ANNUAL FINANCIAL REPORT
as at 31 DECEMBER 2016

Based on International Financial Reporting Standards

Athens Tower, Building B, 2-4 Mesogheion Avenue,
GR-11527, Athens

www.cablel.gr

General Commercial Registry No. 117706401000

TABLE OF CONTENTS

A. ANNUAL REPORT BY THE BOARD OF DIRECTORS

B. AUDIT REPORT BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

C. ANNUAL FINANCIAL STATEMENTS (SEPARATE)

STATEMENT OF COMPREHENSIVE INCOME
STATEMENT OF FINANCIAL POSITION
STATEMENT OF CHANGES IN EQUITY
STATEMENT OF CASH FLOWS
NOTES ON THE FINANCIAL STATEMENTS

A. Annual Report by the Board of Directors

ANNUAL REPORT
BY THE BOARD OF DIRECTORS OF "HELLENIC CABLES S.A."
ON COMPANY'S FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2016

Dear Shareholders,

In the context of the provisions of Law 2190/1920 and the relevant decisions of the Articles of Association of HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A. (former SYMM.EP. S.A.) (hereinafter "Hellenic Cables" or the "Company"), we hereby submit this Annual Financial Report of the Board of Directors on 2016, namely the period from 1 January 2016 to 31 December 2016.

1. Development, performance and position of the Company

a. General remarks

During 2016, a major corporate transformation took place when the absorption of the industrial sector and part of the commercial sector of "HELLENIC CABLES S.A. HOLDINGS SOCIÉTÉ ANONYME" was completed and our company was renamed to "HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A.". The financials of the Company were considerably increased following the absorption of said sector, including holdings in Fulgor S.A. and Lesco EOOD.

In this light, the sales volume amounted to 27.4 thousand tons relating exclusively to products of the absorbed sector and accordingly the turnover amounted to €119 million.

In 2016, positive cash flows of €12.9 million from operating activities were recorded, but outflows of €2.6 million were made and finally the Company's net borrowing amounted to €122.1 million.

b. Significant events in 2016

i. Completion of the absorption of the industrial sector and part of the commercial sector of HELLENIC CABLES S.A. HOLDINGS SOCIÉTÉ ANONYME

On 30 June 2016, the absorption of the industrial sector and part of the commercial sector of "HELLENIC CABLES S.A. HOLDINGS SOCIÉTÉ ANONYME"was completed in accordance with the provisions of Law 4172/2013, based on the transformation balance sheet as at 31/12/2015. Based on the provisions of Law 4172/2013, the results of the sector by the date the sector's absorption was completed as well as all sector-related acts and transactions of the contributor are considered in accounting terms as taking place on behalf of the contributor while the financial results generated during that period benefited the contributor. Therefore, these financial statements include the results generated from the absorbed sector of cables as of 1 July (day following the approval of the spin-off by competent authorities) until the end of this fiscal year.

ii. Amendment to articles 1, 5 and 15 of the Articles of Association

The Extraordinary General Meeting held on 8 June 2016, which approved the absorption of the industrial sector and part of the commercial sector of cables, amended the name of the company from "SYMM.EP. S.A. - HOLDINGS AND INVESTMENTS COMPANY" to "HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A." (article 1 of the Articles of Association), article 15 on the number of Board of Directors members and article 5 on the amount of share capital and the number of the Company's shares.

c. Financial performance

Market information – Economic environment

During the second half of 2016, the low prices on London Metal Exchange (LME), the drop in demand for medium and low voltage cables on European markets and delays in new energy projects did not help the Company record profits.

Notes on Results

In 2016, the Company's turnover amounted to €119 million.

In the domestic market, the Company maintained its leading position for one more year. In the domestic market, the turnover amounted to €37.2 million while exports amounted to €81.8 million.

The Company's gross profit amounted to €4.5 million while earnings before interest, taxes, depreciation and amortisation (EBITDA) were equal to profits of €6 million. Accordingly, earnings before interest and taxes (EBIT) amounted to profits of €3.2 million.

Company results before tax were equal to losses of €2.4 million while net results stood at losses of €3.1 million.

Moreover, the Company continued to take initiatives in order to improve its competitiveness and reduce production cost. Such initiatives focus on increasing the output of the plants, decreasing payroll cost per unit of manufactured product and reducing the cost of the raw materials used in manufacturing the Company's products. Further, it should be noted that the valuation of metal base inventory (non-hedged on the exchange market) had a significant negative effect (approximately €2.3 million) on the Company's performance, due to the change in prices on metal exchanges.

Investments – Holdings:

Following absorption of the industrial sector and part of the commercial sector of cables, the Company runs three plants: the plant manufacturing power cables and fibre-optic telecommunication cables in Thiva, the enamelled wires plant in Levadia and the compounds plant in Oinofyta.

In 2016, investments amounted to €2.4 million and concern selective investments made mainly in Thiva plant which primarily aim at improving capacity, productivity and the overall flexibility of the Company so as to enhance its competitiveness in the ever-changing market.

Moreover, significant holdings have been acquired following absorption of the industrial sector and part of the commercial sector of cables:

- FULGOR S.A. (100%): A company which manufactures low, medium, high voltage power cables, medium and high voltage submarine cable, copper and aluminium rods, and operates a plant in Soussaki, Korinthia,
- Lesco O.o.d. (100%): Timber processing company located in Blagoevgrad, Bulgaria. It is exclusively involved in the manufacturing of wooden packaging products (pads, wheels, pallets, packaging boxes) such as wooden reels used in winding various cables.

The acquisition cost of the holdings amounts to €89.3 million.

Other remarks on the Statement of Financial Position

The Company's net borrowing amounted to €122.1 million on 31.12.2016 compared to €131.7 million on 30.06.2016 (date on which the absorption of the parent company's industrial sector and part of the commercial sector of cables was approved), as a result of the effective management of working capital.

The important changes in the Company's Statement of Financial Position are due to the absorption of the industrial sector and part of the commercial sector of cables. In brief, the table below presents the values of the sector's absorbed assets on 30 June 2016, i.e. the date when the absorption was completed:

ASSETS	
Property, plant and equipment	69,304,257
Intangible assets	3,382,028
Investment property	200,992
Investments in subsidiaries and affiliates	89,330,230
Other investments	218,136
Other receivables	971,982
Total non-current assets	**163,407,625**
Inventories	58,749,606
Trade and other receivables	102,275,532
Derivatives	110,635
Cash and cash equivalents	4,813,300
Total current assets	**165,949,074**
Total assets (A)	**329,356,698**
LIABILITIES	
Loans	69,044,799
Defined benefit obligation	1,242,054
Grants	5,089,558
Deferred tax liabilities	3,644,842
Total long-term liabilities	**79,021,252**
Loans	67,488,924
Trade and other liabilities	90,150,301
Derivatives	316,524
Total short-term liabilities	**157,955,749**
Total liabilities (B)	**236,977,002**
Value of absorbed sector (A-B)	**92,379,697**

Ratios and Alternative Performance Measures

Hellenic Cables Management has adopted, monitors and reports internally and externally Profit & Loss Alternative Performance Measures. These APMs allow meaningful comparisons of the Company's performance and constitute the base for decision making by Management.

Liquidity: This is an indicator of how short-term liabilities are met by current receivables and is calculated by the ratio of current assets to short-term liabilities. The financials are drawn from the Statement of Financial Position. As regards the Company, its financials for the ending year and the comparable previous year are as follows:

Liquidity	2016	2015
Current assets / Short-term liabilities	0.98	-

Gearing: This is an indicator of leverage and is represented by the ratio of equity to debt. The amounts are used as presented in the Statement of Financial Position. For 2016 and 2015 gearing was as follows:

Gearing	2016	2015
Equity / Debt	0.70	-

Return on capital employed: It is a ratio that measures the efficiency with which both debt and equity is employed and is measured by the ratio of operating results to debt and equity. The amounts are used as shown in the Income Statement and the Statement of Financial Position. Company figures for 2016 and last year were as follows:

Return on capital employed	2016	2015
Operating results / (Equity + Debt)	3.6%	-5.4%

Return on equity: It measures the efficiency of the Company's equity and is measured by the net profit/(losses), net of tax to total equity. The amounts are used as shown in the Income Statement and the Statement of Financial Position. For the ending year 2016 and last year, it is as follows:

Return on equity	2016	2015
Net Profit/ Equity	-3.5%	-4.4%

Profitability:

	2016	2015
Gross Profit Margin (Gross profit/ Sales)	3.8%	-
Net Profit Margin (Net profit / Sales)	-2.6%	-
EBITDA*	5,964,310	-2,693
EBITDA margin* (EBITDA / Sales)	5.0%	-
a–EBITDA**	8,234,317	-2,693
a–EBITDA margin** (a-EBITDA / Sales)	6.9%	-

*EBITDA: It measures Company profitability before interest, taxes, depreciation and amortisation. It is calculated by adjusting depreciation and amortisation in operating profit as indicated in the income statement.

	2016	2015
Operating profit/(loss)	**3,195,240**	**-2,993**
Adjustments for:		
+ Depreciation of tangible assets	2,661,316	-
+ Amortization of intangible assets	297,110	301
- Amortization of grants	-189,356	-
EBITDA	**5,964,310**	**-2,693**

**a–EBITDA: adjusted EBITDA measures an entity's profitability after adjustment for:

- metal price lag,
- restructuring costs,
- exceptional idle costs,
- impairment and obsolescence of fixed assets.
- impairment and obsolescence of investments,
- gains/(losses) from sales of fixed assets and investments if included in operating income,
- other impairment

	2016	2015
EBITDA	**5,964,310**	**-2,693**
Adjustments for:		
+ / - metal price lag	2,265,366	-
+ Fixed assets impairment	4,640	-
a-EBITDA	**8,234,317**	**-2,693**

Metal price lag is the P&L effect resulting from fluctuations in the market prices of the underlying commodity metals used as raw materials in the end-product production processes.
Metal price lag exists due to:

(i) the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to customers,
(ii) the effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the amount reported as Cost of Sales, due to the costing method used (e.g. weighted average),
(iii) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.
The Company uses back to back matching of purchases and sales, or derivative instruments in order to minimize the effect of the Metal Price Lag on results. However, there will be always some impact (positive or negative) in the P&L, since part of the inventory is treated as fixed asset and not hedged.

2. Objectives and Outlook for 2017

The developments in Greece during the last months of 2016 intensified the financial uncertainty, while the discussions at a national and international level regarding the review of Greece's financing program terms prolonged the volatility in the macroeconomic and financial environment in Greece. Nevertheless, the situation was stabilised in relation to 2015, thus enabling a smooth flow of operations.
Taking into consideration that the two thirds of the Company's sales are intended for non-Greek markets, the sales in the domestic market concern the performance of already signed contracts for projects having secured their financing and also the fact that the Company has access to funding sources outside Greece, the Company estimates that any negative developments in the Greek economy are not expected to have a considerable impact on its smooth operation.

As regards the global economy, based on current data, demand seems slackened in key European markets but a reversal of the situation is expected, driven by the increased demand of European public utilities anticipated for the period to come. Moreover, signs of recovery have been registered in other sectors too, since the liquidity in the market seems to improve (major projects gradually receive funding) while the depreciation of Euro in relation to US dollar seems to generate positive outlook for enhanced competitiveness outside the Eurozone.

Hellenic Cables remains optimistic regarding 2017 despite the volatile business environment and Management assesses the situation on an ongoing basis in order to secure that all necessary and possible steps and actions are taken to minimise any effect on the Company’s operations. The Company has undertaken important projects involving high-voltage submarine cables, which are mainly performed by the subsidiary Fulgor S.A., has been certified by international energy network operators and has successfully taken part in important tenders for underground and submarine cables. The initiatives taken the last few years have focused on developing a competitive sales network and also on increasing productivity and reducing production cost. Therefore, the Company is in a position to seize any opportunities emerging worldwide and rival the top companies of the industry.

3. Non-financial reporting

3.1 Corporate Responsibility and Sustainable Development

Hellenic Cables and its subsidiaries have incorporated Sustainable Development principles in their business operations and their functioning, acknowledging that their long-lasting development and prosperity of the society may be achieved only if they develop Corporate Responsibility actions. The care for the Health and Safety of employees, respect and protection of natural environment, integrated fulfilment of customers' needs and harmonious co-existence with the local communities in which they operate are the key pillars of Sustainable Development of Hellenic Cables and its subsidiaries.

