



MYTILINEOS

ANNUAL FINANCIAL REPORT
FOR THE PERIOD FROM THE 1ST OF JANUARY TO THE 31ST OF DECEMBER 2018
ACCORDING TO ARTICLE 4 OF L. 3556/2007

Table of Contents

1. Representation of the Members of the Board of Directors	3
2. Annual Board of Directors Management Report	4
3. Explanatory report.....	65
4. Statement of Corporate Governance.....	69
5. Independent Auditor's Report.....	115
6. Annual Financial Statements	122
7. Availability of Financial Statements.....	218

1. Representation of the Members of the Board of Directors

1. Representation of the Members of the Board of Directors

(according to article 4 par. 2 of L.3556/2007)

The

- a. Evangelos Mytilineos, Chairman of the Board of Directors and Chief Executive Officer
- b. Spyros Kasdas, Vice – Chairman A' of the Board of Directors
- c. Dimitrios Papadopoulos, Executive Member of the Board of Directors

CERTIFY

a. the enclosed financial statements of “MYTILINEOS HOLDINGS S.A.” for the period of 1.1.2018 to 31.12.2018, drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of “MYTILINEOS HOLDINGS S.A.”, as well as of the businesses included in Group consolidation, taken as a whole

and

b. as far as we know, the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of “MYTILINEOS HOLDINGS S.A.”, and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Maroussi, 27 March 2019

The designees

Evangelos Mytilineos

Spyros Kasdas

Dimitrios Papadopoulos

**Chairman of the Board of
Directors and Chief
Executive Officer**

**Vice – Chairman A' of the
Board of Directors**

**Executive Member of the
Board of Directors**

2. Annual Board of Directors Management Report

Board of Directors Annual Management Report

BOARD OF DIRECTORS ANNUAL REPORT

The present Board of Directors Annual Report pertains to the 2018 fiscal period. The Report has been prepared so as to ensure harmonization with the relevant provisions of C.L. 2190/1920 as in effect, of law 3556/2007 (GGI 91A/30.4.2007) and the issued executive decisions of the HCMC, especially HCMC Board of Directors Decision number 7/448/11.10.2007.

The present report contains financial details on the entity titled «MYTILINEOS HOLDINGS S.A.» (hereinafter called the «Company») and its subsidiaries and associated companies (hereinafter called the «Group», jointly with the company) for fiscal year 2018. It describes major events that occurred in the same period and their influence on annual financial statements. It also describes the main hazards and risks that may be faced by the Group member companies in the forthcoming year; finally, it lists major transactions between the Company and the persons associated with it.

I. BUSINESS MODEL

MYTILINEOS constitutes one of the most powerful industrial companies in Greece with a strong international presence. With a turnover outnumbering €1,5 bn in 2018 and more than 3.300 employees, the company operates in the sectors of Metallurgy, Integrated Projects & Infrastructure, Electric Power and Natural Gas Trading.

MYTILINEOS:

- owns the most important vertically integrated production and trading plant of alumina and aluminium in the European Union and along with its mines, is a driving force for the national and European economy and the Greek regions. It is the second largest producer of bauxite in Greece and by extension in Europe, with an annual production outweighing 650,000 tons of bauxite from underground work sites.
- It ranks amongst the ten largest companies in the sectors of EPC energy projects worldwide, while implementing significant energy projects in the markets of Europe, Middle East and Africa.
- It is the largest private electric power producer with 1,200MW of gas-fired thermal projects in Greece and a portfolio of Renewable Energy Sources (RES) projects above 175 MW, greater than 14% of the active and licensed installed thermal production capacity of the country.

Headquartered in Greece, in the context of its three key business sectors, the company operates in almost 30 countries, in Europe, in Central America, in Africa, in Middle East and in Asia.

Vision

‘To drive our business to global success, inspired and motivated by our Greek heritage’

Business Mission

‘To do business in demanding local and international markets, with inventiveness, effectiveness and respect for the environment and society. We count on our people's potential and we create value for our customers, our shareholders, our employees and the Greek economy’.

Corporate Values

The company's corporate values stem from the Management's principles and vision. They constitute the basis of its culture and the foundations of its growth.

- **Effectiveness with Safety as a Priority**

The company is confronted with arduous challenges and remains steadfast to the attainment of its targets, always safeguarding safety at work.

- **Continuing Struggle by its People for Competitiveness**

The company's effort to be competitive continues unabated and is based on its people know-how, skills and devotion and its ongoing modernization-oriented investments.

- **Respect and Important Role for every Employee**

The company respects employees, develops their skills, offers them communication and all qualifications needed; it supports them in their role, in all posts within the organization.

- **Two Success Factors: Team Work and Excellence**

Through team work, the company achieves results that initially seemed impossible. In addition, it acknowledges excellence at individual level and brings it into effective action.

• Continuing Progress by All in Everything

The continuing progress is an integral part of the company's role, in parallel to executing the current work. The company's main target is to grow continuously and responsibly and to preserve its leading position across all sectors of its Business Activity through steady reinvestment, securing at the same time its sustainability and stable yields for its shareholders. This target translates into the following strategic priorities:

METALLURGY SECTOR

- Ongoing productivity and performance improvement to keep the company's place within the first quadrant of the global cost curve.
- Acquisition of know-how and expansion into the aluminium scrap recycling activity by acquiring the company EPALME SA.
- The basic technical study for the new Alumina plant with a production capacity of 1m tons annually is under completion.

INTEGRATED PROJECTS & INFRASTRUCTURE SECTOR

- Focus on undertaking integrated energy projects of wide scale in natural gas and solar energy sectors.
- Expansion into existing and new developing markets.
- Probing into new opportunities in the context of being assigned large infrastructure projects in developing countries.

ELECTRIC POWER & NATURAL GAS TRADING SECTOR

- Largest, independent electric power producer in Greece.
- Reduction of carbon footprint by means of further investment in the sector of Renewable Energy Sources.
- Implementation of a new investment related to the establishment of a gas-fired, electric power generation plant of combined cycle, of 665MW power, currently in the process of licensing to replace the lignite plants.
- Top-notch private supplier to the electric power retail market.

Moreover, MYTILINEOS, as a responsible enterprise, seeks to apply business excellence and best practices, adhering to sustainable development principles, based on the pillars of social responsibility and environmental protection. For MYTILINEOS, Sustainable Development means pursuing business leadership, focusing on its vision, respect to society, the environment, its people and its shareholders. The company's sustainability policy is underpinned on a harmonious matching of its activities with the needs of local communities where it operates; such co-existence is manifested through the implementation/support of important initiatives based on the 17 Sustainable Development Goals, fixed by

*Annual Financial Report for the period
From the 1st January to the 31st December 2018*

the UN, being aligned with the respective national priorities. Thus, the company's main orientation for the upcoming years is the following:

- To remain steadfast to its target to ensure a safe, accidents-free working environment,
- To continue operating with a sense of responsibility and consistency vis-a-vis its people, remaining their first option throughout their career.
- To carry over the concept of Responsible Entrepreneurship to its main associates and suppliers,
- To stabilize and reduce its environmental footprint,
- To keep on consistently applying its social policy taking actions and initiatives that strengthen the co-existence with local communities and the broader society.

Value creation process

A key element of the company's business model is the way it creates and adds value. MYTILINEOS creates a significant value chain with strong social and economic impact as regards the reaching out to markets, forging and preserving relations with customers, the supply of raw materials, the production, promotion, the sale, the end of its products life cycle and the raising of funds. Across all sectors of its business activity, MYTILINEOS supports income, tax revenues and jobs and respectively the same holds true for its suppliers and associates in their own value chain. This way, the multiple positive footprint is displayed, generated beyond the company affecting domestic employment and relevant sectors of economy.

