts of the trade and other receivables mentioned above and the use of management's assumptions and estimates for the determination of the relative recoverable amounts, we consider this area as a key audit matter. Group and Company's disclosures relating to trade and other receivables are included in explanatory notes 2.12, 4, 8.3 and 15 of the financial statements.	Our audit approach included, among others, the following procedures: • We assessed management's estimations to determine the recoverability of trade and other receivables. • We assessed management's estimations and calculations to determine the recoverability of trade and other receivables according to the IFRS 9 "Financial Instruments" requirements. • We received and assessed the legal advisors' responses regarding their assessments of the outcome of court actions for the recovery of trade receivables. • We have estimated the amount of trade receivables allowance taking into account the findings of the above procedures. • We assessed the adequacy of the related disclosures included in explanatory notes 2.12, 4, 8.3 and 15 of the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives and in any other information which is either required by Law or the Company optionally incorporated, in the required by Law 3556/2007, Annual Report, but does not include the financial statements and our auditor's report thereon.
Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion 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. If, based on the procedures performed, we conclude that there is a material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

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

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

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the 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 the 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, as they have been transposed in Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs as they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Greek Codified Law 2190/1920.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Greek Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2018.

Based on the knowledge we obtained during our audit about the FG Europe S.A. and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with the additional report to the Audit Committee referred to in article 11 of EU Regulation 537/2014.

3. Non Audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014.

The allowed services provided to the Company and the Group, in addition to the statutory audit, during the year ended 31 December 2018 have been disclosed in Note 8 to the accompanying separate and consolidated financial statements.

4. Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 28 June 2013. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 6 consecutive years.

Athens, March 22 2019
The Certified Public Accountant

Christina Tsironi
I.C.P.A. Reg No. 36671

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ANNUAL FINANCIAL STATEMENTS

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

Statement of Total Comprehensive Income (Consolidated)

		Group					
		1/1-31/12/2018			1/1-31/12/2017		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Sales	7	69.462	23.968	93.430	73.177	23.878	97.055
Less cost of sales	8	(47.386)	(20.180)	(67.566)	(52.518)	(20.061)	(72.579)
Gross profit		**22.076**	**3.788**	**25.864**	**20.659**	**3.817**	**24.476**
Other operating income	7	160	567	727	514	109	623
Distribution expenses	8	(12.452)	(3.392)	(15.844)	(12.082)	(3.179)	(15.261)
Administrative expenses	8	(3.297)	(760)	(4.057)	(3.217)	(664)	(3.881)
Other operating expenses	8	(44)	-	(44)	(203)	(5)	(208)
Earnings before interests and taxes		**6.443**	**203**	**6.646**	**5.671**	**78**	**5.749**
Finance income	8.2	5.335	-	5.335	1.827	-	1.827
Finance costs	8.2	(10.112)	(15)	(10.127)	(7.312)	(14)	(7.326)
Earnings before taxes		**1.666**	**188**	**1.854**	**186**	**64**	**250**
Income tax expense	9	(1.226)	(80)	(1.306)	(294)	(56)	(350)
Net profit for the period		**440**	**108**	**548**	**(108)**	**8**	**(100)**
Attributable as follows:							
Equity holders of the Parent		152	108	260	(996)	8	(988)
Minority interest		288	-	288	888	-	888
Group		**440**	**108**	**548**	**(108)**	**8**	**(100)**
Amounts non-reclassified to the							
Revaluation of Employee benefits	24	105	-	105	(23)	-	(23)
Income tax expense		(30)	-	(30)	10	-	10
		75	-	**75**	**(13)**	**-**	**(13)**
Amounts reclassified to the income							
Exchange differences		(315)	-	(315)	(500)	-	(500)
Other Comprehensive Income after		**(240)**	**-**	**(240)**	**(513)**	**-**	**(513)**
Total Comprehensive Income after		**200**	**108**	**308**	**(621)**		**(613)**
Attributable as follows:							
Equity holders of the Parent		51	108	159	(1.300)	8	(1.292)
Minority interest		149		149	679	-	679
Net profit (after tax) attributable to the Group		**200**	**108**	**308**	**(621)**	**8**	**(613)**
Earnings per share (expressed in €s):							
Basic	10	0,0029	0,0020	0,0049	(0,0189)	0,0002	(0,0187)

Statement of Comprehensive Income (Company)
For the Years ended December 31, 2018 and 2017
(All amounts in Euro thousands unless otherwise stated)

Statement of Total Comprehensive Income (Company)

		Company	
		1/1-31/12/2018	**1/1-31/12/2017**
Sales	7	78.293	80.863
Less cost of sales	8	(61.705)	(65.358)
Gross profit		**16.588**	**15.505**
Other operating income	7	43	63
Distribution expenses	8	(10.575)	(11.004)
Administrative expenses	8	(1.889)	(1.958)
Other operating expenses	8	(19)	(83)
Earnings before interests and taxes		**4.148**	**2.523**
Finance income	8.2	883	824
Finance costs	8.2	(3.996)	(5.527)
Earnings before taxes		**1.035**	**(2.180)**
Income tax expense	9	(514)	575
Net profit for the period		**521**	**(1.605)**
Attributable as follows:			
Equity holders of the Parent			
Minority interest			
Net profit (after tax) attributable to the		**-**	**-**
Amounts non-reclassified to the income			
Revaluation of Employee benefits obligations	24	101	(32)
Income tax expense		(30)	9
		71	**(23)**
Amounts reclassified to the income			
Exchange differences			
Other Comprehensive Income after taxes		**71**	**(23)**
Total Comprehensive Income after taxes		**592**	**(1.628)**
Earnings per share (expressed in €s):			
Basic	10	0,0099	(0,0304)

Statement of Financial Position (Company and Consolidated)
For the Years ended December 31, 2018 and 2017
(All amounts in Euro thousands unless otherwise stated)

Statement of Financial Position (Consolidated & Company)					
		Group		Company	
ASSETS	**Note**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Non-current assets					
Property, plant and equipment	11	41.966	47.214	473	588
Investments in real estate property	11	232	236	232	236
Intangible assets	11	6.159	**6.441**	**4**	**3**
Investments in subsidiaries		-	-	28.814	34.151
Long term receivables	11	9.844	7.697	9.756	7.675
Deferred taxes	23	5.060	6.007	4.037	4.790
Other Financial assets	13	1.005	1.090	1.005	1.090
Total non-current assets		**64.266**	**68.685**	**44.321**	**48.533**
Current assets					
Inventories	14	44.643	39.864	42.259	36.109
Trade receivables	15	33.658	37.952	32.132	31.386
Cash and cash equivalents	16	2.601	5.351	1.294	2.603
Total current assets		**80.902**	**83.167**	**75.685**	**70.098**
Available for sale investments		**7.140**			
Total assets		**152.308**	**151.852**	**120.006**	**118.631**
SHAREHOLDERS' EQUITY & SHAREHOLDERS' EQUITY					
Share capital	17	15.840	15.840	15.840	15.840
Share premium	18	6.731	6.731	6.731	6.731
Reserves	19	3.767	3.753	3.963	3.892
Retained earnings		(12.039)	(8.944)	1.122	3.897
		14.299	**17.380**	**27.656**	**30.360**
Minority interest		16.311	21.560	-	-
Total shareholders' equity		**30.610**	**38.940**	**27.656**	**30.360**
LIABILITIES					
Non-current liabilities					
Long term Borrowings	21	52.795	49.581	51.102	42.353
Retirement benefit obligations	24	644	786	576	648
Deferred government grants	22	12.736	14.440	-	-
Long-term provisions		2.152	2.106	-	-
Deferred taxes	23	4.940	4.252	-	-
Other long-term liabilities		25			
Total non-current liabilities		**73.292**	**71.165**	**51.678**	**43.001**
Current liabilities					
Short term Borrowings	21	6.470	7.248	6.319	7.031
Short term portion of long term borrowings	21	8.812	13.211	8.389	11.137
Current tax liabilities		90	8	-	-
Trade and other payables	20	26.419	21.280	25.964	27.102
Total current liabilities		**41.791**	**41.747**	**40.672**	**45.270**
Total liabilities		**115.083**	**112.912**	**92.350**	**88.271**
Liabilities related to the available for sale		**6.615**			
Total equity and liabilities		**152.308**	**151.852**	**120.006**	**118.631**

Statements of Changes in Equity (Consolidated)
For the Years ended December 31, 2018 and 2017
(All amounts in Euro thousands unless otherwise stated)

Group	Share capital	Share premium	Legal reserve	Special tax reserves	Retained earnings /(Losses)	Total	Minority interest	Total equity
Balance on January 1, 2017	**15.840**	**6.731**	**4.310**	**(338)**	**(7.907)**	**18.636**	**20.918**	**39.554**
Year's changes:								
Net profit for the period	-	-	-	-	(988)	**(988)**	888	**(100)**
Other Comprehensive Income	-	-	-	(305)	-	**(305)**	(208)	**(513)**
Total Comprehensive Income	**-**	**-**	**-**	**(305)**	**(988)**	**(1.293)**	**680**	**(613)**
Legal Reserve	-	-	86	-	(48)	**38**	(38)	**-**
Balance on December 31, 2017	**15.840**	**6.731**	**4.396**	**(643)**	**(8.943)**	**17.381**	**21.560**	**38.941**
Change in Accounting Policy (Note 2)	-	-	-	-	(3.296)	**(3.296)**	-	**(3.296)**
Adjusted balance on January 1, 2018	**15.840**	**6.731**	**4.396**	**(643)**	**(12.239)**	**14.085**	**21.560**	**35.645**
Year's changes:								
Net profit for the period	-	-	-	-	260	**260**	288	**548**
Other Comprehensive Income	-	-	-	(101)	-	**(101)**	(139)	**(240)**
Total Comprehensive Income	**-**	**-**	**-**	**(101)**	**260**	**159**	**149**	**308**
Legal reserve	-	-	118	**-**	(59)	**58**	**(58)**	-
Share issue costs	-	-	-	(3)	-	**(3)**	(3)	**(6)**
(Increase)/ Decrease shareholding of Subsidiaries						**-**	(5.337)	**(5.337)**
Balance on December 31, 2018	**15.840**	**6.731**	**4.514**	**(747)**	**(12.038)**	**14.299**	**16.311**	**30.610**

Statements of Changes in Equity (Company)
For the Years ended December 31, 2018 and 2017
(All amounts in Euro thousands unless otherwise stated)

<u>Company</u>	Share capital	Share premium	Legal reserve	Actuarial gains / (Losses)	Special tax reserves	Retained earnings /(Losses)	Total
Balance on January 1, 2017	15.840	6.731	3.994	(83)	(7)	5.513	**31.988**
Year's changes:							
Net profit for the period	-	-	-	-	-	(1.605)	**(1.605)**
Other Comprehensive Income	-	-	-	(23)	-	-	**(23)**
Total Comprehensive	-	-	-	(23)	-	(1.605)	**(1.628)**
Legal reserve	-	-	11			(11)	**-**
Balance on December 31, 2017	15.840	6.731	4.005	(113)	-	3.897	**30.360**
Change in Accounting Policy (Note 2)	-	-	-	-	-	(3.296)	**(3.296)**
Balance on January 1, 2018	15.840	6.731	4.005	(106)	(7)	601	**27.064**
Year's changes:							
Net profit for the period	-	-	-	-	-	521	521
Other Comprehensive Income	-	-	-	71	-	-	**71**
Total Comprehensive Income..	-	-	-	71	-	521	**592**
Balance on December 31, 2018	**15.840**	**6.731**	**4.005**	**(35)**	**(7)**	**1.122**	**27.656**

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2018 and 2017
(All amounts in Euro thousands unless otherwise stated)

	Group		Company	
CASH FLOWS FROM OPERATING ACTIVITIES	**1/1-31/12/2018**	**1/1-31/12/2017**	**1/1-31/12/2018**	**1/1-31/12/2017**
Profit before tax (and minority interest) from continuing operations	1.666	185	1.035	(2.180)
Profit before tax (and minority interest) from discontinued operations	188	64		
Add / (less) adjustments for:				
Depreciation and amortization	5.474	5.467	145	151
Provisions	901	514	704	350
Exchange rate differences	(273)	(7)	(105)	138
Result of investment activity	2.074	(12)	2.090	5
Interest and similar expenses	4.172	4.098	3.455	3.366
Government grants recognized in income	(1.704)	(1.704)	-	-
Employee benefits	249	54	202	37
Impairment charges	-	-	-	-
Operating result before changes in working capital	**12.747**	**8.659**	**7.526**	**1.867**
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories	(8.183)	(2.724)	(6.702)	(1.933)
(Increase) / decrease in receivables and prepayments	6.819	(4.320)	1.048	(7.324)
Increase / (decrease) in trade and other payables	(2.224)	4.777	(141)	12.739
(Increase) in long term receivables	(2.149)	225	(2.081)	222
Operating cash flow from discontinued activities	(318)	(342)	-	-
Total cash inflow / (outflow) from operating activities	**6.692**	**6.275**	**(350)**	**5.571**
Interest and similar expenses paid	(4.612)	(4.066)	(4.042)	(3.486)
Income taxes paid	(81)	(1)	(2)	(1)
Interest and similar expenses paid - from discontinued operation	(36)	(72)	-	-
Total net inflow / (outflow) from operating activities	**1.963**	**2.136**	**(4.394)**	**2.084**
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) of subsidiaries and other investments	(2.000)	-	(2.000)	(644)
(Purchase) of PPE and intangible assets	(72)	(116)	(48)	(26)
Proceeds from the sale of subsidiaries and other investments	33	2	33	2
Interest income	18	31	2	14
investment cash flows from discontinued operations	(54)	(8)	-	-
Total net cash inflow / (outflow) from investing activities	**(2.075)**	**(91)**	**(2.013)**	**(654)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share capital increase	9.980	6.515	9.980	5.757
Proceeds from borrowings	(12.220)	(13.132)	(4.881)	(10.901)
Payments of borrowings	(7)	-	-	-
Total net cash inflow from financing activities	**(2.247)**	**(6.617)**	**5.099**	**(5.144)**
Net increase / (decrease) in cash and cash equivalents	**(2.359)**	**(4.572)**	**(1.308)**	**(3.714)**
Exchange rate differences	**(1)**	**-**	**(1)**	**-**
Cash and cash equivalents at beginning of period	**4.961**	**9.923**	**2.603**	**6.317**
Cash and cash equivalents at end of period	**2.601**	**5.351**	**1.294**	**2.603**

(All amounts in Euro thousands unless otherwise stated)

The funds of the consolidated statement of comprehensive income and cash flows for the comparative period ended 31/12/17 have been restated to include only continuing operations. The results of discontinuing operations are separately disclosed and analyzed in a separate note (note 6) in accordance with the requirements of IFRS 5 << non-current assets held for sale and discontinued operations >>.

Incorporation and Business of the Group

1.1 General information and activities

The parent company F.G. EUROPE S.A. (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter referred to as “the Group) activate:

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, televisions and in the wholesale of rendered services of mobile telephony.

- The subsidiaries **F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S., F.G. EUROPE ITALIA S.P.A. and F.G. EROPE UK LTD,** take action in the import and wholesale of all types of air conditioners, while R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.