Wishing to meet the commitments Hellenic Cables and its subsidiaries have undertaken, in addition to compliance with laws, they plan and implement corresponding programs while also setting strategic priorities which focus on the following pillars of Corporate Social Responsibility:

1. Economy – Growth – Governance
2. Market
3. Human Resources - Health and Safety at Work
4. Environment
5. Local Communities

Specifically, management of Corporate Responsibility by Hellenic Cables and Fulgor is based on the development and implementation of certified management systems. The Companies aim to implement Corporate Responsibility actions that apply to the entire range of their activities and plants. To achieve this objective and also register high performance in all sectors, they have based their functioning on the implementation of management systems. Specifically, the following systems are applied:

Environmental Management System as per ISO 14001
Hellenic Cables and its subsidiary Fulgor implement and are certified based on ISO 14001 international standard in all its manufacturing facilities (Thiva, Levadia, Oinofyta and Korinthia). Hellenic Cables and its subsidiaries believe it is of utmost importance to develop an operational and administrative model based on the following three commitments:

- Prevention of pollution,
- Continuous improvement of environmental performance, and
- Compliance with applicable laws.

Work Health and Safety Management System as per OHSAS 18001
In the field of Health and Safety, Hellenic Cables and Fulgor implement international standard OHSAS 18001, as they seek to establish specific health and safety rules and to implement organised actions to protect their employees. The primary objective is to eliminate any incidents and to help all employees understand the health and safety culture. It is noted that all manufacturing facilities have obtained certification for their Work Health and Safety systems according to international standard OHSAS 18001.

ISO 9001-compliant quality management system
Top quality of products is inextricably linked to the strategy of Hellenic Cables which dictates systematic and effective quality controls throughout all stages of the production process. Since 1986, the Company has developed and has been implementing a quality policy and a Quality Management System (QMS) based on the requirements of ISO 9001:2008.
All products have acquired compliance labels and licences to use quality labels by internationally acclaimed certification bodies, which is a concrete proof of the controls and high specifications applicable to their production.

Business continuity management system as per ISO 22301 requirements
Given that any crisis could affect productivity, profitability and the trust of all stakeholders, in 2015 Hellenic Cables and its subsidiary Fulgor developed a special Business Continuity Plan, which was certified in 2016 according to ISO 22301:2012 international standard.
Developing, implementing and certifying Management Systems is a dynamic tool aiming at the smooth operation of Hellenic Cables and its subsidiaries, as well as at their continuous improvement. Moreover, the independent certification of management systems based on internationally acclaimed standards has resulted in an annual action plan incorporated in corporate strategic planning.

3.2 Responsibility to our People

Employees are the driving force of the growth of Hellenic Cables and its subsidiaries. Having acknowledged the major contribution of employees to the prosperity of Hellenic Cables and its subsidiaries, the Company takes consistent, ongoing steps to maintain an outstanding working environment distinguished by equal opportunities and equal rights for everyone, trust among employees and Management, ongoing training and learning, "open-door" communication and fair remuneration. In addition, the Code of Ethics, which is based on the guidelines of ISO 26000 on Social Responsibility, the UN Global Compact's Ten Principles and OECD Guidelines for Multinational Enterprises, helps the Company adopt common beliefs and disseminate corporate culture to all posts and hierarchy levels.

The key priority and standard investment of Hellenic Cables is to provide its employees with ongoing education and training, aiming at their personal and professional development. Ongoing development and improvement of the employees' skills and capacities is a personnel retention factor, which secures the continuous development of the Company itself. This development is also achieved through the active involvement of employees in decision-making by making use of a new ideas and proposals submission system.
The establishment of a new ideas and proposals submission system helps employees work based on the principle of prevention and seek the ongoing development and improvement of their own work and the wide-ranging procedures implemented within the Company.

New ideas and proposals submission system
The system of new ideas and proposals submission was implemented for the first time in 2012 and since then was officially adopted within Hellenic Cables. Every year, employees submit new proposals and ideas about issues involving production, maintenance, safety at work, environmental protection and overall functioning of sales departments and/or financial services.
All submitted ideas and proposals are initially reviewed by the evaluation team (Plant Manager, Design Department Manager and Technical Manager) and are further forwarded to the General Management which decides which should be implemented and finally rewarded.

New ideas and proposals are submitted within the Company as follows:

- Improvement proposals and new ideas are collected
- Proposals are evaluated
- Management is informed about any proposals involving changes

- Suggested changes are implemented
- The new ideas that have been implemented are rewarded

Development of the new ideas and proposals submission system over time

Year	Ideas submitted	Ideas awarded
2012	8	6
2013	30	20
2014	20	17
2015	10	10

In 2016, 7 new ideas were submitted and, following assessment, 6 were awarded a prize. The submitted proposals are fewer in relation to previous years as most issues involving improvements have been covered to a large extent.

Training

Employee training is a key factor for their development and, thus, for improving the Company's competitiveness. In addition, the involvement of employees in training actions is a key factor of success in their performance evaluation. Every year, a number of educational and training plans are held in individual operating segments so that all employees are able to expand their knowledge, improve their productivity and help find innovative solutions.

3.3 Care for the Environment

Our standard objective over time is to ensure the Company's responsible economic growth with the reduction of our environmental impact being our key priority. More specifically, the nature of our operations makes our Company to operate in such a manner as to save energy, minimise the use of natural resources and reduce as much as possible our environmental footprint.
Hellenic Cables has appointed a specific executive as Environmental Officer for each manufacturing facility. The Environmental Officer is required to organise and provide guidelines to all employees, abide by the environmental policy principles and monitor performance in relation to the strategic goals set by the Company and falling under the Environmental Management System it implements.

Hellenic Cables and its subsidiary Fulgor manage environmental issues as an integral part of their operational policy. Meanwhile, an Integrated Environmental Management System has been planned and implemented in all manufacturing facilities, which is controlled and certified according to ISO 14001:2004 requirements.

Key environmental indicators

Hellenic Cables and its subsidiary Fulgor have developed specific indicators to monitor performance in environmental issues, the most important of which relate to electric and thermal energy consumption (total and specific consumption per ton of product and per plant), direct and indirect carbon dioxide emissions (total and special values per ton of product and per plant), use of water and overall waste monitoring and management. Thus, they record and monitor the effects of their activities and systematically implement actions focused on environmental protection. HELLENIC CABLES acknowledges Corporate Responsibility as a necessity since it plays an important role in the process towards Sustainable Development. Our focus on the principles of Corporate Responsibility and Sustainable Development is reflected in both the long-term corporate strategy and our everyday activities.

3.4 Responsibility to the Market

Hellenic Cables is an active player in both domestic and international market. The objective of the Company is to manufacture high quality products which are reliable, fulfil customers' special requirements and expectations and meet the needs and challenges of modern technology and integrated services. To attain its objectives and expand to new markets, the Company makes continuous investments in the development of new products and services.

3.5 Responsibility to Society

Hellenic Cables attaches particular importance to contribution to the society, as illustrated by the efforts and initiatives of both Management and its employees. The objective of our Company is to contribute to the development of local communities and especially to the generation of added value for the surrounding communities. Local Employment, Local Economy and Volunteerism are the pillars through which Hellenic Cables aims to strengthen local communities.

4. Main risks and uncertainties

Company risk management policies are implemented to recognise and analyse risks faced by the Company and to set risk assumption limits and implement checks and controls relating to them. Risk management policies and the relevant systems are periodically examined to incorporate changes occurred in market conditions and Company operations.

The compliance with risk management policies and procedures is supervised by the Internal Audit Department which carries out scheduled and unscheduled audits on how risk management procedures are being implemented, and the findings are notified to the Board of Directors.

4.1 Credit risk

Credit risk is the risk of loss by the Company where a customer or third party in a financial instrument transaction does not discharge his/its contractual obligations and primarily relates to customer receivables and investments in securities.

4.1.1 Trade and other receivables

Company exposure to credit risk is primarily affected by the features of each customer. The statistics associated with the Company's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. During the fiscal year, no customer accounted for more than 10% of the sales for the year and thus the trading risk is spread over a large number of customers.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinised individually as regards their creditworthiness before standard payment terms are proposed to them. The creditworthiness control performed by the Company includes an examination of information from banking sources and other third party credit rating sources, if any. Credit lines are set for every customer, and they are re-examined in the light of current circumstances and, if required, the relevant sales and payment terms are readjusted accordingly.

Customer credit lines are normally determined based on the insurance lines obtained for them from insurance companies and then receivables are insured based on such credit lines. Given that a significant number of insurance limits of Greek customers has been discontinued, the credit lines for domestic customers were considerably reduced while the risk was further diminished through the reduced credit period currently granted to Greek customers.

In monitoring customer credit risk, customers are grouped depending on their credit characteristics, the ageing profile of their receivables and the existence of any possible previous difficulties in collecting receivables. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. According to the customer's history and capacity, in order to secure its receivables, the Company requests real guarantees or collateral (i.e. letters of guarantee), when possible.

The Company makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. The above provision includes mainly impairment losses relating to specific receivables which, based on given conditions, are expected to be incurred, but are not finalised yet.

4.1.2 Investments
Investments are classified by the Company depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each presentation date.

4.1.3 Guarantees
The Company's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees may be provided solely to subsidiaries and affiliates based on a resolution passed by the Board of Directors.

4.2 Liquidity risk

Liquidity risk is the risk that the Company will fail to fulfil its financial liabilities upon maturity. The approach adopted by the Company to manage liquidity is to ensure, by holding absolutely necessary cash assets and adequate credit lines from cooperating banks, that it always has adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being put at risk.
To avoid liquidity risk the Company makes a cash flow provision for one year when preparing the annual budget and makes a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including coverage of its financial obligations. This policy does not take into account the impact of extreme conditions that cannot be foreseen.

4.3 Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Company's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Company exposure to such risks in the context of acceptable parameters while at the same time improving performance.
The Company uses transactions on derivative financial instruments in order to hedge a part of market conditions risks.

4.3.1 Metal Raw Material Price Fluctuation Risk (copper, aluminium, other metals)
The Company bases both its purchases and sales on stock prices/indices linked to the prices of copper, aluminium and other metals which are used by the Company and included in its products. The risk from metal price fluctuation is covered by hedging instruments (futures and options on London Metal Exchange-LME). The Company, however, does not use hedging instruments for the entire basic stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

4.3.2 Exchange rate risk
The Company is exposed to exchange rate risk from sales and purchases and from loans taken out in a currency other than the functional currency of the Company's companies, which is mainly Euro. The currencies in which these transactions are conducted are mainly the Euro, the US dollar and the pound.

Over time, the Company hedges the largest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency.
The Company mainly enters into foreign currency futures with its foreign counterparties in order to hedge the risk of exchange rate changes, which primarily mature in less than one year from the balance sheet date. When necessary, such futures are renewed upon expiry. On a per-case basis, exchange rate risk may also be hedged by obtaining loans in the respective currencies.
Loan interest is in the same currency as that used in the cash flows arising from the Company's operating activities, which is mainly Euro.

4.3.3 Interest rate risk

The Company obtains funds for its investments and its working capital needs through bank and bonded loans, and thus debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Company will bear additional borrowing costs.
The interest rate risk is mitigated, when deemed necessary, either by obtaining loans at fixed interest rates or by using financial instruments.

4.3.4 Capital management

The Company's policy is to maintain a robust capital base, in order to keep the Company trustworthy among investors, creditors and market players, and enable the future development of the Company's operations. The Board of Directors monitors return on equity, which is defined by the Company as the net results divided by the total net worth, exclusive of non-convertible preferred shares and minority interest. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.
The Board of Directors tries to maintain a balance between the higher performance levels which would be attained through increased loans and the advantages and security offered by a robust and healthy capital base.
The Company does not have a specific treasury stock purchasing plan.
No changes were made to the approach adopted by the Company concerning capital management during the fiscal year.

4.3.5 Macroeconomic environment

In the context of the aforementioned analysis, the Company has assessed any effects on the management of financial risks due to the macroeconomic conditions applicable in the markets in which it operates.
In early 2017 in Greece, negotiations with the Institutions for concluding the review of the current financing program are still under way. The return of economic stability depends to a large extent on the actions and decisions taken by institutions in Greece and abroad. However, taking into account the nature of Hellenic Cables activities which lies in exports by the largest part (for instance, at Company level, 68.7% of the turnover in 2016 was channelled into exports) and the Company's financial position, any adverse developments in the Greek economy are not expected to have a significant impact on its smooth operation. As regards the plants' production capacity, no problems are anticipated given that exports generate enough cash flows to cover the imports of all raw and other materials required for production. The availability and prices of key raw materials follow and are determined by the international market and, thus, are not affected by the circumstances in Greece.