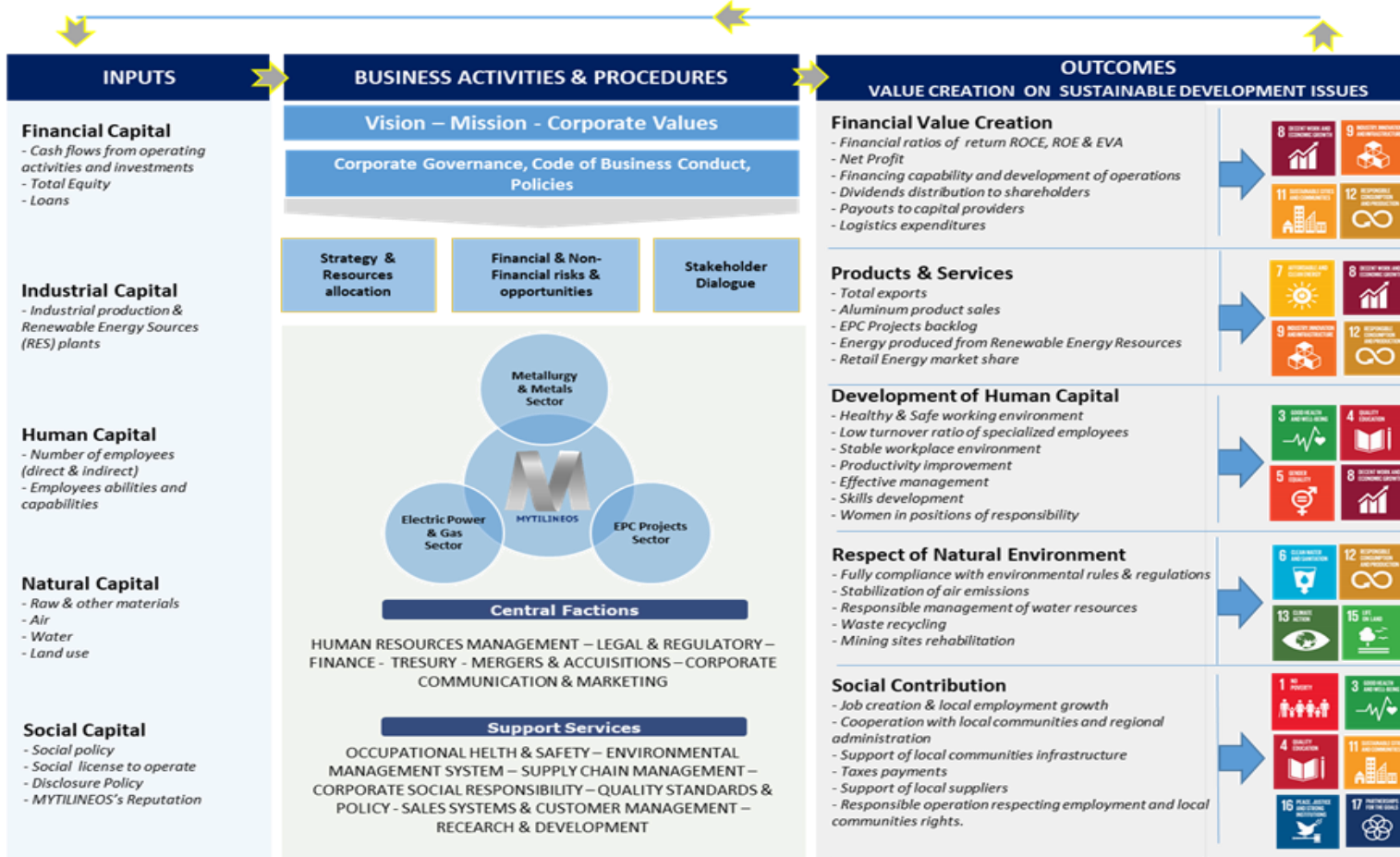
Furthermore, MYTILINEOS creates value: a) by producing primary aluminium products; aluminium is one of the most environment friendly metals, ensuring a safe working environment and the application of responsible and sustainable mining process practices, b) by constructing integrated energy generation plants, with the minimum possible environmental footprint, in countries with substantial energy needs, making the commodity of energy available to thousands of people and c) by producing and supplying electricity from RES and gas-fired plants with the highest efficiency.

All the above presuppose deploying the economic, industrial human, natural and social capital and understanding their in-between interaction on the company's decision making affecting its capacity to generate value on annual basis.

In 2018, the company's total investments stood at €84 mio of this amount, €17,3 mio were earmarked for its environmental footprint improvement.

Schematic illustration of MYTILINEOS Business Model and value creation process:

Business model & Value creation process



To understand the company's value process in terms of key performance indicators please visit the following address: <http://scorecard.mytilineos.gr/>

II. 2018 REVIEW - PERFORMANCE AND FINANCIAL POSITION

The year 2018 was an important milestone for the Greek economy, as it was marked by the completion of the country's third economic adjustment program and the adoption of measures for the relief of the Greek sovereign debt, which are expected to ensure its viability over the medium term. The positive effects of these developments are reflected both on the economic sentiment and the prospects the Greek economy. According to latest official data, Greek GDP growth rate reached 1,9% year-on-year in 2018 and is projected to exceed 2% during 2019.

After a long period of painful adjustment, Greece has achieved fiscal balance, several structural deficiencies have been addressed and important economic indicators are steadily improving. Prospects for accelerating growth are supported by a set of reforms that were implemented during the past years in critical sectors, such as the labor, goods and services markets. Recent positive developments, including the upgrade of Greece's credit rating by Moody's and the successful launch of a 10-year government bond issue, reflect the gradual restoration of market confidence in the Greek economy and the conviction that the country is returning on positive track.

Notwithstanding the positive outlook, there remain significant risks and uncertainties, domestic as well as external, that can negatively impact the economic environment in the coming months.

Greek sovereign bond yields remain high, amid turbulence in the international financial markets, affecting borrowing costs for domestic banks, businesses and households. Also, despite specific positive developments in the financial sector, including the removal of capital controls on domestic transactions and further easing of restrictions on transactions abroad, the stock of non-performing loans of banks remains overly high and the recovery trend of private deposits was halted during 2018. As a result, credit contraction continued in the course of the past year and the average interest rate on bank lending to the private sector increased slightly, keeping borrowing costs for Greek businesses high, compared to the rest of the eurozone.

At the international level, the rise of protectionism and the emergence of trade tensions between large economies, the upward trend in the interest rates of important currencies, as well as a series of regional crises, create an environment of intense volatility, with consequences that have been reflected in the deceleration of global growth in 2018. In Europe, particularly, negative externalities may be caused, among others, by the climax of uncertainty over the possibility of a no-deal Brexit, the unease over the fiscal policy in Italy, as well a broader concern over the rise of Euroscepticism ahead of the upcoming European Elections.

MYTILINAIOS, having successfully completed a corporate restructuring, continued in 2018 its course of evolution into a strong international company. Having enhanced its organizational and financial structures, pursued the implementation of a targeted investment plan and maintained a strong extrovert orientation, the company achieved positive economic

performance for yet another year. It built the foundation for further robust growth in the coming years, to the benefit of its employees, its shareholders and the Greek economy.

Metallurgy and Mining Sector

The upward trend that followed the prices for Aluminium during 2017 continued during the first half of 2018 with a constant decreasing trend during the second half of 2018, mainly due to the partial withdrawal of the penalties against Rusal and the expectation for the upcoming full withdrawal.

More specifically, during 2018, the average price for Aluminium in the LME stood at \$2.112/t, up by approximately 6.7% in relation to the corresponding period of the previous year, while the premia for Aluminium products followed an increasing trend of 22%.

The API Index for Alumina recorded an outstanding performance during 2018 due to a combination of events that have affected material's availability on the western hemisphere, such as the new policy of the USA towards Russia which affected the biggest Alumina's and Aluminium's producer outside China, as well as the partial cessation of the world's biggest factory in Alumina production (ALUNORTE). The price has been increased by +119\$/t (+33%) in relation to the average price of 2017. At the same time, there has been a positive effect at the Alumina's sales prices except API.

The performance of the USD against Euro was appreciable weakened, with the Euro/USD parity standing at 1,18 for 2018, compared to 1,13 for 2017.

During 2018, raw material prices were appreciable increased in relation to the corresponding period of 2017. Energy price has also been increased (Electric Power and Natural Gas) as well as CO2 emissions' price.

In terms of technical results, the historical performance records led to the exceptional annual performance of alumina and solid metal due to the productivity investments of the Project "THE BEST".

EPC & Infrastructure Sector pending translation

The financial results of FY 2018 reflect a positive course of the EPC & Infrastructure Sector (EPC Projects), proving its durability.

More specifically, EPC Project Sector turnover came up to € 367.3 million compared to the € 501.4 million of previous year

The main factors for the above course of the EPC Sector are:

a) The project «Engineering, Procurement, and Constuction (EPC) of a 192 MW Power Plant» in Ghana, with a contractual value of \$ 175 million, which recorded a turnover of € 76.8 million.

b) The project «Engineering, Procurement, and Construction (EPC) of a 250 MW Power Plant» in Ghana, with a contractual value of \$ 369 million., which recorded a turnover of € 43.2 million.

c) The continuation of the project «Construction of remaining infrastructure, permanent way, signaling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni» with a total budget of € 227 million, which in the current period recorded a turnover of € 38.3 million.

d) The project «Engineering and Construction of a 50MWp Photovoltaic Power Plant» in Kazakstan, with a contractual value of \$ 32.4 million, which recorded a turnover of € 22.2 million.

e) The continuation of the project «Long-term Maintenance of the Unit 5 Gas Turbines at the Megalopoli Power Plant» with a contractual value of € 93.8 million., which recorded a turnover of € 21.5 million.