    - HYDROELECTRICAL ACHAIAS S.A.
    - CITY ELECTRIC S.A.
    - AIOLIKI KYLINDRIAS S.A.
    - KALLISTI ENERGIAKI S.A.
    - R.F. ENERGY S.A. OMALIES S.A.
    - AIOLIKI ADERES S.A.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of December 31, 2018 is 94 for the Company and 145 for the Group.
The Company’s shares are listed on the primary market segment of the Athens Exchange.
The remaining total expense relates to the Group's total loss of € 240 and the corporation's net profit of € 71. These results arose from: a) Group losses of € 315 from exchange differences during the conversion of foreign holdings, and b) Profit from the revaluation of "personnel benefit obligations" of € 75 and € 71 for the group and the company respectively

1.2 Group structure and activities

The subsidiaries contained with the method of full consolidation in the attached consolidated financial statements of the group are the following:

Name	Country	Share as of December 31, 2018	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• F.G. EUROPE ITALIA S.P.A.	Italy	100.00% (a)	Full consolidation
• F.G. EUROPE UK L.T.D.	U.K.	100.00% (a)	Full consolidation
• F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S	Turkey	55.00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	50.00% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	50.00% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	50.00% (b)	Full consolidation
• AIOLIKI KYLINDRIAS S.A.	Greece	50.00% (b)	Full consolidation
• KALLISTI ENERGIAKI S.A.	Greece	50.00% (b)	Full consolidation

(All amounts in Euro thousands unless otherwise stated)

Name	Country	Share as of December 31, 2018	Method of consolidation
• AIOLIKI ADERES S.A.	Greece	50.00% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	50.00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

F.G. EUROPE's holding share in the company R.F. ENERGY S.A. is to 50,00%. Due to the fact that the existing shareholders' agreement concerning the appointment of the majority of Board Members through F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company's financial statements, with the method of full consolidation.

F.G. EUROPE S.A. participates with 10,00% in the share capital of ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. Based on the decision of the Extraordinary General Assembly of February 13th, 2018, there was a share capital decrease and thus, F.G. EUROPE's participation is now 11,11%. ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. is not included in the consolidated financial statements of the Group, and thus it is classified as ''Available for sale''.

The investments in subsidiaries of the Company are as follows:

Investments in Subsidiaries as at 31/12/2018

	Subsidiary name	Balance as at 31/12/2017	Additions 1/1-31/12/18	Reductions 01/01-31/12/18	Balance as at 31/12/18
1	R.F. ENERGY S.A	29.287	-	(5.337)	**23.950**
2	F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S	2.532	-	-	**2.532**
3	F.G. EUROPE ITALIA S.P.A	1.402	-	-	**1.402**
4	F.G EUROPE UK LTD	930	-	-	**930**
	Total	**34.151**	**-**	**-**	**28.814**

Investments in Subsidiaries as at 31/12/2017

	Subsidiary name	Balance as at 31/12/2016	Additions 1/1-31/12/2017	Reductions 1/1-31/12/2017	Balance as at 31/12/2017
1	R.F. ENERGY S.A	29.287	-	-	**29.287**
2	F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S	2.532	-	-	**2.532**
3	F.G. EUROPE ITALIA S.P.A	1.402	-	-	**1.402**
4	F.G EUROPE UK LTD	-	930	-	**930**
	Total	**33.221**	**930**	**-**	**34.151**

On 4/1/19 the agreement, starting from 7/9/18, between FG EUROPE S.A. and FUJITSU GENERAL LIMITED that concerned the transfer of 51% of the subsidiary's shares in Italy, F.G. EUROPE ITALIA S.p.A., was completed. The price amounted to €10.000, against the cost of €715 of the forementioned participation.

RF ENERGY S.A. with the general meeting of shareholders' decision (on 6/12/18), reduced the share capital by €10.674 and as a result, the participation price of F.G EUROPE S.A. reduced by €5.337.

(All amounts in Euro thousands unless otherwise stated)

On 31/12/18 the Management of the Company examines all the parameters regarding the participations. There was no need to conduct an decline check of the subsidiaries in the financial statements.

	Proportion of ownership and voting rights of non -controlling interests		Profits attributable to non - controlling interests		Cumulative non-controlling interests	
Subsidiary name	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
RF ENERGY GROUP	50%	50%	958	983	16.224	20.663
FG EUROPE KLIMA TEKNOLOGILERI SANAYI VE TIKARET A.S.	45%	45%	(670)	(95)	87	897

	31/12/2018	31/12/2017
Non-current assets	51.432	56.989
Current assets	17.979	17.843
Total assets	**69.411**	**74.832**
Long-term liabilities	22.082	28.112
Short-term liabilities	12.932	3.563
Total liabilities	**35.014**	**31.675**
Shareholders equity attributable to the equity holders of the parent company	18.173	22.494
Non-controlling interests	**16.224**	**20.663**

	31/12/2018	31/12/2017
Sales	10.254	10.254
Net profit after tax attributable to the Equity holders of the Parent	958	983
Net profit after tax attributable to minority interest	958	983
Net profit after tax	**1.916**	**1.966**
Other Comprehensive Income after taxes	5	9
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	960	987
Total Comprehensive Income after taxes attributable to minority interest	960	987
Total Comprehensive Income after taxes	**1.920**	**1.974**

FG EUROPE TURKEY

	31/12/2018	31/12/2017
Non-current assets	451	364
Current assets	5.032	6.039
Total assets	**5.483**	**6.403**
Long-term liabilities	11	478
Short-term liabilities	5.280	3.931
Total liabilities	**5.291**	**4.409**
Shareholders equity attributable to the equity holders of the parent company	106	1.097
Non-controlling interests	**86**	**897**

	31/12/2018	31/12/2017
Sales	3.798	5.499
Net profit after tax attributable to the Equity holders of the Parent	(818)	(116)
Net profit after tax attributable to minority interest	(670)	(95)
Net profit after tax	**(1.488)**	**(211)**
Other Comprehensive Income after taxes	(313)	(475)
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	(991)	(377)
Total Comprehensive Income after taxes attributable to minority interest	(810)	(309)
Total Comprehensive Income after taxes	**(1.801)**	**(686)**
Net cash flow from operating activities	(414)	353
Net cash flow from investing activities	(21)	(26)
Net cash flow from financing activities	(418)	687
Total net cash flow	**(853)**	**1.014**

2. Significant Accounting Policies used by the Group
2.1 Basis of Preparation of Financial Statements

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Interpretations that have been issued by the Standing Interpretations Committee.

These financial statements have been prepared according to IAS 34 (Interim Financial Reporting) and therefore should be considered in combination with the audited financial statements as of December 31, 2017 that are accessible on the internet site of the Company.

The financial statements of the Group, have been prepared based on the cost principle record, as amended for the fair value adjustment of the following:

- financial assets and liabilities
- financial assets available for sale

The presentation currency is Euro (currency of the Country where the parent company's registered) and all amounts are presented in thousands Euros unless mentioned otherwise.

Differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The funds of the consolidated statement of comprehensive income and cash flows for the comparative period ended 31/12/17 have been restated to include only continuing operations. The results of discontinuing operations are separately disclosed and analyzed in a separate note (note 6) in accordance with the requirements of IFRS 5 << non-current assets held for sale and discontinued operations >>.

2.2. Changes in Accounting Policies

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

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2018.

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB completed the last phase of replacing IAS 39, by adopting IFRS 9 "Financial Instruments". The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single impairment model based on expected future losses and a substantially reformed approach to hedge accounting.

Classification and Measurement

Classification determines how financial assets and financial liabilities are accounted for in the financial statements, and in particular how they are measured on an ongoing basis. IFRS 9 introduces a reasonable approach to classification of financial assets, which is driven by the characteristics of the cash flows and the business model to which an asset belongs. This unique and principle-based approach replaces existing rules-based requirements which are considered to be overly complex and difficult to apply. The new model also results in application of a unique impairment model applied to all financial instruments, thus eliminating a source of complexity associated with the previous accounting requirements.

Impairment

During the financial crisis, late recognition of credit losses on loans (and other financial instruments) was recognized as a weakness of existing accounting standards. As part of IFRS 9, the IASB introduced a new impairment model based on expected loses, which will require a more timely recognition of expected credit losses. In particular, the new Standard requires companies to account for the expected credit losses once the financial instruments are recognized for the first time and to recognize the expected losses over their lifetime on a more timely basis.

Hedge accounting

IFRS 9 introduces a substantially reformed hedge accounting model with enhanced disclosures about risk management activity. The new model is a significant reforming of accounting hedging that aligns accounting with risk management activities, enabling companies to better reflect these activities in their financial statements. In addition, as a result of these changes, the users of the financial statements will have better information about risk management and the impact of hedge accounting on the financial statements.

Adoption of IFRS 9 from the Group and the Company

(All amounts in Euro thousands unless otherwise stated)

The Group and the Company have applied the Standard from 1 January 2018 retrospectively, without reviewing the comparative information for prior periods except for hedge accounting.
IFRS 9 was adopted without reviewing the comparative information and, therefore, the adjustments resulting from the new classification and the new impairment rules were not recorded in the financial position as at 31 December 2017 but were recognized in the opening financial position as at 1 January 2018.

In particular:
Classification and Measurement
The financial assets held on 1/1/2018 by the Group relate to available-for-sale financial assets that, under the new Standard, were classified as other non-current financial assets and are measured through Profit and Loss.

Impairment
The Group applied the simplified approach of IFRS 9 for impairment of expected credit losses on trade and other receivables balances at the date of initial application. The result of the requirements of the new standard was to increase the Group's provisions for impairment by € 3.3 million with a respective impact on the opening account "Retained earnings balance". Subsequent changes in market conditions and the business model of the Group may affect the above estimates.
The cumulative impact on the Statement of Financial Position as at 01/01/2018 is as follows:

Statement of Financial Position (Company and Consolidated)
For the Year ended December 31, 2018

	Group			Company		
ASSETS	**December 31, 2017**	**IFRS 9 - transition adjustments**	**1/1/2018 - restated**	**December 31, 2017**	**IFRS 9 - transition adjustments**	**1/1/2018 - restated**
Non-current assets						
Available for sale investments	1.090	(1.090)	-	1.090	(1.090)	-
Other financial assets	-	1.090	1.090	-	1.090	1.090
Other non-current assets	67.595	-	67.595	47.443	-	47.443
Total non-current assets	**68.685**	**-**	**68.685**	**48.533**	**-**	**48.533**
Current assets						
Inventories	39.864	-	39.864	36.109	-	36.109
Trade and other receivables	37.952	(3.296)	34.656	31.386	(3.296)	28.090
Cash and cash equivalents	5.351	-	5.351	2.603	-	2.603
Total current assets	**83.167**	**(3.296)**	**79.871**	**70.098**	**(3.296)**	**66.802**
Total assets	**151.852**	**(3.296)**	**148.556**	**118.631**	**(3.296)**	**115.335**
SHAREHOLDERS' EQUITY & LIABILITIES						
SHAREHOLDERS' EQUITY						
Share capital	15.840		15.840	15.840		15.840
Share premium	6.731		6.731	6.731		6.731
Other reserves	3.753		3.753	3.892		3.892
Retained earnings	(8.944)	(3.296)	(12.240)	3.897	(3.296)	601
	17.380	**(3.296)**	**14.084**	**30.360**	**(3.296)**	**27.064**
Non-controlling interests	21.560		21.560	**-**		-
Total shareholders' equity	**38.940**	**(3.296)**	**35.644**	**30.360**	**(3.296)**	**27.064**
LIABILITIES						
Total non-current liabilities	**71.165**	**-**	**71.165**	**43.001**	**-**	**43.001**
Total current liabilities	**41.747**	**-**	**41.747**	**45.270**	**-**	**45.270**
Total liabilities	**112.912**	**-**	**112.912**	**88.271**	**-**	**88.271**
Total shareholders' equity and liabilities	**151.852**	**(3.296)**	**148.556**	**118.631**	**(3.296)**	**115.335**

Hedge accounting
The Group does not apply hedge accounting and therefore has no effect from the application of the new Standard. Derivative financial instruments to the extent that they are not classified as effective hedging instruments are measured at fair value through the income statement.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The new Standard affects/ does not affect the consolidated/ separate Financial Statements (to be adapted in respect of every Group/ Company).

Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)
In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments affect/ do not affect the consolidated/ separate Financial Statements (to be adapted in respect of every Group/ Company

As at January 1, 2018, the Group and the Company adopted IFRS 15 using the modified retrospective method, i.e. the transition impact was collectively recognized in the "Retained earnings balance", while the comparative amounts were not restated. However, the Group and the Company had no impact on their profitability or financial position at the time of the first application of IFRS 15. Therefore, no adjustment was made to the "Retained earnings balance" as at 1 January 2018.

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

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the consolidated Financial.

- **Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The amendments do not affect the consolidated Financial Statements.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments do not affect the consolidated Financial Statements.

- **Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments affect the consolidated/ separate Financial Statements.

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

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The new Interpretation does not affect the consolidated Financial Statements.

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

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

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

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2019.

Management has analyzed the expected impact of IFRS 16 on 1 January 2019 and its estimated impact on the financial statements.

During the transition, liabilities arising from existing operating leases (operating lease commitments are reported in Note 27) will be discounted using the relevant incremental borrowing rate. The present value that will arise will be recognized as a lease liability. The rights to use the assets will be measured in the same way as the lease obligation, adjusted by the amount of any prepaid or accrued rentals.

The Company will apply the new standard using the cumulative effect method, according to which the comparative figures for the previous year will not be re-written. The Company will provide an explanation of the reasons for the changes in the financial statements as a result of the application of IFRS 16 for the first time.

The final impact of the application of IFRS 16 will depend on the Company's discounted rate as at 1 January 2019, the determination of the lease agreements that fall within the scope of the new standard at that date and the final evaluation of the Company for the duration of the lease, particularly with regard to the exercise of any renewal and termination rights.
In summary, based on the current management's estimation, the effect from the adoption of IFRS 16 is expected to be as follows:
The consolidated statement of financial position as at 1 January 2019 is expected to increase in total assets due to the capitalization of the assets with right of use and a corresponding increase of the leases from € 18 mil. to € 20 mil.

In the consolidated income statement for the year 2019, depreciation is expected to increase from € 1.8mil. to € 2.0mil. and "Interest expense and related expenses" is expected to increase by approximately € 1.02m. The reduction in rental costs is expected to lead to an improvement in "Operating profit before tax, depreciation and amortization" of approximately € 2.5 mil.

- **Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed 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. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

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

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to 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. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes 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. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

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

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.3 Basis of Consolidation

2.3.1. Subsidiary Companies

The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2014.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statement of the subsidiaries is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive Income to profit or loss or retained earnings, as appropriate.

2.3.2 Investments in other companies

Investments in other companies are entities in which the group exercises substantive influence but not control or joint control. The substantive control is exercised through participation in financial or operational decisions of the economic entity.

The results of operation and the assets and liabilities of these economic entities are consolidated using the equity method excluding the case if classified as available for sale.
The investment is recognized at cost, and is adjusted to recognize the investor's share of the earnings or losses of the investee after the date of acquisition and is adjusted for any accumulated impairment loss.

The cost exceeding the fair value of the acquisition (assets – liabilities – contingent liabilities) is recorded as goodwill in the period of acquisition included in the account of investments in other companies.

If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

If the Group undertakes transactions with these companies the related gains or losses are eliminated in the extent of the Group's participation in the related company. Any losses in transactions indicate impairment of the transferred asset, in which case a related impairment provision is recorded.

2.4 *Combinations and goodwill Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate IFRS 3.16 classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. IAS 36.80 If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5 *Operating Segments*

IFRS 8 "Operating Segments" sets criteria for the determination of the segment reporting format of the entity. Segments are determined based on the Group's structure. The Group's financial decision makers review financial information separately as reported by the parent company and each of the Group's consolidated subsidiaries. The reportable segments are determined using the quantitative thresholds set by the Standard.