In the United Kingdom, despite the result of the vote on 23 June 2016, the growth rates at the end of 2016 remained positive by 0.7% in relation to the 3rd quarter (Q on Q) and by +1.8% in relation to 2015 rates. The statistics announced made a positive contribution to the stabilisation of the pound and despite the initial shock retail consumption was increased in the last quarter of 2016 and the main retailers did not raise prices. In relation to the Company's activity, we do not think that our Company will be marginalised as a result of Brexit. Most of our competitors in the cables sector operate within the Eurozone and will react to the exchange rate fluctuations.
Nevertheless, Management assesses the situation and its eventual implications on an ongoing basis in order to secure that all necessary and possible steps and actions are taken to minimise any effect on the Company’s activities.

4.4 Environmental / Occupational risk

The Company has realised the interaction between its operation and the natural and working environment. This is why the Company implements policies and systems and makes continuous investments in research and development of know-how which help it achieve its objective of Sustainable Development.
In addressing the potential impact on the Environment (environmental risk) and on the Health and Safety of its workforce (occupational risk), the Company performs all necessary risk assessment studies and takes preventive measures and initiatives, monitoring the relevant indicators (Quality, Environment, Health and Safety) it has established. These indicators are monitored and evaluated regularly and are communicated to all Group levels. In addition, the Company has obtained certification of the Quality Management System as per ISO 9001:2008, of Environmental Management as per ISO 14001:2004 and of Occupational Health and Safety as per OHSAS 18001:2007 with respect to all Company plants in Greece.

5. Share capital of Company subsidiaries - Exemption from the preparation of consolidated financial statements

		31/12/2016		
CORPORATE NAME	**Currency**	**Number of Shares**	**Nominal value of share**	**Share capital**
Subsidiaries				
FULGOR	Euro	13,610,237	2.94	40,014,096
LESCO OOD	Euro	5,850	51.54	301,506

The Company is exempted from preparing consolidated financial statements because its financial statements are included in the consolidated financial statements of the parent company Cenergy Holdings S.A. and VIOHALCO SA/NV traded on Euronext Brussels and the Athens Stock Exchange.

6. Company Branches

The Company keeps:

I. a branch in Tavros, 252 Peiraios street, where it houses its commercial departments;
II. a branch at Kalochori, Thessalonica, for the sale of its products in northern Greece;
III. a branch at Aghios Georgios, Levadia, where its enamelled wire plant is located;
IV. a branch at Oinofyta, Viotia (53rd km of Athens-Lamia National Highway) where the plant of plastic and rubber compounds is located;
V. a branch at Thiva, Viotia (69th km of Athens-Thiva Old National Highway) where the cable production plant is located;
VI. a branch at Marousi (33, Amarousiou Halandriou Avenue) where the Company's principal establishment is located;
VII. a branch in Cyprus (28 Chytron St., B42, Nicosia) to sell its products.

7. Conclusions

Dear Shareholders, we presented an account of the fiscal year 2016, the risks and how these were managed together with the prospects and development of the Company for 2017.

In conclusion, dear Shareholders, we would like first to express our gratitude for the trust that you have shown in the Company and we request you to approve the Company’s Financial Statements, as well as the present Report, for the fiscal year that ended on 31 December 2016.

Athens, 10 May 2017

The Chairman of the Board of Directors
Ioannis Batsolas

B. Audit Report by Independent Certified Public Accountant

Independent Auditor's Report

To the Shareholders of the "Hellenic Cables S.A. Hellenic Cable Industry S.A."

Report on the Financial Statements

We have audited the accompanying financial statements, of the Company "Hellenic Cables S.A. Hellenic Cable Industry S.A.", which comprise the statement of financial position as at December 31, 2016, and the 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing, which have been incorporated into Greek Law (FEK/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Deloitte.

Opinion

In our opinion the accompanying financial statements, present fairly, in all material respects, the financial position of the Company "Hellenic Cables S.A. Hellenic Cable Industry S.A." as of December 31, 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into account that management is responsible for the preparation of the Director's Report in accordance with the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note that:

a) In our opinion the Director's Report has been prepared in accordance with the applicable requirements of article 43a of Cod. L. 2190/1920 and its content corresponds to the accompanying financial statements of the year ended 31/12/2016.

b) Based on the knowledge we have obtained during our audit about the Company "Hellenic Cables S.A. Hellenic Cable Industry S.A." and its environment, we have not identified any material inconsistency in the Director's Report.

Athens, May 26, 2017

The Certified Public Accountant

Andreas Ch. Barlikas
Reg. No SOEL: 13991
Deloitte. Certified Public Accountants S.A.
3a Fragoklissias & Granikou str., 151 25 Maroussi
Reg. No. SOEL: E. 120

C. Annual Financial Statements

ANNUAL FINANCIAL STATEMENTS
as at 31 DECEMBER 2016

Athens Tower, Building B, 2-4 Mesogheion Avenue
Athens, GR-115 27

www.cablel.gr

General Commercial Registry No. 117706401000

Table of contents

STATEMENT OF COMPREHENSIVE INCOME 2
STATEMENT OF FINANCIAL POSITION 3
STATEMENT OF CHANGES IN EQUITY 4
STATEMENT OF CASH FLOWS 5
1. INFORMATION ON THE COMPANY 6
2. PRESENTATION BASIS OF FINANCIAL STATEMENTS 6
3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENT OF EXISTING STANDARDS 8
4. ACCOUNTING POLICIES 11
5. SECTOR'S ABSORPTION 19
6. REVENUE 21
7. OTHER INCOME 21
8. OTHER EXPENSES 22
9. EXPENSES BY NATURE 22
10. PERSONNEL EXPENSES 22
11. FINANCE INCOME 23
12. FINANCE EXPENSES 23
13. CONSTRUCTION CONTRACTS 23
14. PROPERTY, PLANT AND EQUIPMENT 24
15. INTANGIBLE ASSETS 26
16. INVESTMENT PROPERTY 26
17. INVESTMENTS IN SUBSIDIARIES 27
18. OTHER INVESTMENTS 27
19. INCOME TAX 28
20. INVENTORIES 30
21. TRADE AND OTHER RECEIVABLES 30
22. CASH AND CASH EQUIVALENTS 31
23. SHARE CAPITAL 31
24. RESERVES 31
25. LOANS 32
26. EMPLOYEE BENEFITS 33
27. GRANTS 35
28. TRADE AND OTHER LIABILITIES 35
29. FINANCIAL INSTRUMENTS 36
30. COMMITMENTS AND CONTINGENT LIABILITIES 43
31. RELATED PARTIES TRANSACTIONS 45
32. SUBSEQUENT EVENTS 46

Statement of Comprehensive Income

(Amounts in Euro)

	Note	2016	2015
Revenue	**6**	**119,008,109**	**-**
Cost of goods sold	**9**	(114,471,952)	-
Gross Profit		**4,536,158**	**-**
Other income	**7**	2,641,845	-
Distribution expenses	**9**	(1,796,286)	-
Administrative expenses	**9**	(1,577,677)	(2,993)
Other expenses	**8**	(608,799)	-
Operating profit/(loss)		**3,195,240**	**(2,993)**
Finance income	**11**	1,603,501	581
Finance expenses	**12**	(7,225,815)	-
Earnings/(loss) before taxes		**(2,427,074)**	**(2,412)**
Income tax	**19**	(637,372)	-
Earnings/(loss) after taxes		**(3,064,446)**	**(2,412)**
Other comprehensive income			
<u>Items that will not be reclassified to profit or loss:</u>			
Remeasurement of defined benefit liability		(103,394)	-
Related tax		29,984	-
		(73,410)	**-**
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Gains/ (loss) from derivatives valuation for cash flow hedging		(78,335)	-
Related tax		22,717	-
		(55,618)	**-**
Other comprehensive income		**(129,028)**	**-**
Total Comprehensive income		**(3,193,474)**	**(2,412)**

The attached notes on pages 6 to 45 are an integral part of the financial statements.

Statement of Financial Position

(Amounts in Euro)

	Note	2016	2015
ASSETS			
Property, plant and equipment	**14**	68,923,533	-
Intangible assets	**15**	3,397,658	902
Investment property	**16**	204,105	-
Investments in subsidiaries	**17**	89,330,230	-
Other investments	**18**	218,136	-
Other receivables	**21**	748,209	-
Total non-current assets		**162,821,871**	**902**
Inventories	**20**	55,435,829	-
Trade and other receivables	**21**	68,564,386	328
Cash and cash equivalents	**22**	4,555,735	53,863
Total current assets		**128,555,950**	**54,192**
Total assets		**291,377,821**	**55,093**
LIABILITIES			
SHAREHOLDER'S EQUITY			
Share capital	**23**	65,704,215	60,000
Reserves	**24**	35,051,811	-
Retained earnings/(deficit)		(12,265,125)	(4,907)
Total equity		**88,490,901**	**55,093**
LIABILITIES			
Loans	**25**	61,560,951	-
Defined benefit obligation	**26**	1,373,427	-
Grants	**27**	4,900,202	-
Deferred tax liabilities	**19**	4,229,513	-
Total non-current liabilities		**72,064,093**	**-**
Loans	**25**	65,155,092	-
Trade and other liabilities	**28**	64,971,331	-
Derivatives	**29**	696,404	-
Total current liabilities		**130,822,827**	**-**
Total liabilities		**202,886,920**	**-**
Total equity and liabilities		**291,377,821**	**55,093**

The attached notes on pages 6 to 45 are an integral part of the financial statements.

Statement of changes in equity

(Amounts in Euro)	Share capital	Hedging reserve	Other reserves	Retained earnings/ (deficit)	Total shareholder's equity
Balance on 1 January 2015	**60,000**	**-**	**-**	**(2,495)**	**57,505**
Loss of the period	-	-	-	(2,412)	**(2,412)**
Other comprehensive income	-	-	-	-	-
Total comprehensive income		**-**	**-**	**(2,412)**	**(2,412)**
Balance on 31 December 2015	**60,000**	**-**	**-**	**(4,907)**	**55,093**
Balance on 1 January 2016	**60,000**	**-**	**-**	**(4,907)**	**55,093**
Loss of the period	-	-	-	(3,064,446)	**(3,064,446)**
Other comprehensive income	-	(55,618)	-	(73,410)	**(129,028)**
Total comprehensive income	**-**	**(55,618)**	**-**	**(3,137,856)**	**(3,193,474)**
Transactions with owners of the Company					
Absorption of sector	65,644,215	(224,732)	35,332,161	(8,371,947)	**92,379,697**
Taxes on share capital increase	-	-	-	(750,414)	**(750,414)**
Total transactions with owners of the Company	**65,644,215**	**(224,732)**	**35,332,161**	**(9,122,362)**	**91,629,282**
Balance on 31 December 2016	**65,704,215**	**(280,350)**	**35,332,161**	**(12,265,125)**	**88,490,901**

The attached notes on pages 6 to 45 are an integral part of the financial statements.

Statement of Cash Flows

(Amounts in Euro)	Note	2016	2015
Cash flows from operating activities:			
Earnings/ (Loss) before taxes		(2,427,074)	(2,412)
Plus / less adjustments for:			
Depreciation & amortization	**14, 15**	2,958,426	301
Amortization of grants	**27**	(189,356)	-
Provisions / (Reversal of provisions) (mainly for receivables and inventories)		(425,136)	-
(Gain) / Loss from valuation of derivatives		412,180	
Interest income	**11**	(1,735)	-
Interest charges and related expenses		5,235,003	-
Impairment of fixed assets	**16**	4,640	-
Decrease/(increase) in inventories		3,416,892	-
Decrease/(increase) in receivables		35,733,939	135
(Decrease)/ increase in liabilities		(26,388,135)	-
Interest paid		(5,336,965)	-
Taxes paid		-	-
Total inflow/ (outflow) from operating activities		**12,992,679**	**(1,977)**
Cash flows from investing activities:			
Purchases of tangible assets	**14, 16**	(2,418,068)	-
Purchases of intangible assets	**15**	(181,997)	-
Interest received		1,735	-
Total (outflow) from investing activities		**(2,598,330)**	**-**
Cash flows from financing activities:			
Share capital increase taxes paid		(750,414)	-
Repayment of loans		(9,955,363)	-
Total inflow from financing activities		**(10,705,777)**	**-**
Net (decrease) / increase in cash and cash equivalents		**(311,428)**	**(1,977)**
Cash and Cash Equivalents at the beginning of the year		53,863	55,840
Cash of absorbed sector		4,813,300	-
Cash and Cash Equivalents at year's end	**22**	**4,555,735**	**53,863**

The attached notes on pages 6 to 45 are an integral part of the financial statements.