Earnings before interest, tax, depreciation and amortization (EBITDA) for the EPC Sector reached € 54.4 million. (14.81%).

Significant events in 2018

In 2018, an agreement was signed with the Federal Government of Nigeria for the full EPC services for four universities, including power generation plants, street lighting and training centers, as well as operation and maintenance services. This first off-grid/hybrid project for MYTILINEOS in Africa is a landmark project for the EPC and Infrastrure Sector, confirming the strategic expansion of the company's activities in the off grid/hybrid space.

METKA EGN, has signed a contract with Talasol Solar S.L.U., a subsidiary of Ellomay Capital Ltd., to carry out a large-scale solar power plant, with installed capacity of 300 MWp. The scope includes the engineering, procurement and construction (EPC) of the Talasol Project and the ancillary facilities for injecting power into the grid, including a 400-kV step-up substation, the high voltage interconnection line to the point of connection to the grid and performance of two years of operation and maintenance (O&M) services. The Contract value is just below €200Mio.

METKA EGN also has signed an agreement with HC ESS3 LIMITED and Corylus Capital LLP for the EPC of a new 20 MW hybrid energy storage system (ESS) project in the United Kingdom, which will provide Fast Frequency Response (FFR) and other ancillary services to National Grid.

Finally, it should be noted that Group's backlog of the existing projects amounts to 984 mio. In the following table is shown the expected recognition of revenue for the main projects per country which account for more than 10% of the total backlog.

<i>(Amounts in thousands €)</i>	up to 1 year	1-3 years	3-5 years	Total
GHANA	153.759	39.234	-	192.993
LIBYA	94.648	247.706	-	342.353
SPAIN	141.268	49.356	-	190.624
OTHER	166.856	60.254	30.779	257.889
Total	556.531	396.550	30.779	983.859

**The amount of € 420 mio concerning the backlog of Deir Azzur project is not included in the above table. For the aforementioned project the Group has already announced the pause of the construction on site.*

Electric power and gas trading sector

The Greek wholesale market of electric power in 2018 was marked by a) a decreased demand due to mild winter (1st trimester), b) an increased gas price due both to Brent and the redirection of the main LNG volume (alternative gas pipeline) to Asian markets, c) an increased System Marginal Price (SMP) due mainly to the rapid increase of the pollution allowance price (closed at 23€/ton on December 2018 compared to 7.6€/ton on December 2017), which however did not cover the increased cost of natural gas, due to the decreasing impact of the increased hydroelectric production on the SMP and d) the long delay in the application of the Transitional Flexibility Compensation Mechanism, which resulted in not receiving a compensation for the flexibility supply service of the Production Units in the first 9-month period of the year.

Regarding the electric power production mix, the natural gas units participated with a 29%, the lignite also with 29%, the large hydroelectric units with 10%, the total of Renewable Energy Sources (RES) with 20%, and the remaining 12% was pure imports. Although 2018 was an extensive maintenance year for the thermoelectric plant of Agios Nikolaos, the thermal units and the active RES projects of MYTILINEOS covered an 10% of the local electric power demand.

Regarding the retail electric power market, the share of private suppliers reached 19.4% at the end of 2018, compared to the 14.5% of 2017, with the share of MYTILINEOS being 4% and being in the first position among the independent suppliers on a cash level (130.000 accounts). In 2018 MYTILINEOS became active also in the retail market of natural gas, offering combined packages with electricity. At the same time, Company's partnership with Greek Telecommunications Organisation (OTE) Group has been extended, providing a nationwide branch network for customer services and during the second half of 2018 Protergia's first owned store in Thessaloniki became operational, as well as a second one in Athens/Nea Erythrea.

Regarding the cross-border electricity trade, the Company traded a quantity of 1.058.598 MWh, showing an increase of 210% compared to 2017.

It should be noted that, with the decision nr. 744/2018 of the Regulatory Authority for Energy (RAE), the Company received an electricity generation licence from a gas fired independent electric power plant, of 666 MW in Agios Nikolaos, Delfoi – Distomo – Arachova - Antikira - Viotia

In August 2018, a new 48 MW Wind Park became operational, thus increasing the Company's production capability from Renewable Source units to 175MW. At the same time, a construction of 3 additional Wind Parks of total power 34,45 MW has begun.

Total Impact on Group Sales and EBITDA

Specifically, the effect in Group's turnover and EBITDA during 2018 compared to 2017 is presented below:

A.SALES

<i>Amounts in mil. €</i>	Metallurgy and Mining Sector		EPC & Infrastructure Sector	Power & Gas Sector	Others	Discontinued Operations	Total
	Continued Operations	Discontinued Operations					
Turnover 2017	516,9	2,7	501,4	507,4	1,0	(2,7)	1.526,7
Effect from:							
Premia & Prices	67,7			33,2			100,9
Organic \$/€ eff.	(34,2)						(34,2)
LME	37,5						37,5
EPC Contrancts			(119,1)				(119,1)
Maintenance services			(14,9)				(14,9)
Volumes	2,0			39,0			41,0
CACs ¹				(3,0)			(3,0)
Shut-Down income				4,2			4,2
NG sales	(40,3)			27,3			(13,0)
Other - One offs		(1,4)	0,0		0,6	1,4	0,6
Turnover 2018	549,5	1,3	367,3	608,1	1,6	(1,3)	1.526,5

B. EBITDA

<i>Amounts in mil. €</i>	Metallurgy and Mining Sector		EPC & Infrastructure Sector	Power & Gas Sector	Others	Discontinued Operations	Total
	Continued Operations	Discontinued Operations					
EBITDA 2017	124,0	0,0	87,8	74,7	18,5	0,9	306,0
Effect from:							
Premia & Prices	67,7			3,9			71,6
Organic \$/€ eff.	(37,6)						(37,6)
LME	30,4						30,4
Electricity	(16,3)						(16,3)
Opex & R/M	(31,2)			(5,0)	8,4		(27,7)
EPC Contrancts			(22,4)				(22,4)
O&M			(10,5)				(10,5)
Volumes	12,8			2,3			15,1
Fuel Oil + NG + Steam							0,0
Zn-Pb discontinued operation							0,0
CACs ¹	(1,2)			(3,0)			(4,2)
Clean spark spread (Price effect)				(20,5)			(20,5)
Shut-Down income				4,2			4,2
Energy cost / SMP ² - NOME				(3,4)			(3,4)
LRUCRESSA ³ (Price effect)				8,9			8,9
RES				2,0			2,0
Trading				1,4			1,4
NG sales				(0,7)			(0,7)
Other - One offs	17,4	(3,6)		(4,3)	(24,6)	2,6	(12,5)
EBITDA 2018	166,0	(3,5)	54,9	60,4	2,4	3,5	283,6

C. Net Profit after minorities

<i>Amounts in mil. €</i>	Metallurgy and Mining Sector		EPC & Infrastructure Sector	Power & Gas Sector	Others	Discontinued Operations	Total
	Continued Operations	Discontinued Operations					
Net Profit after Minorities 2017							154,6
Effect from:							
Earnings before interest and income tax	40,7	(3,6)	(34,2)	(18,2)	(16,2)	3,6	(27,9)
Net financial results							13,2
Minorities							4,2
Discontinued Operations						(3,3)	(3,3)
Income tax expense							0,4
Net Profit after Minorities 2018							141,2

(1) CACs: Capacity Assurance Certificates

(2) SMP: System Marginal Price

(3) LRUCRESSA: Load representative uplift charge for renewable energy source special account

D. Sales and Earnings before interest, taxes, depreciation, and amortization per Business Unit

<i>(Amounts in thousands €)</i>		Metallurgy			
Sales	<i>Alumina</i>	<i>Aluminium</i>	<i>Other</i>	Total	
2018	175.816	370.021	5.001	550.838	
2017	131.373	340.130	48.096	519.599	
EBITDA					
2018	83.090	82.596	(3.233)	162.452	
2017	43.090	77.612	3.370	124.072	

<i>(Amounts in thousands €)</i>		EPC & Infrastructure			
Sales	<i>EPC & Infrastructure</i>	<i>Solar Parks</i>	<i>O&M & Other</i>	Total	
2018	242.496	85.173	39.660	367.330	
2017	354.944	91.838	54.589	501.371	
EBITDA					
2018	41.368	4.489	9.002	54.859	
2017	62.860	5.407	20.494	88.761	

<i>(Amounts in thousands €)</i>		Power & Gas				
Sales	<i>Energy Supply</i>	<i>Energy Production</i>	<i>Natural Gas Supply</i>	<i>RES</i>	Total	
2018	258.133	271.296	50.790	27.856	608.074	
2017	207.136	261.945	13.900	24.454	507.435	
EBITDA						
2018	8.938	35.219	(2.019)	18.235	60.373	
2017	(4.929)	62.841	609	16.136	74.657	

*The Companies which are consolidated with equity method and own Renewable Energy Units with capacity of 16MW are not included in the amounts of RES.