A business segment is defined as a group of assets or operations with different risks and returns from other business segments. A geographical segment is defined as a geographical area where goods are sold or services offered that is subject to different risk and returns than do other geographical areas.

(All amounts in Euro thousands unless otherwise stated)

2.6 *Foreign currency translation*
The Group's functional currency is the Euro. Transactions involving other currencies are translated into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are adjusted using the official exchange rates. Gains or losses resulting from period end foreign currency remeasurement are reflected in the statements of income.

2.7 *Property, plant and equipment*
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes all directly related costs for the acquisition of the asset.

Expenses in subsequent periods are capitalized in the cost amount of the related assets if they increase the useful life of the asset and / or its production potential or reduce its operating cost.
Repairs and maintenance are charged to the income statement as incurred.

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the consolidated statements of income.

Depreciation: Depreciation of property, plant and equipment is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	4 – 20	5% - 24%
• Furniture and fixture	3 – 10	10% - 30%
• Vehicles	6 –10	10% - 16%
• Intangible assets	4 – 10	10% - 25%
• Energy production licenses	35 - 45	1,5% - 2,5%
• Licenses	10 - 15	6% - 10%

Leasehold improvements are amortized over the term of the lease.

2.8 *Investments in real estate property*
Investments in real estate are recognized initially at cost of acquisition, which is increased with all those costs associated with the transaction for the acquisition. Also during the subsequent measurement method followed them cost less accumulated depreciation and any damage compensation

Depreciation*:* Depreciation of Investments in real estate property, is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Buildings	50	2%

2.9 *External costs of borrowing*
Underwriting, legal and other direct costs incurred in connection with the issuance of long-term debt adjust the carrying amount of the liability and are amortized using the effective interest rate method over the life of the debt. All borrowing costs are recognized as an expense when incurred. Cost of borrowing is added to the cost to the extent that relates to the construction period of the fixed assets.

2.10 *Intangible assets*

Trademarks and licenses
Trademarks and licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is up to 10 years. Energy production licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is between 40 – 50 years.

2.11 *Impairment of assets except Goodwill*
The intangible assets that have an infinite useful life and are not amortized are reviewed at least annually to determine whether there is an indication if impairment and the carrying amount.
Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable.

The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate.

If the recoverable amount is less that the carrying amount the carrying amount is written down to the level of the recoverable amount.
An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve.

When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods.

The reversal of an impairment loss is recognized as income in the income statement except for the case that the asset was value adjusted case in which the reversal of the impairment loss increases the related special value adjustment reserve.

In order to evaluate impairment losses, assets are integrated into the smallest units creating cash flows.

2.12 *Financial instruments*
The financial instruments of the Group are classified in one of the following categories:

a) Financial assets or liabilities at fair value through the statement of income
A financial asset or financial liability that meets either of the following conditions:

- Is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments).
- Upon initial recognition it is designated by the entity as at fair value through the statement of income.
- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments. Changes in fair value of these derivatives are charged to the statement of income.

b) Available-for-sale financial assets
Available-for-sale financial assets include those non derivative financial assets that are designated in this category and cannot be classified in one of the above categories. Upon initial recognition the available-for-sale financial assets are valued at fair value and the related gains or losses are directly charged to reserves of equity until these assets are sold or characterized as impaired.

When sold or characterized as impaired the gains or losses are transferred to income. Impairment losses recognized in the statement of income are not reversed through the statement of income.

c) Receivables from customers
Accounts receivable are recognized and carried at originally invoiced amounts and subsequently are valued at amortized cost with the use of the effective interest rate less any impairment losses. Impairment losses (losses from doubtful accounts) are recognized when objective indication exists that the Group will be unable to collect all amounts due. The amount of impairment loss is the difference between the carrying amount of the receivables and the net present value of the discounted with the effective interest rate future cash flows. The amount of impairment loss is charged to the income statement. At each reporting period/date, all accounts receivable are assessed based on historical trends and statistical information and a provision is recorded for the probable and reasonably estimated loss for these accounts. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the consolidated statement of income of the reporting period. All accounts receivable for which collection is not considered probable are written-off.

Financial Liabilities
Initial recognition and measurement
The financial liabilities are financial liabilities in fair value from of the use results, borrowings and liabilities or derivative financial means, which have been characterized as effective hedging

The financial liabilities recognized at the fair value, and in case of borrowings, with the transaction cost which given at the acquisition or the issue of the liability. The financial liabilities of Group and company include commercial liabilities, other long term and short term liabilities, short term and long term borrowings.

The later of the initial recognition and measurement of the financial liabilities depends on the categories that have been classified.
Lending and Commercial Liabilities
The bank borrowings provide financing at the group and also the company's operations. The short term and the long term borrowings separated as with the applicable contracts, if the borrowings provided to be paid into the next twelve months or later.
After the first recognition, the borrowings measured at the depreciated cost by using the method of the real interest rate. Gain or loss recognized at the using results when the liabilities derecognized and during the depreciation by the method of the real interest rate. The depreciated cost calculated after taking into consideration the discount or the bonus at the acquisition and if there is any cost that may be part of the real interest rate. The depreciation included in the financial costs of the using results.

A) Financial Liabilities at the fair value
The financial liabilities at fair value contain the financial liabilities that separated about commercial purposes and have been recognized and characterized as financial liabilities at start. The financial liabilities classified as held for trading if acquired for the purpose of the short sale. This category includes derivative financial means that have not been characterized as effective mean of hedge accounting. The gain or loss of liabilities that held for commercial purposes recognized at the results using.

Derecognition
A financial liability stops to recognized as liability when paid, or when the contract obligation stops to exist. Also a financial liability stops to recognized when exchanged with another liability to the same lender, and the new one has different terms. Then recognized the new liability and their difference recognized at the results.

2.13 *Offsetting of financial means*

The financial assets and financial liabilities are offset and the net amount illustrated in the balance sheet if only the group or the company has this legal right and want to offset them in net base between each other, or to require the asset and to settle the liability at the same time.

2.14 *Inventories*
Inventories are stated at the lower of cost or net realizable value. The cost is determined using the annual weighted average cost method. Cost of inventories includes all cost and expenses to bring them to their current location. Borrowing costs are not included in the carrying amount of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale

2.15 *Cash and cash equivalents*
Cash, time deposits and other highly liquid, low risk investments with original maturities of three months or less are considered to be cash equivalents.

2.16 *Share Capital*
The common shares are classified in Equity.
Stock issuance costs, net of related deferred tax, are reflected as a deduction of Paid-in-Surplus. Stock issuance costs related to business combinations are included in the cost carrying amount.
The purchase cost of treasury shares less any income tax (if applicable) is presented as a deduction of equity unless the treasury shares are sold or cancelled. Gains or losses from the sale of treasury shares net of any direct transaction costs or income tax, if applicable, are presented as reserve in equity.

2.17 *Income tax*
Income Tax expense for the period consists of current and deferred taxes, i.e. the tax (or the tax discount) associated with income (or loss) that are reported, for accounting purposes, in the current period but will generate a tax liability or asset in future accounting periods. Income taxes are recognized in the statement of income, except for the tax that is related to transactions charged directly to equity. In the latter case, the tax is also charged directly to equity.

Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries. The current income tax is based on taxable profits of the Group companies adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force. Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse.

Deferred taxes are calculated using the liability method for all temporary tax differences as of the balance sheet date between taxable base and accounting base of the assets and liabilities.

Expected impacts from temporary tax differences are recognized and recorded either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the above and can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Group writes off deferred tax assets against deferred tax liabilities only if:

- The Company has a legal right to write off current tax assets against current tax obligations and
- The deferred tax assets and the deferred tax liabilities relate to income tax and are imposed by the same tax authority either:

- o To the same taxable entity or
- o To different taxable entities, that intends to write off the current tax obligations and assets or to settle the assets with the liabilities simultaneously in every future period in which significant amounts of deferred tax obligations or assets are expected to be settled.

2.18 ***Employee Benefits***

a) Short term benefits

Short term employee benefits are recorded on an accrual basis.

b) Provisions for defined benefit plans

The programs for employee benefits concerning their service termination are included in defined benefit plans according to IAS 19 – "Employee benefits". The obligations resulting from the defined benefit plans are calculated as the discounted fair value of the future benefits to employees accrued as of the balance sheet date. These obligations are calculated based on financial and actuarial assumptions. The net cost for the period / year is charged to the income statement and is comprised from the present value of accrued benefits during the period / year, the discounting of the future obligation, the cost of experience of service and actuarial gains or losses. Unrecorded cost of experience is recognized on a straight basis on the average remaining service time of the employees expected to receive benefits. For discounting purposes the interest rate of long term high quality corporate bonds is used.

According to the provisions of Law 2112/20 the Group pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the reason for leaving (dismissal or retirement). The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal.

2.19 ***Provisions***

Provisions are recognized when the Group has a present obligation (legal or accrued) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be calculated. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed. Provisions are used only for expenditures for which they were originally recognized. Contingent assets and contingent liabilities are not recognized.

2.20 ***Revenue Recognition***

Revenues consist of the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Revenue is recognized as follows:

- **Sale of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, net of rebates and discounts, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

- **Services:** Revenues from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost.

- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.

- **Dividend income:** Dividend income is recognized at the period approved by each entity's General Assembly Meeting.

2.21 ***Leases***
Leases which transfer to the Company substantially all benefits and risks incidental to ownership of the item property are considered financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability. Financial charges are recognized directly to income. Finance leases, that transfer to the Group substantially all risk and benefits following the ownership of the leased asset are recorded as assets with amount equal to the initial lease amount, the fair value of the leased asset or if lower the present value of the minimum future lease payments. Lease payments are included in finance costs and deducted from the remaining liability, in such way that a constant interest rate applies to the remaining liability amount.

Leased assets are depreciated in the shorter time between useful life of the asset and the lease period.

Criterion for the classification of a lease as finance or operating is the type or transaction itself and not the type of agreement.

If from a lease agreement arises that the lessor substantially holds all benefits and risks incidental to ownership of the asset, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense as incurred.

2.22 ***Dividend Distribution***
Dividends payable to the shareholders are recognized and presented as liability in the period in which the General Assembly Meeting approves them.

2.23 ***Government Grants***
Government grants are initially recognized as deferred income on the balance sheet, when the reimbursement of the grant is fairly secure and the Group has met its required obligations. Grants related to the Groups expenses are recognized as other operating income on a systematic base in the period the related expenses are recognized. Grants related to the purchase cost of the Group's assets are recognized as other operating income on a systematic base according to the useful estimated life of the asset.

2.24 ***Earnings per share***
Basic earnings per share are computed by dividing net income that correspond to the minority shareholders by the weighted average number of shares outstanding during each period.

2.25 ***Long term Receivables / Payables***
Long-term receivables and payables, which are interest free or bear interest significantly lower than the prevailing market rates, are recognized in their net present value. Differences between the present value and the face amounts are created as discount or premium and amortized as interest expense or income over the life of the receivable/payable.

2.26 ***Related parties***
Related party transactions and balances are disclosed separately in the consolidated financial statements. Such related parties mainly refer to major shareholders management, companies with common ownership and/or management with the company and its consolidated subsidiaries, or other affiliates of these companies.

2.27 ***Capital Management***
The Group's policy is the maintenance of a solid capital structure to have confidence of investors and creditors and to support its future growth. Management monitors Equity in its total excluding minority interests so that the ratio to liabilities subtracting the Company's deposits is approximately 3 to 1.

Based on the data of the balance sheets the ratio of liabilities to equity for the years 2015 and 2014 was 6,86 and 7,05 respectively for the Group and 2,54 and 2,48 for the parent Company.

The provisions of L. 2190/1920 impose the following restrictions concerning equity:
The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law.
I case the share capital is below the ½ of the paid in share capital the Board of Directors has to invite the General Assembly of shareholders within 6 months from the end of the fiscal year to decide about the dissolvement of the company or any other measure.

If the total equity is below 1/10 of the paid in share capital and the general assembly does not apply appropriate measures the company can be dissolved by court decision after the request of any party that has legal interest.

Yearly at least the 1/20 of net earnings is distributed to legal reserves that are used to compensate before any dividend distribution the debit balance of retained earnings. The distribution to reserves is not mandatory if its level is 1/3 of the paid in share capital.

The distribution of the yearly cash dividend is mandatory for 35% of the net earnings after the deduction of the legal reserve and the distribution to special valuation reserves from the fair value valuation of assets and liabilities at fair value. This is not applied if the general assembly of shareholders decides at least with 65% majority. In this case the not distributed dividend is presented in a special reserves account for capitalization and new shares are distributed without any charge to the beneficiaries' shareholders within four years. Finally, with 70% majority the general assembly can decide the non distribution of dividends.

The company is fully compliant with the related provisions imposed by law concerning equity.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks (including currency risk, fair value interest rate risk, cash flow risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses in certain instances derivative financial instruments to hedge certain risk exposures but does not apply hedge accounting.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The following sensitivity analysis of the results for the Group and the Company is based tax rate 29% for 2018/2017.

3.1.1 Market Risks

3.1.1.1 Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and JPY. Foreign exchange risk arises from commercial transactions, recognized assets and liabilities in currencies other than the functional currency of the Group the Euro.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been € -5and €144 respectively (€-98 and €14 in 2017) (lower) / higher, if € was weaker / stronger than USD by 10%, with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been € 4(€57 in 2017 for both the Group and the Company (lower) / higher, if € was weaker / stronger than JPY by 10%, with the other variables held constant mainly as a result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

On 31/12/2018, Profit after Tax and the equity for the Group and the Company would have been €2 and €1 respectively (€1 and €8 in 2017 for both the Group and the Company (lower) / higher, if € was weaker / stronger than GBP by 10% with the other variables held constant mainly as a result of gains / losses as result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

3.1.1.2. Price Risk
The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as available for sales assets. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

Shares of the portfolio are included in the General Index of the ASE. The following table shows the effect that an increase/decrease in the General Index of the ASE would have on equity of the Group for the fiscal year. The analysis is based on the assumption of increase / decrease of the General Index of the ASE by 20,72 %, with all other variables held constant and the shares held by the Group and the Company following exactly this change.

Equity would have no increase /decrease (€1 in 2017) as a result of gains / (losses) resulting from the evaluation of the available for sale financial instruments.

3.1.1.3 Cash Flow and Fair Value Interest Rate Risk
The Group has no significant interest bearing assets and its income and operating cash flow are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long term and short term borrowing from banks in Euro with variable interest rates.

The Group analyses its interest rate exposure on a continuous basis taking into consideration the possibility of restructuring debt with alternative terms and types as well as the renewal of existing positions. Based on these alternatives the Group calculates the impact on significant medium and long term debt positions a shift in interest rates would have.

If on 31/12/18 its interest rates were higher than two units for the group of the subsidiary R.F. ENERGY S.A. and 86 units for the company (the comparable year 2017 was 150 and 70 respectively) with the remaining variables remaining constant, after-tax profits and net worth would have been lower for the group by € 401(€142 in 2017) and for the company € 401 (€42 in 2017). This would be due to the higher financial cost of bank lending with a floating interest rate in €.

(All amounts in Euro thousands unless otherwise stated)

3.2 Credit Risk

Credit risk is managed on Group basis. Credit risk arises mainly from credit exposures to customers including accounts receivables. The commercial departments assess the credit quality of the customer taking into consideration its financial position, past experience and other factors and sets predefined credit limits that are monitored regularly and each customer cannot exceed. Sales to retail customers are settled in cash. No credit limits were exceeded during the reporting period and management does not expect any material losses from non-performance of accounts receivables. Moreover, Company's receivables are distributed at a wide number of customers, and as a consequence, credit risk is significantly restricted.

