F.G. EUROPE S.A.

128, Vouliagmenis Ave.
166 74 Glyfada
P.C. Reg. No. 13413/06/B/86/111

ANNUAL FINANCIAL REPORT

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017
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, 2017, 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, 2017 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, April 27, 2018

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 31/12/2016 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, 2017, prepared in accordance with provisions set forth in article 43a, paragraph 3, article 107, paragraph 3 and article 136, paragraph 2, Law 2190/1920 and article 4, paragraph 7, 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, 2017 until December 31st, 2017.

Reference is also made to any significant events that took place during fiscal year 2017 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. 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.

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.

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%.

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,z328 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.

AIOLIKI KILINDRIAS S.A.
Within 2017 and according to decision 517/2016 of the Regulatory Authority for Energy (R.A.E.), the subsidiary received a ten-year extension of the Electrical Power Production License for the already operating wind farm of 10MW in Kilkis area. The new expiration date of the said license is February 11th, 2028.

R.F. ENERGY OMALIES S.A.
Amendment of environmental terms

Within August 2017 and upon decision of the Ministry of Environment and Energy, there was an amendment of the environmental terms for the development of eleven (11) wind farms by the subsidiary R.F. ENERGY OMALIES S.A. in the Municipality of Karystos, South Evia, with total capacity of 225MW, along with the accompanying road works and their (overland and underwater) interconnection, as well.

Grid Connection Agreement (GCA) with ADMIE S.A.

Within the last quarter of 2016, the subsidiary filled relevant requests for the Grid Connection Agreement regarding the 11 Wind Farms cluster in South Evia. The said agreements were signed during December 2017. Next step is the Power Purchase Agreement and the issuance of the Installation Permits for each Wind Farm, which are expected to be signed within the first half of 2018.

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

FG EUROPE continued its development in 2017, via increased sales of durable consumer goods and the expansion in new markets.
In particular:

The Group's sales of Durable Consumer Goods to third parties were slightly increased by 2.1%, amounting to €86.80 mil. against €85.03 mil. in 2016. Domestic sales amounted to €32.70 mil. in 2017 against 27.70 in 2016, increased by 18%. Sales abroad amounted to €54.11 mil. in 2017

against €57.33 mil. in 2016, decreased by 5.6%, mainly due to the decrease in sales of the Group's subsidiary in Italy.
The increase in the domestic sales resulted in a Domestic Sales/ Sales Abroad ratio of 38%/62% against 37%/63% in 2016.
The Group's revenues from the energy sector amounted to €10.25 mil. against €9.76 mil. in 2015, increased by 5%.
Despite the increased sales in both the Company and the Group and the relatively equal amounts of expenses in 2017, compared to 2016, the appreciation of the EURO against the US Dollar in 2017 resulted to foreign exchange losses which covered the increased operating profit of the year.
In 2017, the Company expanded its business activities in another European market through the new 100% subsidiary FG EUROPE UK, which will undertake the exclusive disposal of MIDEA airconditioners in the United Kingdom.
Within March 2018, the Company, in cooperation with a consortium of Banks, issued a new bond loan of €41 mil. in order to refinance existing bond loan of €30 mil. and the remaining amount to be used as working capital.

At the Parent Company Level:

The Company's total sales amounted to €80.86 mil against €75.46 mil in 2015, increased by 7.2%.
The sales of airconditioners in 2017 amounted to €75.52 mil., increased by 6.6%, mainly attributed to the increase in domestic sales.
During 2017, the sales of ESKIMO brand white appliances were significantly increased by 21.1%, amounting to €5 mil. against €4.13 mil. in 2016.
The increase in the Company's total sales, along with the increase in the Gross Profit margin from 17.9% in 2016 to 19.2% in 2017, resulted to the increase in Gross Profits by 14.9%, amounting to €15.51 mil. in 2017, against €13.50mil. in 2016.
The Company's general expenses remained briefly the same as a portion of sales, at 16.1% in 2017 against 16.2% in 2016. That said, in relation to the increased sales of 2017, resulted to a significant increase in the Operating Profit by 74.1%, amounting to €2.52 mil in 2017 against €1.45 mil. in 2016.
Despite that, the vast diversification in the exchange rate between Euro and US Dollar, from 1.05 $/€ in January 2017 to 1.20 $/€ in December 2017 (Euro appreciated), resulted to significant exchange losses for the Company. Despite the reduction in the interest payable by €0.49 mil. in 2017, the net finance cost amounted to €4.70 mil. against €1.16 mil. in 2016, mainly attributed to the abovementioned exchange losses and also the loss from maturing FRAs.
The abovementioned exchange losses resulted to the decrease of EBITDA for the current period, amounting to €1.27 mil. in 2017 against €3.57 mil. in 2016. Furthermore, the relevant EBITDA margin was decreased to 1.6% against 7.7% in 2016.
The outcome before and after tax for 2017, due to the abovementioned exchange losses, amounted to losses of €2.18 mil. and €1.61 mil. respectively, against profits of €0.31 mil. and €0.52 mil. respectively in 2016.
The Company's inventories in December 31, 2017 amounted to €36.1 mil. against €34.33 mil. in December 31, 2016, slightly increased by 5.2%.
The Company's trade and other receivables have increased by 26.3%, amounting to €31.39 mil. in 2017, against €24.85 mil. in 2016, attributed to the increase in domestic sales during 2017 and the extended credit period given to the new subsidiary in the UK.
The Company's total liabilities increased to €88.27 mil. against €80.66 mil. in 2016, due to the increase in trade and other payables and despite the decrease of the total borrowings by €5.02 mil. in 2017, which amounted to €60.42 mil. against €65.44 mil. in 2016.

At the Group Level:

Sales: The total sales of the Group for 2016 amounted to €97.06 mil. against €94.79 mil. in 2016, increased by 2.4% due to the increase in the sales of durable consumer goods and also the increased sales of the energy sector.

Gross Profit: The Group's Gross Profit for the period amounted to €24.48 mil. against €23.56 mil. in 2016, increased by 3.9%,. The G.P.M. was slightly increased by 0.3% with the relevant index being calculated at 25.2% against 24.9% in 2016.

General Expenses: The general expenses of the Group amounted to €19.35 mil. against €19.21 mil., slightly increased by 0.75%. This increase is attributed to the establishment and activation costs of the new subsidiary in the UK.

EBITDA: The increase in sales along with the increased G.P.M. resulted to increased operating profit by 13.1%, but, the abovementioned exchange losses in the Company resulted to the decrease of the Group's EBITDA to €8.06 mil. against €11.06 mil. in 2016, The EBITDA margin of the Group for 2017 was 8.3% against 12.9% in 2016.

Net Financial Expenses: The Group's Net Financial Expenses resulted to a net Cost of €5.49 mil. in 2017 against net Cost of €1.83 mil. in 2016. This increase is attributed to the exchange losses of the Company, despite the overall decrease in the Group's interest payable by €0.87 mil.

Earnings before Taxes: Group's earnings before taxes (EBT) in 2017 amounted to €0.25 mil against €3.25 mil in 2016.

Trade and other receivables: Trade and other receivables of the Group on 31/12/2017 were increased by 9.9% amounting to €37.95 mil. against €34.53 mil. on 31/12/2016, due to the increase of the Company's receivables. The Group's inventories have increased by 5.2% amounting to €39.86 mil. on 31/12/2017 against €37.65 mil. on 31/12/2016, due to the increase of the Company's inventories.

Total Liabilities: The Group's total borrowings decreased to €70.04 mil. in 2017, against €76.32 mil. in 2016, and thus, resulted to a decrease in the Group's total liabilities to €112.91 mil. against €115.99 mil. in 2016.

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 airconditioners' sales and ESKIMO white appliances.

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:

	2017	2016	Definition
Current Ratio (Company level)	1,55	2,45	Current Assets / Current Liabilities
Current Ratio (Group level)	1,99	2,61	
Quick Ratio (Company level)	0,75	1,17	(Current Assets – Inventory) / Current Liabilities
Quick Ratio (Group level)	1,04	1,41	

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.

	2017	2016	Definition
Inventory Turnover Ratio (Company level)	202	202	Inventory / Cost of Sales * 365
Inventory Turnover Ratio (Group level)	200	193	

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.

	2017	2016	Definition
Return of Equity Ratio (Company level)	-5,29%	1,61%	Profit after tax / Equity
Return of Equity Ratio (Group level)	-0,26%	6,29%	

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

	2017	2016	Definition
Profit before Taxes Margin (Company level)	-2,70%	0,41%	Profit before Taxes / Sales
Profit before Taxes Margin (Group level)	0,26%	3,43%	

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

	2017	2016	Definition
EBITDA Margin (Company level)	1,57%	4,74%	EBITDA (*) / Sales
EBITDA Margin (Group level)	8,31%	11,66%	

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
Profit before Taxes	250	3.254	(2.180)	312
+ Finance cost	7.326	6.569	5.527	4.782
- Debit Exchange Differences	(3.178)	(1.553)	(2.149)	(771)
- Finance income	(1.827)	(4.738)	(824)	(3.645)
+ Credit Exchange Differences	1.727	3.714	742	2.703
+ Depreciation of PPE and intangible assets	5.467	5.515	151	192
- Depreciation of Grants for assets	(1.704)	(1.704)	-	-
EBITDA	**8.061**	**11.057**	**1.267**	**3.573**

D. Significant events occurred after the reporting period

Significant events that occurred in a post balance sheet date are presented below.
Following a BoD decision on March 8th, 2018 the Company issued a five-year Bond Loan (syndicated) of €40.98 mil. On March 9th, 2018 the Bond Purchase Agreement and Programme was signed with te following Banks as initial Bondholders: EUROBANK, PIRAEUS BANK, ALPHA BANK and NATIONAL BANK OF GREECE, allocated by 34,69%, 31,04%, 24,81% and 9,46% respectively. Purpose of the loan is the refinance of both short and long term existing borrowings, along with working capital financing. The bonds were issued and purchased within March 2018.
The loan will be repaid in ten (10) semi annual installments. There will be two installments of €3.89 mil., two installments of €2.5 mil., two installments of €3.0 mil., two installments of €3.5 mil., one installment of €3.82 mil. and the last installment of €11.38 mil.
There are no other significant post balance sheet events having occurred after December 31, 2016 concerning the Company and the Group that should have been disclosed or alter the figures of the Financial Statements.

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 31/12/2017, Profit/ (Loss) after Tax and the equity for the Group and the Company would have been € 14 and €(98) respectively (€141 and €74 respectively in 2015) (lower) / higher, if € was weaker / stronger than USD by 8% (for the respective period of 2016 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.

On 31/12/2017, Profit after Tax and the equity for the Group and the Company would have been €57 (€5 for the Group and €9 for the Company in 2016) (lower) / higher, if € was weaker / stronger than JPY by 9% (for the respective period of 2016 the fluctuation was 9%), 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 31/12/2017, Profit/ (Loss) after Tax and the equity for the Group and the Company would have been € 1 and € 8 respectively (lower) / higher, if € was weaker / stronger than GBP by 6% (there were no transactions in GBP for the Group and the Company in 2016), 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 23.83%, with all other variables held constant and the shares held by the Company following exactly this change.