<i>(Amounts in thousands €)</i>		Other	Discontinuing Operations	Total
Sales				
2018	1.609	(1.337)	272	
2017	1.035	(2.719)	(1.684)	
EBITDA				
2018	2.371	3.503	5.874	
2017	18.536	(48)	18.488	

The Group's policy is to monitor its performance on a month to month basis thus tracking on time and effectively the deviations from its goals and undertaking necessary actions. The group evaluates its financial performance using the following generally accepted Key Performance Indicators (KPI's).

-EBITDA (Operating Earnings Before Interest, Taxes, Depreciation & Amortization): The Group defines the «Group EBITDA» quantity as profits/losses before tax, itemized for financial and investment results; for total depreciation (of tangible and intangible fixed assets) as well as for the influence of specific factors, i.e. shares in the operational results of associates where these are engaged in business in any of the business sectors of the Group, as well as the influence of write-offs made in transactions with the aforementioned mentioned associates.

- ROCE (Return on Capital Employed): This index is derived by dividing profit before tax and financial results to the total capital employed by the Group, these being the sum of the Net Position; the sum of loans; and long - term forecasts.

- ROE (Return on Equity): This index is derived by dividing profit after tax by the Group's Net Position.

- EVA (Economic Value Added): This metric is derived by multiplying the total capital employed with the difference (ROCE – Capital Expenditure) and constitutes the amount by which the financial value if the company increases. To calculate the capital expenditure, the Group uses the WACC formula – « Weighted Cost of Capital».

The Weighted average cost of capital is calculated as, the quotient of Equity Capital to Total Capital Employed (Equity Capital and Debt) multiplied by the return on Equity* plus the quotient of Debt to Total Capital Employed (Equity Capital and Debt) multiplied by the return on Debt adjusted by the company tax rate (due to tax saving on interest paid).

$$WACC = \frac{E}{E+D} r_E + \frac{D}{E+D} r_D (1 - T_c)$$

Where

E Equity Capital

D Debt

rE Return on equity

rD Return on debt

Tc Tax rate

*Return on Equity is calculated by utilizing the “Capital Asset Pricing Model” (CAPM) and is equal to risk-free rate of return plus a risk premium multiplied by beta coefficient that reveals the variability of the stock in relation to market fluctuations.

WACC for 2018 equals 8.83% and is based on Group's country exposure.

The above indicators for 2018 compared to 2017 are as follows:

EBITDA & EVA in thousands €

	2018	2017
EBITDA	283.559	305.978
ROCE	13,27%	14,39%
ROE	9,36%	11,32%
EVA	94.778	190.012

III. Significant information

During the reporting period, the Group proceed to the following:

- On 06.02.2018, the final settlement of the \$40 million compensation that derived from the issued award by the International Arbitral Tribunal on RTB-BOR, was signed by a representative of MYTILINEOS and the Serbian government. The compensation is to be received in four quarterly installments, the latter in December 2018. The first two installments have already been received, while the total amount of the compensation has been included in the financial results of year 2017.
- On 02.03.2018 MYTILINEOS filed an application with RAE to obtain a production license for a gas fired Combined Cycle Power Plant of 650 MW and construction site the Energy Center in Agios Nikolaos.
- On 07.03.2018 MYTILINEOS announced that its subsidiary METKA EGN has signed an agreement with HC ESS3 Ltd, a company set up by its long-term client Corylus Capital LLP (previously known as Hazel Capital) for the EPC of a new 20 MW hybrid energy storage system (ESS) project in the United Kingdom, which will provide Fast Frequency Response (FFR) and other ancillary services to National Grid.
- On 20.03.2018, the General Court of the European Union rejected MYTILINEOS' appeal against the European Commission's decision concerning the price of the electricity tariffs charged by PPC to Aluminium of Greece during the period 2007-2008. The amount declared as state aid amounts to € 17.4 million plus interest. The Company changed the results of the individual and consolidated financial statements for the year 2017. This amount has already been paid to

PPC, and in the event that the General Court's decision is annulled, the amount will benefit the results and cash flows in a subsequent year.

- On 26.03.2018, MYTILINEOS announced the successful transaction between its subsidiary METKA EGN and Lightsource BP, the leading solar power company, to sell four operational solar photovoltaic power projects in the United Kingdom, with total capacity of 18 MW. The four solar projects were developed and constructed by METKA EGN to meet the 31 March 2017 deadline, and subsequently received accreditation under the 1.2 Renewable Obligation Certificate (ROC) program.
- On 23.04.2018 MYTILINEOS announced that its subsidiary, METKA Power West Africa, has signed an agreement with the Federal Government of Nigeria for the first phase of the Energizing Education program. METKA West Africa has signed an agreement for the full EPC services for four universities, including power generation plants, street lighting and training centers, as well as operation and maintenance services. The outcome will help numerous students to have a quality academic life and opportunities for the future.
All four universities will be powered by hybrid power plants utilizing renewable energy sources integrated with energy storage and diesel generation as back-up, enabling reliable power supply for the universities totally autonomously from the grid. In total, 7.5MW of off-grid hybrid power will be installed, incorporating the award winning EXERON technology and the latest developments in mini-grid design.
- On 14.05.2018 MYTILINEOS announced its ranking as a Sustainability Leader for 2017, at the top tier of the Sustainable Performance Directory, the Sustainable Development Business Index for Greek enterprises, together with six other companies from among a total of 50.
- Decisions of Annual General Meeting of the Shareholders of MYTILINEOS S.A.

The Annual General Meeting of the Shareholders of the company took place on June 07 2018, and the following decisions, among others, were taken:

1. Election of new Board of Directors and appointment of the Board's independent members.
2. Permission in accordance with article 23 par. 1 of Codified Law 2190/1920 to the Members of the Board of Directors and to the Company's Managers/Directors to participate in the Board of Directors or in the management of companies pursuing the same or similar objects.
3. Election of a member of the Audit Committee pursuant to article 44 of Law 4449/2017.
4. Approval of the Individual and Consolidated Annual Financial Statements for the financial year 2017 (01.01.2017 - 31.12.2017), of the relevant Board of Directors' and Independent Auditor's reports, and of the Statement of Corporate Governance.

5. Approval of the appropriation of the results for the financial year 2017 (01.01.2017 - 31.12.2017), distribution of dividend and payment of fees from the profits of the aforementioned accounting period pursuant to article 24 par. 1 of C.L. 2190/1920 .
 6. Discharge of the Members of the Board of Directors, the Auditors and the signatories of the Company's Financial Statements from any liability for damages for activities during the financial year 2017.
 7. Approval of the remuneration and compensation of the members of the Company's Board of Directors for the financial year 2017 (01.10.2017 - 31.12.2017), in accordance with article 24 par. 2 of Codified Law 2190/1920, and preapproval of their remuneration for the current financial year.
 8. Approval of the establishment of a special reserve account using funds from the "retained earnings" account, for the purpose of covering the Company's own participation in the framework of the investment plan involving the construction of a wind park with an initial output capacity of 13.8 MW.
 9. Approval of contracts as per article 23a of Codified Law 2190/1920.
 - 9.1. Approval of contracts between the Company and its related party MFP.
 - 9.2. Approval of contract of services between the Company and Chief Executive Officer.
- On 19.06.2018 MYTILINEOS announced that its subsidiary, METKA EGN, has signed a contract with Talasol Solar S.L.U., a subsidiary of Ellomay Capital Ltd., to carry out a large scale solar power plant, with installed capacity of 300 MWp in the municipality of Talaván, Cáceres, Spain (the "Talasol Project"). The signing of the agreement took place on 18.06.2018 at MYTILINEOS headquarters in Athens. The scope includes the engineering, procurement and construction (EPC) of the Talasol Project and the ancillary facilities for injecting power into the grid, including a 400 kV step-up substation, the high voltage interconnection line to the point of connection to the grid and performance of two years of operation and maintenance (O&M) services. The Contract value is just below €200Mio.
 - The 26.06.2018 was set as the record date for beneficiaries of interest payment for the second Interest Payment Period, i.e. from 27.12.2017 to 27.06.2018, according to the terms of the dated 27.6.2017 common bond loan issued by MYTILINEOS HOLDINGS S.A. The gross interest amount for the second Interest Payment Period amounted to € 4,701,666.67 i.e. € 15.6722222222 per bond, which was calculated at an annual interest rate of 3.10% (before tax) and corresponded to 300,000 bonds that were being traded on the Athens Exchange on that date. The payment of the accrued interest to the bondholders took place through the "Hellenic Central Securities Depository S.A." on 27.06.2018.
 - On 12.10.2018 MYTILINEOS SA announced the agreement to acquire all shares (50%) owned by MOTOR OIL (HELLAS) CORINTH REFINERIES SA in M & M NATURAL GAS S.A. and on 16.01.2019 announced the completion of the acquisition. Henceforth, MYTILINEOS S.A. is the sole shareholder (100%) of M & M NATURAL GAS S.A.