The maximum exposure of both the Group and the Company to credit risk arising from commercial receivables on December 31, 2018, is analyzed at note 15.

3.3 Liquidity Risk

Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing for working capital and issuance of letters of guarantee to suppliers, which amounted to €116.958 and € 114.691 for the Group and the Company respectively on 31/12/2018 (€ 118.068 and € 106.347 for the Group and the Company respectively on 31/12/2017).

The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows including interests and therefore may not reconcile to the amounts disclosed on the balance sheet.

Consolidated December 31, 2018	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	15.958	8.260	31.245	15.535
Trade and other payables	21.209	-	-	-
Total	**37.167**	**8.260**	**31.245**	**15.535**

Consolidated December 31, 2017	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	24.011	27.553	7.713	17.680
Trade and other payables	21.288	-	-	-
Total	**45.299**	**27.553**	**7.713**	**17.680**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and therefore may not reconcile to the amounts disclosed on the balance sheet.

Company December 31, 2018	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	15.335	7.820	29.925	15.535
Trade and other payables	25.964 -	-	-	
Total	**41.299**	**7.820**	**29.925**	**15.535**

Company December 31, 2017	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings	21.673	25.193	3.468	17.240
Trade and other payables	27.102	-	-	-
Total	**48.775**	**25.193**	**3.468**	**17.240**

4. Significant accounting estimates and assumptions

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Using the available information and the implementation of subjective evaluation are necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

The Company / Group makes estimates and assumptions related to the outcome of future events. There are no estimates and assumptions that include significant risk able to require material adjustments to the carrying values of the assets and liabilities within the next 12 months. The estimates and assumptions of the management are under continuous review based on historical data and expectations of future events, that are believed to be appropriate based on the existing.

Recovery value of license for wind energy stations is calculated according the estimated use of value of these stations.

Fair value of the investments in real estate property is calculated according the current commercial value of this property.

The receivables from the customers are assumed that approximate their fair value due to the sort term nature of them. In cases of overdue receivables is recognized the financial gain or the impairment loss, which is included in these receivables. The impairment losses are calculated from the commercial departments of the Company according the customer solvency, taking in mind and his financial position.

a) Useful life of depreciable assets
The Company's management reviews the useful life of depreciable assets annually. On 31/12/2018, the management estimates that each asset's useful life represents its expected use.

b) Impairment of assets
The Group applies IAS 39 for the review of impairment in investments. For the determination of whether an investment has been impaired, the Group estimates, among others, whether the fair value of an investment is lower than its cost, which is an indication for impairment. Furthermore, the Group estimates the financial viability and short-term outlook, as long as the business policy and the potential of the investment.

c) Impairment of inventory

The Management conducts estimates to determine the appropriate impairment for inventory based on detailed breakdown of slow moving and obsolete items.

d) Provision for income taxes
The provision for income taxes according to IAS 12 is computed by estimating the tax amount which will be paid to the tax authorities, which includes the current income tax for each fiscal year and a provision for taxes that may arise in a tax audit. The total tax liability presented in the Statement of Financial Position requires significant estimations. The computation of income tax for particular transactions and calculations is uncertain. The Group recognizes liabilities for tax issues, based in calculations for whether or not there will be an additional tax expense. If the final tax result of this issues differs from the conducted provision, these differences affect the provision for income and deferred tax of the fiscal year they were made.

e) Provision for doubtful debt
The fair value of receivables from customers is considered to be the same with their book value, due to their short-term nature. If a receivable turns to overdue, probable losses are recognized. These losses on receivables are calculated by the Company's Commercial Department, based on assumptions for each customer's reliability and financial situation. The Company's Management periodically reviews the adequacy of these calculations regarding doubtful debt, in addition to the Company's credit policy and the relevant reports of the Legal Department, with regard to the processing of historical data and the progress of certain cases assigned.

f) Provision for employee benefits
Each year's provision for employee benefits is based in an actuarial study. This actuarial study requires assumptions on the discount rate, the annual wages' increase percentage, the raise in the consumers' price index and the remaining working life of the employees. These assumptions are significantly uncertain and, thus, the Management annually reassesses them.

g) Contingent Assets and Liabilities
The Group is involved in litigation and indemnification cases within its nature of business. The Management judges that these litigations would not significantly affect the Group's financial position on 31/12/2018. Despite that, the determination of contingent liabilities is a complex procedure which includes judgements regarding the consequences and interpretations of the Law and regulations. A different view in these judgements embraces the possibility of increase or decrease of the Group's contingent liabilities in the future.

i) Deferred tax assets on tax losses
Deferred tax asset is recognized for all tax losses carried forward to the extent that taxable profits will be available in the future to set the losses against. For the determination of the asset that could be recognized, very important assumptions and estimations are required by the Management, the most important of which is the expectation of taxable profits in the future, combined with the tax strategy that will be followed.

5. *Operating Segments*

The operating segments of Group are strategic units that sell different goods. They are monitored and managed separately by the Board of Directors, because these goods are of completely different nature, demand in the market and mixed profit margin.

The Groups' segments are the following:

Long Living Consumer Goods
The sector of Long Living Consumer Goods constitutes the import and wholesale of all types of air conditioners for domestic and professional use and the import and wholesale of white and brown house appliances.

Energy
The sector of Energy constitutes the development and operation of energy projects, focused on Renewable Energy Sources (RES).

The accounting policies for the operating segments are those used for the preparation of the Financial Statements.

The efficiency of the sectors is determined by the net profit after taxes.

The sales of the Group are completely wholesale and all assets are located in Greece.

(All amounts in Euro thousands unless otherwise stated)

The segments results of the Group are analyzed as follows:

01/01-31/12/2018	**Long Living Consumer Goods**	**Energy**	**Total of continuing operations**	**Discontinued operations**	**Total**
Sales to third parties	83.839	10.254	94.093	23.968	118.061
Sales within the Group	(24.631)		(24.631)		(24.631)
Gross profit	**59.208**	**10.254**	**69.462**	**23.968**	**93.430**
Depreciation of Fixed/ Intangible assets	(202)	(5.236)	(5.438)	(54)	(5.492)
Gain / Loss before taxes, investing activities, total depreciations	2.200	7.136	9.336	257	9.593
Finance income	5.319	16	5.335	-	5.335
Finance costs	(9.514)	(598)	(10.112)	(15)	(10.127)
Profits before tax	**(1.245)**	**2.911**	**1.666**	**188**	**1.854**
Income tax expense	(230)	(996)	(1.226)	(80)	(1.306)
Profits after tax	**(1.475)**	**1.915**	**440**	**108**	**548**
Expenses for Fixed/ Intangible assets	70	4	74	52	126
Assets per sector	70.456	69.412	139.868	7.140	147.008
Liabilities per sector	74.768	35.015	109.783	6.615	116.398

01/01-31/12/2017	**Long Living Consumer Goods**	**Energy**	**Total of continuing operations**	**Discontinued operations**	**Total**
Sales to third parties	86.534	10.254	96.788	23.878	120.666
Sales within the Group	(23.611)		(23.611)		(23.611)
Gross profit	**62.923**	**10.254**	**73.177**	**23.878**	**97.055**
Depreciation of Fixed/ Intangible assets	(208)	(5.237)	(5.445)	(46)	(5.491)
Gain / Loss before taxes, investing activities, total depreciations	778	7.158	7.936	125	8.061
Finance income	1.810	17	1.827	-	1.827
Finance costs	(6.708)	(604)	(7.312)	(14)	(7.326)
Profits before tax	(2.742)	2.928	186	64	250
Income tax expense	668	(962)	(294)	(56)	(350)
Net profit	**(2.074)**	**1.966**	**(108)**	**8**	**(100)**
Expenses for Fixed/ Intangible assets	107	12	119	5	124
Assets per sector	70.176	74.831	145.007	6.845	151.852
Liabilities per sector	74.811	31.674	106.485	6.427	112.912

The reconciliation of revenues, operating profit or loss, assets and liabilities of each functional sector with the corresponding amounts in the financial statements are, as follows:

(All amounts in Euro thousands unless otherwise stated)

Assets	31/12/2018	31/12/2017
Assets per sector	151.903	158.912
Intersectional assets	(27.944)	(21.854)
Non distributed assets	23.049	14.794
Total Assets	**147.008**	**151.852**

Assets	31/12/2018	31/12/2017
Assets per sector	151.903	158.912
Intersectional assets	(27.944)	(21.854)
Non distributed assets	23.049	14.794
Total Assets	**147.008**	**151.852**

Liabilities	31/12/2018	31/12/2017
Liabilities per sector	78.312	123.504
Intersectional Liabilities	23.710	(17.736)
Non distributed Liabilities	14.376	7.144
Total Liabilities	**116.398**	**112.912**

The geographic results of the Groups sales are analyzed as follows:

1/1-31/12/2018	Long Living Consumer Goods	Energy	Total of continuing operations	Discontinued operations	Total
Parent company (sales on internal market)	31.460	-	**31.460**	23.968	**55.428**
Subsidiaries (sales on internal market)		10.254	**10.254**	-	**10.254**
Parent company (sales on external market)	46.832	-	**46.832**	-	**46.832**
Subsidiaries (sales on external market)	5.547	-	**5.547**	-	**5.547**
Sales within the Group	(24.631)	-	**(24.631)**	-	**(24.631)**
Total	**59.208**	**10.254**	**69.462**	**23.968**	**93.430**

1/1-31/12/2017	Long Living Consumer Goods	Energy	Total of continuing operations	Discontinued operations	Total
Parent company (sales on internal market)	32.694	-	**32.694**	23.878	**56.572**
Subsidiaries (sales on internal market)	-	10.254	**10.254**	-	**10.254**
Parent company (sales on external market)	48.170	-	**48.170**	-	**48.170**
Subsidiaries (sales on external market)	5.670	-	**5.670**	-	**5.670**
Sales within the Group	(23.611)	-	**(23.611)**	-	**(23.611)**
Total	**62.923**	**10.254**	**73.177**	**23.878**	**97.055**

This table refers to internal and external sales from Greece. The company is doing business abroad via subsidiaries.

The revenue from the energy sector for the fiscal years 2018, derived, entirely, from one client.

In the field of consumer durables for the year 2018, two customers from abroad with revenues amounting to € 5708 and €2.800 (€5.828 and €4.087 in 2017) and two domestic customers with revenues amounting to €4.036 and € 842 (€3.606 and €5.488 in 2017).

(All amounts in Euro thousands unless otherwise stated)

6. Discontinued operations

On 07/09/2018 the Company announced the signing of an agreement with FUJITSU GENERAL LIMITED for the transfer of 51% of the shares of the subsidiary in Italy to FG EUROPE ITALIA S.p.A for a consideration of € 10.000.

On the basis of the above, at 31/12/2018, the items of the statement of financial position of FG EUROPE ITALIA S.p.A. were classified as a disposal group in accordance with the requirements of IFRS 5 for non-current assets held for sale.

Revenues and expenses, gains and losses relating to this discontinued operation are not included in the Group's income from continuing operations for the period 01/01 - 31/12/2018, ie a profit of € 108 and are presented in the income statement from discontinued operations.Also, the book values of the assets and the related disposal group liabilities as at 31/12/2018 are presented separately. It is noted that the respective funds of this subsidiary are presented in the discontinued operations of the comparative reference period.

The net results of the Group from discontinued operations for the periods 01/01-31/12/2018 and 01/01 - 31/12/2017 are presented as follows:

		1/1-31/12/2018	1/1-31/12/2017
Sales	7	23.968	23.878
Less cost of sales		(20.180)	(20.061)
Gross profit		**3.788**	**3.817**
Other operating income		567	109
Distribution expenses	8	(3.392)	(3.179)
Administrative expenses		(760)	(664)
Other operating expenses		-	(5)
Earnings before interests and taxes		**203**	**78**
Finance costs	8.2	(15)	(14)
Earnings before taxes		**188**	**64**
Income tax expense	9	(80)	(56)
Net profit for the period		**108**	**8**

(All amounts in Euro thousands unless otherwise stated)

The amounts of assets and liabilities related to them classified as held for sale at 31/12/2017 are presented as follows:

ASSETS	31/12/2018
Non-current assets	
Property, plant and equipment	146
Deferred taxes	186
Total non-current assets	**332**
Current assets	
Inventories	2.412
Trade receivables	4.012
Cash and cash equivalents	384
Total current assets	**6.808**
Total assets	**7.140**
SHAREHOLDERS' EQUITY & LIABILITIES	
SHAREHOLDERS' EQUITY	
Share capital	252
Share premium	1.150
Retained earnings	(877)
	525
Total shareholders' equity	**525**
LIABILITIES	
Non-current liabilities	
Retirement benefit obligations	112
Long-term provisions	96
Total non-current liabilities	**208**
Current liabilities	
Current tax liabilities	(3)
Trade and other payables	6.410
Total current liabilities	**6.407**
Total liabilities	**6.615**
Total equity and liabilities	**7.140**

The following table shows the net cash flows from operating, investing and financing activities related to discontinued operations for the periods 01 / 01-31 / 12/2018 and 01 / 01-31 / 12/2017:

	Group	
CASH FLOWS FROM OPERATING ACTIVITIES	1/1-31/12/2018	1/1-31/12/2017
Total net cash inflow / (outflow) from operating activities of discontinued operations	49	(99)
Total net cash inflow / (outflow) from investing activities of discontinued operations	(54)	(6)
Total net cash inflow / (outflow) from investing activities	-	-
Total net inflow / (outflow) from operating activities	**(5)**	**(105)**

The basic earnings per share from discontinued operations for the reported annual reference periods 01 / 01-31 / 12/2018 and 01 / 01-31 / 12/2017 amounted to € 0.0020 and € 0.0002 respectively. (See Note 10)

(All amounts in Euro thousands unless otherwise stated)

7. *Income*

Analysis of the Groups' income:

	Group		Company	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Sales of goods	59.045	62.805	78.130	80.670
Sales of goods (electric Energy)	10.254	10.254	-	-
Sales of services	163	118	163	193
Total Sales	**69.462**	**73.177**	**78.293**	**80.863**
Other income	160	514	43	63
Total of continuing operations	**69.622**	**73.691**	**78.336**	**80.926**
Discontinued operations	24.535	23.987	-	-
Total	**94.157**	**97.678**	**78.336**	**80.926**

Total sales of F.G EUROPE S.A. for 2018 amounted to € 69.462 against sales of €73.177 in the corresponding period of 2017, decreased by 5,1%. The decrease of total sales is mainly attributed to the Turkey's market, due to the economic conditions in 2018.

The decrease in sales of air conditioners in the domestic market by 6,1% is due to the unfavorable climatic conditions during the year 2018 and to the improvement of Company's gross profit from 19,2% in 2017 to 21,2% in 2018, which had as a consequence the containment of the volume of sales. The increase of white appliances' sales by 15,5% in domestic market was not enough to compensate for the losses from the reduction of air conditioning sales.

In the energy sector due to stable wind conditions, revenue is unchanged in relation to the previous use.