1. Information on the Company

HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A. (hereinafter "Hellenic Cables" or the "Company") is seated in Greece, 2-4 Mesogheion Ave, Athens Tower, Building B', Athens.

Hellenic Cables is a wholly-owned subsidiary of the Belgian holding company "Cenergy Holdings" which is listed on Euronext Brussels and the Athens Stock Exchange. The ultimate parent company “VIOHALCO SA/NV” is also listed on Euronext Brussels and the Athens Stock Exchange.

The Company is exempted from preparing consolidated financial statements because its financial statements are included in the consolidated financial statements of the parent company Cenergy Holdings S.A. and VIOHALCO SA/NV traded on Euronext Brussels and the Athens Stock Exchange.

2. Presentation basis of financial statements

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations, as adopted by the European Union, on the basis of the going concern principle.

The financial statements were approved by the Board of Directors on May 10, 2017 and have been uploaded on the website at www.cablel.gr. The Company’s General Commercial Registry No. is 117706401000.

2.2 Basis of measurement

The financial statements have been prepared according to the principle of historical cost, save the financial derivative instruments that are presented at fair value.

2.3 Functional currency

The financial statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has been rounded to the nearest unit, unless otherwise indicated in separate notes. Such rounding results in minor differences in the tables incorporated in this Annual Financial Report.

2.4 Use of estimates and assumptions

Preparing financial statements in line with IFRS requires estimate-making and the adoption of assumptions by Management which may affect the accounting balances of assets and liabilities as well as the income and expense items. Actual results may vary from such estimates.

The estimates and relevant assumptions are reviewed at regular intervals. Any deviations of the accounting estimates are recognised in the period in which they are reviewed provided they concern solely the current period or, if they refer to future periods, the deviations concern both current and future periods.

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

- the useful lives and residual value of depreciable tangible and intangible assets;
- the recoverable value of holdings in subsidiaries, associates and other companies;
- the amount of defined benefit obligation;
- the amount of provisions for income tax of open tax years;

- the amount of provisions for obsolete or slow-moving inventories;
- the amount of provisions for disputed cases;
- the recoverability of the deferred tax asset.

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

(a) Income tax (note 19)

During the normal business flow numerous transactions and calculations take place in relation to which the exact calculation of tax is uncertain. In the case where the final taxes arising from tax audits differ from the amounts initially recorded, these differences would affect income tax and the provisions for deferred tax at the period in which the assessment of tax differences took place, mainly in relation to the recovery of the tax asset.

(b) Inventories (note 20)

The Company makes estimates about the calculation of the realisable value.

(c) Impairment

The Company makes estimates about any impairment of the assets that are not measured at fair values (Investments in subsidiaries; Property, plant and equipment; Intangible assets; Investment property). Especially as regards Property, plant and equipment, the Company evaluates their recoverability based on the value in use of the cash generating unit under which such assets fall. The calculated value in use is based on a five-year business plan prepared by Management and, thus, it is sensitive to the verification or not of expectations relating to the attainment of sales objectives, gross margin percentages, operating results, growth rates and discount rates of estimated cash flows.

(d) Provisions

Provisions are calculated at the fair value of expenses which, based on Management's best estimate, are required to cover the present liability on the balance sheet date. The discount interest rate used for the determination of current value reflects current market assessments of the time value of money and the increases specific to the obligation.

(e) Measurement of liabilities for defined benefit obligation (note 26)

This liability is based on key actuarial assumptions.

(f) Fair value measurement

A number of accounting policies and disclosures requires the measurement of fair value for both financial and non-financial instruments and liabilities.

When the fair value of an instrument or liability is measured, the Company uses mostly active market prices. Fair value is classified in hierarchy levels as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.

Level 2: Inputs that are observable either directly or indirectly.

Level 3: Unobservable inputs for assets and liabilities.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

Unobservable prices are classified in Level 3. The fair value of shares that are not traded in an active market is measured on the basis of the Company's forecasts for the issuer's future profitability, having taken into consideration the expected growth rate of its activities and the discount rate. The fair values of financial liabilities are estimated based on the present value of future cash flows that arise from specific contracts using the current interest rate that is available for the Company for the use of similar financial instruments.

The Company recognises transfers between fair value levels at the end of the reporting period in which a change took place.

Further information on the assumptions of measurement at fair value is included in note 29.

(g) Useful life of depreciable tangible and intangible assets (notes 14, 15).

(h) Estimates about the recoverability of deferred tax assets (Note 19).

3. New standards, interpretations and amendment of existing standards

The accounting principles used in the preparation and presentation of these financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended on 31 December 2015 save the implementation of the new standards and interpretations set out below which must be applied to the annual financial statements beginning on or after 01 January 2016 and had minor or nil impact on the Company's financial statements:

Amendment to IFRS 11 "Acquisition of interests in joint operations"
This amendment adds new guidance on accounting for the acquisition of an interest in a joint operation that is a business in accordance with IFRS and clarifies which is the proper accounting treatment for these acquisitions. This amendment will apply in the future for annual periods beginning on or after 1 January 2016 although early application is permitted. The amendment has been adopted by the European Union.

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"
The amendment to IAS 16 states that revenue-based methods to calculate depreciation cannot be used in relation to tangible fixed assets. The amendment to IAS 38 introduces a rebuttable presumption that use of revenue-based methods to calculate depreciation of intangible assets is not suitable. The amendments apply to annual periods beginning on or after 1 January 2016, have future effect and have been adopted by the European Union. Early application is permitted.

Amendment to IAS 27 "Equity method in separate financial statements"
This amendment allows entities to apply the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in their separate financial statements and also specifies the definition of separate financial statements. This amendment will apply in the future to annual periods beginning on or after 1 January 2016. These amendments have been adopted by the European Union. Early application is permitted.

IAS 19 (amendment) "Employee Benefits"
This narrow-scope amendment applies to contributions from employees or third parties to defined benefit plans and simplifies the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendment to IAS 1 "Presentation of Financial Statements"
This amendment aims to improve the disclosures in IFRS-compliant financial statements (Disclosure initiative). The amendment has been adopted by the European Union and was put in effect as of 1 January 2016.

IFRS Annual Improvements Cycle 2012-2014
- IFRS 5 "Non-current assets held for sale and discontinued operations". The amendment clarifies that when an asset (or group of assets) is reclassified from "held for sale" to "held for distribution" or

vice versa, this does not constitute change to the plan of sale or distribution and should not be accounted for as a change.

- IFRS 7 "Financial Instruments, Disclosures" The amendment adds specific guidance to help Management specify whether the terms of a servicing contract are continuing involvement in a transferred financial asset and clarifies that the additional disclosures required as per IFRS 7 "Disclosures – Offsetting of financial assets and financial liabilities" are not required for all interim periods unless stipulated by IAS 34.
- IAS 19 "Employee Benefits" The amendment clarifies that the rate used to discount post-employment obligations is determined by reference to the currency in which liabilities are presented rather than the country in which they are incurred.
- IAS 34 "Interim Financial Reporting" The amendment clarifies the meaning of "information disclosed elsewhere in the interim financial report" set out in the standard.

Mandatory standards and Interpretations for subsequent periods:
Certain new accounting standards and interpretations have been issued that were not mandatory for the fiscal year ended on 31 December 2016 and have not been adopted earlier by the Company. The Company considers the effect of the new standards and amendments on its financial statements without having assessed any effect on the financial position of the Company. There are no other standards which have not yet been put into effect and are expected to have a significant effect on the Company in the current or future periods and on transactions held in the foreseeable future.

IFRS 9 "Financial Instruments"
This Standard will replace IAS 39 with respect to the classification and measurement of financial assets and financial liabilities. IFRS 9 replaces the provisions of IAS 39 with respect to the classification and measurement of financial assets and financial liabilities and also includes a model of expected credit losses which replaces the 'incurred credit loss' model that is currently applicable. IFRS 9 establishes a principle-based approach to hedge accounting and deals with inconsistencies and shortcomings of the current model of IAS 39. At this stage, the Company cannot assess the effects of the new standard on its financial statements as the Company has not finalised all details of its evaluation on the application of IFRS 9. The Company intends to adopt the new standard on its effective date (1 January 2018). This standard has not been adopted yet by the European Union.

IFRS 15 "Revenue from Contracts with Customers"
IFRS 15 was issued in May 2014 and replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers" and SIC-31 "Revenue - Barter Transactions Involving Advertising Services". It specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The objective of the standard is to provide a single, comprehensive framework for revenue recognition from all contracts with customers to improve comparability between companies of the same sector, different sectors and different capital markets. It includes the principles an entity must implement to specify revenue measurement and timing of their recognition. The basic principle is that an entity will recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. At this stage, the Company cannot assess the effects of the new standard on its financial statements and will undertake a more detailed assessment of such effects in the next 12 months. The standard applies to financial reporting periods that begin on or after 1 January 2018 although early application is permitted. The Company intends to adopt the new standard on its effective date (1 January 2018). This standard has not been adopted yet by the EU.

IFRS 16 "Leases".
This IFRS replaces IAS 17. It was issued in January 2016 and aims to ensure that both lessees and lessors provide useful information about leasing-related transactions. According to IFRS 16, a lessee is required

to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company is in the process of assessing the effect of IFRS 16 on its financial statements. This standard has not been adopted yet by the EU.

IAS 12 "Recognition of deferred tax assets for unrealised losses"
This amendment applies to accounting periods beginning on 1 January 2017 and clarifies the accounting treatment applying to the recognition of deferred tax assets for unrealised losses arising from loans measured at fair value. The amendments have not been adopted by the European Union.

IFRS 2 "Classification and measurement of share-based payment transactions"
The amendment clarifies the measurement basis involving share-based, cash-settled payments and the accounting treatment regarding amendments to terms which change a cash-settled payment to an equity-settled payment. These amendments will apply to accounting periods beginning on or after 01 January 2018 and have not been adopted by the European Union.

IAS 7 “Disclosures”
The amendments introduce mandatory disclosures regarding changes in liabilities arising from financing activities. The amendments apply to accounting periods beginning after 01 January 2017 and have not been adopted by the European Union.

IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts"
The amendments will apply to accounting periods beginning on 1 January 2018 and relate to amendments to insurance contracts which provide an option that permits all entities issuing insurance contracts to recognise in other comprehensive income any deviations arising from application of IFRS 9 and will provide an optional temporary exemption from applying IFRS 9 up until 2021 for entities whose predominant activity is issuing insurance contracts. The amendments have not been adopted by the European Union.

IAS 40 "Transfers of investment property"
The amendment applies to accounting periods beginning after 1 January 2018. The amendment clarifies that a change in use would involve an assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments have not been adopted yet by the European Union.

IFRS Annual Improvements Cycle 2014-2016

- IFRS 12 “Disclosure of interests in other entities”
  The amendment clarifies that the information under IFRS 12 must be disclosed with respect to interests in entities classified as held for sale. It applies to accounting periods beginning on 01 January 2017 and has not been adopted by the European Union.
- IAS 28 “Investments in Associates and Joint Ventures”
  The amendments provide clarifications about venture capital organisations, mutual funds, and similar entities which choose to measure investments in associates or joint ventures at fair value through profit or loss. This option should take place for each associate or joint venture separately upon initial recognition. It applies to accounting periods beginning on 01 January 2017 and has not been adopted by the European Union.
- IFRIC 22 “Foreign Currency Transactions and Advance Consideration”
  The Interpretation provides guidance on how to determine the transaction date when applying the standard relating to foreign currency transactions, IAS 21. The European Union has not adopted this interpretation.

4. Accounting policies

The accounting policies cited below have been consistently applied to all the periods presented in this Financial Statements.

4.1 Subsidiaries

Subsidiaries are enterprises controlled by the Company. The Company exercises control over a subsidiary when the Company is exposed or has rights to variable returns from its holding in the entity and is able to affect such returns through the influence exercised over the entity. Subsidiaries are fully consolidated by the listed company "Cenergy Holdings S.A." (parent) and Viohalco SA/NV (ultimate parent) from the date when control over them is acquired and are no longer consolidated from the date when such control no longer exists.

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

4.2 Foreign currency

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates applicable at the date of each transaction. Gains and losses from foreign exchange differences that arise from the settlement of such transactions and from conversion of monetary asset and liability items denominated in a foreign currency at the foreign exchange rates that apply on the balance sheet date are recorded in the Income Statement.