Profits after Tax and Equity would have increased /decreased by €1 (€3 in 2016) 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 31/12/2017, profit/(loss) after tax and equity for the Group would have been €142 (€803 in 2016) (lower) / higher, while for the Company would have been €42 (€671 in 2016) (lower) / higher, if the € interest rates were 150 basis points higher / (lower) for the Group of the subsidiary R.F. ENERGY S.A. and 10 basis points higher / (lower) for the Company with the other variables held constant (for the respective period of 2016 the fluctuation for R.F. ENERGY S.A. was 145 basis points and for the Company it was 140 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 2016 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 31/12/2016, regarding Credit Risk, is presented and analyzed in Note 14.

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 €118,068 and € 106,347 for the Group and the Company respectively on 31/12/2017 (€119.811 and € 109.023 for the Group and the Company respectively on 31/12/2015).

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, 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**

Consolidated December 31, 2016	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings………………………...	18.139	16.021	33.165	20.550
Trade and other payables…………….	17.425	-	-	-
Total	**35.564**	**16.021**	**33.165**	**20.550**

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, 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**

Company December 31, 2016	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings…………………………..	15.908	13.769	27.225	19.702
Trade and other payables…………….	14.486	-	-	-
Total	**30.394**	**13.769**	**27.225**	**19.702**

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 2017, F.G. EUROPE S.A. conducted sales to the subsidiary FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET, which amounted to €4.16 mil. From the above sales FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET owes to FG EUROPE S.A. the amount of €3.47 mil.

Within 2017, the subsidiary FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET invoiced F.G. EUROPE S.A. with a total amount of €0.08 mil. concerning advertising cost and replacement costs due to factory guarantees. F.G. EUROPE S.A. has paid in full its obligation to FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET

Within 2017, FG EUROPE S.A. conducted sales to the subsidiary FG EUROPE ITALIA SPA, which amounted to €19.17 mil. Furthermore, F.G. EUROPE S.A. invoiced its subsidiary with an amount equal to 0.03 mil. concerning software (Navision ERP). From the above sales FG EUROPE ITALIA SPA owes to F.G. EUROPE S.A. the amount of €5.31 mil.

Within 2017, F.G. EUROPE S.A. conducted sales to the subsidiary FG EUROPE UK LIMITED, which amounted to €0.25 mil. Furthermore, F.G. EUROPE S.A. invoiced its subsidiary with an amount equal to 0.05 mil. concerning software (Navision ERP). From the above sales FG EUROPE UK LIMITED owes to F.G. EUROPE S.A. the amount of €0.29 mil. Furthermore, F.G. EUROPE S.A. has given FG EUROPE UK LIMITED a temporary cash facility of €0.08 mil.

Within 2017, the subsidiary FG EUROPE UK LIMITED invoiced F.G. EUROPE S.A.with a total amount of €0.04 mil.

F.G. EUROPE S.A. owes FG EUROPE UK LIMITED an amount of €0.28 mil. for a Share Capital Increase.

F.G. EUROPE S.A. charged its subsidiary company R.F. ENERGY S.A. for provided services with the amount of €10 th. The subsidiary owes to F.G. EUROPE S.A. the amount of €12 th.

CYBERONICA S.A.'s income from leasing offices and storing facilities amounted to €3.27 mil during the period from January 1 to December 31, 2017 (the same amount in the respective period in 2016). From that amount the contribution of F.G. EUROPE S.A. was € 3.16 mil (the same amount in the respective period in 2016). 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 2016). The amount paid as guarantee from F.G. EUROPE S.A. is € 0.56 mil, remaining the same from the year 2016.
F.G. EUROPE S.A. has provided CYBERONICA S.A. with a temporary cash facility of €1.22 mil.

F.G. EUROPE S.A. has received temporary cash facilities from R.F. ENERGY S.A. and its subsidiaries KALLISTI ENERGEIAKI S.A., AIOLIKI KYLINDRIAS S.A., AIOLIKI ADERES S.A., IDROILEKTRIKI ACHAIAS S.A. and RF ENERGY OMALIES S.A., amounting to €8.25 mil. in total.

Receivables from BoD members and Directors amount to €7,11 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 €8,167 mil. Loss from evaluation dated 31/12/2017 is €7,11 mil.
Payables to BoD members and Directors amount to €2.8 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 2017, 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 December 2014 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, 2015 shareholders named below owned a percentage larger than 5% of the total Company's votes:

1. Georgios Fidakis indirect interest of 55.78% through:
1.1 SILANER INVESTMENTS LIMITED, direct interest 34.14%
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 2016.

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 2015.

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), Ioannis Katsoulakos and Panagiotis Ekonomopoulos,

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

3. Environmental Issues Committee: Spyros Lioukas 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 30/06/2015, 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.

SECTION D – Relations with shareholders

I. Communication with shareholders

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.

II. The general meeting of shareholders

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, 2016.

Glyfada, April 27, 2018

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, 2017, 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, 2017, 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 31.12.2017 the Group holds stock inventory of € 39.8m (Company: € 36.1m). The above amount includes an obsolescence provision of € 0.9m. (Company: € 0.7m). 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 consider this area as a key audit matter. Group and Company's disclosures relating inventory valuation are included in explanatory notes 2.14, 4, 7.3 and 13 of the financial statements.	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 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 explanatory notes 2.14, 4, 7.3 and 13 of the financial statements.

Recoverabilty of trade and other receivables	
At 31.12.2017, the Group's trade and other receivables amounted to € 38.0m. (Company: € 31.4m) while the related cumulative allowance for the Group amounted to € 4.7m. (Company: € 4.5m). Management assess the recoverability of the trade receivables, by reviewing the aging of trade and other receivable balances, their credit rating and any settlement of subsequent	Our audit approach included, among others, the following procedures: • We assessed management's estimations to determine the recoverability of trade and other receivables. • We received and assessed the legal advisors' responses regarding their assessments of the outcome of court

payments in accordance with the applicable arrangement as well as with the related evaluation of competent legal advisors. 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, 7.3 and 14 of the financial statements.	actions for the recovery of trade receivables. • We assessed the aging of trade and other receivables at year end and we assessed the overdue balances for which we requested further explanations from the management. • We assessed the recoverability of trade receivables balances by comparing the amounts at year end with subsequent receipts. • 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, 7.3 and 14 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 31/12/2017.

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 2017 have been disclosed in Note 7 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 5 consecutive years.

Athens, April 27 2018

The Certified Public Accountant

Manolis Michalios

I.C.P.A. Reg No. 25131

GrantThornton

An instinct for growth™

Chartered Accountants Management Consultants

56, Zefirou str., 175 64 Palaio Faliro, Greece

Registry Number SOEL 127

F.G. EUROPE S.A.

128, Vouliagmenis Ave.
166 74 Glyfada
P.C. Reg. No. 13413/06/B/86/111

ANNUAL FINANCIAL STATEMENTS

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

CONTENTS

Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2017 and 2016

(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
		For the Years Ended December 31,			
	Note	2017	2016	2017	2016
Sales…………………………………......................	6	97.055	94.786	80.863	75.459
Less: Cost of sales………………………………	7	(72.579)	(71.230)	(65.358)	(61.963)
Gross profit		**24.476**	**23.556**	**15.505**	**13.496**
Other operating income…………………………	6	623	735	63	243
Distribution expenses…………………………...	7	(15.261)	(13.754)	(11.004)	(10.191)
Administrative expenses………………………..	7	(3.881)	(5.154)	(1.958)	(2.013)
Other operating expenses…………...................	7	(208)	(298)	(83)	(86)
Earnings before interests and taxes		**5.749**	**5.085**	**2.523**	**1.449**
Finance income………………………………….	7	1.827	4.738	824	3.645
Finance costs……………………………………	7	(7.326)	(6.569)	(5.527)	(4.782)
Earnings/(Losses) before taxes		**250**	**3.254**	**(2.180)**	**312**
Income tax expense…………………..................	8	(350)	(766)	575	205
Net profit/(loss) for the period		**(100)**	**2.488**	**(1.605)**	**517**
Attributable as follows:					
Equity holders of the Parent company...……….		(988)	1.776	-	-
Minority interest………………………………...		888	712	-	-
Net profit/(Loss) (after tax) attributable to the Group		**(100)**	**2.488**	**-**	**-**
Revaluation of Employee benefits obligations	23	(23)	(7)	(32)	(7)
Income tax expense…………………..................		10	2	9	2
		(13)	**(5)**	**(23)**	**(5)**
Other Comprehensive Income					
Exchange differences …………………….		(500)	(345)	**-**	**-**
		(500)	**(345)**	**-**	**-**
Other Comprehensive Income after taxes		**(513)**	**(350)**	**(23)**	**(5)**
Total Comprehensive Income after taxes		**(613)**	**2.138**	**(1.628)**	**512**
Attributable as follows:					
Equity holders of the Parent company………...		(1.292)	1.581	-	-
Minority interest………………………………...		679	557	-	-
Net profit (after tax) attributable to the Group		**(613)**	**2.138**	**-**	**-**
Earnings per share (expressed in Euros):	9	(0,0187)	0,0336	(0,0304)	0,0098

The accompanying Notes on pages 39 to 86 are an integral part of the Financial Statements.

Statement of Financial Position (Company and Consolidated)
For the Years ended December 31, 2017 and 2016
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
ASSETS	Note	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Non-current assets					
Property, plant and equipment……..........	10	47.214	52.291	588	709
Investments in real estate property………	10	236	241	236	241
Intangible assets………………………….	10	6.441	6.724	3	4
Investments in subsidiaries………………	1	-	-	34.151	33.221
Long term receivables…………………...		7.697	7.923	7.675	7.897
Deferred tax assets……………………….	22	6.007	5.387	4.790	4.205
Available for sale investments…………...	12	1.090	875	1.090	875
Total non-current assets		**68.685**	**73.441**	**48.533**	**47.152**
Current assets					
Inventories……………………………….	13	39.864	37.648	36.109	34.330
Trade receivables………………………...	14	37.952	34.532	31.386	24.846
Cash and cash equivalents……………….	15	5.351	9.923	2.603	6.317
Total current assets		**83.167**	**82.103**	**70.098**	**65.493**
Total assets		**151.852**	**155.544**	**118.631**	**112.645**
SHAREHOLDERS' EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY					
Shareholders equity attributable to the equity holders of the parent company					
Share capital……………………………..	16	15.840	15.840	15.840	15.840
Share premium……………...……………	17	6.731	6.731	6.731	6.731
Reserves…………………...……………..	18	3.753	3.972	3.892	3.904
Retained earnings………………………..		(8.944)	(7.907)	3.897	5.513
		17.380	**18.636**	**30.360**	**31.988**
Non-controlling interests ……………		21.560	20.918	**-**	**-**
Total shareholders' equity		**38.940**	**39.554**	**30.360**	**31.988**
LIABILITIES					
Non-current liabilities					
Long term Borrowings…………………..	20	49.581	62.311	42.353	53.324
Retirement benefit obligations…………..	23	786	766	648	635
Deferred government grants……………..	21	14.440	16.144	-	-
Long-term provisions…………................		2.106	1.979	-	-
Deferred taxes…………………………...	22	4.252	3.326	-	-
Total non-current liabilities		**71.165**	**84.526**	**43.001**	**53.959**
Current liabilities					
Short term Borrowings…………………..	20	7.248	2.012	7.031	2.012
Short term portion of long term borrowings……….………………………	20	13.211	12.000	11.137	10.200
Current tax liabilities…………………….		8	27	-	-
Trade and other payables………………...	19	21.280	17.425	27.102	14.486
Total current liabilities		**41.747**	**31.464**	**45.270**	**26.698**
Total liabilities		**112.912**	**115.990**	**88.271**	**80.657**
Total shareholders' equity and liabilities		**151.852**	**155.544**	**118.631**	**112.645**