8. *Finance income and expenses*

Finance income and expenses are analyzed as follows:

Consolidated

Table of allocation of expenses for the year ended December 31, 2018

Financial costs:	**Cost of Sales**	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses	(237)	(1.670)	-2.881	-	(4.788)
Third party expenses	(120)	(296)	-1.195	-	(1.611)
Supplies	(1.668)	(659)	(5.458)	-	(7.785)
Taxes and duties	(507)	(72)	(239)	-	(818)
Various expenses	(9)	(492)	(2.246)	(44)	(2.791)
Depreciation of fixed assets	(5.234)	(108)	(132)	-	(5.474)
Grants for fixed assets	1.704	-	-	-	1.704
Provisions	(533)	-	(301)	-	(834)
Inventories	(40.782)	-	-	-	(40.782)
Total of continuing operations	**(47.386)**	**(3.297)**	**(12.452)**	**(44)**	**(63.179)**
Discontinued operations	**(20.180)**	**(760)**	**(3.392) -**		**(24.332)**
Total	**(67.566)**	**(4.057)**	**(15.844)**	**(44)**	**(87.511)**

(All amounts in Euro thousands unless otherwise stated)

Consolidated

Table of allocation of expenses for the year ended December 31, 2017

Financial costs:	**Cost of Sales**	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses	(218)	(1.748)	-2.602	-	(4.568)
Third party expenses	(137)	(283)	-498	-	(918)
Supplies	(1.733)	(655)	(5.614)	-	(8.002)
Taxes and duties	(448)	(86)	(307)	-	(841)
Various expenses	(7)	(332)	(2.791)	(203)	(3.333)
Depreciation of fixed assets	(5.280)	(113)	(74)	-	(5.467)
Grants for fixed assets	1.704	-	-	-	1.704
Provisions	(372)	-	(196)	-	(568)
Inventories	(46.027)	-	-	-	(46.027)
Total of continuing operations	**(52.518)**	**(3.217)**	**(12.082)**	**(203)**	**(68.020)**
Discontinued operations	**(20.061)**	**(664)**	**(3.179)**	**(5)**	**(23.909)**
Total	**(72.579)**	**(3.881)**	**(15.261)**	**(208)**	**(91.930)**

Company

Table of allocation of expenses for the year ended December 31, 2018

Financial costs:	**Cost of Sales**	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses	(85)	(1.058)	(2.276)	-	(3.419)
Third party expenses	-	(58)	(472)	-	(530)
Supplies	-	(472)	(5.429)	-	(5.901)
Taxes and duties	-	(51)	(239)	-	(290)
Various expenses	-	(177)	(1.935)	(19)	(2.131)
Depreciation of fixed assets	-	(73)	(72)	-	(145)
Provisions	(552)	-	(152)	-	(704)
Inventories	(61.068)	-	-	-	(61.068)
Total	**(61.705)**	**(1.889)**	**(10.575)**	**(19)**	**(74.188)**

Company

Table of allocation of expenses for the year ended December 31, 2017

Financial costs:	**Cost of Sales**	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses	(87)	(1.078)	(2.271)	-	(3.436)
Third party expenses	-	(60)	(462)	-	(522)
Supplies	-	(458)	(5.552)	-	(6.010)
Taxes and duties	-	(66)	(307)	-	(373)
Various expenses	-	(195)	(2.142)	(83)	(2.420)
Depreciation of fixed assets	-	(77)	(74)	-	(151)
Provisions	(154)	(24)	(196)	-	(374)
Inventories	(65.117)	-	-	-	(65.117)
Total	**(65.358)**	**(1.958)**	**(11.004)**	**(83)**	**(78.403)**

The various costs relate mainly to transport costs and advertising costs.

The reduction in the cost of sales at the level of a group and a company despite the increase in the gross profit margin (31,8% in 2018 against 28,2% in 2017)and (21,2% in 2018 against 19,2% in 2017) is mainly due to the decrease in sales.

(All amounts in Euro thousands unless otherwise stated)

For the year ended 31/12/18, the administrative expenses of the Group include regular auditors' fees of € 22.8 which concerning allowed non-audit work.

8.1 Personnel expenses

The personnel expenses are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Salaries and wages	(3.797)	(3.673)	(2.592)	(2.617)
Employers' social security contributions	(800)	(813)	(633)	(621)
Other compensation	(14)	(21)	-	(15)
Retirement benefits	(177)	(61)	(194)	(44)
Total of continuing operations	**(4.788)**	**(4.568)**	**(3.419)**	**(3.297)**
Discontinued operations	(1.290)	(1.364)	-	-
Total	**(6.078)**	**(5.932)**	**(3.419)**	**(3.297)**

8.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Group		Company	
Financial costs:	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Interest and similar expenses	(3.724)	(3.600)	(3.232)	(3.112)
Related interest expenses	(269)	(306)	(174)	(182)
Bank charges and commissions	(49)	(72)	(49)	(72)
Financial cost of provision of equipment removal	(116)	(105)	-	-
Exchange differences	(5.944)	(3.177)	(533)	(2.149)
Valuation of derivatives	-	(38)	-	-
Devaluation of investments and securities	(1)	-	(1)	-
Other	(8)	(12)	(8)	(12)
Prepaid interest of the actuarial research	-	(2)	-	-
Total Financial costs of continuing operations	**(10.111)**	**(7.312)**	**(3.997)**	**(5.527)**
Total Financial costs of discontinued operations	**(15)**	**(14)**	**-**	**-**
Total Financial costs	**(10.126)**	**(7.326)**	**(3.997)**	**(5.527)**
Financial income:				
Interest and similar income	16	24	2	8
Gains from sale of securities	2	3	-	-
Foreign exchange differences	5.122	1.727	688	742
Valuation of Derivatives to cover the exchange risks	194	73	194	74
Total Financial costs of continuing operations	**5.334**	**1.827**	**884**	**824**
Total Financial costs of discontinued operations	**-**	**-**	**-**	**-**
Total Financial costs	**(4.792)**	**(5.499)**	**(3.113)**	**(4.703)**

The company in order to cover the exchange risk during purchasing inventories, which comes from liabilities in foreign currency, makes advance purchase of foreign exchange contracts through the use of derivative financial products (level 2), by various banks. Differences in exchange rates during the fiscal year 2018 resulted to the creation of debit foreign exchange differences of €533, which were partially counterbalanced by €194 through the use of derivative financial products. For the corresponding period of 2017, debit exchange differences amounted to €2.149 and covered by €742 through the use of derivative financial products. The subsidiaries, except F.G. EUROPE KLIMA TEKNOLOJILERI (Turkey) do not trade in foreign currencies and, as a result, do not present exchange differences. The subsidiary F.G EUROPE KLIMA TEKNOLOJILERI present exchange differences (loss) amounted to €937 in 2018 against profit amounted to €28 in 2017.

(All amounts in Euro thousands unless otherwise stated)

Within the net finance cost there is a specific gain from the evaluation of ''Financial assets available for sale'' which amounts to €9.196 and an equal gain of a long term coverage receivable for the said loss (Note 13).

8.3 Provisions

The provision expenses are analyzed as follows:

Consolidated		
Provisions	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Bad depts.	(236)	(211)
Inventories' depreciation	(533)	(320)
Total	**(769)**	**(531)**

Consolidated		
Provisions	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Bad depts.	(152)	(196)
Inventories' depreciation	(552)	(154)
Total	**(704)**	**(350)**

9. Income taxes

The parent company and its subsidiaries have not been audited by the tax authorities for the following fiscal years:

Company	**Unaudited fiscal years**
• F.G. Europe S.A.	2012 to 2018
• R.F. Energy S.A.	2012 to 2018
• Hydroelectrical Ahaias S.A.	2012 to 2018
• City Electrik S.A	2012 to 2018
• Aioliki Kylindrias S.A.	2012 to 2018
• Kallisti Energiaki S.A.	2012 to 2018
• R.F. Energy Omalies S.A.	2012 to 2018
• Aioliki Aderes S.A..	2012 to 2018
• F.G. Europe Italia S.P.A.	Unaudited from inception (2014)
• F.G. Europe Klima Teknolojileri Sanayive Ticaret A.S.	Unaudited from inception (2014)
• F.G. EUROPE U.K. L.T.D.	Unaudited from inception (2017)

According to par 5, article 82 of law 2238/1994 and POL 1159/2011, statutory auditors and audit firms carry out statutory audits on public limited companies and limited liability companies which are obliged to issue annual certificate. This certificate is issued after audit, regarding the implementation of tax provisions for specific tax issues. Tax infringements, as well as non-performance and incorrect performance of taxes recorded in the books during audit, are referred in detail in the certificate. Public limited companies and limited liability companies are subject to tax audit by statutory auditors for the annual financial statements from 30/06/2011 onwards.

(All amounts in Euro thousands unless otherwise stated)

For the years 2011, 2012 and 2013, the companies of the Group operating in Greece and are subject to tax audit by statutory auditors, according to par 5, article 82, law 2238/1994, received Tax Compliance Report, without any substantial differences to arise.

For the tax audit of fiscal year 2014, 2015, 2016, 2017 the companies of the Group operating in Greece and meet the relevant criteria for falling under the tax audit of Certified Auditors provided by the provisions of par. 65A, par.1, law 4174/2013, received Tax Compliance Report, without any substantial differences to arise.

For use in 2018, special audit is in progress and is not to be expected ,at the time of its completion, to result in differences with differentiation in tax liabilities in the financial statements. According to the recent legislation, the control and issuance of tax certificates is valid for uses 2016 and onwards, on a voluntary basis.

Income taxes as presented in the financial statements are analyzed as follows:

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Income tax (current period)	(456)	288	(293)	360
Deferred tax	(1.279)	(582)	106	215
Adjustment of deferred taxes, because of the tax's rate change	509	-	(327)	-
Income taxes at the rasults of the continuing operations	**(1.226)**	**(294)**	**(514)**	**575**
Income taxes at the rasults of the Discontinued operations	**(80)**	**(56)**	**-**	**-**
Income taxes	**(1.306)**	**(350)**	**(514)**	**575**

The income tax related to the Group's and Company's earnings is different from the net amount that would have resulted if the tax rate was only applied.

The calculation is as follows:

(All amounts in Euro thousands unless otherwise stated)

	Group				Total		Company	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Profit before taxes	1.666	185	188	65	1.854	250	1.035	(2.180)
Tax rate	29%	29%	29%	29%	29%	29%	29%	29%
Tax at the corporate income tax rate	**(483)**	**(54)**	**(55)**	**(19)**	**(538)**	**(73)**	-300,15	632,2
Tax effects from:								
Non tax deductible income	187	24	-	-	187	24	-	24
Non tax deductible expenses	(147)	(118)	14	(5)	(133)	(123)	(43)	(73)
Non-recognized fiscal losses	(209)	10	-	-	(209)	10	(53)	(8)
Non-recognized fiscal gains	209	-	-	-	209	-	209	
De-recognition of deferred requirement	(1.036)	(56)	(49)	-	(1.085)	(56)	-	-
effect of the tax's rate change	509	-	-	-	509	-	(327)	-
Effective income tax for the year	**(970)**	**(194)**	**(90)**	**(24)**	**(1.060)**	**(218)**	**(514)**	**575**
Adjustment of deferred taxes, because of the tax's rate change	(256)	(100)	10	(32)	(246)	(132)	-	-
Tax charge	**(1.226)**	**(294)**	**(80)**	**(56)**	**(1.828)**	**(495)**	**(514)**	**575**

The corporate income tax rate in Greece was set at 29% for 2018, but on the basis of Article 23 of Law 4579/2018 it will gradually decrease by 1% per annum, ie: 28% for the year 2019, 27% for the year 2020, 26% for the year 2021 and 25% for the year 2022 onwards.

10. Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

	Group	
	1/1 - 31/12/2018	1/1 - 31/12/2017
Net profit attributable to shareholders	152	(996)
Weighted average number of shares outstanding	52.800.154	52.800.154
Basic earnings per share (in €)	**0,0029**	**(0,0189)**

	Group	
	1/1 - 31/12/2018	1/1 - 31/12/2017
Net profit attributable to shareholders	108	8
Weighted average number of shares outstanding	52.800.154	52.800.154
Basic earnings per share (in €)	**0,0020**	**0,0002**

	Company	
	1/1 - 31/12/2018	1/1 - 31/12/2017
Net profit attributable to shareholders	521	(1.605)
Weighted average number of shares outstanding	52.800.154	52.800.154
Basic earnings per share (in €)	**0,0099**	**(0,0304)**

(All amounts in Euro thousands unless otherwise stated)

11. Property, plant and equipment and intangible assets

Property, plant and equipment are analyzed as follows:

	Fixed Assets							Investments in real estate					
Group	**Land**	**Buildings**	**Plant & machinery**	**Vehicles**	**Furniture & fixture**	**Work in progress**	**Total**	**Land**	**Buildings**	**Total**	**License for wind energy**	**Licenses**	**Total**
January 1, 2017													
Value at cost	1.087	10.440	70.660	463	1.429	2.907	**86.986**	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciations	-	(4.081)	(29.326)	(354)	(934)	-	**(34.695)**	-	(48)	**(48)**	(1.184)	(502)	**(1.686)**
Net book value	**1.087**	**6.359**	**41.334**	**109**	**495**	**2.907**	**52.291**	**48**	**193**	**241**	**5.929**	**795**	**6.724**
January 1 to December 31, 2017													
Additions	-	1	-	-	110	13	**124**	-	-	**-**	-	-	**-**
Exchange differences	-	(17)	-	-	(26)	-	**(43)**	-	-	**-**	-	-	**-**
Disposals	-	-	-	-	(2)	-	**(2)**	-	-	**-**	-	-	**-**
Depreciations	-	(596)	(4.409)	(24)	(150)	-	**(5.179)**	-	(5)	**(5)**	(201)	(82)	**(283)**
Exchange differences	-	17	-	-	6	-	**23**	-	-	**-**	-	-	**-**
December 31, 2017													
Value at cost	1.087	10.424	70.660	463	1.511	2.920	**87.065**	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciations	-	(4.660)	(33.735)	(378)	(1.078)	-	**(39.851)**	-	(53)	**(53)**	(1.385)	(584)	**(1.969)**
Net book value	**1.087**	**5.764**	**36.925**	**85**	**433**	**2.920**	**47.214**	**48**	**188**	**236**	**5.728**	**713**	**6.441**
January 1 to December 31, 2018													
Additions	-	-	1	-	70	-	**71**	-	-	**-**	-	3	**3**
Exchange differences	-	(6)	-	-	(38)	-	**(44)**	-	-	**-**	-	-	**-**
Value at cost from discontinued opeations	-	(72)	(1)	-	(184)	-	**(257)**	-	-	**-**	-	-	**-**
Disposals	-	-	-	(103)	-	(20)	**(123)**	-	-	**-**	-	-	**-**
Depreciations	-	(576)	(4.409)	(25)	(115)	-	**(5.125)**	-	(4)	**(4)**	(179)	(106)	**(285)**
Accumulated depreciations from discontinued operations	-	34	-	-	75	-	**109**	-	-	**-**	-	-	**-**
Exchange differences	-	4	-	-	16	-	**20**	-	-	**-**	-	-	**-**
Depreciations of disposals	-	-	-	101	-	-	**101**	-	-	**-**	-	-	**-**
December 31, 2018													
Value at cost	1.087	10.346	70.660	360	1.359	2.900	**86.712**	48	241	**289**	7.113	1.300	**8.413**
Accumulated depreciations.	-	(5.198)	(38.144)	(302)	(1.102)	-	**(44.746)**	-	(57)	**(57)**	(1.564)	(690)	**(2.254)**
Net book value	**1.087**	**5.148**	**32.516**	**58**	**257**	**2.900**	**41.966**	**48**	**184**	**232**	**5.549**	**610**	**6.159**