Overall, exchange rate differences arising from the application of the above shall be recognised in the Statement of Comprehensive Income:

- financial assets available for sale (except for their impairment when exchange rate differences are transferred from Comprehensive Income to the Income Statement).
- financial liabilities intended to hedge a net investment in a company in foreign currency to the extent such hedging is effective;
- cash flow hedge to the extent such hedge is effective.

4.3 Financial assets

(a) Non-derivative financial instruments

Financial instruments save derivatives consist of equities and other securities, trade and other receivables, cash and cash equivalents, loans and long-term liabilities, trade and other payables. These items are classified by the Company pursuant to the purpose for which they were acquired. Management decides on adequate classification of the investment at the time of acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are initially recognised at fair value plus acquisition cost save those recognised at fair value. Assets are measured as per their classification.

(b) Trade and other receivables

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

(c) Cash and cash equivalents

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

(d) Financial assets available for sale

This category includes non-derivative financial assets that are either classified in this sub-category or cannot be classified as “held until maturity” or as “fair value item through profit or loss”. The purchase and sale of investments is recognised on the day the transaction is carried out, which is also the date on which the Company is committed to purchase or sell the asset. Investments are initially recorded at their fair value plus any expense associated with the transaction. Available-for-sale financial assets are subsequently carried at fair value and the relevant gains or losses are recognised in Fair Value reserves in shareholder's equity until they are sold or impaired. The fair value of those items traded on a regulated market corresponds to the closing price. As for the other items for which fair value cannot be reliably determined, fair value corresponds to acquisition cost. Impairment loss is recognised through transfer of accumulated loss from reserves to operating results. The accumulated loss that is transferred is the difference between the acquisition cost after depreciation through the effective interest rate and the current fair value less the impairment already posted to results during prior periods. Impairment losses that have been recognised through profit or loss cannot be reversed through profit or loss for equity financial assets. The Company carries out tests for impairment; in the case of listed shares, impairment consists in mandatory or prolonged reduction of fair value in relation to the acquisition cost which, in such case, is posted through profit or loss.

(e) Fair value

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

(f) Borrowing

Loans are posted initially at fair value less any direct costs for entering into the transaction. They are subsequently valued at non-amortised cost using the effective interest rate. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recognised through profit or loss during the term of the loan based on the effective interest rate method.

Loans are classified as short-term liabilities unless the Company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern. Recognition stops when contractual obligations are cancelled, expire or are sold.

4.4 Derivatives and hedge accounting

The Company holds derivatives to hedge the risk of a change in interest rates and foreign currencies. Derivatives are initially and subsequently recognised at their fair value. The method by which profits and losses are recognised depends on whether derivatives are designated as a hedging instrument or are held for trading.

When entering into transactions the Company records the proportion between hedged assets and hedging assets and the relevant risk management strategy. When entering into the contract and thereafter the estimate is recorded about the high effectiveness of hedging both for fair value hedges and for cash flow hedges. As for future transaction hedging, the probability to complete the transaction is substantiated.

(a) Fair value hedging

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

(b) Cash Flow hedges

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

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

4.5 Share capital

Share capital consists of ordinary shares. Direct costs for the issuance of shares are presented after deducting the income tax applied to reduce the proceeds of the issue.

4.6 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at the historical acquisition cost less accumulated depreciation and any accumulated impairment. The historical cost includes expenses directly allocated to the acquisition and establishment cost of the fixed asset. Costs may also include profits/losses in equity arising from foreign currency cash flow hedging with respect to fixed assets purchases.

If considerable parts of a fixed asset have different useful lives, they are accounted for as different fixed assets.

When tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement in the account "Other income" or "Other operating expenses" as the case may be. When the book value of a tangible fixed asset exceeds its recoverable value, the difference (impairment loss) is directly recorded in the Income Statement.

(b) Subsequent investment expenditures

Any subsequent expenditures are recorded as increase of tangible assets or are recognised as a separate fixed asset, only if it is deemed probable that future economic benefits will accrue to the Company and provided that the asset’s cost may be reliably estimated.

(c) Depreciation and amortisation

Lots are not depreciated. Other tangible fixed assets are depreciated based on the straight line method using equal annual charges over their remaining useful lives, so as to delete cost at its residual value. The expected useful life of assets is as follows:

– Buildings	20 - 50 years
– Machinery	10 - 40 years
– Machinery & equipment	10 - 15 years
– Control instruments	10 - 40 years
– Vehicles	4 – 10 years
– Furniture and other equipment	2 - 10 years

The residual value and useful life of tangible fixed assets are reviewed and adjusted at each balance sheet date, if that is considered necessary.

4.7 Intangible assets

The Company has classified industrial property rights related to trademarks, licenses and software programs under such category.

Concessions and industrial property rights

Concessions and industrial property rights include trademarks and licenses with specific service life and are estimated at their acquisition cost less depreciation. These assets are depreciated based on the straight-line method during their service life, which ranges between 10 to 15 years. Whenever intangible assets with indefinite useful life have been recognised, these are measured at cost less accumulated impairment. Their cost includes the cost of studies, laboratory tests and consumables.

Software

Software licenses are estimated at their acquisition cost, less accumulated depreciation and any accumulated impairment. These assets are depreciated based on the straight-line method during their useful life, which ranges between 3 to 5 years.

Expenditures that are required for the maintenance of software programs are recognised as an expense in the Income Statement in the year in which they are incurred.

4.8 Investment property

Investment property concerns plots and buildings that are not used by the Company. Plots are assessed at cost less any impairment while buildings are depreciated using the straight-line method at equal annual instalments throughout their expected useful life.
The profits or losses arising from the disposal of investment property (calculated as the difference between the net inflow from the disposal and the book value of the asset) are recognised through profit or loss during the period of disposal.

4.9 Inventory

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

4.10 Impairment

(a) Non-derivative financial instruments

The book value of the Company's financial assets, which are not presented at fair value through profit or loss, including the investments consolidated using the equity method of accounting, is reviewed during each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired includes the following:

- a debtor goes bankrupt or is characterised as uncollectible;
- the amount of debt is adjusted due to a change in its payment terms;
- there are signs that the debtor or issuer will enter bankruptcy due to difficult financial conditions;

- negative developments in the payment method involving debtors or issuers;
- an active market for equities disappears, or
- observable inputs indicating that there is a measurable decrease in the expected future cash flows from a group of financial assets.

Financial assets measured at non-amortised cost

The Company recognises an indication of impairment of such assets at the level of both independent asset and group of assets. All individually significant assets are tested for impairment on an individual scale. Those not impaired on an individual scale are tested collectively for impairment. Any assets which are not significant individually are tested collectively for impairment. A collective assessment is established by grouping assets with common risk characteristics.

Impairment loss is recognised as the difference between the non-amortised value of the asset and the present value of the expected future cash flows at the effective discount rate. Losses are recognised in the income statement and in relevant provisions. When the Company decides that there is no reason to reinstate the asset's book value to realistic levels, the provision is deleted. If the amount of impairment is reduced and such reduction is associated with an objective event which occurred after the initial impairment, then the impairment initially recognised is reversed in the Income Statement.

Financial assets available for sale

Impairment in Financial assets available for sale is recognised through transfer of accumulated loss from Fair Value Reserve to operating results. The amount transferred to results is the difference between acquisition cost and current fair value less any impairment previously recognised through profit or loss. If the fair value of a share posted as available-for-sale financial asset subsequently rises and such increase is associated with an objective event which occurred after the initial impairment, then the impairment initially recognised is reversed in the Income Statement. Otherwise, impairment is reversed in the Statement of Comprehensive Income.

(b) Non financial assets

As for non-financial assets save inventories and deferred tax asset, the value of impairment is reviewed on each closing date for any impairment. Goodwill is necessarily tested each year for impairment. Assets that have an indefinite useful life are not depreciated, but are subject to an impairment test on an annual basis and when certain facts indicate that their book value may not be recoverable.

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

Impairment is recognised if the book value exceeds the estimated recoverable amount.

Impairment is recognised in the Income Statement.

Goodwill impairment is not reversed. The impairment loss is reversed thus restoring the book value of the asset to its recoverable amount to the extent this does not exceed the book value of the asset (net of amortisation) that would have been determined if impairment loss had not been posted.

4.11 Employee benefits

(a) Short-term benefits

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

(b) Defined-contribution plans

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

(c) Defined-benefit plans

The obligation for defined-benefit plans is calculated as the present value of the future benefit of the employee for his services provided in the current or previous periods less the fair value of the plan's assets.

The defined benefit is calculated annually by an independent actuary with the projected unit credit method.

Any changes arising in the liability for defined-benefit plans, which mainly consist of actuarial gains and losses, are posted directly to the Statement of Comprehensive Income. The discount rate that is used concerns European bonds "I Boxx AA-rated Euro corporate bond 10+year" of low credit risk. Interest charges and other expenses related to defined-benefit plans are recognised through profit or loss.

When the benefits of a plan change or the plan is cut back, the change associated with the past service cost or the gain/loss from cutback is directly recognised through profit or loss. The Company recognised gains and losses from the settlement of a plan when incurred.

(d) Staff leaving indemnities

Leaving indemnities are paid when employees depart before their retirement date. The Group posts these benefits when it undertakes either to terminate the employment of current employees in line with a detailed plan which is not likely to be withdrawn or when these benefits are offered as an incentive for voluntary redundancy. Staff leaving indemnities due 12 months after the balance sheet date are discounted. In the case of termination of employment where it is impossible to determine which employees will make use of the benefits, they are not booked but simply disclosed as a contingent liability.

(e) Profit-sharing and benefit schemes

The Company records a liability and a corresponding expense for benefits and profit-sharing. This amount is included in statement of profit or loss less any mandatory reserves stipulated by law.

4.12 Provisions

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

4.13 Income

Sales of products: Income from sales of products and merchandise includes the fair value of their sale, net of Value Added Tax, discounts and returns. Sales of goods are recognised when the Company delivers the goods to its customers based on the terms of the agreement or the goods are accepted by the customers and the collection of the receivable is reasonably guaranteed.

Construction contracts:
The Company deals with construction contracts pertaining mainly to construction and installation projects of high-voltage land and submarine cables. A construction contract is a contract specifically negotiated for the construction of an asset or a group of interrelated or interdependent assets in terms of design, technology and operation or their final objective or use.

The expenses related to a contract are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue generated from the contract is recognised solely to the extent that contract costs incurred are expected to be recoverable.

When the outcome of a works contract can be estimated reliably, revenue and costs generated from the contract are recognised during the term of the contract as income and expense respectively. The Company applies the method of percentage completion in order to determine the appropriate amount of income and expense that the Company will recognise at each specific time period. The stage of completion is measured on the basis of the expenses incurred until the balance sheet date in relation to the total estimated expenses for each contract. The criteria used to specify the stage of completion of each project are objectively the following:

- During cable production stage, the estimation of completion depending on the type of contract is based either on: a) the ratio between the number of actual production hours and total number of budgeted hours; or b) the quantity of the manufactured and verified lengths of cable compared to the total quantity of lengths provided for in the contract.

- During cable installation stage, the percentage completion is based on the contractual time schedules based on the anticipated works such as cable transportation, the meters installed and their connection with networks.

Whenever it is probable that the contractual total cost will exceed the total income, the expected loss is directly recognised in the income statement as expense.

For the cost realised until the end of the year to be calculated, any expenses related to future works regarding the contract shall be exempted and appear as work in progress. The cost of works in progress during production process includes the direct borrowing costs. The total cost realised and the profit/ loss recognised for each contract is compared with the progressive invoicing until the end of the year.

Whenever the expenses incurred plus the net profits (less losses) that have been recognised exceed progressive invoicing, the difference is recognised as receivable from customers of construction contracts in the item “Trade and other receivables”. Whenever progressive invoicing exceeds the incurred expenses plus the net profits (less losses) that have been recognised, the balance is presented as liability to the customers of construction contracts in the item "Trade and other payables”.

Provision of services: Income from the provision of services is accounted for over the period when such services are provided, based on the completion stage of the service provided in relation to all the services provided.

Income from interest: Income from interest is recognised based on time proportion and with the use of the effective interest rate. When receivables are impaired, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial effective interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied to the impaired (new book) value.

4.14 Government Grants

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

Government grants compensating the Company for expenses are recognised through profit or loss so that these will match the expenses that they will cover.

4.15 Leases

Asset leases where the Company substantially retains all risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the fixed asset and the present value of the minimum lease payments, reduced by accumulated depreciation and any obsolescence losses. The corresponding liabilities from lease payments net of financial charges are presented as liabilities. That part of financial expenses relating to finance leases is recognised in the income statement over the term of the lease.