The accompanying Notes on pages 39 to 86 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2017 and 2016
(All amounts in Euro thousands unless otherwise stated)

Consolidated	Share capital	Share premium	Legal reserve	Special tax reserves / other	Retained earnings / (Accumulated losses)	Total	Minority interest	Total equity
Balance on January 1, 2016	**15.840**	**6.731**	**4.175**	**(143)**	**(9.588)**	**17.015**	**19.540**	**36.555**
Year's changes:								
Net profit for the period	-	-	-	-	1.776	**1.776**	712	**2.488**
Other Comprehensive Income..	-	-	-	(195)	-	**(195)**	(155)	**(350)**
Total Comprehensive Income..	**-**	**-**	**-**	**(195)**	**1.776**	**1.581**	**557**	**2.138**
Legal reserve	**-**	**-**	135	**-**	(95)	**40**	(40)	-
(Increase)/ Decrease shareholding of Subsidiaries	**-**	**-**	**-**	**-**		**-**	861	**861**
Balance on December 31, 2016	**15.840**	**6.731**	**4.310**	**(338)**	**(7.907)**	**18.636**	**20.918**	**39.554**
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**	**38.940**

The accompanying Notes on pages 39 to 86 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2017 and 2016
(All amounts in Euro thousands unless otherwise stated)

Company	**Share capital**	**Share premium**	**Legal reserve**	**Actuarial Gains/ loses**	**Special tax reserves**	**Retained earnings / (Accumulated losses)**	**Total**
Balance on January 1, 2016	**15.840**	**6.731**	**3.939**	**(78)**	**(7)**	**5.051**	**31.476**
Year's changes:							
Net profit for the period	-	-	-	-	-	517	**517**
Other Comprehensive Income..	-	-	-	(5)	-	-	**(5)**
Total Comprehensive Income..	**-**	**-**	**-**	(5)	**-**	**517**	**512**
Legal reserve	**-**	**-**	**55**	**-**	**-**	**(55)**	**-**
Balance on December 31, 2016	**15.840**	**6.731**	**3.994**	**(83)**	**(7)**	**5.513**	**31.988**
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 Income..	**-**	**-**	**-**	**(23)**	**-**	(1.605)	**(1.628)**
Legal reserve	**-**	**-**	**11**	**-**	**-**	**(11)**	**-**
Balance on December 31, 2017	**15.840**	**6.731**	**4.005**	**(106)**	**(7)**	**3.897**	**30.360**

The accompanying Notes on pages 39 to 86 are an integral part of the Financial Statements.

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2017 and 2016
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Years Ended December 31,			
	2017	2016	2017	2016
<u>**CASH FLOWS FROM OPERATING ACTIVITIES**</u>				
Profit/(Loss) before tax (and minority interest)…………………………………	249	3.254	(2.180)	312
Add / (less) adjustments for:				
Depreciation …………………………………………………………………..	5.467	5.515	151	192
Provisions…………………………………………………………………	514	1.009	350	735
Exchange differences……………………………………………………..	(7)	(654)	138	(646)
Result of investment activity……………………………………………..	(12)	(604)	5	(564)
Interest and similar expenses………………………………………………..	4.098	5.003	3.366	3.998
Government grants recognized in income………………………………..	(1.704)	(1.704)	-	-
Employee benefits………………………………………………………..	54	117	37	57
Operating result before changes in working capital	**8.659**	**11.936**	**1.867**	**4.084**
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories…………...…………………………..	(2.882)	(3.211)	(1.933)	(3.893)
(Increase) / decrease in receivables and prepayments...………...………..	(4.362)	8.866	(7.324)	15.861
Increase / (decrease) in trade and other payables…………………………	4.635	(6.677)	12.739	(8.510)
(Increase)/ decrease in long term receivables…………………………..….	225	(7.337)	222	(7.337)
Total cash inflow / (outflow) from operating activities	**6.275**	**3.577**	**5.571**	**205**
Interest Expenses ……………………………………………..……………..	(4.079)	(4.092)	(3.486)	(3.193)
Income taxes paid…………………………………………………………	(60)	(106)	(1)	-
Total net inflow / (outflow) from operating activities	**2.136**	**(621)**	**2.084**	**(2.988)**
<u>**CASH FLOWS FROM INVESTING ACTIVITIES**</u>				
(Purchase) of subsidiaries and other investments…………………………	-	(167)	(644)	(1.220)
Proceeds from the sale of subsidiaries and other investments…………....	-	665	-	665
(Purchase) of PPE and intangible assets…………………………………..	(124)	(189)	(26)	(18)
Proceeds from the sale of PPE and intangible assets……………………..	2	182	2	180
Interest and similar expenses paid………………………..……………..	31	74	14	33
Total net cash inflow / (outflow) from investing activities	**(91)**	**565**	**(654)**	**(360)**
<u>**CASH FLOWS FROM FINANCING ACTIVITIES**</u>				
Proceeds from share capital increase ……………………………………..	-	862	-	-
Proceeds from borrowings………………………………………………...	6.515	31.000	5.757	31.000
Repayments of borrowings………………………………………………..	(13.132)	(42.870)	(10.901)	(37.087)
Total net cash inflow from financing activities	**(6.617)**	**(11.008)**	**(5.144)**	**(6.087)**
Net increase / (decrease) in cash and cash equivalents	**(4.572)**	**(11.064)**	**(3.714)**	**(9.435)**
Exchange differences	**-**	**372**	**-**	**372**
Cash and cash equivalents at beginning of period	**9.923**	**20.615**	**6.317**	**15.380**
Cash and cash equivalents at end of period	**5.351**	**9.923**	**2.603**	**6.317**

The accompanying Notes on pages 39 to 86 are an integral part of the Financial Statements.

(All amounts in Euro thousands unless otherwise stated)

1. *Incorporation and Business of the Group*

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 products and services of mobile telephony.

- The subsidiaries F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S. and F.G. EUROPE ITALIA SPA activate 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.

    - HYDROILEKTRIKI 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, 2017 is 92 for the Company and 138 for the Group.

The Company’s shares are listed on the primary market segment of the Athens Exchange.

Other comprehensive income after tax represents total loss for the Group and the Company of € 513 and of €23 respectively and concerns, a) losses €500 for the Group represents difference in exchange at the consolidation of Group Companies in foreign currency and b) losses of €13 and €23 respectively for the Group and the Company represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-employment benefit plans.

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, 2016	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 KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S.	Turkey	55,00% (a)	Full consolidation
• F.G. EUROPE UK LIMITED	Great Britain	100,00% (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
• 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

(All amounts in Euro thousands unless otherwise stated)

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 31/12/2017

	Subsidiary name	Balance as at 31/12/2016	Additions 1/1-31/12/17	Reductions 01/01 - 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**

Investments in Subsidiaries as at 31/12/2016

	Subsidiary name	Balance as at 31/12/2015	Additions 1/1 – 31/12/2016	Reductions 1/1 - 31/12/2016	Balance as at 31/12/2016
1	R.F. ENERGY A.E.	**29.287**	-	-	**29.287**
2	F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S.	**1.479**	**1.053**	-	**2.532**
3	F.G. EUROPE ITALIA S.P.A.	**252**	**1.150**	-	**1.402**
	Total	**31.018**	**2.203**	**-**	**33.221**

In order for the expansion of the Group's business in England and Ireland, a 100% subsidiary under the name FG EUROPE UK LIMITED was established in London, England. The scope of the subsidiary is the disposal of all types of air conditioners in Great Britain, especially in England and Ireland. The share capital of the subsidiary amounts to €587.

On 31/12/2017, the Company examined all investments in subsidiaries and concluded that there are no indications for impairment, and thus, no impairment test was conducted.

(All amounts in Euro thousands unless otherwise stated)

Subsidiaries with non-controlling interests

Subsidiary name	Proportion of ownership and voting rights of non - controlling interests		Profits/ (Losses) attributable to non -controlling interests		**Cumulative non-controlling interests**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
RF ENERGY GROUP	50%	50%	983	695	20.663	19.057
FG EUROPE KLIMA TEKNOLOGILERI SANAYI VE TIKARET A.S.	45%	45%	(95)	17	897	483

Condensed financial information regarding the subsidiary RF ENERGY GROUP before eliminating intercompany transactions and balances

	31/12/2017	**31/12/2016**
Non-current assets	56.989	62.315
Current assets	17.843	13.422
Total assets	**74.832**	**75.737**
Long-term liabilities	28.112	31.028
Short-term liabilities	3.563	3.526
Total liabilities	**31.675**	**34.554**
Shareholders equity attributable to the equity holders of the parent company	22.494	21.471
Non-controlling interests	20.663	19.712

	31/12/2017	**31/12/2016**
Sales	10.254	9.756
Net profit after tax attributable to the Equity holders of the Parent	983	695
Net profit after tax attributable to minority interest	983	695
Net profit after tax	**1.966**	**1.390**
Other Comprehensive Income after taxes	9	-
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	987	695
Total Comprehensive Income after taxes attributable to minority interest	987	695
Total Comprehensive Income after taxes	**1.974**	**1.389**

	31/12/2017	**31/12/2016**
Net cash flow from operating activities	475	4.534
Net cash flow from investing activities	6	30
Net cash flow from financing activities	(2.231)	(5.783)
Total net cash flow	**(1.750)**	**(1.219)**

(All amounts in Euro thousands unless otherwise stated)

Condensed financial information regarding the subsidiary FG EUROPE KLIMA TEKNOLOGILERI SANAYI VE TIKARET AS before elimination of intercompany transactions and balances.

	31/12/2017	**31/12/2016**
Non-current assets	364	423
Current assets	6.039	4.689
Total assets	**6.403**	**5.112**
Long-term liabilities	478	20
Short-term liabilities	3.931	2.412
Total liabilities	**4.409**	**2.432**
Shareholders equity attributable to the equity holders of the parent company	1.097	1.474
Non-controlling interests	**897**	**1.206**

	31/12/2017	**31/12/2016**
Sales	5.499	5.752
Net profit after tax attributable to the Equity holders of the Parent company	(116)	21
Net profit after tax attributable to minority interest	(95)	17
Net profit after tax	**(211)**	**38**
Other Comprehensive Income after taxes	(475)	(345)
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent company	(377)	(169)
Total Comprehensive Income after taxes attributable to minority interest	(309)	(138)
Total Comprehensive Income after taxes	**(686)**	**(307)**

	31/12/2017	**31/12/2016**
Net cash flow from operating activities	353	(1.941)
Net cash flow from investing activities	(26)	(48)
Net cash flow from financing activities	687	1.914
Total net cash flow	**1.014**	**(75)**

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 by the Management 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.

2.2 Changes in accounting policy and disclosures

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 01/01/2017.

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

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group provides the necessary disclosures in Note 3 and Note 20.

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

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments do not affect the consolidated Financial Statements.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017)**

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 issue included in this cycle and is effective for annual periods starting on or after 01/01/2017 is the following: IFRS 12: Clarification of the scope of the Standard. The amendment does not have a significant effect on the consolidated Financial Statements. The other issues of this cycle that are effective for annual periods starting on or after 01/01/2018 are included in the following section.