(All amounts in Euro thousands unless otherwise stated)

	Fixed Assets							Investments in real estate			Intangible assets	
Company	**Land**	**Buildings**	**Plant & machinery**	**Vehicles**	**Furniture & fixture**	**Work in progress**	**Total**	**Land**	**Buildings**	**Total**	**Licenses**	**Total**
January 1, 2017												
Value at cost	5	320	261	460	942	17	**2.005**	48	241	**289**	5	**5**
Accumulated depreciations	-	(195)	(50)	(352)	(699)	-	**(1.296)**	-	(48)	**(48)**	(1)	**(1)**
Net book value	**5**	**125**	**211**	**108**	**243**	**17**	**709**	**48**	**193**	**241**	**4**	**4**
January 1 to December 31, 2017												
Additions	-	-	-	-	23	3	**26**	-	-	**-**	-	**-**
Exchange differences	-	-	-	-	-	-	**-**	-	-	**-**	-	**-**
Disposals	-	-	-	-	(2)	-	**(2)**	-	-	**-**	-	**-**
Depreciations	-	(13)	(25)	(24)	(83)	-	**(145)**	-	(5)	**(5)**	(1)	**(1)**
Exchange differences	-	-	-	-	-	-	**-**	-	-	**-**	-	**-**
December 31, 2017												
Value at cost	5	320	261	460	963	20	**2.029**	48	241	**289**	5	**5**
Accumulated depreciations.	-	(208)	(75)	(376)	(782)	-	**(1.441)**	-	(53)	**(53)**	(2)	**(2)**
Net book value	**5**	**112**	**186**	**84**	**181**	**20**	**588**	**48**	**188**	**236**	**3**	**3**
January 1 to December 31, 2018												
Additions	-	-	1	-	46	-	**47**	-	-	**-**	1	**1**
Transfers	-	-	-	-	-	-	**-**	-	-	**-**	-	**-**
Disposals	-	-	-	(102)	-	(20)	**(122)**	-	-	**-**	-	**-**
Depreciations	-	(12)	(26)	(23)	(80)	-	**(141)**	-	(4)	**(4)**	-	**-**
Depreciation of Disposals	-	-	-	101	-	-	**101**	-	-	**-**	-	**-**
December 31, 2018												
Value at cost	5	320	262	358	1.009	-	**1.954**	48	241	**289**	6	**6**
Accumulated depreciations.	-	(220)	(101)	(298)	(862)	-	**(1.481)**	-	(57)	**(57)**	(2)	**(2)**
Net book value	**5**	**100**	**161**	**60**	**147**	**-**	**473**	**48**	**184**	**232**	**4**	**4**

(All amounts in Euro thousands unless otherwise stated)

It is noted that fixed assets are not pledged apart from the pledge on the productive equipment of KALLISTI ENERGIAKI S.A. amounting to € 17.091 (according to loan agreement on 06/04/2009) they are no longer due to the full repayment of the loans in 2018

It is also noted that Work in progress amount concerns the cost of wind farms development and construction of the subsidiaries of the Group.

Intangible Assets and goodwill
The intangible assets concern wind energy production license of the subsidiary R.F. ENERGY S.A. and other rights of use software.

Environmental Restoration
According to Greek Corporate law, the Company at the end of the Production License, if it does not renewed, is obliged to take the equipment of the wind parks, and to restore the place as it was.

Environmental Restoration	
31/12/2017	**2.036**
Financial cost	116
31/12/2018	**2.152**

The amount of € 105 of the annual change of the environmental restoration about the wind parks, included at the equipment acquisition value of the Group.

12. Long term receivables

Long term receivables are analyzed as follows:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Receivable on given guarantees on financial assets	9.196	7.114	9.196	7.114
Given guarantees for rentals	644	579	556	557
Other given guarantees	4	4	4	4
Total	**9.844**	**7.697**	**9.756**	**7.675**

The receivable on given guarantees on financial assets concerns a signed agreement for the coverage of any contingent losses from the valuation of financial assets with a nominal value of €9.196.

13. Available for Sale Financial Instruments

The available for sale financial assets contain shares listed in the Athens Stock Exchange that were valued with closing prices of December 31, 2018 (1st level) as well as companies, not listed, that were valued at cost and tested for impairment annually via financial results, due to the fact that fair value cannot be measured reliably. During 2018, there has not been any change in the classification of available for sale financial assets.

Fair value of financial assets

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets through valuation techniques.

(All amounts in Euro thousands unless otherwise stated)

Level 1: Investments at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Investments at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based (either directly or indirectly) on observable market data.
Level 3: Investments at fair value by using valuation techniques in which all inputs that affect significantly the fair value are not based on observable market data.

The following table reflects the financial assets and liabilities presented at fair value on 31/12/2018 for the Group and the Company:

Financial assets	**Level 1**	**Total**
Available for Sale Financial Instruments – ASE Listed Companies	973	**973**
Total	**973**	**973**

Within the fiscal year 2018 there were not transfers between level 1 and 2.

	Group		**Company**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
ASE Listed companies	1.055	840	1.055	840
ASE non-listed internal companies	32	32	32	32
ASE non-listed foreign companies	3	3	3	3
Total	**1.090**	**875**	**1.090**	**875**

	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance at 01/01	**1.090**	**875**	**1.090**	**875**
Additions	2.000	-	2.000	-
Change of fair value through the results	(2.086)	215	(2.086)	215
Balance at 31/12	**1.004**	**1.090**	**1.004**	**1.090**

14. Inventories

The Company's and group's inventory is analyzed as follow:

	Group		**Company**	
	30/6/2018	**31/12/2017**	**30/6/2018**	**31/12/2017**
Merchandise	45.894	40.791	43.469	36.767
Provision	(1.251)	(927)	(1.210)	(658)
Total	**44.643**	**39.864**	**42.259**	**36.109**

The noted increase in -air conditioner- inventories is mainly due to the increase in purchase orders, placed at least 6 months before delivery, based on the Management's assumption for the increase in sales in 2019.

The provision of the depreciated stocks is as follows

	Group	**Company**
Remaining stocks depreciated preview 01.01.2017	**(607)**	**(504)**
Using predictive 01.01.-31.12.17	(320)	(154)
Remaining stocks depreciated preview 31.12.2017	**(927)**	**(658)**
	209	**-**
Expense chargeable period 01.01.-31.12.2018	(533)	(552)
Remaining stocks depreciated preview 31.12.2018	**(1.251)**	**(1.210)**

The reduction of inventories from book value to net realisable value affects the "cost of sales".

(All amounts in Euro thousands unless otherwise stated)

15. Receivables and prepayments

The account of receivables and prepayments is as follows:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Customers	26.950	25.599	26.121	23.918
Postdated customers' cheques	5.072	5.751	5.072	5.751
Customers' bills	626	1.639	-	116
Provisions of doubtful Customers	(8.060)	(4.667)	(7.958)	(4.510)
	24.588	**28.322**	**23.235**	**25.275**
Other debtors	9.070	9.630	8.897	6.111
Total	**33.658**	**37.952**	**32.132**	**31.386**

The balance of the Group's and the Company's Trade Receivables on 31/12/2018 has decreased by 13,2% and 8,1% respectively, compared to 2017, mainly due to the decrease of sales at group and company level. The next few months, with the liquidation of the requirements, the remainder of the customers is expected to decrease significantly (Note 7).

The provision of bad debts is as follows:

	Group	Company
Prediction's balance for insecure clients 01.01.2017	**(5.889)**	**(5.747)**
Deletion of insecure clients	1.433	1.433
Expense chargeable period 01.01.-31.12.2017	(211)	(196)
Prediction's balance for insecure clients 31.12.2017	**(4.667)**	**(4.510)**
Change in accounting policy (Note 2)	(3.296)	(3.296)
Adjusted balance 01.01.2018	**(7.963)**	**(7.806)**
Deletion of the insecure clients' prediction	139	-
Expense chargeable period 01.01.-31.12.2018	(236)	(152)
Prediction's balance for insecure clients 31/12/2018	**(8.060)**	**(7.958)**

The provisions for the insecure clients of the company and of the group influenced the "distribution expenses"

	Group		Company	
Ageing of trade receivables	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
0 - 30 days	8.929	14.358	6.882	8.382
31 - 60 days	4.733	3.729	3.874	4.334
61 - 90 days	4.458	2.831	3.171	3.087
91 - 120 days	3.450	1.475	2.236	1.564
121 - 150 days	1.057	1.511	944	1.200
151 - 180 days	1.049	568	1.438	1.319
181 - 360 days	1.395	1.720	4.914	3.101
Non – overdues trade receivables	**25.072**	**26.192**	**23.459**	**22.987**
361 + days	7.576	6.798	7.734	6.798
Impairment provision	(8.060)	(4.668)	(7.958)	(4.510)
Overdues trade receivables	(484)	2.130	(224)	2.288
Total receivables	**24.588**	**28.322**	**23.235**	**25.275**

Both trade and other receivables are classified into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

(All amounts in Euro thousands unless otherwise stated)

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Greek state - requirement of taxes	1.536	1.518	793	382
Blocked deposits	515	1.754	-	-
Requirement for grants	-	10	-	-
Prepayments	3.771	-	5.337	82
Prepaid expenses	566	2.016	110	1.377
Downpayments for stock purchases	566	1.722	566	1.722
Receivables from assigned securities	2.028	2.508	2.028	2.508
Other	88	102	63	40
Total	**9.070**	**9.630**	**8.897**	**6.111**

Customer accounting and other receivables do not differ materially from their values.

Impairment of financial assets
The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses according to which the provision for each loss is always measured at the amount of the expected lifetime loss for commercial and other receivables.
In order to measure expected future credit losses, the group divides the bonuses on the basis of their maturity, as shown in the above table. The loss rate for each category was estimated based on historical data and current conditions. It is noted that the expected credit loss rate for the above requirements over the year was estimated at 100%.
The results of the new standard on 1/1/2018 were to increase the Group's projections for impairment by € 3.3 million with a corresponding impact on the opening of the account << Income of Income >>. Accordingly, for the year 2018 the amount for the group and the company reached € 236 and € 152 respectively

16. Cash and cash equivalents

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cash in hand	11	402	2	3
Bank deposits	2.590	4.949	1.292	2.600
Total	**2.601**	**5.351**	**1.294**	**2.603**

Cash and cash equivalents comprise petty cash of the group and the company and short term bank deposits.

17. Share Capital

As of December 31, 2018 the company's share capital amounts to € 15.840 and is divided into 52.800.154 ordinary registered shares with a nominal value of €0.30 each (amount in Euro).

It is noted that the weighted average number of shares outstanding during the year 2018 is 52.800.154 shares.

18. Share premium

The share premium from issuing shares above par, according to L.2190/1920 articles 12, 14, is formed when shareholders acquired shares at a price higher than their nominal value. This difference does not represent a reserve since it is not created from undistributed profits, but from payments of shareholders.

(All amounts in Euro thousands unless otherwise stated)

On December, 31 the difference from share premium amounted for the Group and the Company to €6.731.

19. Reserves

The movements in the reserves of the Group and the Company are presented in the following table:

Group					
Reserve	**1/1/2017**	**Additions / (reductions)**	**31/12/2017**	**Additions / (reductions)**	**31/12/2018**
Legal reserve	4.310	86	4.396	118	4.514
Actuarial gains / (losses)	(105)	(18)	(123)	73	(50)
Exchange differences	(233)	(287)	(520)	(173)	(693)
Other	-	-	-	(4)	(4)
Total Reserves	**3.972**	**(219)**	**3.753**	**14**	**3.767**

Company					
Reserve	**1/1/2017**	**Additions / (reductions)**	**31/12/2017**	**Additions / (reductions)**	**31/12/2018**
Legal reserve	3.994	10	4.004	-	4.004
Actuarial gains / (losses)	(85)	(22)	(107)	71	(36)
Other	(5)	-	(5)	-	(5)
Total Reserves	**3.904**	**(12)**	**3.892**	**71**	**3.963**

19.1 Legal Reserve

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to ⅓ of the share capital. The legal reserve is only distributable in case of dissolution of the company but can be offset with accumulated losses.

20. Trade and other payables

Trade and other payables are analyzed as follows:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Suppliers	13.393	12.059	12.574	11.107
Cheques payables postdated	545	724	545	724
Accrued expenses	232	127	180	159
Accrued Interest	377	1.153	375	1.117
Derivatives	14	319	-	194
	5.336	-	-	-
Prepayments	1.560	1.943	1.560	1.855
Tax provision for unaudited fiscal years	54	262	-	209
Payable dividends	27	27	27	27
Payables to related parties	3.435	2.835	10.478	11.408
Refundable subsidy	1.042	1.042	-	-
Taxes	268	380	96	119
Other short term obligations	136	409	129	183
Total	**26.419**	**21.280**	**25.964**	**27.102**

The Group uses derivative financial products (forwards – level 2) in some cases to hedge its exposure to changes in exchange rates on stock purchases. The changes in exchange rates for these derivative financial products that have not been classified as hedging, directly affect the recognition of other liabilities in the Statement of Financial Position (note 13).

(All amounts in Euro thousands unless otherwise stated)

The noted increase in liabilities on 31/12/2018 compared to liabilities on 31/12/2017, is mainly attributed to the return of subsidiary's capital, R.F.ENERGY A.E., amounted to €5.337 (note 1.2).
In Company's level the decrease of liabilities is mainly attributed to the decrease of the related parties' liabilities amounted to €930 (note 26)

21. Borrowings

The company's borrowings at 31/12/18 analyzed as follows:

	Group		Company	
Long term borrowings	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Bonded loan	61.607	62.792	59.491	53.490
Long term debt payable within the next 12 months	(8.812)	(13.211)	(8.389)	(11.137)
	52.795	**49.581**	**51.102**	**42.353**
Short term borrowings				
Short term of long term borrowings	8.812	13.211	8.389	11.137
Short term borrowings	6.470	7.248	6.319	7.031
	15.282	**20.459**	**14.708**	**18.168**

Within 2018, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 4,26% and received short-term financing from banks, pledging receivables from customers of €3.670.

According to the Decision of the BoD on 18/12/2013, the Company issued a Common Bond Loan of €65.000 with interest rate EURIBOR plus margin 5,5%.Within March 2018 this loan was totally paid off.

According to the Decision of the BoD on 8/3/2018 the company issued a Common Bond Loan of € 40.980. On March 9, 2018 the program and the loan cover agreement with the banks EUROBANK, PIRAEUS, ALPHA BANK and NBG were signed with participation rates of 34,69%, 31,04%, 24,81% and 9,46% respectively. The purpose of the loan is to refinance the existing long-term and short-term bank lending and to cover the company's needs in terms of capital. The loan was disbursed in March 2018 and is 5 years. Repayment of the loan will be made in 10 six-monthly installments of € 3889, two installments of € 2.500, two installments of € 3.000, two installments of € 3.500, a grant of € 3.823 and the last installment of € 11.379. The first loan of the loan in excess of interest has been repaid until 31/12/18. The interest rate on the loan was agreed on EURIBOR with a marginal margin of 4,5%. The margin on the basis of the current indices ranges from 3,5-4,5%. The loan is covered by Mr. G. Fedakis' personal guarantee and pledging of its reserves of a company of € 10.000. Based on the COS coverage agreement, the company is required to observe the indices calculated in the annual and six-month financial statements, starting from the fiscal year ending on 31/12/18. at 31/12/18 the company has received from the bondholders a consensus for the non-measurement of financial ratios of the bond loan.