Leases where in effect the risks and rewards of ownership remain with the lessor are posted as operational leases. The lease payments made for operating leases are posted through profit or loss on a systematic basis during the lease.

Payments of operating leases are allocated as an expense to the income statement according to the direct method throughout the lease term. The received leasing subsidies are posted through profit or loss as an integral part of the expense throughout the lease term.

4.16 Income tax

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

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

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

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

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

4.17 Borrowing costs

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

To the extent that funds are part of a general loan and are used for acquiring a qualifying asset, costs eligible for capitalisation are specified by applying a capitalisation rate to the investment expenses incurred for that asset.

5. Sector's absorption

On 30 June 2016, the absorption of the industrial sector and part of the commercial sector of “HELLENIC CABLES S.A. HOLDINGS SOCIÉTÉ ANONYME” was completed in accordance with the provisions of Law 4172/2013, based on the transformation balance sheet as at 31/12/2015. Based on the provisions of Law 4172/2013, the results of the sector by the date the sector's absorption was completed as well as all sector-related acts and transactions of the contributor are considered in accounting terms as taking place on behalf of the contributor while the financial results generated during that period benefited the contributor.

The Extraordinary General Meeting held on 8 June 2016, which approved the absorption of the industrial sector and part of the commercial sector of cables, amended the name of the company to "HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A." (article 1 of the Articles of Association), article 15 on the number of Board of Directors members and article 5 on the amount of share capital and the number of the Company's shares.

The assets and liabilities of the absorbed industrial sector and part of the commercial sector on 31 December 2015 (transformation balance sheet date) and 30 June 2016 (date of absorption's completion) are laid down in the table below:

(Amounts in Euro)	**30/06/2016**	**31/12/2015**
ASSETS		
Property, plant and equipment	69,304,257	70,341,682
Intangible assets	3,382,028	3,701,650
Investment property	200,992	200,992
Investments in subsidiaries	89,330,230	89,330,230
Other investments	218,136	0
Other receivables	971,982	757,410
Total non-current assets	**163,407,625**	**164,331,964**
Inventories	58,749,606	53,634,461
Trade and other receivables	102,275,532	87,254,765
Derivatives	110,635	73,000
Cash and cash equivalents	4,813,300	16,014,673
Total current assets	**165,949,074**	**156,976,899**
Total assets	**329,356,698**	**321,308,863**
LIABILITIES		
Loans	69,044,799	76,228,260
Defined benefit obligation	1,242,054	1,243,869
Grants	5,089,558	5,325,868
Deferred tax liabilities	3,644,842	2,204,302
Total long-term liabilities	**79,021,252**	**85,002,299**
Loans	67,488,924	59,340,491
Trade and other liabilities	90,150,301	84,269,852
Derivatives	316,524	316,524
Total short-term liabilities	**157,955,749**	**143,926,868**
Total liabilities	**236,977,002**	**228,929,166**

For comparability purposes with previously published figures of the former parent company, (HELLENIC CABLES S.A. HOLDINGS SOCIÉTÉ ANONYME with General Commercial Registry (GCR) No.: 281701000), which contributed the sector during the period to the Company, the sum of the results of the two companies and the necessary adjustments made to the respective figures in order to be directly comparable with the respective prior year's figures are presented in the table below:

	HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A. GCR: 117706401000	**HELLENIC CABLES S.A. HOLDINGS SOCIÉTÉ ANONYME** GCR: 281701000	**Adjustments for intracompany transactions**	**TOTAL**	**HELLENIC CABLES S.A.** GCR: 281701000
(Amounts in Euro)	**1/1 - 31/12/2016**	**1/1 - 14/12/2016**	**1/1 - 14/12/2016**	**1/1 - 31/12/2016**	**1/1 - 31/12/2015**
Revenue	**119,008,109**	**181,295,780**	**(847,595)**	**299,456,294**	**336,915,155**
Cost of goods sold	(114,471,952)	(167,738,635)	1,791,297	(280,419,289)	(322,500,224)
Gross Profit	**4,536,157**	**13,557,146**	**943,702**	**19,037,005**	**14,414,930**
Other income	2,641,845	1,451,921	(1,582,182)	2,511,584	2,752,730
Distribution expenses	(1,796,286)	(1,892,300)	298,674	(3,389,912)	(3,218,815)
Administrative expenses	(1,577,677)	(2,241,680)	197,854	(3,621,503)	(2,748,269)
Other expenses	(608,799)	(1,110,352)	-	(1,719,151)	(2,688,031)
Operating profit/(loss)	**3,195,240**	**9,764,735**	**(141,952)**	**12,818,023**	**8,512,545**
Finance income	1,603,501	2,354,320	-	3,957,821	3,139,425
Finance expenses	(7,225,815)	(6,761,816)	141,952	(13,845,679)	(15,071,074)
Income from dividends	-	37,600	-	37,600	169,200
Earnings/(loss) before taxes	**(2,427,074)**	**5,394,839**	**-**	**2,967,765**	**(3,249,903)**
Income tax	(637,372)	(1,992,746)	-	(2,630,118)	513,196
Earnings/(loss) after taxes	**(3,064,446)**	**3,402,094**	**-**	**337,647**	**(2,736,707)**

The parent company, upon the completion of the spin-off, was absorbed by Cenergy Holdings SA in the context of the cross-border merger by absorption by Cenergy Holdings SA of Corinth Pipeworks Holdings S.A. and Hellenic Cables S.A. Holdings Société Anonyme. The merger from a legal perspective was completed on 14 December 2016.

6. Revenue

(Amounts in Euro)	2016	2015
Sale of merchandise and products	98,572,985	-
Income from services	3,346,664	-
Income from construction contracts	12,577,261	-
Other	4,511,199	-
Total	**119,008,109**	**-**

Due to its export orientation and reduced sales in the Greek market, the Company is not affected considerably by any changes in its customer base. The geographical allocation of the Company's sales is presented in the table below:

(Amounts in Euro)	2016	2015
Greece	37,242,862	-
Other EU countries	76,206,639	-
Other European countries	1,054,701	-
Asia	1,990,742	-
Americas	1,689,911	-
Africa	760,183	-
Oceania	63,071	-
Total	**119,008,109**	**-**

7. Other income

(Amounts in Euro)	Note	2016	2015
Income from rents		72,546	-
Depreciation of grants received	**27**	189,356	-
Income from provisions		489,415	-
Income from expenses imputed to third parties		1,213,424	-
Prior period income		58,772	-
Collection of compensation		570,035	-
Other income		48,297	-
Total		**2,641,845**	**-**

8. Other expenses

(Amounts in Euro)	Note	2016	2015
Prior period expenses		70,885	-
Impairment of investment property		4,640	-
Taxes - duties		1,917	-
Penalty clauses		65,693	-
Personnel expenses	10	51,389	-
Restoration of civil-liability damage		368,068	-
Other expenses		46,207	-
Total		**608,799**	**-**

9. Expenses by nature

(Amounts in Euro)	Note	2016	2015
Cost of inventories recognised as an expense		91,332,868	-
Personnel expenses	10	7,668,796	-
Energy cost		1,616,309	-
Depreciation & amortisation		2,957,928	300
Taxes		150,429	-
Insurance fees		170,940	-
Rent		448,591	-
Transportation		2,723,820	-
Losses from derivatives		1,818,344	-
Commission		468,008	-
Third party fees and benefits		6,421,123	2,693
Other		2,068,758	-
Total cost of goods sold, administration and distribution expenses		**117,845,915**	**2,993**

The “third party fees and benefits” in the table above includes fees of €7,050 paid to the auditors of the Company for the fiscal year 2016.

10. Personnel expenses

(Amounts in Euro)	2016	2015
Salaries and wages	5,843,981	-
Contributions to social security funds	1,448,225	-
Other employee benefits	359,520	-
Defined benefit obligation expense	68,460	-
Total	**7,720,185**	**-**

11. Finance income

(Amounts in Euro)	**2016**	**2015**
Interest income	1,735	-
Foreign exchange differences	1,204,258	-
Profit from foreign exchange forwards	397,509	-
	1,603,501	**-**

12. Finance expenses

(Amounts in Euro)	**2016**	**2015**
Interest charges and related expenses	5,305,551	-
Foreign exchange differences	1,466,804	-
Losses from foreign exchange forwards	453,460	-
	7,225,815	**-**

13. Construction contracts

The Company deals with construction contracts pertaining mainly to construction and installation projects of high-voltage land and submarine cables.

(Amounts in Euro)	**2016**	**2015**
Total recognised revenue of the period from construction contracts	17,076,805	-
- *Invoiced amounts*	*11,974,242*	-
- *Non-invoiced amounts*	*5,102,563*	-
Advances due to customers	-	-
Amount of performance withholdings	116,160	-

There are no significant contingent liabilities pertaining to the Company's projects on the balance sheet date.

14. Property, plant and equipment

(Amounts in Euro)	Lots & buildings	Machinery and mechanical equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition cost					
Balance on 01/01/2015	-	-	-	-	-
Additions	-	-	-	-	-
Balance on 31/12/2015	-	-	-	-	-
Balance on 01/01/2016	-	-	-	-	-
Additions	507,644	164,098	402,025	1,336,957	2,410,724
Sector's absorption	26,623,680	48,967,923	5,594,799	3,135,437	84,321,839
Reclassifications*	483,727	2,083,087	40,026	(2,736,975)	(130,135)
Balance on 31/12/2016	**27,615,052**	**51,215,108**	**6,036,850**	**1,735,419**	**86,602,428**
Accumulated Depreciation/ Impairment					
Balance on 01/01/2015	-	-	-	-	-
Depreciation	-	-	-	-	-
Balance on 31/12/2015	-	-	-	-	-
Balance on 01/01/2016	-	-	-	-	-
Depreciation	(567,182)	(1,936,743)	(157,392)	-	(2,661,317)
Sector's absorption	(728,853)	(9,884,505)	(4,404,224)	-	(15,017,582)
Balance on 31/12/2016	**(1,296,035)**	**(11,821,249)**	**(4,561,616)**	-	**(17,678,900)**
Net book value on:					
31/12/2015	-	-	-	-	-
31/12/2016	**26,319,018**	**39,393,860**	**1,475,235**	**1,735,420**	**68,923,533**

*: The negative balance of reclassifications at the acquisition cost of fixed assets is offset against the positive balance of reclassifications to intangible assets.

a. Sector's absorption

The cost of property, plant and equipment of the industrial sector and part of the commercial sector of cables absorbed by the Company in 2016 was fixed based on the market values on the date the transformation balance sheet was prepared and in accordance with the provisions of Law 4172/2013 and the spin-off agreement. The market values which are now the historical acquisition cost were fixed according to the estimates of an independent valuer.

b. Mortgages on fixed assets

Statutory notices of mortgage have been raised on the Company's fixed assets to secure loans the Company has obtained (see note 32.2).

c. Fixed assets under construction

The account "Fixed assets under construction" concerns mainly machinery the installation of which had not been completed by 31 December 2016.

15. Intangible assets

(Amounts in Euro)	Trademarks and licenses	Software	Other	Total
Acquisition cost				
Balance on 01/01/2015	**-**	**-**	**3,006**	**3,006**
Additions	-	-	-	-
Reclassifications	-	-	-	-
Balance on 31/12/2015	**-**	**-**	**3,006**	**3,006**
Additions	79,068	102,929	-	181,997
Sector's absorption	5,811,391	3,700,107	14,600	9,526,097
Reclassifications	13,495	116,640	-	130,135
Balance on 31/12/2016	**5,903,954**	**3,919,676**	**17,606**	**9,841,235**
Accumulated Amortisation / Impairment:				
Balance on 01/01/2015	**-**	**-**	**(1,803)**	**(1,803)**
Amortisation	-	-	(301)	(301)
Balance on 31/12/2015	**-**	**-**	**(2,104)**	**(2,104)**
Sector's absorption	(2,968,458)	(3,161,305)	(14,600)	(6,144,363)
Amortisation	(207,837)	(88,972)	(301)	(297,110)
Balance on 31/12/2016	**(3,176,295)**	**(3,250,277)**	**(17,004)**	**(6,443,576)**
Net book value on:				
31/12/2015	**-**	**-**	**902**	**-**
31/12/2016	**2,727,659**	**669,399**	**601**	**3,397,658**

16. Investment property

(Amounts in Euro)	2016	2015
Opening balance at the beginning of the period	-	-
Additions	7,753	-
Sector's absorption	200,992	-
Impairment	(4,640)	-
Closing balance at the end of the period	**204,105**	**-**

Investment property includes a number of lots which the Company intends to lease or sell to third parties in the near future provided that the applicable circumstances allow so. The Company reviews the current value of real estate properties on an annual basis.