2.2.2 New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union.

The following new Standards 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 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The above have been adopted by the European Union with effective date of 01/01/2018. The Group is examining the impact of the above on its Financial Statements.

- 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 above have been adopted by the European Union with effective date of 01/01/2018 and initial estimates indicate that under its first implementation, it is not going to materially affect the Company and the Group. The Group is examining the effects of the above on its Financial Statements.

- 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 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 01/01/2018.

- 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 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 01/01/2018.

- 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.

- 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 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 01/01/2018.

- 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 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 01/01/2018.

- 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 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.

- 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 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.

- 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 amortized 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 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.

- 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 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.

- 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.

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.

(All amounts in Euro thousands unless otherwise stated)

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:
    - 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 2017 and 2016 was 6,19 and 5,69 respectively for the Group and 2,32 and 2,82 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 2015 and 26% for 2014.

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 31/12/2017, Profit after Tax and the equity for the Group and the Company would have been € 14and €(98) respectively (€141and €74 in 2016) (lower) / higher, if € was weaker / stronger than USD by 8% (for the respective period 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.

On 31/12/2017, Profit after Tax and the equity for the Group and the Company would have been € 57 (€5 and €9 respectively in 2016) for the Group and the Company (lower) / higher, if € was weaker / stronger than JPY by 8% (for the respective period the fluctuation was 6%), 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 31/12/2017, Profit after Tax and the equity for the Group and the Company would have been € 1 and €8 respectively (there were no transactions in GBP in 2016) for the Group and the Company (lower) / higher, if € was weaker / stronger than GBP by 6%, 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.

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 23.83 %, with all other variables held constant and the shares held by the Group and the Company following exactly this change.

Equity would have increased /decreased by € 3 (€8 in 2015) 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.

(All amounts in Euro thousands unless otherwise stated)

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.

On 31/12/2017, profit after tax and the equity for the Group would have been €142 (€803 in 2016) (lower) / higher, while for the Company would have been €42 (€671 in 2015) (lower) / higher, if the € interest rates were 150 basis points higher / (lower) for the Group of the subsidiary R.F. ENERGY S.A. and 10 basis points higher / (lower) for the Company with the other variables held constant (for the respective period of 2016 the fluctuations were 145 and 140 basis points respectively. This would mainly happen due to higher / (lower) financial costs for bank loans with floating rate in €.

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, 2017, is analyzed at note 14.

3.3Liquidity 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 €118,068 and € 106,347 for the Group and the Company respectively on 31/12/2017 (€119,811 and € 109,023 for the Group and the Company respectively on 31/12/2016).

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, 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**

Consolidated December 31, 2016	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	18.139	16.021	33.165	20.550
Trade and other payables…………….	17.425	-	-	-
Total	**35.564**	**16.021**	**33.165**	**20.550**

(All amounts in Euro thousands unless otherwise stated)

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, 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**

Company **December 31, 2016**	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings………………………...	15.908	13.769	27.225	19.702
Trade and other payables…………….	14.486	-	-	-
Total	**30.394**	**13.769**	**27.225**	**19.702**

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 31/12/2016, 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) Contigent 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 31/12/2016. 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 Group’s segments are the following:

Long Living Consumer Goods

(All amounts in Euro thousands unless otherwise stated)

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. Moreover the sector of the other activities, which constitutes logistic services and after sales services, also belongs to the same category.

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.

The segment results of the business segments for the Years ended December 31, 2017 and 2016 represented below:

Year ended December 31, 2017	**Long Living Consumer Goods**	**Energy**	**Total**
Sales to third parties…………….	110.412	10.254	120.666
Sales within the Group…............	(23.611)	-	(23.611)
Sales……………………………	**86.801**	**10.254**	**97.055**
Depreciation of Fixed/ Intangible assets	(254)	(5.237)	(5.491)
Gain / Loss before taxes, investing activities, total depreciations	903	7.158	8.061
Finance income………………….	1.810	17	1.827
Finance costs…………………….	(6.722)	(604)	(7.326)
Profits before taxes…………	(2.678)	2.928	250
Income tax expense……………..	612	(962)	(350)
Profit after taxes………………	**(2.066)**	**1.966**	**(100)**
Expenses for Fixed/ Intangible assets	112	12	124
Assets per sector	77.021	74.831	151.852
Liabilities per sector	10.073	31.674	41.747

Year ended December 31, 2016	**Long Living Consumer Goods**	**Energy**	**Total**
Sales to third parties…………….	108.966	9.756	118.722
Sales within the Group…............	(23.936)	-	(23.936)
Sales……………………………	**85.030**	**9.756**	**94.786**
Depreciation of Fixed/ Intangible assets	(290)	(5.240)	(5.530)
Gain / Loss before taxes, investing activities, total depreciations…………………….	4.381	6.676	11.057
Finance income………………….	12.010	41	12.051
Finance costs…………………….	(12.947)	(935)	(13.882)
Profits before taxes…………	1.117	2.137	3.254
Income tax expense……………..	(18)	(748)	(766)
Profit after taxes………………	**1.099**	**1.389**	**2.488**
Expenses for Fixed/ Intangible assets	166	11	177
Assets per sector	79.807	75.737	155.544
Liabilities per sector	27.937	3.527	31.464

(All amounts in Euro thousands unless otherwise stated)

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:

Assets	**31/12/2017**	**31/12/2016**
Assets per sector	158.912	153.176
Intersectional assets	(21.854)	(11.817)
Non distributed assets	14.794	14.185
Total Assets	**151.852**	**155.544**

Liabilities	**31/12/2017**	**31/12/2016**
Liabilities per sector	123.504	117.551
Intersectional Liabilities	(17.736)	(7.632)
Non distributed Liabilities	7.144	6.071
Total Liabilities	**112.912**	**115.990**

Profit after taxes	**31/12/2017**	**31/12/2016**
Profit per sector	(153)	2.012
Deletion of Intersectional (profit)/ losses	(44)	474
Depreciations	111	111
Income tax	(14)	(109)
Total profit after taxes	**(100)**	**2.488**

The geographic results of the Groups sales for the Years ended December 31, 2016 and 2015 are analyzed as follows:

Year ended December 31, 2017	**Long Living Consumer Goods**	**Energy**	**Total**
Parent company (sales on internal market)	32.694	-	**32.694**
Subsidiaries (sales on internal market)	-	10.254	**10.254**
Parent company (sales on external market)	48.170	-	**48.170**
Subsidiaries (sales on external market)	29.548	-	**29.548**
Sales within the Group	(23.611)	-	**(23.611)**
Total	**86.801**	**10.254**	**97.055**

Year ended December 31, 2016	**Long Living Consumer Goods**	**Energy**	**Total**
Parent company (sales on internal market)	27.699	-	**27.699**
Subsidiaries (sales on internal market)	-	9.756	**9.756**
Parent company (sales on external market)	47.760	-	**47.760**
Subsidiaries (sales on external market)	33.675	-	**33.675**
Sales within the Group	(24.104)	-	**(24.104)**
Total ……………………..…………..	**85.030**	**9.756**	**94.786**

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

(All amounts in Euro thousands unless otherwise stated)

The revenue from the energy sector for both fiscal years 2017 and 2016, derived, entirely, from one client.
In the field of consumer durables for the year 2017, two customers from abroad with revenues amounting to € 5,828 and €4,087 (€3,847 and €5,011 in 2016) have been included.

6. Income

Analysis of the Groups' income:

	Consolidated		Company	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Sales of goods	86.608	84.805	80.670	75.234
Sales of goods (electric Energy)	10.254	9.756	-	-
Sales of services	193	225	193	225
	97.055	**94.786**	**80.863**	**75.459**
Other income	623	735	63	243
Total	**97.678**	**95.521**	**80.926**	**75.702**

Total sales of the Group amounted to €97,055 in 2016 against sales of €94,786 in the respective period of 2016, resulting to an increase of 2.4%. Exports increased by 1% in 2017, while domestic sales increased by 18%. The slight increase in exports is attributed to the Group's structure, with subsidiaries in Turkey, Italy and Great Britain and also to the climate conditions during the year.
In the energy sector, revenues increased by 5.1% due to better wind conditions in the current year.

7. Break down of expenses

The main categories of expenses are analyzed as follows:

	Consolidated				
	Table of allocation of expenses for the year ended December 31, 2017				
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses…..	(416)	(1.890)	(3.626)	-	(5.932)
Third party expenses…	(137)	(469)	(1.805)	-	(2.411)
Supplies……………...	(1.779)	(872)	(5.620)	-	(8.271)
Taxes and duties……..	(448)	(94)	(323)	-	(865)
Various expenses…….	(8)	(376)	(3.599)	(208)	(4.191)
Depreciation of fixed assets ………………..	(5.234)	(159)	(74)	-	(5.467)
Grants for fixed assets…………………	1.704	-	-	-	1.704
Provisions……………	(320)	(21)	(214)	-	(555)
Inventories…………...	(65.941)	-	-	-	(65.941)
Total	**(72.579)**	**(3.881)**	**(15.261)**	**(208)**	**(91.929)**

	Consolidated				
	Table of allocation of expenses for the year ended December 31, 2016				
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses…	(337)	(3.205)	(2.251)	-	(5.793)
Third party expenses…	(188)	(355)	(2.543)	-	(3.086)
Supplies……………...	(1.633)	(849)	(5.600)	-	(8.082)
Taxes and duties……..	(463)	(94)	(830)	-	(1.387)
Various expenses…….	(14)	(298)	(1.633)	(298)	(2.243)

(All amounts in Euro thousands unless otherwise stated)

Depreciation of fixed assets ………………..	(5.237)	(189)	(89)	-	(5.515)
Grants for fixed assets…………………	1.704	-	-	-	1.704
Provisions……………	(140)	(164)	(808)	-	(1.112)
Inventories…………...	(64.922)	-	-	-	(64.922)
Total	**(71.230)**	**(5.154)**	**(13.754)**	**(298)**	**(90.436)**

	Company				
	Table of allocation of expenses for the year ended December 31, 2017				
	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 & amortization of intangible assets…..	-	(77)	(74)	-	(151)
Provisions……………	(154)	(24)	(196)	-	(374)
Inventories…………...	(65.117)	-	-	-	(65.117)
Total	**(65.358)**	**(1.958)**	**(11.004)**	**(83)**	**(78.403)**

	Company				
	Table of allocation of expenses for the year ended December 31, 2016				
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses…	(81)	(1.130)	(2.086)	-	(3.297)
Third party expenses…	-	(71)	(518)	-	(589)
Supplies……………...	-	(458)	(5.769)	-	(6.227)
Taxes and duties……..	-	(65)	(301)	-	(366)
Various expenses…….	-	(144)	(742)	(86)	(972)
Depreciation of fixed assets …………………	-	(104)	(88)	-	(192)
Provisions……………	(50)	(41)	(687)	-	(778)
Inventories…………...	(61.832)	-	-	-	(61.832)
Total	**(61.963)**	**(2.013)**	**(10.191)**	**(86)**	**(74.253)**

The various expenses concerns mainly transportation and advertisement expenses.
The reported increase in the Cost of Sales of both the Group and the Company, despite the increase in the Gross Profit Margin (25,22% in 2017 against 24,85% in 2016 and 19,17% in 2017 against 17,89% in 2016 respectively) is attributed to the increase in Sales.
For the year 2017, an amount of €2.5 concerning fee of the Group's auditors in relation to allowed services, has been taken into account in the administrative expenses of the Group.