- On 23.10.2018 MYTILINEOS S.A. announced the agreement for the acquisition of a 97.87% stake in EP.AL.ME. S.A. (Aluminum Processing – Metal Industry), a Company that operates in industrial production, processing and trading of metals, mostly aluminium alloys and derivative products. EP.AL.ME. was founded in 1973 and is the largest independent producer of recycled (secondary) aluminium in Greece. The annual capacity of the plant is currently 35,000 metric tons, with a workforce of 64 people. Through extended and targeted investments, MYTILINEOS plans to increase productivity and efficiency, production is expected to reach 50,000 metric tons over the next two years.
- On 01.11.2018 MYTILINEOS S.A. announced the new cooperation between Protergia, the Energy Business Unit of MYTILINEOS, and Eurolife ERB insurance company. This collaboration aims to develop the PROTERGIA BENEFIT program, an umbrella of value added services for Protergia household customers, covering, among others, insurance-related needs of their home (e.g. flood, fire, earthquake, theft, damage, etc.).
- On 11.12.2018 the Extraordinary General Meeting of the Shareholders of the Company was held in order to approve the amendment of article 3 “Registered Office” of the Company’s articles of association due to transfer of the registered office of the Company from 5-7 Patroklou str. To 8 Artemidos str. In Municipality of Amaroussio, Attica Prefecture.
- Friday, 21 December 2018 was set as the record date for the beneficiaries of interest payment for the third Interest Payment Period, i.e. from 27.06.2018 to 27.12.2018. . The gross interest amount for the third Interest Payment Period, which corresponds to 300,000 bonds currently traded on the Athens Exchange, was euro 4.727.500,00 i.e. euro 15,7583333333 per bond and had been calculated at an annual interest rate of 3.10% (before tax). The payment of the accrued interest to the bondholders had taken place through the “Hellenic Central Securities Depository S.A.” (ATHEXCSD) on Thursday the 27th of December 2018.

IV. PROSPECTS – RISKS AND UNCERTAINTIES FOR THE YEAR AHEAD

A. Prospects for 2019

Metallurgy and Mining Sector

In the Metallurgy and Mining sector, the growth rate of global aluminium demand is expected to remain strong, thus helping support aluminium and alumina’s prices.

The API Index is expected to remain high for the remainder of the year, as the recommencement of the production of the factory ALUNORTE in Brazil is not expected to occur. Accordingly, final products’ premia (billetes – plates) remain increased.

Raw materials' prices experience a downward trend which is expected to strengthen in the future and improve production cost and financial results respectively.

EPC & Infrastructure Sector

For the EPC Sector, 2019 is expected to be a year of significant recovery, development and new opportunities. The Group is oriented towards the development of its activities in demanding countries, with its status and know-how giving it a special place in the global market. If there are investment opportunities, the Group shall utilize its significant financing capabilities to create bigger added value for its clients and shareholders.

Based on this strategy, the EPC Sector will focus on a timely execution of the existing contracts and the undertaking of new projects and investments in targeted markets. It will continue to implement its plan for expansion and development of its presence in the markets of Asia and Africa. At the same time, it will seek photovoltaic construction and power storage projects through its subsidiary METKA EGN. Finally, the EPC Sector intends to expand in the development, construction and sale of photovoltaic parks worldwide.

Energy Sector

Despite the relative progress achieved in the previous years, the energy market remains in a transitory state and serious regulative changes should be put under way in order to achieve the goals placed for enhancing competition and effectively open the market.

MYTILINEOS possesses today an installed power of ~1,4 GW from operational thermal power stations and RES projects which makes the Company the biggest independent producer and supplier of energy, having the necessary critical size needed in order to benefit as much as possible from the expected full deregulation of the local market of electric power.

In 2019, the financial results of the Electric Power & Gas Trading Sector are expected to rise due to,

- the decrease of the natural gas price due to excessive LNG supply , where MYTILINEOS has a significant advantage compared to its competitors
- the application of the Transitional Flexibility Compensation Mechanism for the whole year, as expected
- the increased availability of the thermal power stations, since programmed maintenance will be low,
- the increased installed power of the Renewable Energy Sources, through the operation of 3 new Wind Parks with a total power of 34,45 MW
- the expansion of the activity of electric power trading to additional countries.

V. Business Risk Management

Financial risk management aims and policies

The Group's activities give rise to multiple financial risks, including the current and interest rate related risks; the volatility in market prices; credit risks; and liquidity risks. The Group's risk management program aims at containing potential negative influence to its financial results, as this may arise from the inability to predict financial markets and the volatility with respect to cost and sales variables.

The essential risk management policies are determined by the Group's Management. The risk management policy is applied by the Corporate Treasury Department. The latter acts as a service centre, operating under specific Management - approved lines.

Credit Risk

The Group does not exhibit any considerable concentration of credit risk in any of the contracted parties. Credit risk originates from available cash and cash equivalents, derivative financial instruments and deposits at banks and financial institutions; also from exposure to client derived credit risk.

Regarding commercial and other claims, the Group is not theoretically exposed to significant credit risks; as of the multifaceted nature of the Group's activities, there is no significant concentration of credit risk with respect to its commercial requirements, as this is allocated over a high number of clients. However, the atypical conditions that dominate the Greek market and several other markets in Europe are forcing the Group to constantly monitor its business claims and also to adopt policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold to a considerable degree; safeguarding claims by collateral loans on customer reserves; and receiving letters of guarantee.

To minimize credit risk on cash reserves and cash equivalents; in financial derivative contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2018 and 31.12.2017 respectively:

MYTILINEOS GROUP

<i>(Amounts in thousands €)</i>	0-3 months	Past due but not impaired			Non past due but not impaired	Total
		3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables						
2018	64.778	33.004	23.892	28.437	665.930	816.042
2017	58.253	14.129	16.599	20.115	636.760	745.856

MYTILINEOS S.A.

<i>(Amounts in thousands €)</i>	0-3 months	Past due but not impaired			Non past due but not impaired	Total
		3-6 months	6-12 months	> 1 year		
Liquidity Risk Analysis - Trade Receivables						
2018	33.725	6.959	2.685	25.910	319.889	389.168
2017	36.342	10.022	4.912	19.206	355.672	426.155

Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis.

The Group ensures that there is sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held. The funds for long-term liquidity needs ensured by a sufficient amount of loanable funds and the ability to sell long-term financial assets.

The tables below summarize the maturity profile of the Group's liabilities as at 31.12.2018 and 31.12.2017 respectively:

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2018	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	460.165	73.863	534.028
Short Term Loans	10.679	18.233	-	-	28.912
Trade and other payables	242.635	152.499	20.450	-	415.585
Other payables	(106.163)	225.056	10.401	14.914	144.208
Current portion of non - current liabilities	16.788	24.013	-	-	40.801
Total	163.939	419.801	491.016	88.777	1.163.533

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2017	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	498.870	90.456	589.326
Short Term Loans	50.629	45.948	-	-	96.577
Trade and other payables	282.757	108.979	19.805	-	411.541
Other payables	(230.131)	257.459	975	55.556	83.859
Current portion of non - current liabilities	22.342	21.415	-	-	43.757
Total	125.597	433.801	519.650	146.012	1.225.060

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2018	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	369.323	-	369.323
Short Term Loans	267	-	-	-	267
Trade and other payables	199.354	65.778	19.618	-	284.750
Other payables	98.013	10.050	-	14.914	122.977
Current portion of non - current liabilities	8.666	13.916	-	-	22.582
Total	306.300	89.744	388.941	14.914	799.899

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2017	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	388.160	-	388.160
Short Term Loans	31.801	43.692	-	-	75.492
Trade and other payables	264.888	21.363	19.618	-	305.869
Other payables	46.524	6.055	-	14.909	67.488
Current portion of non - current liabilities	18.440	13.190	-	-	31.631
Total	361.653	84.300	407.778	14.909	868.640

It must be noted that the above table does not include liabilities to clients from the performance of construction projects, as the maturity of such values cannot be assessed. Moreover, cash-advances from customers, construction contracts liabilities as well as the provisions and accrued expenses are not included.