The fair value of these real estate properties, as at 31 December 2016, does not differ significantly from the value posted in the balance sheet based on Management estimates.. On 31 December 2016, investment property was measured at fair value using the market method. The fair value measurement of investment property is classified in Level 2 according to the assumptions used in the application of the valuation techniques that were implemented.

These properties did not generate any revenue in 2016 because they are not leased while no operating expenses were incurred in relation to these properties throughout the year.

17. Investments in subsidiaries

(Amounts in Euro)	2016	2015
Balance on 1 January	**-**	-
Sector's absorption	89,330,230	-
Balance on 31 December	**89,330,230**	**-**

Investments in subsidiaries are presented at their acquisition cost and are analysed as follows:

(Amounts in Euro)	2016					
Name of Company	**Holding percentage**	**Acquisition cost**	**Total Assets**	**Total liabilities**	**Turnover**	**Earnings/ (loss)**
FULGOR S.A.	100.00%	86,747,654	181,004,714	164,214,886	136,444,014	(5,615,786)
LESCO OOD	100.00%	2,582,576	3,620,003	829,755	5,224,888	207,672
Total		**89,330,230**				

The acquisition cost of holdings in subsidiaries was determined by the independent valuer "RSM Greece S.A." as part of the valuation of the industrial sector and part of the commercial sector of cables, which was absorbed during 2016.

18. Other investments

Other investments concern holdings in domestic and foreign companies with holding interests less than 20%. These investments have been qualified as available-for-sale financial assets.

This category includes the following investment which is presented at acquisition cost:

(Amounts in Euro)	2016	Participation percentage	2015	Participation percentage
DIA.VI.PE.THIV	218,136	4.44%	-	-
	218,136		-	

19. Income tax

(Amounts in Euro)	**2016**	**2015**
Income tax	-	-
Deferred tax	(637,372)	-
	(637,372)	-

Current tax

Corporate income tax rate in Greece was set at 29% in accordance with Laws 4334/2015 and 4336/2015 that were enacted in 2015. Note that the income tax advance amounts to 100% and is effective for corporate profits and in case of profit distribution, tax withholding at a rate of 15% is imposed, subject to article 48 of Law 4172/2013.

Reconciliation of applicable tax rate:

(Amounts in Euro)	**2016**	**2015**
Earnings/ (Loss) before taxes	**(2,427,074)**	-
Tax calculated using the applicable tax rates 29% (2015: 29%)	703,851	-
		-
Non-deductible tax expenses	(173,520)	-
Permanent tax differences	354,780	-
Derecognition of deferred tax asset on tax losses carried forward	(1,522,484)	-
Income tax of the year	**(637,372)**	-
Applicable tax rate	**(20.8%)**	-

Deferred tax

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

(Amounts in Euro)	Balance 1/1/2016	Recognised through profit or loss	Recognised through other comprehensive income	Sector's absorption	Balance 31/12/2016
Property, plant and equipment	-	134,503	-	(10,042,982)	(9,908,479)
Intangible assets	-	699	-	40,409	41,108
Tax losses	-	(1,570,869)	-	3,662,994	2,092,125
Thin capitalisation interest	-	680,047	-	3,366,209	4,046,256
Provisions for works	-	957,811	-	(1,322,031)	(364,220)
Employee benefits	-	8,114	29,984	360,195	398,293
Other provisions	-	(469,864)	-	163,413	(306,450)
Derivatives	-	119,532	22,717	59,708	201,957
Other	-	(497,345)	-	67,243	(430,102)
Total	**-**	**(637,372)**	**52,701**	**(3,644,842)**	**(4,229,513)**

The provisions of article 49 of Law 4172/2013 on thin capitalisation were applied in 2016 which state that the limit of deduction of surplus interest charges is set up to 30% of the EBITDA of each entity. These amounts can be offset against future tax gains; therefore, the Company has recognised a deferred tax asset in relation to the surplus interest charges that arose during the last two fiscal years.

For the deferred taxes to be determined, the applicable tax rates or those that are substantially enacted on the date the financial statements are compiled shall be used.

Tax losses carried forward

The Company’s carried forward losses are analysed as follows:

Company/ Year	2012	2013	2014	2015	2016	Total
HELLENIC CABLES S.A.	8,776,266	12,119,709	2,834,626	440,290	-	**24,170,890**

On 31 December 2016, the Company had recognised a deferred tax asset on the above tax losses carried forward and specifically on the amount of €7.2 million, since management estimates that this amount is certainly recoverable in the future.

20. Inventories

Company's inventories are analysed as follows:

(Amounts in Euro)

	2016	2015
Raw direct and indirect materials, spare parts & consumables	16,583,334	-
Finished products	18,238,860	-
Semi-finished products	8,126,808	-
Merchandise	1,621,027	-
Work in progress	-	-
Down payments for the purchase of stocks	10,265,980	-
By-products & scrap	599,819	-
	55,435,829	**-**

Inventories are presented at their net realisable value which is their expected selling price less the costs required for such sale.

The consumption of inventories charged to the operating results of the year (cost of sales) for the Company amounts to €91.3 million.

21. Trade and other receivables

(Amounts in Euro)

	2016	2015
Trade receivables	42,951,439	-
Construction contracts in progress	5,102,563	-
Less: Bad debt provision	(2,031,690)	
Checks and notes receivable	93,390	-
Receivables from related parties	13,869,380	-
Other debtors	8,444,094	328
Other advance payments	135,211	-
Guarantees	202,767	-
Other receivables	545,442	-
	69,312,595	**328**
Current assets	68,564,386	328
Non-current assets	748,209	-
	69,312,595	**328**

The Company has entered into factoring agreements without recourse with financial institutions which, on 31 December 2016, amounted to €7,592 thousand (2015: €0 thousand).

The Company has also entered into credit insurance agreements in order to minimise the risk from the non-collection of receivables (Note 29.1).

22. Cash and cash equivalents

(Amounts in Euro)	2016	2015
Cash in hand	18,980	418
Bank deposits	4,536,755	53,445
	4,555,735	**53,863**

Of the above sum of €4,555,735, the amount of €1,939,426 refers to foreign currency and has been valuated at the Euro/ foreign currency rate applying on 31 December 2016. Any foreign exchange differences are posted to operating results.

The foreign currency accounts are broken down as follows:

(Amounts in Euro)	
USD	23,794
GBP	1,915,507
Other	125
	1,939,426

23. Share capital

On 31 December 2015, the share capital of the Company amounted to €60,000 divided into 20,000 shares with a nominal value of €3.00 each.

a) By the decision of the Extraordinary General Meeting of the company's shareholders on 8 June 2016, the company's share capital was increased by €65,644,215.00 through the issue of 21,881,405 new shares with a nominal value of €3.00 each, following absorption of the industrial sector and part of the commercial sector of cables of "HELLENIC CABLES S.A. HELLENIC CABLES INDUSTRY S.A." in accordance with the provisions of article 52 of Law 4172/2013 and Codified Law 2190/1920.

Thus, on 31 December 2016 the share capital of the Company amounted to €65,704,215 divided into 21,901,405 shares with a nominal value of €3.00 each.

24. Reserves

(Amounts in Euro)	2016	2015
Statutory Reserve	-	-
Hedging reserve	(280,350)	-
Special reserves	8,295,404	-
Tax-free reserves	14,088,740	-
Reserves from fixed assets valuation at market value based on the provisions of Law 4172/2013	12,948,017	-
	35,051,811	**-**

All Company reserves arose from the absorption of the industrial sector and part of the commercial sector of cables that took place during 2016 (note 6).

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

Special reserves: Special reserves have been set aside according to special provisions of incentive laws and especially refer to the Company's participation in the financing of investments falling under incentive laws. After the lapse of ten years from completion of the investments they concern, the Company may transfer them to a balance carried forward or capitalise them.

Tax-free reserves: The tax-free reserves have been set aside during previous years in accordance with special provisions of incentive laws. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.

On 31 December 2016, the company made investments of approximately €1.8 million that fell under Law on development No. 3299/2004. Based on such law, the Company is entitled to set up tax-free reserves equal to 100% of the above investments out of the book earnings of the following financial years. This right shall expire during 2018.

Reserves from fixed assets valuation at market value based on the provisions of Law 4172/2013: This reserve concerns the goodwill that arose from the valuation of property, plant and equipment at their market value upon absorption of the industrial sector and part of the commercial sector of cables during 2016.

25. Loans

Long-term and short-term liabilities are broken down as follows:

(Amounts in Euro)	2016	2015
Long-term liabilities		
- Bond loans	61,560,951	
	61,560,951	
Short-term liabilities		
- Bank loans	50,215,570	
- Bond loans	14,939,522	
	65,155,092	
Total loan liabilities	**126,716,043**	

<u>Terms and time schedule of loan repayment:</u>

	Currency	Average interest rate 2016	Repayment year	31/12/2016 Nominal value	31.12.2015 Nominal value
- Short-term borrowing	Euro	5,91%	2017	50,215,570	-
- Long-term borrowing	Euro	4,84%	2017-2018	61,560,951	-
- Short-term instalment	Euro	4,84%	2017	14,939,522	-
				126,716,043	**-**

As for the syndicated collateralised bond loan of €76,539,000, the Company must abide by specific financial ratios throughout the loan effective term. Such ratios are calculated in relation to the annual financial statements of the Company.

26. Employee benefits

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

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

A liability is considered to relate to defined contribution plans when the accrued part thereof is regularly accounted for. This practice is similar to the practice under current Greek law, in other words payment to insurance funds of employer contributions for the length of employee service.

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

The defined benefit obligation were computed in an actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity of years 2016 and 2015 respectively.

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

(Amounts in Euro)	2016	2015
Changes in net liability recognised in the Balance Sheet		
Balance at the beginning of the period	-	-
Sector's absorption	1,242,054	
Benefits paid	(40,481)	-
Amounts recognised in the profit or loss statement	68,460	-
Amounts recognised in the statement of other comprehensive income	103,394	-
Balance at year's end	**1,373,427**	**-**

Amounts recognised in the profit or loss statement		
Current service cost	17,039	-
Past service cost	3,186	-
Interest expense	25,558	-
Curtailment/settlement/termination cost	22,677	-
Total	**68,460**	**-**
Amounts recognised in the statement of other comprehensive income		
Actuarial loss / (gain) - financial assumptions	81,196	-
Actuarial loss / (gain) – experience in the period	22,198	-
Total	**103,394**	**-**

The cost of curtailment/ settlement/ termination of service of €22,677 arises from the fact that during 2016 the Company paid a total amount of €103,394 for indemnities to employees who were dismissed, retired or withdrew voluntarily. Therefore, these particular payments generated an additional cost of € 22,677 which is equal to the surplus of the paid benefit from the corresponding expected liability.

b. Actuarial assumptions

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

	2016	2015
Discount rate	1.60%	-
Inflation rate	1.50%	-
Future wage increases	1.75%	-
Term of liabilities	15.24	-

c. Sensitivity analysis

The defined benefit obligation (DBO) depends on the assumptions used in the actuarial study. Thus, on the valuation date (31/12/2016):

- If a lower discount rate by 0.5% had been used (namely 1.1% instead of 1.6%), the DBO would have been higher by approximately 7.3%.

- If a higher discount rate by 0.5% had been used (namely 2.1% instead of 1.6%), the DBO would have been lower by approximately 8.1%.
- If a higher increase in pay by 0.5% had been used (namely 2.00% instead of 1.50%), the DBO would have been higher by approximately 7.5%.
- If a lower increase in pay by 0.5% had been used (namely 1.00% instead of 1.50%), the DBO would have been lower by approximately 7%.
- If a scenario of nil voluntary retirement had been used, the DBO would have been higher by approximately 1.4%.

27. Grants

The grants presented and their change during the years 2016 and 2015 are as follows:

	2016	2015
Balance on 1 January	-	-
Sector's absorption	5,089,558	-
Depreciation of grants	(189,356)	-
Balance on 31 December	**4,900,202**	**-**

Grants concern investments made for the purchase and installation of tangible assets.

Depreciation of subsidies corresponding to fixed assets depreciation is posted in the account “Other income” in the Income Statement.

The Company fully abides by all terms relating to the receipt of grants.