7.1 Personnel expenses

The personnel expenses are analyzed as follows:

	Consolidated	Company

	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Salaries and wages…………………	(4.832)	(4.689)	(2.742)	(2.617)
Employers' social security contributions………………………..	(1.015)	(987)	(649)	(621)
Other compensation………………..	(21)	(18)	(21)	(15)
Retirement benefits………………...	(64)	(99)	(24)	(44)
Total	**(5.932)**	**(5.793)**	**(3.436)**	**(3.297)**

7.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Consolidated		Company	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Finance costs:				
Interest ……………………………	(3.613)	(4.373)	(3.112)	(3.597)
Interest's similar expenses…………	(306)	(412)	(182)	(288)
Bank charges and commissions……	(72)	(113)	(72)	(113)
Financial cost of provision of equipment removal…………………	(105)	(105)	-	-
Exchange differences………………	(3.178)	(1.553)	(2.149)	(771)
Valuation of Derivatives…………...	(38)	-	-	-
Devaluation of investments and securities	-	-	-	-
Discounted interest of the actuarial research	(12)	(13)	(12)	(13)
Other	(2)	-	-	-
Total Finance costs	**(7.326)**	**(6.569)**	**(5.527)**	**(4.782)**
Finance income:				
Interest and similar income………...	24	70	8	29
Dividend securities ………………..	3	477	-	474
Exchange differences……...............	1.727	3.714	742	2.703
Valuation of Derivatives…………...	73	477	74	439
Total Finance income	**1.827**	**4.738**	**824**	**3.645**
Finance costs, net	**(5.499)**	**(1.831)**	**(4.703)**	**(1.137)**

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 2017 resulted to the creation of debit foreign exchange differences of €2,149, which were partially counterbalanced by €742 through the use of derivative financial products. For the corresponding period of 2016, debit exchange differences amounted to €771 and covered by €2,703 through the use of derivative financial products. The subsidiaries of the Group do not transact in foreign currencies and therefore there are not any exchange differences.
Within the net finance cost there is a specific gain from the evaluation of ''Financial assets available for sale'' which amounts to €217 and an equal gain of a long term coverage receivable for the said loss (Note 11).

7.3 Provisions

The provision expenses are analyzed as follows:

	Consolidated	
Provisions	1/1-31/12/2017	1/1-31/12/2016
Bad depts.	(211)	(815)

(All amounts in Euro thousands unless otherwise stated)

Inventories' write-off	(320)	(140)
Other	-	(76)
Total	**(531)**	**(1.031)**

Company		
Provisions	**1/1-31/12/2017**	**1/1-31/12/2016**
Bad depts.	(196)	(685)
Inventories' write-off	(154)	(50)
Other	-	-
Total	**(350)**	**(735)**

8. 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.	2012-2017
• R.F. Energy S.A.	2012-2017
• Hydroilektriki Achaias S.A.	2012-2017
• City Electrik S.A	2012-2017
• Aioliki Kylindrias S.A.	2012-2017
• Kallisti Energiaki S.A.	2012-2017
• R.F. Energy Omalies S.A.	2012-2017
• Aioliki Aderes S.A.	2012-2017

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.

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 and 2016, 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 the relevant Tax Compliance Report, without any substantial differences to arise.

For the tax audit of fiscal year 2017, the companies of the Group operating in Greece, have been fallen under the tax audit of Certified Auditors, provided by the provisions of par. 65A, par.1, law 4174/2013. This tax audit is in progress and the relevant tax certificates are expected to be granted after the publication of the financial statements of fiscal year 2016. If, until the completion of the tax audit, additional tax liabilities arise, these will not have substantial impact on the financial statements. Furthermore, for the year 2016 and hereof, according to the recent legislative amendments, the tax audit along with the relevant tax certificate is conducted voluntarily.

(All amounts in Euro thousands unless otherwise stated)

A tax audit on the Company for the fiscal years 2008, 2009 and 2010 is in progress. Furthermore, the tax obligations of the Company's subsidiaries have not been audited for several years, and, as consequence, there is a possibility of additional tax and several surcharges when finalized. The relevant provision by the Group and the Company amounts to €345 and €292 respectively.

The tax liabilities of the Company and its subsidiaries have not been audited by tax authorities for the above fiscal years, and therefore it is possible that additional taxes and penalties will arise, when they are discussed and finalized. The amount of the provision made by the Group and the Company till 31/12/2017 in relation to this issue is €262 and €208 respectively.

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

	Consolidated		Company	
	Year ended December 31,			
	2017	**2016**	**2017**	**2016**
Income tax (current period)………...............	266	(151)	360	(59)
Deferred tax…………………………………	(616)	(615)	215	264
Income taxes	**(350)**	**(766)**	**575**	**205**

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:

	Consolidated		Company	
	Year ended December 31,			
	2017	**2016**	**2017**	**2016**
Profit/ (Loss) before taxes	**250**	**3.254**	**(2.180)**	**312**
Tax rate ……………………………………..	29%	29%	29%	29%
Tax at the corporate income tax rate	**(73)**	**(944)**	**632**	**(90)**
Tax effects from:				
Non tax deductible income..…………………	24	-	24	-
Non tax deductible expenses…………………	(123)	(199)	(73)	(73)
Non-recognized fiscal losses………………...	10	-	(8)	(14)
Non-recognized fiscal gains…………………	-	398	-	382
De-recognition of deferred requirement	(56)	(45)	-	-
Effective income tax for the year	**(218)**	**(790)**	**575**	**205**
Adjustment of deferred taxes, because of the tax's rate change	(132)	24	-	-
Tax charge	**(350)**	**(766)**	**575**	**205**

(All amounts in Euro thousands unless otherwise stated)

9. 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.

	Consolidated		Company	
	Year ended December 31,			
	2017	**2016**	**2017**	**2016**
Net profit attributable to shareholders…	(988)	1.776	(1.605)	517
Weighted average number of shares outstanding…………………………….	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	**(0,0187)**	**0,0336**	**(0,0304)**	**0,0098**

10. Property, plant, equipment and intangible assets

Property, plant and equipment analyzed as follows:

Consolidated	**Fixed Assets**						
	Land	**Buildings**	**Plant & machinery**	**Vehicles**	**Furniture & fixture**	**Work in progress**	**Total**
January 1, 2016							
Value at cost……………...	1.087	10.440	70.659	536	1.177	3.182	**87.081**
Accumulated depreciation..	-	(3.478)	(24.898)	(341)	(790)	-	**(29.507)**
Net book value…………	**1.087**	**6.962**	**45.761**	**195**	**387**	**3.182**	**57.574**
January 1 to December 31, 2016							
Additions………………….	-	-	1	-	123	13	**137**
Deletion of assets…………	-	-	-	-	129	(148)	**(19)**
Transfers…………………..	-	-	-	-	-	-	**-**
Disposals………………….	-	-	-	(73)	-	(140)	**(213)**
Depreciation………………	-	(603)	(4.428)	(43)	(144)	-	**(5.218)**
Transfers…………………	-	-	-	-	-	-	**-**
Depreciation of Disposals…	-	-	-	30	-	-	**30**
December 31, 2016							
Value at cost……………...	1.087	10.440	70.660	463	1.429	2.907	**86.986**
Accumulated depreciation…	-	(4.081)	(29.326)	(354)	(934)	-	**(34.695)**
Net book value…………	**1.087**	**6.359**	**41.334**	**109**	**495**	**2.907**	**52.291**
January 1 to December 31, 2017							
Additions………………….	-	1	-	-	110	13	**124**
Exchange differences...…..	-	(17)	-	-	(26)	-	**(43)**
Disposals …………………	-	-	-	-	(2)	-	**(2)**
Depreciation………………	-	(596)	(4.409)	(24)	(150)	-	**(5.179)**
Exchange differences...…..	-	17	-	30	6	-	**23**
December 31, 2017							
Value at cost……………...	1.087	10.424	70.660	463	1.511	2.920	**87.065**
Accumulated depreciation…	-	(4.660)	(33.735)	(378)	(1.078)	-	**(39.851)**
Net book value…………	**1.087**	**5.764**	**36.925**	**85**	**433**	**2.920**	**47.214**

(All amounts in Euro thousands unless otherwise stated)

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2016						
Value at cost……………...	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciation..	-	(43)	**(43)**	(982)	(421)	**(1.403)**
Net book value…………	**48**	**198**	**246**	**6.131**	**876**	**7.007**
January 1 to December 31, 2016						
Additions………………….	-	-	**-**	-	-	**-**
Deletion of assets………..	-	-	**-**	-	-	**-**
Disposals …………………	-	-	**-**	-		**-**
Depreciation………………	-	(5)	**(5)**	(202)	(81)	**(283)**
Depreciation of Deletions..	-	-	**-**	-	-	**-**
December 31, 2016						
Value at cost……………...	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciation..	-	(48)	**(48)**	(1.184)	(502)	**(1.686)**
Net book value…………	**48**	**193**	**241**	**5.929**	**795**	**6.724**
January 1 to December 31, 2017						
Additions………………….	-	-	**-**	-	-	**-**
Deletion of assets………..	-	-	**-**	-	-	**-**
Disposals / transfers………	-	-	**-**	-	-	**-**
Depreciation………………	-	(5)	**(5)**	(201)	(82)	**(283)**
Depreciation of Deletions…	-	-	**-**	-	-	**-**
December 31, 2017						
Value at cost……………...	48	241	**289**	7.113	1.297	**8.410**
Accumulated depreciation..	-	(53)	**(53)**	(1.385)	(584)	**(1.969)**
Net book value………..	**48**	**188**	**236**	**5.728**	**713**	**6.441**

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in Progress	Total
January 1, 2016							
Value at cost……………...	5	320	261	523	798	302	**2.209**
Accumulated depreciation..	-	(183)	(7)	(331)	(610)	-	**(1.131)**
Net book value…………..	**5**	**137**	**254**	**192**	**188**	**302**	**1.078**
January 1 to December 31, 2016							
Additions………………….	-	-	-	-	15	3	**18**
Transfers………………….	-	-	-	-	129	(148)	**(19)**
Disposals………………….	-	-	-	(63)	-	(140)	**(203)**
Depreciation………………	-	(12)	(43)	(43)	(89)	-	**(187)**
Depreciation of disposals…	-	-	22	-	-	-	**22**
December 31, 2016							
Value at cost……………...	5	320	261	460	942	17	**2.005**
Accumulated depreciation..	-	(195)	(50)	(352)	(699)	-	**(1.296)**
Net book value…………	**5**	**125**	**211**	**108**	**243**	**17**	**709**
January 1 to December 31, 2017							
Additions…………………	-	-	-	-	23	3	**26**
Disposals………………….	-	-	-	-	(2)	-	**(2)**
Depreciation………………	-	(13)	(25)	(24)	(83)	-	**(145)**
Depreciation of Disposals..	-	-	-	-	-	-	**-**

December 31, 2017							
Value at cost……………....	5	320	261	460	963	20	**2.029**
Accumulated depreciation..	-	(208)	(75)	(376)	(782)	-	**(1.441)**
Net book value……………	**5**	**112**	**186**	**84**	**181**	**20**	**588**

Company	**Investments in real estate**			**Intangible assets**	
	Land	**Buildings**	**Total**	**Licenses**	**Total**
January 1, 2016					
Value at cost……………...	48	241	**289**	5	**5**
Accumulated depreciation..	-	(43)	**(43)**	(1)	**(1)**
Net book value…………	**48**	198	**246**	**4**	**4**
January 1 to December 31, 2016					
Additions………………….	-	-	**-**	-	**-**
Transfers............................	-	-	**-**	-	**-**
Disposals…………………	-	-	**-**	-	**-**
Depreciation………………	-	(5)	**(5)**	-	**-**
Depreciation of disposals…	-	-	**-**	-	**-**
December 31, 2016					
Value at cost……………...	48	241	**289**	5	**5**
Accumulated depreciation..	-	(48)	**(48)**	(1)	**(1)**
Net book value…………	**48**	**193**	**241**	**4**	**4**
January 1 to December 31, 2017					
Additions………………….	-	-	**-**	-	**-**
Transfers............................	-	-	**-**	-	**-**
Disposals…………………	-	-	**-**	-	**-**
Depreciation………………	-	(5)	**(5)**	(1)	**(1)**
Depreciation of Deletions…	-	-	**-**	-	**-**
December 31, 2017					
Value at cost……………...	48	241	**289**	5	**5**
Accumulated depreciation..	-	(53)	**(53)**	(2)	**(2)**
Net book value………….	**48**	**188**	**236**	**3**	**3**

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) (non depreciated value on 31/12/17 €5,021)

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.