Capital Control imposition in Greece

The Group is constantly and vigorously monitoring capital controls, stemming from the Legislative Act (L.A.) of June 28th 2015 and any subsequent ones, taking every necessary measure to safeguard its going concern. Through the strength of its international profile and export orientation, the Group copes with existing difficulties, supports the liquidity of the Greek system and achieves a smooth and normal operation for all its sectors of activity.

Market Risk

Price Risk

Goods prices that are mainly determined by international markets and global offer and demand result in the Group's exposure to the relevant prices fluctuation risk.

Goods' prices are connected both to variables that determine revenues (e.g. metal prices at LME) and to the cost (e.g. natural gas prices) of the Group's companies. Due to its activity, the Group is exposed to price fluctuation of aluminium (AL), zinc (Zn), lead (Pb) as well as to price fluctuation of natural gas, as production cost.

As regards price fluctuation of metals, the Group's policy is to minimize risk by using financial derivative instruments.

Exchange rate risk

The Group develops activity at international level and is therefore exposed to exchange rate risk that arises mainly from the US dollar. Such risk primarily stems from commercial transactions in foreign currency as well as from net investments in foreign financial entities. For the management of such risk, the Group's Financial Management Department establishes financial derivative and non-derivative instruments with financial organizations for the account and in the name of the Group's companies.

At the Group level, such financial instruments are considered to constitute compensation means for the exchange rate risk of specific assets, liabilities or future commercial transactions

Interest rate risk

The Group's assets that are exposed to interest rate fluctuation primarily concern cash and cash equivalents. The Group's policy as regards financial assets is to invest its cash in floated interest rates so as to maintain the necessary liquidity while achieving satisfactory return for its shareholders. In addition, for the totality of its bank borrowing, the Group uses floating interest rate instruments. Depending on the level of liabilities in floating interest rate, the Group proceeds to the assessment of interest rate risk and when necessary examines the necessity to use interest bearing financial derivative instruments. The Group's policy consists in minimizing its exposure to interest bearing cash flow risk as regards long-term funding.

Effect from risk factors and sensitivities analysis

The effect from the above mentioned factors to Group's operating results, equity and net results as at 31.12.2018 and 31.12.2017 presented in the following table:

2018

LME AL (Aluminium)	\$/t	+ 50	- 50
EBITDA	m. €	0,1	(0,1)
Net Profit	m. €	0,1	(0,1)
Equity	m. €	0,1	(0,1)

API (Alumina)	\$/t	+ 10	- 10
EBITDA	m. €	2,8	(2,8)
Net Profit	m. €	2,8	(2,8)
Equity	m. €	2,8	(2,8)

Exchange Rate €/€	€/€	-5%	+5%
EBITDA	m. €	(7,3)	7,5
Net Profit	m. €	(5,7)	5,9
Equity	m. €	(5,7)	5,9

BRENT	\$/t	- 50	+ 50
EBITDA	m. €	0,3	(0,3)
Net Profit	m. €	0,3	(0,3)
Equity	m. €	0,5	(0,5)

NG Price	€/MWh	- 5	+ 5
EBITDA	m. €	12,4	(12,4)
Net Profit	m. €	12,4	(12,4)
Equity	m. €	12,4	(12,4)

CO2 (€/t)	€/t	- 1	+ 1
EBITDA	εκ. €	2,2	(2,2)
Net Profit	εκ. €	2,2	(2,2)
Equity	εκ. €	2,2	(2,2)

2017

LME AL (Aluminium)	\$/t	+ 50	- 50
EBITDA	m. €	1,0	(1,0)
Net Profit	m. €	1,0	(1,0)
Equity	m. €	1,0	(1,0)

Exchange Rate €/€	€/€	-5%	+5%
EBITDA	m. €	(5,6)	5,6
Net Profit	m. €	(5,6)	5,6
Equity	m. €	(5,2)	5,2

BRENT	\$/t	- 50	+ 50
EBITDA	m. €	0,3	(0,3)
Net Profit	m. €	0,3	(0,3)
Equity	m. €	0,3	(0,3)

NG Price	€/MWh	- 5	+ 5
EBITDA	m. €	12,5	(12,5)
Net Profit	m. €	12,5	(12,5)
Equity	m. €	12,5	(12,5)

The Group's exposure in price risk and therefore sensitivity may vary according to the transaction volume and the price level. However the above sensitivity analysis is representative for the Group exposure in 2018 and 2017.

VI. PAYMENTS TO GOVERNMENTS REPORT

Mytilineos Group, according to article 6 of law 3557/2007, paid to the Hellenic Government, for the year ended at 31st of December 2018, an amount of 284 thousand Euros, due to the mining activity of its subsidiary company.

The above mentioned amount is related to the Mining Rights of Delphi-Distomon SA subsidiary company.

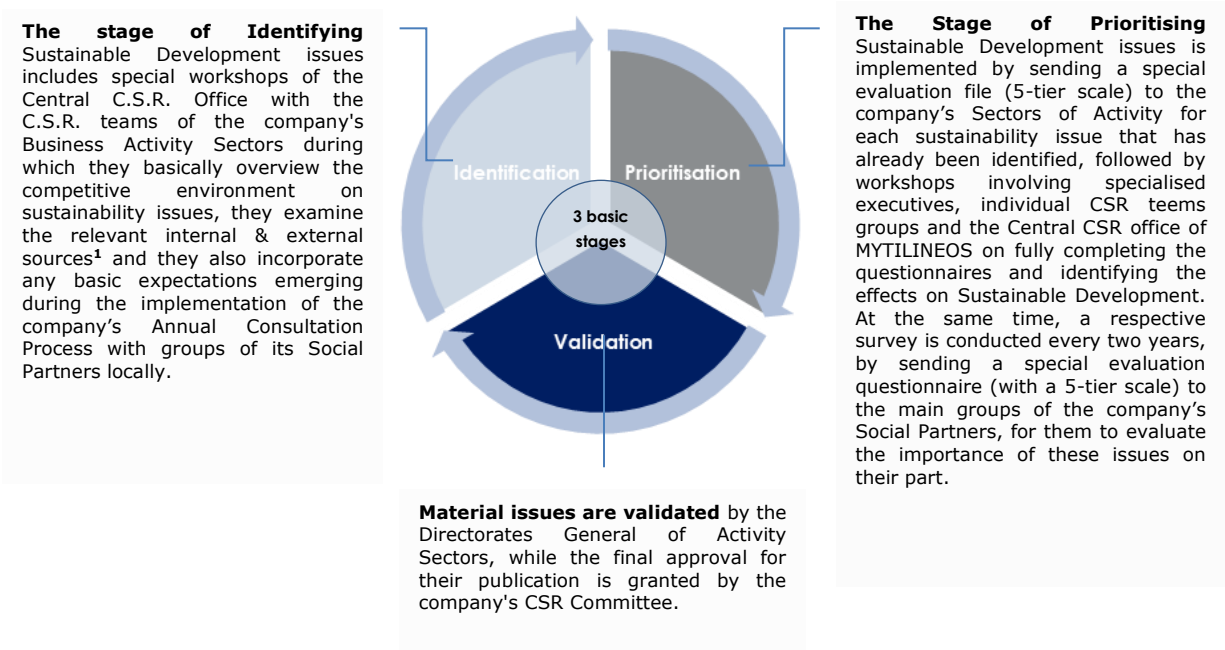
VII. NON FINANCIAL INFORMATION

Materiality analysis of sustainability issues

The process of identifying, understanding and evaluating sustainability issues is an important practice for MYTILINEOS' operations. By means of this process and combining it with the expectations of its Social Partners, the company improves its strategy, objectives and social and environmental initiatives, aiming to operate responsibly in all aspects of its business, both locally, nationally and internationally. The results of Materiality process compose the main content of MYTILINEOS Annual Sustainable Development Report, including those issues that can reasonably be material reflecting its economic, environmental and social impacts and influence the decisions of its Social Partners.

The Materiality process is implemented **within the company**, on an annual basis through the process of internal prioritising of Material issues and **outside the company**, where a relevant survey of opinion is conducted using a structured questionnaire, every two years, at the main groups of its Social Partners.