Within 2016, the Company issued a common Bond Loan of €20.000 and signed the relevant Bond Purchase Agreement and Program with ATTICA BANK, which undertook 100% of the Bonds being the sole Bondholder and Agent. The purpose of the Bond Loan is the repayment of other short-term loans, raised by the Company as working capital. The duration of the Loan is ten years, with the possibility of a three year extension provided by the contract. The applicable interest is set at EURIBOR plus margin 3,6%. The loan is secured with the personal guarantee of Mr Georgios Fidakis. The repayment of the Loan will be made in ten- or thirteen- annual instalments, starting from 31/03/2017. The first two instalment have already been paid until 31/12/18.

Within 2016, specifically on 05/08/2016, the Company issued a Bond Loan of €5.000 and signed the relevant Bond Purchase Agreement and Program with Piraeus Bank, which undertook 100% of the Bonds being the sole Bondholder and Agent. The purpose of the Loan is the financing of stock purchase for an amount of €5.000 and the interest, paid in a quarterly basis, is set at EURIBOR plus margin 6,00%. In March 2018 the 4th loan was fully paid up and on March 26, 2018 signed a change in the terms of its original contract, with the issuance of a new medium-term loan amounting to € 3.000. The duration of the new loan is set for two years, the repayment of the capital will be made in three six-month installments (€ 750 on 30/4/19, € 750 on 30/10/19 and € 1500 on 30/4/2020) and the amount interest rate was set at EURIBOR of a marginal 4,5%. The loan is covered by a pledged deposit of € 3.000.

The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12.800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009. The disbursal of the Bond Loan amounted to €12.800 and was used for both the long-term financing of the investing plan of the company of €6.065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5,80% - the first 17 installments have already been paid till 31/12/2017) and the short-term financing against income from approved subsidy of €6.735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing.
Within September 2010, KALLISTI refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €2.935, with duration of 11 years, to be paid in 22 semi-annual installments.

In November, 2013, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1.000, using own funds. The amount of prepayment paid Bonds in inverse order of maturity.

In May, 2014, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1.192, using own funds. For the conclusion of the above loan, securities were given, including company's bank deposits, its productive equipment and its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO). Furthermore, the loan agreement also includes a financial covenant, which should be calculated by the company on a 6 month-basis, and if not fulfilled, it will lead to an event of default.
In September 2016, the subsidiary made a voluntary advance of € 1.002 bond series using the same available funds. The remainder of the loan after the voluntary advance payment is allocated proportionally to the remaining installments of the loan.

The 100% subsidiary company AIOLIKI KYLINDRIAS S.A., maintains a Common Bond Loan of initial amount of €5.934 with a duration of 14 years, for which the applicable interest is set at Euribor plus fixed margin 2,30%. For the purpose of this loan, the securities used include the subsidiary's future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and the pledge on the shares of the issuer, as well. The loan will be paid in 28 semi-annual installments, of which up to 31/12/2018 eighteen (18) have already been paid.

The 100% subsidiary company AIOLIKI ADERES S.A., signed a bond loan agreement up to an amount of € 35.246, for 11.5 years with a grace period of 12 and 24 months by case and floating rate EURIBOR plus a fixed margin of 3,80% and 4,00% by case, depending on the case and its subject of financing is: a) long-term financing of investment cost for the construction of three wind farms, b) short-term financing against subsidies and c) the medium-term financing to cover the VAT of investment cost of the three wind farms. The Bond series relating to the long-term financing of the investment cost for the construction of the 3 wind farms of the Company will be paid to twenty one equal installments. In December 2016, the subsidiary company proceeded to prepayment of an amount equal to € 2.178 corresponding to the last three installments of the bond loan issued, using own funds. According to the terms of the loan, any prepaid amount repays bonds in reverse order of maturity.

(All amounts in Euro thousands unless otherwise stated)

During the previous fiscal years, the subsidiary received the approved subsidies for the wind farms that it has built up and proceeded to the immediate repayment of corresponding funding received for the aforementioned subsidies, for a total amount of € 15.866. In addition, he applied for and received a refund of the VAT of the investment expenses of 2010 and 2011 for a total amount of € 1.545 and proceeded immediately to repay the balance of the relevant financing he had received for the refundable VAT of the investment expenses of a total amount of € 840. In this Bond loan has been granted full and unqualified guarantee the sole shareholder of the company, RF ENERGY SA, having constituted a pledge on all the shares of the AOLIOS FERRIES that it owns. In addition, according to the terms of the loan, a security has been pledged on the Company's receivables from its electricity purchase and sale contracts with LAGHE (former HTSO) SA, on its bank accounts and on insurance policies and contracts, which is obliged to as well as on approved grants for investment projects.

In order to conclude the aforementioned loans, the Company had proceeded with the provision of collateral which included its future claims under the contract for the sale of electricity with LAGIE (former HTSO) SA. Moreover, the parent company RF ENERGY SA was granted a corporate guarantee for these loans.

The fair value of these loans approximates their nominal value and the effective interest rate for the remaining short-term loans was around 4,26%.

22. State subsidies

	Group
1/1/2017	
Subsidies granted	27.143
Accumulated amortization of grants	(10.999)
Net book value 01/01/2017	**16.144**
01/01-31/12/2017	
Depreciations	(1.704)
31/12/2017	
Subsidies granted	27.143
Accumulated amortization of grants	(12.703)
Net book value 31/12/2017	**14.440**
01/01-31/12/2018	
Depreciations	(1.704)
31/12/2018	
Subsidies granted	27.143
Accumulated amortization of grants	(14.407)
Net book value 31/12/2018	**12.736**

The subsidiary company KALLISTI ENERGIAKI S.A., received the approved state subsidy for its investment. The amortization of subsidies granted for the development of the wind park in location “Tsouka” in Municipalities of Skiritida and Valtetsi in Arkadia Prefecture, amounted to €478 during the current fiscal year.

The subsidiary company AIOLIKI KYLINDRIAS S.A. received the approved state subsidy for its investment. The amortization of subsidies granted for the development of the wind park in location “Lofoi Kylindrias” in Municipality of Doirani in Kilkis Prefecture, amounted to €201 during the current fiscal year.

The amortization of subsidies granted on behalf of the subsidiary HYDROELECTRICAL ACHAIAS S.A. for the development of a small hydro electrical station in location “Boufouskia” in Municipality of Aigio, amounted to €36 during the current fiscal year. The subsidiary also operates small hydro electrical station in location "Agios Andreas", the amortization of subsidies granted for which, amounted to €21 for the current fiscal year.

(All amounts in Euro thousands unless otherwise stated)

The subsidiary company AIOLIKI ADERES S.A. amortizes subsidies granted, which amounted to €970 in the current fiscal year.

Moreover, the subsidiary company AIOLIKI ADERES S.A. received a Decision dated 08/12/2015, which modified the falling under the provisions of the Law 3299/2004 regarding the investment at location "Soros", in Argolida Perfecture and particularly both the new percentage of subsidy which amounts to 30% against the initially recognized 40%, and the level of bank borrowing. The amount of the approved subsidy that may be repaid amounts to € 1.042 and was reclassified from the state subsidies granted to short-term liabilities in theStatement of Financial Position.

23. Deferred Taxes

Deferred tax assets are offset with deferred tax liabilities when a legal right for offsetting exists and are due to the same tax authority.

Group						
	Deferred tax assets/ (liabilities)					
	1/1/2017	01/01-31/12/2017	31/12/2017	01/01-31/12/2018		31/12/2018
Intangible assets	32	(1)	31	(57)	(1)	(27)
Property, plant and equipment	(2.522)	(546)	(3.068)	27	-	(3.041)
Inventories	266	62	328	197	-	525
Receivables and prepayments	1.545	196	1.741	(271)	-	1.470
Long term borrowings	(219)	38	(181)	48	-	(133)
Employee benefits	182	2	184	(37)	-	147
Deferred state subsidies	(2.353)	(287)	(2.640)	87	-	(2.553)
Trade and other payables	43	(49)	(6)	9	-	3
Actuarial loss reserve	6	-	6	-	-	6
Tax credits on recognized losses	4.693	314	5.007	(1.341)	(248)	3.418
Provision of equipment removal	355	59	414	(4)	-	410
Extraordinary contribution.	112	(68)	44	-	-	44
Other	(79)	(25)	(104)	(78)	33	(149)
Total	**2.061**	**(305)**	**1.756**	**(1.420)**	**(216)**	**120**

Company					
	Deferred tax assets/ (liabilities)				
	1/1/2017	01/01-31/12/2017	31/12/2017	01/01-31/12/2018	31/12/2018
Property, plant and equipment	(24)	(2)	(26)	3	(23)
Inventories	148	45	193	148	341
Receivables and prepayments	1.507	188	1.695	(301)	1.394
Long term borrowings	(64)	38	(26)	27	1
Employee benefits	159	4	163	(38)	125
Suppliers and other payables	42	(49)	(7)	7	-
Tax credits on recognized losses	2.432	360	2.792	(597)	2.195
Other	5	1	6	(2)	4
Total	**4.205**	**585**	**4.790**	**(753)**	**4.037**

Due to the gradual decrease in the following years of the income tax rate in Greece, a deferred income tax (income) of € 518 for the Group resulted in a revaluation of the deferred tax assets and liabilities and an expense of € 331 and the Company.

24. Employee benefits: pension obligations

According to the Greek labour Law, employees are entitled to termination benefits in case of dismissal or retirement dependent on their current remuneration, the length of service and the reason for leaving (dismissal or retirement). Employees who leave or are dismissed with cause are not entitled to termination benefits.

1) Contract termination due to retirement
Employees covered by any pension sector of any social insurance organizations, as long as they meet the requirements for full retirement, if they are craftsmen, they are able to retire and if they are employees, they can retire or be dismissed by the employer. In these cases, they are entitled to 50% of the statutory compensation if they do not have supplementary insurance or 40% if they do. Employees, with-fixed term contract, who are made redundant or leave before its end to retire, are also entitled to this reduced compensation. It is noted that the employer can not fire a craftsman who meets the requirements of full retirement age, with a reduced payment of compensation. He has this option only in case of employees.

2) With 15 years of service:

Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down by the concerned social insurance organization and if the limit of 65 years of their age does not exist, then they can leave their work with their employer's consent and as a result they are entitled to receive 50% of legal compensation.
The provision for employee termination benefits is based on an independent actuarial study calculated as of December 31, 2016, using the Projected Unit Credit method (IAS 19, par. 67).

Furthermore, the possibility of employees leaving deliberately was also taken into account.

The movement of the account from January 1, 2018 to December 31, 2018 was as follows:

(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	2018	**2017**	**2018**	**2017**
Current value of non-financing liabilities	644	786	576	648
Net liability recognized on balance sheet	**644**	**786**	**576**	**648**
Amounts charged to the Statement of Income for the year				
Current employment cost	72	60	60	24
Interest of liability	9	12	8	12
Cost to the statement of income	**81**	**72**	**68**	**36**
Settlements cost	1	1	1	1
Total cost to the statement of income	**82**	**73**	**69**	**37**
Changes in the net current value of liability at 01/01				
Current value	786	766	648	635
Current employment cost	72	60	60	24
Interest of liability	9	12	8	12
Benefits paid by the employer	(173)	(76)	(173)	(56)
Settlements cost	134	1	134	1
Actuarial gain/(loss)	(108)	23	(101)	32
	(76)	-	-	-
current value of liability at 31/12	**644**	**786**	**576**	**648**
Amounts for the current and the previous year				
Current value	(646)	(786)	(576)	(648)
Surplus / (Deficit)	(646)	(786)	(576)	(648)
Trade Adjustments to liabilities	106	(23)	101	(32)
Actuarial Assumptions				
Discount interest	1,56%	1,20%	1,56%	1,20%
Future Salaries' Increase 2018 -2020	0,00%	0,00%	0,00%	0,00%
Future Salaries' Increase after 2021	1,90%	1,90%	1,90%	1,90%
Inflation	1,90%	1,90%	1,90%	1,90%
Additional payments or expenses	106	(23)	101	(32)
Changes in the net liability recognized on the balance sheet				
Net liability at beginning of year	786	765	648	635
Benefits paid by the employer	(173)	(75)	(173)	(56)
Total cost recognized on the statement of income	210	73	202	37
Actuarila liability from discontiniued operations	(76)	-	-	-
Net liability at end of year	**747**	**763**	**677**	**616**
Statement of recognized Gains /(losses)	(103)	23	(101)	32
Net liability at end of year	**644**	**786**	**576**	**648**

The above results depend on the assumptions (financial and demographic) of the preparation of the actuarial study. Thus, at the valuation date on 31/12/2018:

- If interest rate higher by 0,5% (that is 1,96%) was used, then the present value of the liability would be lower by approximately 7,4%, whilst, if interest rate was lower by 0,5% was used, then the present value of the liability would be higher by approximately 8,0%.

(All amounts in Euro thousands unless otherwise stated)

- If a higher salary growth assumption by 0,5% was used, then the present value of the liability would be higher by approximately 6,3%, whilst, if a lower salary growth assumption by 0,5% was used, then the present value of the liability would be lower by approximately 5,1%

25. Dividends

According to Greek Corporate law, the Company is obliged to distribute to its shareholders at least 35% of its net profit after taxes and the distribution to legal reserve, unless the General Assembly, provided that at least 70% of Share Capital is represented, decides differently.

26. Related party transactions

According to IAS 24, related parties are subsidiaries companies, companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Sales of company’s products to related parties concern primarily sales of merchandise. The sale prices are at cost plus a low profit margin.

The compensation of the members of the Board of Directors concern paid Board’s of Directors compensation to Non-executive and independent members.

The compensation of Directors concern compensation regular payment according to employment contracts

The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

	Company	
Subsidiaries	**31/12/2018**	**31/12/2017**
Recievable from:		
FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICATER	4.756	3.469
F.G. ITALIA SPA	5.300	5.311
FG EUROPE UK	1.262	366
R.F. ENERGY S.A.	5.349	12
Total	**16.668**	**9.158**
Obligation to:		
FG EUROPE UK	43	323
R.F. ENERGY A.E.	750	750
Total	**793**	**1.073**

	Company	
	1/1-31/12/2018	**1/1-31/12/2017**
Inventories	23.999	23.475
Administrative Support	82	25
Others	0	30
Total	**24.082**	**23.530**
Purchases of goods and services:		
Inventories	(632)	(86)
Other	(32)	(33)
Total	**(663)**	**(119)**

(All amounts in Euro thousands unless otherwise stated)

Companies with common shareholding structure	**Group**		**Company**	
Receivables from:	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cyberonica S.A.	**576**	**1.792**	**555**	**1.778**

	Group		**Company**	
Obligations to:	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cyberonica S.A.	3.429	-	3.429	-
Kallisti Energiaki S.A.	-	-	1.700	1.700
Aioliki Kylindrias S.A.	-	-	900	900
Aioliki Aderes S.A.	-	-	3.350	4.600
Hydroelectrical Achaias S.A.	-	-	150	150
R.F. Energy Omalies S.A.	-	-	150	150
	3.429	**-**	**9.679**	**7.500**

	Group		**Company**	
Expenses:	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Rentals	**(3.274)**	**(3.274)**	**(3.163)**	**(3.163)**

The compensation and the transactions of the members of the Board of Directors and the Directors analyzed as follows:

	Group		**Company**	
Receivables from:	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Members of the Board and Directors	9.235	7.114	9.235	7.114
Obligations to:				
Members of the Board and Directors	6	2.835	6	2.835

	Group		**Company**	
Employee benefits:	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Personnel expenses	(1.770)	(1.872)	(954)	(1.053)
Provision for staff leaving indemnity	(55)	(45)	(55)	(11)
Total	**(1.825)**	**(1.917)**	**(1.009)**	**(1.064)**

27. Contingencies

Within 2011, competitors filed before the Council of State applications for cancellation of production licenses granted by RAE to the 100% subsidiary R.F. ENERGY OMALIES S.A., which has brought assistance to discharge these applications. A trial date, after postponing, has been set for May 2018.