(All amounts in Euro thousands unless otherwise stated)

Environmental Restoration	
31/12/2016	**1.918**
Financial cost	118
31/12/2017	**2.036**

The amount of € 118 of the annual change of the environmental restoration about the wind parks, included at the equipment acquisition value of the Group.

11 . Long term receivables

Long term receivables are analyzed as follows:

	Consolidated		**Company**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Receivable on given guarantees on financial assets	7.114	7.331	7.114	7.331
Given guarantees for rentals	579	583	557	562
Other given guarantees	4	9	4	4
	7.697	**7.923**	**7.675**	**7.897**

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 €8,167.

12. 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, 2016 (1^{st} 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 2016, 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.

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 31/12/2016 for the Group and the Company:

Consolidated			
Financial assets	**Level 1**	**Level 2**	**Total**
Available for Sale Financial Instruments – ASE Listed Companies	1.055	-	**1.055**
Total	**1.055**	**-**	**1.055**

(All amounts in Euro thousands unless otherwise stated)

Financial liabilities			
Derivatives	-	319	**319**
Total	-	**319**	**319**

Company			
Financial assets	**Level 1**	**Level 2**	**Total**
Available for Sale Financial Instruments – ASE Listed Companies	1.055	-	**1.055**
Total	**1.055**	**-**	**1.055**
Financial liabilities			
Derivatives	-	194	**194**
Total	**-**	**194**	**194**

Within the fiscal year 2017 there were not transfers between level 1 and 2.

	Group		**Company**	
	Year ended December 31,			
	2017	**2016**	**2017**	**2016**
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**

	Group		**Company**	
	Year ended December 31,			
	2017	**2016**	**2017**	**2016**
Balance at 01/01	**875**	**104**	**875**	**104**
Additions	-	9.284	-	9.284
Sales	-	(1.182)	-	(1.182)
Change of fair value through the results	215	(7.331)	215	(7.331)
Balance at 31/12	**1.090**	**875**	**1.090**	**875**

13. Inventories

Inventories are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
	2017	**2016**	**2017**	**2016**
Merchandise………………………………..	40.791	38.255	36.767	34.834
Provisions for slow moving inventory……..	(927)	(607)	(658)	(504)
Total	**39.864**	**37.648**	**36.109**	**34.330**

The noted increase in -air conditioner- inventories in 2017 compared to those on 31/12/2016 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 2018.

The provision for inventory obsolescence has as follows:

	Consolidated	**Company**
Balance as at 31.12.2015……………………………………	**(466)**	**(453)**
Expenses accrued in 2016……..………………………..................	(141)	(50)
Balance as at 31.12.2016……………………………………	**(607)**	**(504)**

(All amounts in Euro thousands unless otherwise stated)

Expenses accrued in 2017………………………………………	(320)	(154)
Balance as at 31.12.2017……………………………………	**(927)**	**(658)**

The decrease in value of inventories of the Company to its net realizable value affects the cost of sales.
The increase in the Group's cost of sales is attributed to the lower Gross Profit Margin for 2016 (24.85% against 26.77% in 2015). In the Company's level, despite the decrease in the Gross Profit Margin for 2016 (17.89% against 22.52% in 2015), the decrease in the cost of sales is attributed to the decrease in sales itself.

14. Trade Receivables

Trade Receivables are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2017	**2016**	**2017**	**2016**
Receivables from Customers…………………………………..	25.599	26.052	23.918	21.790
Postdated cheques………………………….	5.751	5.092	5.751	5.092
Notes receivables…………………………..	1.639	2.021	116	93
Provision for doubtful accounts……………	(4.667)	(5.889)	(4.510)	(5.747)
Total	**28.322**	**27.276**	**25.275**	**21.228**
Other receivables and prepayments………..	9.630	7.256	6.111	3.618
Total	**37.952**	**34.532**	**31.386**	**24.846**

The balance of the Group's and the Company's Trade Receivables on 31/12/2017 has increased by 10% and 26% respectively, compared to 2016, mainly due to the increase in domestic sales and the extended credit period given to the subsidiary of the Group in the UK. It is expected that these receivables will be paid in the upcoming months, and the overall receivables will be reduced to normal.

The movement of the doubtful debts in 2017 is as follows:

	Consolidated	Company
Provision's balance for insecure clients 31.12.2015……………	**(5.079)**	**(5.062)**
Reversal of provision for insecure clients 01.01-31.12.2016……..	6	-
Expense chargeable period 01.01-31.12.2016……………………..	(815)	(684)
Provision's balance for insecure clients 31.12.2016……………	**(5.889)**	**(5.747)**
Reversal of provision for insecure clients 01.01-31.12.2017……..	1.433	1.433
Expense chargeable period 01.01-31.12.2017……………………..	(211)	(196)
Provision's balance for insecure clients 31.12.2017……………	**(4.667)**	**(4.510)**

This provision concerns receivables from customers – debtors that have been classified as doubtful. They have been assigned to the Group's legal department to take legal actions for the reimbursement of these receivables.

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.

	Consolidated		Company	
	December 31,			
Ageing of trade receivables	**2017**	**2016**	**2017**	**2016**

0 - 30 days …………………………………	14.358	5.159	8.382	5.545
31 - 60 days ……………………………….	3.729	3.872	4.334	3.526
61 - 90 days ……………………………….	2.831	3.301	3.087	2.718
91 - 120 days ………………………………	1.475	2.121	1.564	1.105
121 - 150 days ……………………………..	1.511	1.917	1.200	1.455
151 - 180 days …………………………….	568	2.807	1.319	2.503
181 - 360 days …………………………….	1.720	6.686	3.101	2.842
Non – overdues trade receivables	**26.192**	**25.863**	**22.987**	**19.694**
361 + days …………………………………	6.798	7.302	6.798	7.281
Impairment provision	(4.668)	(5.889)	(4.510)	(5.747)
Overdues trade receivables	**2.130**	**1.413**	**2.288**	**1.534**
Total receivables	**28.322**	**27.276**	**25.275**	**21.228**

The over one year overdue, but not impaired trade receivables of the Group amounting to €2,130, concerns receivables from customers for whom legal actions have been initiated and stretched in time from one to four years. It is noted that this amount does not appear discounted, since there is no accurate estimate for the time of its collection.
The Group constantly overviews the collectability of receivables, taking the legal department's estimations into consideration. Within 2017, the Management, measured the collectability of receivables and proceeded to the deletion of receivables for an amount equal to €211.

Other Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2017	**2016**	**2017**	**2016**
Greek state – taxes receivables………….….	1.518	1.736	382	355
Reserved bank deposits……………………	1.754	1.807	-	-
Subsidies granted…..……………………...	10	19	-	-
Prepaid expenses ….………………………	3.682	446	3.043	50
Prepayments for merchandise purchases….	56	-	56	-
Receivables from assigned securities………	2.508	3.174	2.508	3.174
Other………………………………………..	102	74	122	39
Total	**9.630**	**7.256**	**6.111**	**3.618**

The carrying values of receivables and prepayments do not differ materially from their fair values.

15. Cash and cash equivalents

	Consolidated		Company	
	December 31,			
	2017	**2016**	**2017**	**2016**
Cash on hand...………………………………..	402	666	3	205
Sight and time deposits………......…………...	4.949	9.257	2.600	6.112
Total	**5.351**	**9.923**	**2.603**	**6.317**

Cash and cash equivalents represent petty cash of the group and the company and short term bank deposits callable at first sight. The decrease in cash and cash equivalents as at 31/12/2017 is attributed to the loan repayments within 2017.

(All amounts in Euro thousands unless otherwise stated)

16. Share capital

As of December 31, 2017 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 2014 is 52,800,154 shares.

17. 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. On December, 31 the difference from share premium amounted for the Group and the Company to €6,731.

18. Reserves

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

Consolidated					
Reserve	**December 31, 2015**	**Additions / (reductions)**	**December 31, 2016**	**Additions / (reductions)**	**December 31, 2017**
Legal reserve………………….	4.175	135	4.310	86	4.396
Fair value reserves……………	-	-	-	-	-
Actuarial gains / (losses)	(100)	(5)	(105)	(18)	(123)
Exchange differences…………	(43)	(190)	(233)	(287)	(520)
Total Reserves	**4.032**	**(60)**	**3.972**	**(219)**	**3.753**

Company					
Reserve	**December 31, 2015**	**Additions / (reductions)**	**December 31, 2016**	**Additions / (reductions)**	**December 31, 2017**
Legal reserve………………….	3.939	55	3.994	10	4.004
Actuarial gains / (losses)	(80)	(5)	(85)	(22)	(107)
Other	(5)	-	(5)	-	(5)
Total Reserves	**3.854**	**50**	**3.904**	**(12)**	**3.892**

18.1 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.

19. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2017	**2016**	**2017**	**2016**
Suppliers…………………………………….	12.059	9.633	11.107	8.782
Cheques payables postdated…………………..	724	578	724	412
Accrued expenses……………………………..	127	166	159	124
Accrued Interest………………………………	1.153	1.412	1.117	1.366
Derivatives……………………………………	319	233	194	268
Prepayments…………………………………..	1.943	1.958	1.855	1.923
Provisions for contingent tax liabilities from	262	345	209	292

(All amounts in Euro thousands unless otherwise stated)

unaudited years ………………………………				
Dividends Payable ..………………………….	27	27	27	27
Obligations to related parties….……………...	2.835	1.000	11.408	1.000
Refundable subsidy………………………….	1.042	1.042	-	-
Taxes…………………………………………	380	629	119	112
Other short term obligations………………….	409	402	183	180
Total	**21.280**	**17.425**	**27.102**	**14.486**

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 12).

The noted increase in liabilities on 31/12/2017 compared to liabilities on 31/12/2016, is mainly attributed to the increase of liabilities towards the main suppliers of the Company (FUJITSU GENERAL LTD and MIDEA ELECTRIC TRADING LTD) by €731 and €881 respectively, due to increased deliveries of goods in the end of the 2017, and also due to increased liabilities to related parties.

20. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
Long term borrowings:	**2017**	**2016**	**2017**	**2016**
Bonded loan……………………………….…….	62.793	74.311	53.490	63.523
Long term borrowings payable within the next 12 months...………..	(13.212)	(12.000)	(11.137)	(10.199)
Total long term borrowings	**49.581**	**62.311**	**42.353**	**53.324**
Short term borrowings				
Short term portion of long term borrowings ……………………………..	13.211	12.000	11.137	10.200
Short term loans…………………………….	7.248	2.012	7.031	2.012
	20.459	**14.012**	**18.168**	**12.212**

Within 2017, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 5.12% and received short-term financing from banks, pledging receivables from customers of €1,560.

According to the Decision of the BoD on 18/12/2013, the Company issued a Common Bond Loan of €65,000. On 19/12/2013, the Bond Purchase Agreement and Program were singed with the initial bondholder EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK, ALPHA BANK and NBG, with participation stake 33.31%, 29.80%, 23.82% and 13.08% respectively (PIRAEUS BANK also undertook the initial stake 3.08% of GENIKI BANK) . The purpose of the loan is the refinancing of the existing long-term and short-term debt and the financing of the Company's needs in working capital. The duration of the loan is 5 years. The possibility of a two year extension is also provided by the agreement. The repayment of the loan will be in 10 semi-annual installments, from which nine of €5,050.5 each plus interest and the tenth of € 19,545.5 plus interest. The first 7 installments of the loan plus applicable interest have already been paid till 31/12/2017. The interest rate of the Loan was agreed at Euribor plus margin of 5.5%. The margin is based in agreed covenants, ranging from 4% to

7%. Based on the the Loan contract, the Company has undertaken the obligation calculate financial covenants annually and semi-annually. The loan was disbursed in January 2014.
The loan is secured with the personal guarantee of Mr Georgios Fidakis, and also by pledging receivables and securities of the Company's portfolio for an amount of 10% of the current balance of the Loan. Following the Company's request and the bondholders' consent, the covenants' calculation on 31/12/2017 was waived.

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 instalment has already been paid. Interest is paid in a quarterly basis.

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%. The duration is three years and the repayment will be made in five semi-annual instalments, starting from 08/08/2017. The first installment has already been paid. The Loan is secured with a pledge of €5,000 over stock.

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.
The subsidiary has made several prepayments to the loan for a total amount of €3,194, using own funds. The amount of prepayment proportionally reduced the remaining installments, in order not to change the duration 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 31/12/2017 sixteen (16) have already been paid.

(All amounts in Euro thousands unless otherwise stated)

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 in 21 equal installments, of which up to 31/12/2016 fourteen (14) have been paid. In December 2016, the subsidiary company proceeded to prepayment of an amount equal to € 2,179 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. Therefore, the loan will be repaid in about a year and a half earlier.
For the purpose of this loan, collateral have been used and the sole shareholder of Aioliki Aderes, RF Energy, has provided full and unconditional guarantee. Additionally, according to the terms of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and on insurance policies and contracts that has to maintain and on approved subsidies relating to investing plans, as well.

The fair value of these loans approximates their nominal value and the effective interest rate for the remaining short-term loans was around 5.12%.

21. State subsidies

	Consolidated	Company
01/01/2016		
Subsidies granted…………………………..	27.143	-
Accumulated amortization of grants……………….	(9.295)	-
Net book value 01/01/2016……………..	**17.848**	**-**
1/1-31/12/2016		
Accumulated amortization of grants ...…….	(1.704)	-
31/12/2016		
Subsidies granted…………………………..	27.143	-
Accumulated amortization of grants ...…….	(10.999)	-
Net book value 31/12/2016………………..	**16.144**	**-**
1/1-31/12/2017		
Accumulated amortization of grants ...…….	(1.704)	-
31/12/2017		
Subsidies granted…………………………..	27.143	-
Accumulated amortization of grants ...…….	(12.703)	-
Net book value 31/12/2017……………….	**14.440**	**-**

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

(All amounts in Euro thousands unless otherwise stated)

"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.

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 the Statement of Financial Position.

22. 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.

The amounts are offset as follows:

	Consolidated				
	Deferred tax assets/ (liabilities)				
	01/01/2016	**01/01-31/12/2016**	**31/12/2016**	**01/01-31/12/2017**	**31/12/2017**
Intangible assets	35	(3)	32	(1)	31
Property, plant and equipment	(1.975)	(547)	(2.522)	(546)	(3.068)
Inventories	331	(65)	266	62	328
Receivables and prepayments	1.352	193	1.545	196	1.741
Long term borrowings	(266)	47	(219)	38	(181)
Employee benefits	172	10	182	2	184
Deferred state subsidies	(2.064)	(289)	(2.353)	(287)	(2.640)
Trade and other payables	22	21	43	(49)	(6)
Actuarial loss reserve	6	-	6	-	6
Tax credits on recognized losses	4.688	5	4.693	314	5.007
Provision of equipment removal	299	56	355	59	414
Extraordinary contribution.	207	(95)	112	(68)	44
Other	10	(89)	(78)	(25)	(104)
Total	**2.817**	**(756)**	**2.061**	**(305)**	**1.755**

(All amounts in Euro thousands unless otherwise stated)

	Company				
	Deferred tax assets/ (liabilities)				
	01/01/2016	01/01 – 31/12/2016	31/12/2016	01/01- 31/12/2017	31/12/2017
Property, plant and equipment	(22)	(2)	(24)	(2)	(26)
Inventories	133	15	148	45	193
Receivables and prepayments	1.334	173	1.507	188	1.695
Long term borrowings	(113)	49	(64)	38	(26)
Employee benefits	149	10	159	4	163
Trade and other payables	21	21	42	(49)	(7)
Refundable income tax	2.491	(59)	2.432	360	2.792
Other	5	-	5	1	6
Total	**3.998**	**207**	**4.205**	**585**	**4.790**

23. 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, 2016 to December 31, 2016 was as follows:

	Consolidated		Company	
	2017	2016	2017	2016
Current value of non-financing liabilities………………………	786	766	648	635
Net liability recognized on balance sheet	**786**	**766**	**648**	**635**

(All amounts in Euro thousands unless otherwise stated)

Amounts charged to the Statement of Income for the year				
Current employment cost………………………………………	60	66	24	22
Interest of liability……………………………………………...	12	14	12	13
Cost to the statement of income	**72**	**80**	**36**	**35**
Settlements cost	1	33	1	22
Total cost to the statement of income	**73**	**113**	**37**	**57**
Changes in the net current value of liability at 01/01				
Current value…………………………………………………..	766	702	635	601
Current employment cost………………………………………	60	66	24	22
Interest of liability……………………………………………...	12	14	12	13
Benefits paid by the employer…………………………………	(76)	(56)	(56)	(30)
Settlements cost………………………………………………..	1	33	1	22
Actuarial gain/(loss)	23	7	32	7
current value of liability at 31/12	786	766	648	635
Amounts for the current and the previous year				
Current value	(773)	(766)	(648)	(635)
Surplus / (Deficit)	(773)	(766)	(648)	(635)
Trade Adjustments to liabilities	(23)	(7)	(32)	(7)
Actuarial Assumptions				
Discount interest	1,20%	1,90%	1,20%	1,90%
Future Salaries' Increase 2018 -2020	0,00%	2,00%	0,00%	2,00%
Future Salaries' Increase after 2021	1,90%	2,00%	1,90%	2,00%
Inflation	1,90%	2,00%	1,90%	2,00%
Additional payments or expenses	(23)	(7)	(32)	(7)
Changes in the net liability recognized on the balance sheet				
Net liability at beginning of year……………………………….	765	701	635	601
Benefits paid by the employer………………………………….	(75)	(56)	(56)	(30)
Total cost recognized on the statement of income……………...	73	113	37	57
Net liability at end of year	**763**	**758**	**616**	**628**
Statement of recognized Gains /(losses)	23	7	32	7
Adjustment	-	-	-	-
Net liability at end of year	**786**	**765**	**648**	**635**

The above results depend on the assumptions (financial and demographic) of the preparation of the actuarial study. Thus, at the valuation date on 31/12/2016:

- If interest rate higher by 0.5% (that is 1.7%) was used, then the present value of the liability would be lower by approximately 7.6%, whilst, if interest rate was lower by 0.5% (that is 0.7%) was used, then the present value of the liability would be higher by approximately 8.5%.
- If a higher salary growth assumption by 0.5% (that is 0.5% till 2020 and 2.4% for 2021) was used, then the present value of the liability would be higher by approximately 6.0%, whilst, if a lower salary growth assumption by 0.5% was used, then the present value of the liability would be lower by approximately 5.0%

(All amounts in Euro thousands unless otherwise stated)

24. 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.

25. 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 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:

Subsidiaries	**Company**	
Receivables from:	**December 31, 2017**	**December 31, 2016**
F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET ……………………………………………………………….	3.469	2.369
FG EUROPE ITALIA SPA………………………………..	5.311	5.142
FG EUROPE UK LTD	366	-
R.F. Energy S.A.…………………………………………...	12	12
Total	**9.158**	**7.523**
Obligations to:		
F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET ………………………………………………………………………..	**-**	**71**
FG EUROPE UK LIMITED……………..………………………………..	**323**	**-**
	323	**71**

Subsidiaries	**Company**	
Sales of goods and services:	**Year ended December 31,**	
	2017	**2016**
Inventories………………………………………….………	23.475	23.280
Administrative support…………………………………….	25	140
Other………………………………………………………..	30	10
Total	**23.530**	**23.430**

	Company	
Purchases of goods and services:	**Year ended December 31,**	
	2017	**2016**
Inventories………………………………………….………	(86)	-
Other……………………………………………………….	(33)	(169)

(All amounts in Euro thousands unless otherwise stated)

Total	**(119)**	**(169)**

Companies with common shareholding structure	Consolidated		Company	
Receivables from:	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
CYBERONICA S.A………	**1.792**	**576**	**1.778**	**555**

Obligations to:	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
KALLISTI ENERGIAKI S.A	-	-	1.700	-
AIOLIKI KYLINDRIAS S.A.	-	-	900	-
R.F. ENERGY S.A.	-	-	750	-
AIOLIKI ADERES S.A.	-	-	4.600	-
HYDROELECTRICAL ACHAIAS S.A.	-	-	150	-
R.F. ENERGY S.A. OMALIES S.A.	-	-	150	-
	-	-	**8.250**	-

	Consolidated		Company	
Expenses:	Year ended December 31,		Year ended December 31,	
	2017	2016	2017	2016
Rentals……………………	**(3.274)**	**(3.274)**	**(3.163)**	**(3.163)**

	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
Receivables from:	2017	2016	2017	2016
Members of the Board and Directors (Note 11)……………………….	7.114	7.354	7.114	7.354

Obligations to:				
Members of the Board and Directors……………………	2.835	1.000	2.835	1.000

	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
Compensation:	2017	2016	2017	2016
Personnel expenses..…………	(1.872)	(1.658)	(1.053)	(1.050)
Provision for staff leaving indemnity...………………..….	(45)	(31)	(11)	(176)
Total	**(1.917)**	**(1.689)**	**(1.064)**	**(1.067)**

(All amounts in Euro thousands unless otherwise stated)

26. 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.