Illustration of the MYTILINEOS Materiality Process



In 2018, MYTILINEOS implemented the internal prioritising process for Material issues. The issues were addressed both in terms of the extent to which they affect the company's ability to meet its business objectives but also in terms of their impact on Sustainable Development, taking into account the respective national priorities and were combined with the importance that the key groups of the Company's Social Partners attach thereto, based on the results of the relevant 2017 survey. The composition of the findings from the above process confirmed that the issues identified as Material by the Company remain the same for 2018 and are as follows:

1. Occupational Health & Safety
2. Financial performance
3. Climate Change
4. Anti – Corruption
5. Environmental management
6. Local Communities
7. Working practices
8. Market Presence

The Non-Financial information section includes the relevant reports relating to the above Material Issues of the Company. The data refer to the main Business Sectors of MYTILINEOS and its major subsidiaries within the Greek territory, including the worksites it maintains through the EPC Project Sector in countries abroad. Data from Zinc/Lead Metallurgy and Natural Gas Trading business are not included.

A more detailed presentation of Material Issues and their respective non-financial performance indicators as well as their correlation with the 17 Global Sustainable Development Goals (Agenda 2030) is included in the MYTILINEOS 2018 Sustainable Development Report (<http://www.mytilineos.gr/el-gr/csr-reports/publications>)

Environmental management & Climate Change

Impacts: The main environmental challenges MYTILINEOS faces in its activities are the following: 1) rational management of reserves and natural resources, 2) energy consumption and control of gas emissions, 3) waste management with emphasis on bauxite residues utilization, 4) control of air quality and 5) restoration of the natural landscape of the areas associated with bauxite mining process and RES projects development.

Worldwide, climate change constitutes one of the most important challenges. MYTILINEOS, acknowledges that energy consumption and, by extension, carbon dioxide (CO₂) emissions impact both on its operational efficiency and sustainable development in general.

Rigorous compliance with the environmental legislation in force constitutes a key concern across all MYTILINEOS activity. Both compliance with the applicable national and EU environmental requirements and the commitments taken on volunteer basis in addition to the former, contribute to constantly improving the environmental footprint. The company's target is to have the least possible environmental impact in its production processes, its services and products.

The environmental impact stemming from MYTILINEOS activity is determined in the biotic and abiotic natural systems (soil, waters and ecosystems) in the framework of the operation limits of the Business Activity Sectors and of its subsidiaries, in the air quality and in its broader contribution to the air pollutants emissions at national level.

The company contributes directly to the above effects, due to the activity results of its business sectors and its subsidiaries. The company's suppliers and associates have an indirect contribution mainly using non-renewable raw materials in their production processes; its customers contribute indirectly during processing and using the company's products.

Major risks and relevant risk control practices: Based on its environmental impact, MYTILINEOS identifies all the following main risks that are likely to affect its business goals; against such risks, the company has put in place over the years a series of suitable investments to mitigate their likelihood to occur:

Major Risks	Risk control practices
<ul style="list-style-type: none"> The limited repositories of bauxite residues constitute a principal environmental hazard in MYTILINEOS Metallurgy sector with a possible negative impact on the company's cost. 	<ul style="list-style-type: none"> The company consistently invests in research in the use of bauxite residues by participating in European programs of efficient green technologies to produce useful product and materials and in the development of a technology for rare earth elements (REE) mining.

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Deviations from the legislation in force or modifications thereof, in relation to Environment or Climate Change issues.
 • Further increase of CO2 emissions entitlements cost, as it is likely to rise by virtue of EU future policies on energy and climate.
 • Possible undermining of surface and ground waters quality and soil pollution. It regards a potential risk of limited scope, within the boundaries of its Metallurgy Activity, given the large distance from organized residential areas and other economic activities. | | <ul style="list-style-type: none"> ▶ MYTILINEOS keeps abreast with legislative developments and takes preventive measures in order to minimize any negative effects. The company will probably have to carry out important investments in the future, as part of its statutory compliance with any legislation in force and any new provisions. For all its existing plants, the company was granted licenses for greenhouse gas emissions, as foreseen by law, and has developed and applied in parallel the required infrastructure for monitoring emissions and for submitting reports.
 ▶ Across all its business activity sectors characterized as high energy intensity, the company monitors monthly the gas emissions and, promptly implementing corrective actions, ensures that such emissions are compatible with the legislatively allocated ones and that are kept at the lowest possible level.
 ▶ A key target is to avoid any environmental degradation event. The preventive measures consist in the rigorous respect of Environmental Terms in the Metallurgy Activity, in the taking of measures foreseen in the Safety Study (SEVESO III- in application of the Joint Ministerial Decision 172058/2016) and in the good knowledge and practice on Emergency Plans. |
|--|--|---|

Management:

- ✓ The environmental responsibility constitutes a key element in the Professional Code of Ethics, of corporate values and of MYTILINEOS Suppliers & Associates Code of Ethics. It also ranks at the top of the company's consultation agenda with the main social partners' groups.

- ✓ Across its Business Activity Sectors, the company applies a certified environmental management system by the international standard **ISO 14001/2015**, that is complemented by specific environmental policies.

- ✓ The fixing of environmental targets per Business Activity Sector, the implementation of the company's measures and principles for environmental protection, the compliance with legislative requirements as a minimum commitment, the continuing evaluation and monitoring of all environmental parameters, the ongoing development of environmental

awareness in all employees and a harmonious cooperation with local communities constitute basic elements in MYTILINEOS environmental issues management.

- ✓ To tackle climate change, the company invests systematically both in optimizing its production processes with cutting-edge technology facilities and in renewable energy sources. Moreover, the systematic implementation of Best Available Techniques (BATs) during production process and waste management and the use of environment friendlier fossil fuels (natural gas) in all its industrial plants, in order to improve its energy efficiency and as first transitional measure to cut carbon dioxide emissions, constitute important factors of the company's business development and of its commitment to environmental protection and to safeguarding the sustainable management of natural resources.
- ✓ The industrial plants of Metallurgy and Electricity sectors participate in the Emissions Trading System (EU ETS); based on this system, since 2013, all procedures for calculating and verifying the gas emissions are followed, in accordance with the regulations of the third trading period EU ETS 2013-2020, whereby the compliance cost is higher due to the allocation of a smaller number of entitlements, compared to actual emissions.
- ✓ In every Business Activity Sector of the company, the officers in charge of the environment take care of the sound environment friendly operation of all industrial plants.

MYTILINEOS Measures and Principles for Environmental Protection:

- To abide by agreements and commitments undertaken by MYTILINEOS beyond its legal obligations.
- To assess the environmental impact of its activities, to record & evaluate the possible risks, to take the necessary preventive measures, to carry out regular controls & exercises to confirm the application and evaluation of measures.
- To monitor and continuously reduce the solid, liquid and gaseous waste.
- To improve the management of residues by promoting processes for recycling, reuse or recovery.
- To control consumption of raw materials and energy.
- To prevent any identified risk of pollution.
- To be ready and respond to emergency environmental incidents and to remedy any deviation implementing corrective plans.
- To study, preserve and develop the appropriate means of prevention and suppression, particularly in case facilities are modified.
- To correct any ascertained deviation, by establishing and implementing improvement/rehabilitation plans and preventive actions.
- To train and inform the personnel in a way befitting each employee's duties and needs.

- To urge associates (contractors, suppliers, customers) to respect their own requirements about the environment and industrial safety.
- To carry out regular internal and external inspections for assessing the Environmental Management system performance, the attainment of targets and the application of regulations and principles.

Non-financial Performance Indicators

Non-financial KPIs are listed below. The selection was based on their relevance to the Company's activities and the level of their materiality in relation to the environmental issues addressed. The KPIs have been defined in accordance with the **GRI STANDARDS**.

Environmental Indicators	2017	2018	
Basic Raw Materials			
Total consumption of bauxite (t)	1.855.677	1.873.622	●
Total consumption of Natural Gas (mio Nm ³) ¹	1.063	1.031	●
Energy			
Total energy consumption (GWh) ²	13.564	13.760	●
Consumption of electricity (GWh)	2.849	2.888	●
Emissions			
Direct emissions (tCO ₂ eq/year) ³	2.612.553	2.555.977	●
Indirect emissions (tCO ₂ eq/year) ⁴	2.327.665	1.818.932	●
Other significant emissions (tNO _x /year)	1.357	1.342	●
Other significant emissions (tSO _x /year)	711	680	●
Waste			
Total quantity of waste ⁵	847	891	●
Reuse/Recycling/Recovery/Utilisation of solid waste (t)	82	164	●
Water			
Total consumption of water (million m ³)	5,80	5,70	●
Water savings in the production process (mio m ³)	5,14	5,06	●
Land management			
Rehabilitation percentage of usable land	80,04%	81,13%	●

¹Nm³: Normal cubic meters.