28. Commitments

28.1 Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2018. The future aggregate minimum lease payments arising from building lease agreements until year 2030 are estimated to amount to €26.765 for the Group and €26.211 for the Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2022 are estimated to amount to €244 approximately for the Group and €229 for the Company. Finally, the future aggregate payments for field rentals in order for the installation of Wind Farms until the year 2020 are estimated to amount to €3.272 for the Group.

(All amounts in Euro thousands unless otherwise stated)

Group	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years	Total
Future lease agreements for:					
- Buildings	3.389	2.507	7.009	13.860	26.765
- Cars	113	87	44	-	244
- fields for installation of Wind Farms	13	13	43	3.203	3.272
Total	**3.515**	**2.607**	**7.096**	**17.063**	**30.281**

Company	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years	Total
Future lease agreements for:					
- Buildings	3.168	2.396	6.787	13.860	26.211
- Cars	103	82	44	-	229
Total	**3.271**	**2.478**	**6.831**	**13.860**	**26.440**

28.2 Guarantees

To cover the bond loan of € 40.980 received on 9/3/2018, the Company pledged receivables and securities of Company's portfolio by 10% of the current balance of the loan and its 50% participation stake in the subsidiary company RF ENERGY S.A..

On 06/12/2018 a contractual installment of € 801 was made to AEOLIKI ADERES SA and the remaining loan amount of € 3.631 thousand was repaid, using € 3.005 thousand of available funds from the other companies of the Group. Also, on 28/09/2018, a contractual payment of € 225 thousand was made to KALLISTI ENERGY SA and then the remaining loan amount of € 1.037 thousand was repaid in Germany using the frozen funds for servicing the loan.

As a result of the above actions, there are no longer any encumbrances on the fixed assets of the 100% subsidiary KALLISTI ENERGIAKI SA, while the parent company R.F. ENERGY SA on 31/12/2018 now only guarantees letters of guarantee granted to a subsidiary of € 2.062. In order to guarantee the letters of guarantee, the Bank has filed a deposit of € 515. As collateral for the issue of these letters of guarantee, a security has been pledged on all the shares of the subsidiary RF ENERGY OMALIES SA and on a deposit that holds the company.

In addition to the above, the Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business. No substantial charges are expected to arise from contingent liabilities. The amount of letters of guarantee issued to banks at 31/12/2018 amounted to € 7.844 (31/12/2017: € 9.493).

29. Post Balance Sheet Events

On 4/1/19 the agreement, starting from 7/9/18, between FG EUROPE S.A. and FUJITSU GENERAL LIMITED that concerned the transfer of 51% of the subsidiary's shares in Italy, F.G. EUROPE ITALIA S.p.A., was completed. The price amounted to €10.000, against the cost of €715 of the forementioned participation.

There are no significant post balance sheet events having occurred after December 31, 2018 concerning the Company that should have been disclosed.

*These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on March 22, 2019 and are accessible to the public in electronic form on the company website **http:\\www.fgeurope.gr**.*

Chairman of the Board of Directors	Managing Director	Finance Manager	Accounting Supervisor
Georgios Fidakis ΑΔΤ ΑΚ 723945	Joannis Pantousis ΑΔΤ Ξ 168490	Athanasios Harbis AM OEE 0002386	Anastasios Vasilogiannakopoulos AM OEE 0120719

(All amounts in Euro thousands unless otherwise stated)

Information according to article 10 of law 3401/2005

The following Announcements/ Notifications have been sent to the Daily Official List and are posted to Athens Exchange website as well as to our Company's website www.fgeurope.gr

Date	Information
29/9/2017	Announcement on comments regarding Financial Statements
30/6/2017	Notification for a change in the BoD members
28/6/2017	Announcement for the decisions of the Annual Meeting of 30/6/2017
7/6/2017	Announcement for the Annual Meeting Invitation
7/4/2017	Announcement on comments regarding Financial Statements
7/4/2017	Announcement of Financial Calendar

Internet site of the Company

According to the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission, the annual Financial Statements, the Auditor's Report and the Board's of Directors Report of F.G. EUROPE S.A. are accessible to the public in electronic form on the company website **http:\\www.fgeurope.gr**

The annual Financial Statements, the Auditor's Reports and the Board's of Directors Reports of the subsidiaries companies of the Group are accessible to the public in electronic form on the above-mentioned company's website.

F.G EUROPE

SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES
G.E.MI 125776001000 (P.C.S.A. Register Number 13413/06/B/86/111)
Municipality of Glyfada, 128, Vouliagmenis Ave., Post Code 166 74

FIGURES AND INFORMATION FOR THE PERIOD OF 1 JANUARY UNTIL 31 DECEMBER 2018
(In compliance with the stipulations of decision 4/507/28.04.2009 of the Capital Market Commission)

The financial information provided below aims to provide general information about the financial position and results of FG EUROPE S.A. (the Company) and the Group. Before any investment decision is made or other transactions are entered into we recommend that the reader visit the website of the Company and refer to the Financial Statements which are prepared in accordance with International Financial Reporting Standards and the accompanying review opinion of our auditors, when required are presented.

COMPANY DATA

Responsible Supervisory Body :	**Ministry of Development**
Company's website adress :	**http://www.fgeurope.gr**
Composition of Board if Directors:	**Georgios Fidakis (President)** **Spyros Lioukas (Vice President - Non executive member)** **Ioannis Pantousis (Managing Director)** **Athanasios Fidakis, father's name: Konstantinos (Executive member)** **Konstantinos Demenagas (Executive member)** **Panagiotis Economopoulos (Non Executive member)** **Ioannis Katsoulakos (Non Executive member)** **Nikolaos Pimplis (Non Executive member)**
Date of approval of the annual financial statements (from which the condensed data has been extracted) :	**22/03/2019**
Auditor:	**Christina Tsironi (SOEL Reg. No. 36671)**
Audit Company:	**Grant Thornton A.E. (SOEL Reg. No. 127)**
Type of Audit Report:	**Unqualified audit report**

CONDENSED STATEMENT OF FINANCIAL POSITION
(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
ASSETS	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Tangible assets	41.966	47.214	473	588
Investments in Property	232	236	232	236
Intangible assets	6.159	6.441	4	3
Other non current assets	15.909	14.794	43.612	47.706
Inventories	44.643	39.864	42.259	36.109
Trade receivables	33.658	37.952	32.132	31.386
Other current assets	2.601	5.351	1.294	2.603
Assets clasified as held for sale	7.140	-	-	-
TOTAL ASSETS	**152.308**	**151.852**	**120.006**	**118.631**
NET EQUITY AND LIABILITIES				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	(1.541)	1.540	11.816	14.520
Total equity attributable to the owners of parent company (a)	**14.299**	**17.380**	**27.656**	**30.360**
Minority interests (b)	**16.311**	**21.560**	-	-
Total equity (c)=(a)+(b)	**30.610**	**38.940**	**27.656**	**30.360**
Long term borrowings	52.795	49.581	51.102	42.353
Provisions / Other long-term liabilities	20.497	21.584	576	648
Short term borrowings	15.282	20.459	14.708	18.168
Other short term liabilities	26.509	21.288	25.964	27.102
Total liabilities (d)	**115.083**	**112.912**	**92.350**	**88.271**
Liabilities directly associated with assets classified as held for sale	6.615	-	-	-
TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)	**152.308**	**151.852**	**120.006**	**118.631**

CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME
(consolidated and not consolidated) amounts in € thousands

	GROUP						COMPANY	
	1/1-31/12/2018			1/1-31/12/2017			1/1-31/12/2018	1/1-31/12/2017
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total		
Turnover	69.462	23.968	93.430	73.177	23.878	97.055	78.293	80.863
Gross profit	22.076	3.788	25.864	20.659	3.817	24.476	16.588	15.505
Earnings / (losses) before taxes, financing and investing activities	**5.620**	**203**	**5.823**	**4.220**	**78**	**4.298**	**4.303**	**1.116**
Earnings / (losses) before taxes	1.666	188	1.854	186	64	250	1.035	(2.180)
Earnings / (losses) after taxes (A)	**440**	**108**	**548**	**(108)**	**8**	**(100)**	**521**	**(1.605)**
Attributable to:								
Equity holders of the parent company	152	108	260	(996)	8	(988)	-	-
Minority interest	288	-	288	888	-	888	-	-
Other comprehensive income after tax (B)	(240)	-	(240)	(513)	-	(513)	71	(23)
Total comprehensive income after tax (A)+(B)	**200**	**108**	**308**	**(621)**	**8**	**(613)**	**592**	**(1.628)**
Attributable to:								
Equity holders of the parent company	51	108	159	(1.300)	8	(1.292)	-	-
Minority interest	149	-	149	679	-	679	-	-
Earnings / (losses) per share – basic (in Euro)	**0,0029**	**0,0020**	**0,0049**	**(0,0189)**	**0,0002**	**(0,0187)**	**0,0099**	**(0.0304)**
Proposed dividend distribution - (in Euro)	-	-	-	-	-	-	-	-
Earnings before interest, depreciation, amortization and taxes	**9.336**	**257**	**9.593**	**7.936**	**125**	**8.061**	**4.448**	**1.267**

CONDENSED STATEMENT OF CHANGES IN NET EQUITY
(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Equity balance at the beginning of the period (1/1/2018 and 1/1/2017 respectively)	35.645	39.554	27.064	31.988
Total comprehensive income after taxes (continuing and discontinued operations)	308	(613)	592	(1.628)
Share capital increase/(decrease)	(6)	-	-	-
Minority interest increase/(decrease)	(5.337)	-	-	-
Equity at the end of the period (31/12/2018 and 31/12/2017 respectively)	**30.610**	**38.941**	**27.656**	**30.360**

ADDITIONAL DATA AND INFORMATION (amounts in € thousands)

1) The Group companies which are included in the consolidated financial statements are presented in note (1) of the annual financial statements including their location, percentage of Group participation and consolidation method.
2) As at 31/12/2018 the figures of the Statement of Financial Position of subsidiary FG EUROPE ITALIA S.p.A. were classified in accordance with the requirements of IFRS 5 as non current assets held for sale (Note 6).
3) There are no companies which are included in the consolidated financial statements of the period 1/1-31/12/2018 and which are being consolidated for the first time. There are no companies which are not included in the consolidated financial statements of the period 1/1-31/12/2018 and which had been consolidated in the corresponding period of 2017. Also there are no companies which have not been included in the consolidated financial statements. The consolidation method is the same as that applied in the previous periods.
4) "Other comprehensive income after tax" represents total losses for the Group of € 240 and gains for the Company of € 71 and concerns, a) losses € 315 for the Group represents difference in exhange at the consolidation of Group Companies in foreign currency and b) gains of € 75 and € 71 for the Group and the Company respectively, represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-employment benefit plans.
5) There are no own shares which are held by the Company or by its subsidiaries for the period ending December 31, 2018.
6) There are no litigations or arbitrations which have been finalized or which are in progress and would have a significant effect on the financial statements of the Group or the Company.
7) The income tax returns of the companies of the Group have not been examined by the tax authorities and the possibility exists that additional taxes and penalties will be imposed upon examination. The Group has made provisions for additional taxes and penalties amounting to € 54. The fiscal years which have not been audited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note (9) in the annual financials statements.
8) The Group and the Company have not made "'General provisions" on December 31, 2018.
9) The number of employees as of December 31, 2018 was : Group 145, Company 94 persons.
December 31, 2017 was : Group 138, Company 92 persons.
10) The transactions and balances for the period ending December 31, 2018 with related parties as defined by IAS 24 are as follows: :

	GROUP	COMPANY
a) Sales of goods and services	**-**	**24.082**
b) Purchases of goods and services	**3.274**	**3.826**
c) Receivables from related parties	**576**	**17.223**
d) Payables to related parties	**3.429**	**10.472**
e) Key management personnel compensations	**1.825**	**1.009**
f) Receivables from key management personnel	**9.235**	**9.235**
g) Payables to key management personnel	**6**	**6**

11) There are no significant events subsequent to December 31, 2018 concerning the Group or the Company, that would require adjustment to or additional disclosure in the published financial statements in accordance with IAS 10 principles apart of those which are presented in note (29) of the annual financial statements.

CONDENSED CASH FLOW STATEMENT
(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
Indirect method	**1/1-31/12/2018**	**1/1-31/12/2017**	**1-1-31/12/2018**	**1/1-31/12/2017**
Operating Activities				
Earnings / (losses) before taxes from continuing activities	1.666	185	1.035	(2.180)
Earnings / (losses) before taxes from discontinued activities	188	64	-	-
Add / (less) adjustments for:				
Depreciation and amortization	3.770	3.763	145	151
Provisions	1.150	568	906	387
Exchange rate differences	(273)	(7)	(105)	138
Result of investment activity	2.074	(12)	2.090	5
Interest and similar expenses	4.172	4.098	3.455	3.366
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(8.183)	(2.724)	(6.702)	(1.933)
Increase / (decrease) in receivables	(630)	(4.095)	(1.033)	(7.102)
(Decrease) / increase in liabilities (other than banks)	3.076	4.777	(141)	12.739
Less:				
Interest and similar expenses paid	(4.612)	(4.066)	(4.042)	(3.486)
Taxes paid	(81)	(1)	(2)	(1)
Total inflow / (outflow) from discontinued operating activities (a)	(354)	(414)	-	-
Total inflow / (outflow) from operating activities (a)	**1.963**	**2.136**	**(4.394)**	**2.084**
Investing Activities				
Acquisition of subsidiaries and other investments	(2.000)	-	(2.000)	(644)
Purchase of tangible and intangible assets	(72)	(116)	(48)	(26)
Proceeds from the sale of PPE and intangible assets	33	2	33	2
Interest income	18	31	2	14
Total inflow / (outflow) from discontinued investing activities	(54)	(8)	-	-
Total inflow / (outflow) from investing activities (b)	**(2.075)**	**(91)**	**(2.013)**	**(654)**
Financing Activities				
Borrowings from banks	9.980	6.515	9.980	5.757
Payments of borrowings	(12.220)	(13.132)	(4.881)	(10.901)
Transaction costs on issue of shares	(7)	-	-	-
Total inflow / (outflow) from financing activities (c)	**(2.247)**	**(6.617)**	**5.099**	**(5.144)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**(2.359)**	**(4.572)**	**(1.308)**	**(3.714)**
Exchange rate differences	(1)	-	(1)	-
Cash and cash equivalents at beginning of the year	**4.961**	**9.923**	**2.603**	**6.317**
Cash and cash equivalents at the end of the period	**2.601**	**5.351**	**1.294**	**2.603**

GLYFADA, ATTIKIS MARCH 22, 2019

CHAIRMAN OF THE BOARD OF DIRECTOR	MANAGING DIRECTOR	FINANCE DIRECTOR	CHIEF ACCOUNTING OFFICER
GEORGIOS FIDAKIS ID No AK 723945	IOANNIS PANTOUSIS ID No Ξ 168490	ATHANASIOS HARBIS R.G. 0002386	ANASTASIOS VASILOGIANNAKOPOYLOS R.G. 0120719