27. Commitments

27.1 Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2016. The future aggregate minimum lease payments arising from building lease agreements until year 2030 are estimated to amount to €28,880 for the Group and €28,436 for the Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to €279 approximately for the Group and €255 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 €3,595 for the Group.

	Consolidated					
	Year 2017	**< 1 year**	**from 1 year to 2 years**	**From 2 years to 5 years**	**> 5 years**	**Total 2016 hereafter**
Future lease agreements for						
- buildings………………..	3.385	3.136	2.502	7.395	15.847	28.880
- cars……………………..	105	96	93	90	-	279
- fields for installation of Wind Farms	-	12	12	39	3.532	3.595
Total	**3.490**	**3.244**	**2.607**	**7.524**	**19.379**	**32.754**

	Company					
	Year 2017	**< 1 year**	**from 1 year to 2 years**	**From 2 years to 5 years**	**> 5 years**	**Total 2016 hereafter**
Future lease agreements for						
- buildings………………..	3.163	3.025	2.391	7.173	15.847	28.436
- cars……………………..	95	86	83	86	-	255
Total	**3.258**	**3.111**	**2.474**	**7.259**	**15.847**	**28.691**

27.2 Guarantees

To cover the bond loan of € 65.000 received on 10/1/2014, 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..
Moreover, on December 31, 2016, the subsidiary company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of €8,833 (31/12/2015: €9,503), which will be paid off gradually by 2023 (Note 20).

Moreover, shares of the subsidiaries of the Group, KALLISTI ENERGIAKI S.A., AIOLIKI ADERES S.A. and AIOLIKI KYLINDRIAS S.A. have been pledged to secure loans.

(All amounts in Euro thousands unless otherwise stated)

Under the loan agreement from 6/4/2009, productive equipment of the subsidiary KALLISTI ENERGIAKI S.A. of €17,091 has been pledged.(balance €5,021 on 31/12/2017).

According to the Shares Pledge Agreement dated 17/12/2015, R.F. ENERGY S.A. pledged the 100% of shares of the subsidiary R.F. ENERGY OMALIES S.A. in favor of NATIONAL BANK OF GREECE, and also pledged a bank deposit of € 515 as a collateral for the issuance of eleven (11) perpetual letters of guarantee on behalf of R.F. ENERGY OMALIES S.A. These letters were issued in favor of ADMIE S.A., as part of acceptance of the Final Connection Offer for eleven (11) wind farms with total power of 225MW in Karystos, Evia that will be developed by the subsidiary (law 3468/articles 3 and 4, as applicable).

Moreover the group has contingent liabilities in relation to banks, other guarantees and other issues that arise from the ordinary course of the business. No material impact is expected to arise from contingent liabilities. The amount of issued letters of guarantees on 31/12/2016 is €9,493 (€8,909 on 31/12/2015).

28. Post Balance Sheet Events

Following a BoD decision on March 8th, 2018 the Company issued a five-year Bond Loan (syndicated) of €40.98 mil. On March 9th, 2018 the Bond Purchase Agreement and Programme was signed with te following Banks as initial Bondholders: EUROBANK, PIRAEUS BANK, ALPHA BANK and NATIONAL BANK OF GREECE, allocated by 34,69%, 31,04%, 24,81% and 9,46% respectively. Purpose of the loan is the refinance of both short and long term existing borrowings, along with working capital financing. The bonds were issued and purchased within March 2018.
The loan will be repaid in ten (10) semi annual installments. There will be two installments of €3.89 mil., two installments of €2.5 mil., two installments of €3.0 mil., two installments of €3.5 mil., one installment of €3.82 mil. and the last installment of €11.38 mil.

There are no other significant post balance sheet events having occurred after December 31, 2016 concerning the Company and the Group 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 April 27, 2018 and are accessible to the public in electronic form on the company website **http:\\www.fgeurope.gr**

Glyfada, April 27, 2018

Chairman of the Board of Directors	**Managing Director**	**Finance Manager**	**Accounting Supervisor**
Georgios Fidakis **ID No AK723945**	**Ioannis Pantousis** **ID No Ξ 168490**	**Michael Poulis** **R.G 016921**	**Athanasios Harbis** **R.G 0002386**

(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 2017

(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) ,Konstantinos Demenagas (Executive member),Athanasios Fidakis, father's name:Konstantinos (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) :	**April 27, 2018**
Auditor: :	**Manolis Michalios (SOEL Reg. No. 25131)**
Audit Company:	**Grant Thornton S.A. (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	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Tangible assets	47.214	52.291	588	709
Investments in Property	236	241	236	241
Intangible assets	6.441	6.724	3	4
Other non current assets	14.794	14.185	47.706	46.198
Inventories	39.864	37.648	36.109	34.330
Trade receivables	37.952	34.532	31.386	24.846
Other current assets	5.351	9.923	2.603	6.317
TOTAL ASSETS	**151.852**	**155.544**	**118.631**	**112.645**
NET EQUITY AND LIABILITIES				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	1.540	2.796	14.520	16.148
Total equity attributable to the owners of parent company (a)	**17.380**	**18.636**	**30.360**	**31.988**
Minority interests (b)	21.560	20.918	-	-
Total equity (c)=(a)+(b)	**38.940**	**39.554**	**30.360**	**31.988**
Long term borrowings	49.581	62.311	42.353	53.324
Provisions / Other long-term liabilities	21.584	22.215	648	635
Short term borrowings	20.459	14.012	18.168	12.212
Other short term liabilities	21.288	17.452	27.102	14.486
Total liabilities (d)	**112.912**	**115.990**	**88.271**	**80.657**
TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)	**151.852**	**155.544**	**118.631**	**112.645**

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

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Equity balance at the beginning of the year (1/1/2017 and 1/1/2016 respectively)	39.554	36.555	31.988	31.476
Total comprehensive income after taxes	(613)	2.138	(1.628)	512
Minority interest increase/(decrease)	-	861	-	-
Equity at the end of the year (31/12/2017 and 31/12/2016 respectively)	38.941	39.554	30.360	31.988

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

	GROUP		COMPANY	
	1/1-31/12/2017	1/1- 31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Turnover	97.055	94.786	80.863	75.459
Gross profit	24.476	23.556	15.505	13.496
Earnings / (losses) before taxes, financing and investing activities	**4.298**	**7.246**	**1.116**	**3.381**
Earnings / (losses) before taxes	250	3.254	(2.180)	312
Earnings / (losses) after taxes (A)	**(100)**	**2.488**	**(1.605)**	**517**
Attributable to:				
Equity holders of the parent company	(988)	1.776	-	-
Minority interest	888	712	-	-
Other comprehensive income after tax (B)	(513)	(350)	(23)	(5)
Total comprehensive income after tax (A)+(B)	**(613)**	**2.138**	**(1.628)**	**512**
Attributable to:				
Equity holders of the parent company	(1.292)	1.581	-	-
Minority interest	679	557	-	-
Earnings / (losses) per share – basic (in Euro)	**(0.0187)**	**0,0336**	**(0.0304)**	**0,0098**
Proposed dividend distribution - (in Euro)	-	-	-	-
Earnings before interest, depreciation, amortization and taxes	**8.061**	**11.057**	**1.267**	**3.573**

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

	GROUP		COMPANY	
Indirect method	1/1-31/12/2017	1/1-31/12/2016	1-1-31/12/2017	1/1-31/12/2016
Operating Activities				
Earnings / (losses) before taxes	249	3.254	(2.180)	312
Add / (less) adjustments for:				
Depreciation and amortization	3.763	3.811	151	192
Provisions	568	1.126	387	792
Exchange rate differences	(7)	(654)	138	(646)
Result of investment activity	(12)	(604)	5	(564)
Interest and similar expenses	4.098	5.003	3.366	3.998
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(2.882)	(3.211)	(1.933)	(3.893)
Increase / (decrease) in receivables	(4.137)	1.529	(7.102)	8.524
(Decrease) / increase in liabilities (other than banks)	4.635	(6.677)	12.739	(8.510)
Less:				
Interest and similar expenses paid	(4.079)	(4.092)	(3.486)	(3.193)
Taxes paid	(60)	(106)	(1)	-
Total inflow / (outflow) from operating activities (a)	**2.136**	**(621)**	**2.084**	**(2.988)**
Investing Activities				
Acquisition of subsidiaries and other investments	-	(167)	(644)	(1.220)
Proceeds from the sale of subsidiaries, associates, joint ventures and other investments	-	665	-	665
Purchase of tangible and intangible assets	(124)	(189)	(26)	(18)
Proceeds from the sale of PPE and intangible assets	2	182	2	180
Interest income	31	74	14	33
Total inflow / (outflow) from investing activities (b)	**(91)**	**565**	**(654)**	**(360)**
Financing Activities				
Proceeds from capital increase	-	862	-	-
Borrowings from banks	6.515	31.000	5.757	31.000
Payments of borrowings	(13.132)	(42.870)	(10.901)	(37.087)
Total inflow / (outflow) from financing activities (c)	**(6.617)**	**(11.008)**	**(5.144)**	**(6.087)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**(4.572)**	**(11.064)**	**(3.714)**	**(9.435)**
Exchange rate differences	**-**	**372**	**-**	**372**
Cash and cash equivalents at beginning of the year	**9.923**	**20.615**	**6.317**	**15.380**
Cash and cash equivalents at the end of the year	**5.351**	**9.923**	**2.603**	**6.317**

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) Within the first half of 2017 the Company established subsidiary in England named FG EUROPE UK LIMITED. The newly incorporated subsidiary consolidated for the first time in the financial statements, but their participation had no effect greater than 25% in the Group 'turnover' and 'equity'.

3) Apart from the above mentioned subsidiary there are no companies which are included in the consolidated financial statements of the period 1/1-31/12/2017 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 1/1-31/12/2017 and which had been consolidated in the corresponding period of 2016. 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 loss for the Group and the Company of € 513 and of € 23 respectively and concerns, a) losses € 500 for the Group represents difference in exhange at the consolidation of Group Companies in foreign currency and b) losses of € 13 and € 23 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, 2017.

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 and the Company have made provisions for additional taxes and penalties amounting to € 262 and € 208 respectively. 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 (8) in the annual financials statements.

8) The Group and the Company have not made "'General provisions" on December 31, 2017.

9) The number of employees as of December 31, 2017 was : Group 138, Company 92 persons.

December 31, 2016 was : Group 124, Company 88 persons.

10) The transactions and balances for the period ending December 31, 2017 with related parties as defined by IAS 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	**-**	**23.530**
b) Purchases of goods and services	**3.274**	**3.282**
c) Receivables from related parties	**1.792**	**10.936**
d) Payables to related parties	**-**	**8.573**
e) Key management personnel compensations	**1.917**	**1.064**
f) Receivables from key management personnel	**7.114**	**7.114**
g) Payables to key management personnel	**2.835**	**2.835**

11) There are no significant events subsequent to December 31, 2017 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 (28) of the annual financial statements.

GLYFADA, ATTIKIS APRIL 27, 2018

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	FINANCE DIRECTOR	CHIEF ACCOUNTING OFFICER
GEORGIOS FIDAKIS ID No AK 723945	IOANNIS PANTOUSIS ID No Ξ 168490	MIHALIS POULIS R.G. 016921	ATHANASIOS HARBIS R.G. 0002386