28. Trade and other liabilities

(Amounts in Euro)	2016	2015
Suppliers	32,906,273	-
Payables to related parties	27,817,593	-
Sundry creditors	609,300	-
Accrued expenses	1,152,174	-
Customer prepayments	1,226,186	-
Social security funds	647,330	-
Other liabilities	612,475	-
	64,971,331	**-**

The item "Suppliers” includes the amount of €8,847,131 which concerns the early payment of documentary credits from Banks.

29. Financial instruments

Financial risk management

General

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

- Credit Risk
- Liquidity risk
- Market risk

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

The Board of Directors bears the overall responsibility for the creation and supervision of the Company's risk management framework.

The Company's risk management policies are applied in order to identify and analyse the risks that the Company is exposed to and set audit points and risk assumption limits. The risk management policies and relevant systems are periodically examined so as to take into account any changes in the market and the Company's activities.

In the context of the foregoing, the Company has evaluated any effects that the management of financial risks may have due to the current macroeconomic situation and business environment in Greece. The developments during 2016 and discussions at a national and international level regarding the review of Greece's financing programme terms prolong the volatility in the macroeconomic and financial environment in Greece. The return of economic stability depends to a large extent on the actions and decisions taken by institutions in Greece and abroad. Taking into consideration that the two thirds of the Company's sales are intended for non-Greek markets, the sales in the domestic market concern the performance of already signed contracts for projects having secured their financing and also the fact that the Company has access to funding sources outside Greece, the Company estimates that any negative developments in the Greek economy are not expected to have a considerable impact on its smooth operation. Moreover, Management assesses the situation on an ongoing basis in order to secure that all necessary and possible steps and actions are taken to minimise any effect on the Company's activities.

Credit Risk

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

Trade and other receivables

The Company's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The statistics associated with the Company's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. There is no customer accounting for more than 10% in Group income while no customer has any open balance higher than 10% of all receivables.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinised individually as regards their creditworthiness before the Company's standard payment and delivery terms and conditions are proposed to them. The creditworthiness control performed by the Company includes an examination of information from banking sources.

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

Most of the Company's customers hold long-lasting transactions with the Company and no losses have incurred. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, their geographical region, the market in which they operate, the ageing profile of their receivables and the existence of any previous financial difficulties. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors.

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

According to the customer's history and capacity, in order to secure its receivables, the Company requests real guarantees or collateral (i.e. letters of guarantee), when possible.

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

Investments

Investments are classified by the Company depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each presentation date.

Management estimates that there will be no default in connection with such investments.

Liquidity risk

Liquidity risk is the risk that the Company will fail to fulfil its financial liabilities upon maturity. The approach adopted by the Company to manage liquidity is to ensure, by holding absolutely necessary cash assets and adequate credit lines from cooperating banks, that it always has adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being put at risk.

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

Market risk

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

The Company bases both its purchases and sales on stock prices/indices linked to the prices of copper and other metals which are used by the Company and are included in its products. The risk from metal price fluctuation is covered by hedging instruments (futures and options on London Metal Exchange-LME). The Company, however, does not use hedging instruments for the entire stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

Exchange rate risk

The Company is exposed to exchange rate risk from sales and purchases and from loans taken out in a currency other than its functional currency which is Euro.

The Company's main bank loans are denominated in Euro. Borrowing interest is also in Euro, namely in a currency identical to that of the cash flows arising from the Company's operating activities.

As regards other financial assets and liabilities denominated in foreign currencies, the Company secures that its exposure to foreign exchange risk is kept at an acceptable level by buying or selling foreign currencies at current exchange rates when deemed necessary to deal with short-term imbalances.

Interest rate risk

The Company finances its investments and meets its needs for working capital through bank loans, and thus debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Company will bear additional borrowing costs.

Capital management

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

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

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

The Company is not subject to external capital obligations.

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

(Amounts in € ,000)	**2016**	**2015**
Total loan liabilities	126,716	-
Less: Cash	-4,556	-54
Net Debt	**122,160**	-54
Total equity	88,491	55
Debt to equity ratio	**1.38**	**-0.98**

29.1 Credit risk

Exposure to credit risk

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

(Amounts in Euro)	**2016**	**2015**
Other investments	218,136	-
Derivatives	-	-
Trade and other receivables	69,312,595	328
Cash and cash equivalents	4,555,735	53,863
Total	**74,086,466**	**54,192**

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

(Amounts in Euro)	**2016**	**2015**
Greece	34,719,325	328
Other EU countries	31,552,651	-
Other European countries	624,543	-
Americas	1,402,547	-
Other countries	1,013,529	-
Total	**69,312,595**	**328**

The balance of trade receivables on the reporting date refers solely to wholesale customers.

Impairment losses

The maturity of trade receivables on the reporting date was:

(Amounts in Euro)	**COMPANY**	
	2016	**2015**
Serviced	65,058,020	328
- Overdue up to 6 months	3,619,876	-
- Overdue more than 6 months	634,699	-
Total	**69,312,595**	**328**

An impairment provision has been raised for doubtful debts, which is broken down as follows:

(Amounts in Euro)

	2016	2015
Balance on 1 December	**-**	**-**
Reversal of provision	(350,000)	-
Sector's absorption	2,381,690	-
Balance on 31 December	**2,031,690**	**-**

The greatest part of trade receivables is insured by insurance companies in case collection thereof fails. During the year 2016, the indemnities collected from insurance companies owing to the above coverage amounted to €20,561 (2015: 0).

Management believes that the provision raised on 31.12.2016 reflects the best possible estimate and that the accounting balance of trade and other receivables approaches their fair value.

29.2 Liquidity risk

Below is given the contractual maturity of financial liabilities including the proportionate interest:

2016

(Amounts in Euro)	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2016
Bank loans	-	-	-	-	-
Bank open accounts	50,347,072	-	-	-	**50,347,072**
Corporate bonds	18,597,470	20,329,632	47,017,009	-	**85,944,111**
Derivatives	-	-	-	-	-
Trade and other liabilities	73,289,317	-	-	-	**73,289,317**
Total	**142,930,263**	**20,329,632**	**47,017,009**	**-**	**210,276,904**

2015

(Amounts in Euro)	Up to 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total 31/12/2015
Bank loans	-	-	-	-	-
Bank open accounts	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Derivatives		-	-	-	-
Trade and other liabilities	-	-	-	-	-
Total	-	-	-	-	-

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

29.3 Foreign exchange risk

The exposure of the Company to exchange rate risk is as follows:

31/12/2016 **(Amounts in Euro)**	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	54,297,722	181,257	13,692,898	392,509	**68,564,386**
Borrowing	(122,893,984)	-	(3,822,060)	-	**(126,716,043)**
Trade and other liabilities	(63,237,918)	(807,038)	(313,900)	-	**(64,358,856)**
Cash	2,616,309	23,794	1,915,507	125	**4,555,735**
	(129,217,871)	(601,987)	11,472,446	392,634	**(117,954,778)**
Derivatives for hedging the above risks (Nominal value)	-	(74,170)	(19,495,743)	-	**(19,569,913)**
	(129,217,871)	**(676,157)**	**(8,023,297)**	**392,634**	**(137,524,691)**

31/12/2015 **(Amounts in Euro)**	**EURO**	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	328	-	-	-	**328**
Borrowing	-	-	-	-	-
Trade and other liabilities	-	-	-	-	-
Cash	53,863	-	-	-	**53,863**
	54,192	-	-	-	**54,192**
Derivatives for hedging the above risks (Nominal value)	-	-	-	-	-
	54,192	-	-	-	**54,192**

The exchange rates used per fiscal year are as follows:

Euro	**Exchange rate on**	
	31/12/2016	**31.12.2015**
USD	1.0541	-
GBP	0.85618	-

Sensitivity analysis:

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

	Result		**Net profits after taxes**	
	Improvement	**Weakening**	**Improvement**	**Weakening**
2016				
USD (10% change)	(66,887)	54,726	(72,739)	59,513
GBP (10% change)	532,028	(435,295)	(478,661)	391,632
2015				
USD (10% change)	-	-	-	-
GBP (10% change)	-	-	-	-

29.4 Interest rate fluctuation risk

On the reporting date, the interest-bearing financial instruments of the Company in terms of interest rate risk are as follows:

(Amounts in Euro)

	2016	**2015**
Fixed interest rate		
Liability items	-	-
Floating rate		
Liability items	126,716,043	-
	126,716,043	**-**

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

	Profit and loss account		**Equity**	
Effect in Euro on 31.12.2016	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	(224,921)	224,921	(224,921)	224,921

	Profit and loss account		**Equity**	
Effect in Euro on 31/12/2015	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Floating rate financial instruments	-	-	-	-

29.5 Fair value

Fair value compared to book value

The fair value and the book value of financial asset and liability items shown in the balance sheet are as follows:

(Amounts in Euro)

	2016		**2015**	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets available for sale	218,136	218,136	-	-
Trade and other receivables	69,312,595	69,312,595	-	-
Loan liabilities	126,716,043	126,716,043	-	-
Trade and other liabilities	64,358,856	64,358,856	-	-

The higher balance of the items "Trade receivables" and "Suppliers and other liabilities" has a limited maturity (*up to one year*) and, thus, it is estimated that the accounting balance of these items is close to their fair value.

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

All Company loans are taken out at a floating rate.

Classification of financial instruments based on their valuation at fair value

A classification table of financial instruments is given below which depends on the quality of the data used to assess fair value:

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

	2016			2015		
(Amounts in Euro)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other investments	-	-	218,136	-	-	-
	-	-	-	-	-	-
Derivative financial liabilities	81,667	614,737	-	-	-	-
Total	**81,667**	**614,737**	**218,136**	-	-	-

30. Commitments and contingent liabilities

30.1 Payables from operating and finance leases

a) The Company leases passenger cars using operating leases. The future payable total rental fees are as follows:

(Amounts in Euro)	**2016**	**2015**
Up to 1 year	292,553	-
Between 1 and 5 years	484,685	-
	777,238	-

b) The Company leases a property accommodating its principal establishment. The future payable rental fees, according to the lease agreement, are as follows:

(Amounts in Euro)	**2016**	**2015**
Up to 1 year	142,416	
Between 1 and 5 years	498,456	
Over 5 years	-	
	640,872	

30.2 Contingent liabilities

The Company has contingent liabilities and receivables relating to banks, other collateral and other issues arising in the ordinary course of business, which are as follows:

Liabilities:

(Amounts in Euro)	2016	2015
Collateral for securing payables to suppliers	18,548,445	-
Assigned mortgages and statutory notices of mortgage on fixed assets	91,846,800	-
Collateral for securing the performance of contracts with customers	46,217,894	-
Guarantees for subsidies	5,217,024	-
Other liabilities	2,708,122	-
	164,538,285	**-**

Capital commitments:

(Amounts in Euro)	2016	2015
Property, plant and equipment	113,298	-
	113,298	**-**

30.3 Open tax years

The Company has not been audited by tax authorities for the years 2012 to 2016.

It is noted that upon the issuance of the circular POL.1034 / 2016 important amendments were made regarding the annual tax certificate issued by the statutory auditors. Consequently for the fiscal year 1.1.2016 - 31.12.2016 the provisions of article 65a L.4174/2013 were amended and it is no longer required a tax certificate by the Company's statutory auditor to be issued. The tax liabilities of the Company will be finalized by carrying out regular audits by the competent tax authorities.

Company's management estimates that any additional tax liabilities that may arise as a result of the tax audits for the aforementioned unaudited tax years will not have a material impact on the financial statements.

31. Related parties transactions

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

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

I. Transactions with subsidiary companies	**2016**	**2015**
Receivables	4,699,545	-
Liabilities	7,347,380	-
Down payments for the purchase of stocks	7,668,722	-
Sales of products and other income	6,045,883	-
Purchases of products and other expenses	33,819,359	-

II. Transactions with parent company*	**2016**	**2015**
Receivables	1,670,677	-
Liabilities	6,720,556	-
Sales of products and other income	1,347,755	-
Purchases of products and other expenses	1,082,022	-

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

III. Transactions with subsidiaries of VIOHALCO SA/NV Group	**2016**	**2015**
Receivables	7,499,158	-
Liabilities	13,749,656	-
Sales of products and other income	12,501,531	-
Purchases of products and other expenses	12,606,050	-

V. BoD members	**2016**	**2015**
Fees	309,096	-

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

32. Subsequent events

No events took place after the end of 2016 that could affect these financial statements.

* *

Athens, 10 May 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER	THE CHIEF FINANCIAL OFFICER
IOANNIS BATSOLAS	**IOANNIS STAVROPOULOS**	**ALEXIOS ALEXIOU**	**IOANNIS THEONAS**
AK 034042	**AN 087212**	**X 126605**	**AE 035000**