²Total energy consumption = Energy consumption from non-Renewable sources + Energy consumption from renewable sources + Generated energy - Lost energy.

³Emissions deriving from sources (natural units or processes) belonging to or controlled by the Group

⁴Emissions deriving from electricity the company purchased from other organizations for its own consumption

⁵Hazardous and No- hazardous waste (bauxite residues constitute 93% of total waste quantity)

Policy results:

Basic raw materials: About the use of basic non-recyclable raw materials, deriving from non-renewable sources, no significant changes occurred in 2018. The quantity of bauxite that was used in the Metallurgy sector to produce alumina and aluminium was kept at the levels of 2017, posting a marginal increase by 1%, while the total natural gas consumption posted a slight reduction by 3%. The use of alternative raw materials, i.e. by-products or waste from other industries, whereby it is possible to restrict the natural resources consumption, does not yet constitute an applicable practice in aluminium production. In Integrated Projects & Infrastructure Sector, the management of primary natural resources does not exist but the management of semi-finished or finished products, based on specific plans and procedures for each project that determine precisely the use of each material, the way of processing and the precise location and operation. These plans and procedures of the company follow the most recent developments of the relevant know-how.



Energy: The total energy consumption from MYTILINEOS activity in 2018 posted a decline by 6.5% compared to 2017. This decline is mainly attributed to a small decrease in production and to the respective operating hours of the company's Electricity Sector thermal units. In particular, the energy consumption from conventional sources, such as the natural gas dropped by 6,5%, while in total the electricity consumption presented a small increase by 1,4%. At efficiency level, further improvements were made in the production process of the Metallurgy Sector, with a decrease by 3% and 2.3% in special consumptions per ton of alumina and aluminium production respectively. The continuing decrease recorded in the special consumptions of Metallurgy sector is due to the continuing efforts of improvement and the investments in new technologies that were carried out by the company over the last years; it is also due to the controls on work quality, on the optimization of parameters and the personnel sensitization, to the extent it is involved, through special operations plans.

Air Emissions: MYTILINEOS Metallurgy and Electricity Business Activity Sectors produce almost 99% of direct and indirect carbon dioxide emissions (CO₂). The direct emissions (scope 1) arise mainly from alumina and aluminium production process (fuels consumption and chemical processing as part of the production process) and from the electricity generation process (natural gas consumption), while the indirect emissions (scope 2) correspond to the electricity consumption. In 2018, the direct emissions posted a slight decrease by 2.2% following the reduced natural gas consumption in the Electricity Sector, while an important differentiation was posted in the indirect emissions, mainly due to the changes annually to conversion factors of electricity from the significant increase of RES share in the energy mix of the country (Eurostat data 2017). The national emissions factor gCO₂/kWh (source: Eurostat Electricity conversion data for Greece) was applied for the first time in all company's Business Activity Sectors, in 2018, for reasons of harmonization after the corporate

transformation in 2017. Finally, about the other secondary gaseous emissions, such as the nitrogen oxides (NOx) and sulfur oxides (SOx), limit reductions were recorded by 1.1% and 2.2% respectively, since 2017.



Waste: In 2018, the company posted an increase in the total waste quantity by 5.1%. The quantity of waste that was recycled, reused, recovered and reutilized in various ways, either by the company, or through third parties reached 18.4% of total waste, recording a significant increase by almost 90%, namely 81.7 thous. Of additional tons, compared to the respective quantity in 2017. Given that the waste generated by alumina & aluminium production process (bauxite residues) constitute almost 93% of all company's solid waste, MYTILINEOS continues its intensified efforts for waste management and holistic utilization, either by discarding them to production of other industrial materials or by participating in European research and pilot programs. A case in point is the 'SCALE' research program (Production of Scandium compounds and Scandium Aluminum alloys from European resources), coordinated by MYTILINEOS Metallurgy Sector, with the participation of the National Technical University and 19 partners from 9 European countries. The program focuses on rare earth elements (REE) mining and of Scandium (Sc) compounds and Aluminum-Scandium alloys from European metallurgical residues, such as Bauxite residues.



Water: The total water consumption in MYTILINEOS activities in 2018 stood at 5.7 mn. m³, marginally lower by 1.7% compared to 2017. In total, 168.0 mn. m³ of water were drawn and 162.3 mn. m³ were discarded. Moreover, the water percentage that was reused or recycled by the company during its activity, stood at 3.01% on the total drawn volume of water, a performance lower than 3.5% compared to 2017. The company's efforts on water effective management continued in 2018 also. Continuous improvement plans are in application, in alumina & aluminium production processes, where a project is under way to reduce the consumption of industrial and drinking water 'Black Belt' anticipating positive results in the immediate future. Moreover, MYTILINEOS evaluation result, during the 3rd consecutive year of its participation in the global sustainable development initiative CDP-Water Security, ranked the company in the second best 'Management' level; this performance ranking is a peg lower compared to last year. This was an anticipated result, due to the upgrading of evaluation procedure qualitative criteria and of its enrichment with more and more demanding issues about water resources management. MYTILINEOS was one of the 1,268 companies worldwide that submitted adequate data for their evaluation, based on the new data, while, based on its performance, the company stands above the European and international average, compared to the companies operating in Metallurgy.



Rehabilitation & Biodiversity: MYTILINEOS has taken care so that its operation does not affect areas usually protected by the law and areas of high biodiversity value. Therefore, there are no significant effects likely to negatively affect the integrity of the geographical area or the region where the business units of its Activity Sectors are located, either directly or indirectly.

In particular: In the Metallurgy sector, the area of aluminium production plant does not fall under a category of area protected by law, while the mining activity carried out by DELPHI-DISTOMON company, a MYTILINEOS subsidiary, and regards mainly underground holdings in Fokida area, is performed showing respect to the area's biodiversity, by drawing up and elaborating Environmental Impact Studies and rehabilitation plans of the usable areas.

The environmental remediation is carried out through systematic tree planting of approximately 15-20.000 plants/year. To this day, DELPHI-DISTOMON has planted approximately **1,139,000 trees** covering a total afforested surface outnumbering **1,800 acres**. Moreover, a fencing of 73.1 km has been placed (to protect the tree planting) and a network of watering-irrigation pipes of 695 km long for those trees. It should be mentioned that over the last 6 years, on average, 150,000 tons of sterilized limestone are produced during the mining process. This quantity has already been discarded in already existing sinkholes of surface and underground sites; as a result, it is not necessary to commit not even a single square meter of surface for discarding this type of waste. In the end of 2018, the total surface used in the mining process covers 126 stremma (same as the respective one in 2017), the total surface of land in the remediation process stands at **221 acres** (reduced by 8.3% compared to 2017) while the percentage of soil that has been restored since the beginning of the mining activity, in the entire usable surface, amounts to **81.13%**, increased by 1.36% compared to 2017.

In the Electricity Sector and with regard to the activities pertaining to the construction of solar farms, located close or within the areas characterized as Special Protection Zones, the key prerequisite is to elaborate the corresponding studies (special ecological assessment, annual monitoring of a protected area) and the confirmation either of the existence of impact or, in case of impact, of the measures taking possibility to avoid such impact. Therefore, wherever the company operates, the impact is zero, as regards pollution (air-borne, solid or liquid waste), the movement of animals is not obstructed since there is no fencing and nuisance to birds is negligible (if needed, technical systems for birds protection are installed). With regard to environmental remediation, under the new solar farms, the company applies and systematically pushes the obligation of burnt land reforestation (lands to be reforested) and the restoration of illegal or inactive quarries, pursuant to the legislation in force and the guidelines of the respective forest inspectorates; within the next two years, a total surface outnumbering **570.000 m²** is expected to be reforested.

Environmental legislation: A key element in MYTILINEOS business activity is compliance with the environmental legislation; this is an issue of paramount importance, not falling short in significance of issues the company manages in the context of its ongoing and responsible development. This stance, constituting a key component of the company's overall environmental policy, is primarily based on the principle of adhering to the stipulations of the law, to the agreements and

commitments taken voluntarily through its Business Activity Sectors. To this end, respecting the applicable law, updating and applying the environmental rules pertaining to MYTILINEOS activity, in 2018, led to no incidents of environmental quality degradation and, by extension, to no administrative sanctions nor environmental fines. In addition, monitoring compliance with the approved environmental licenses of the company's business units' decisions on environmental terms approval is a process carried out internally, on a regular basis, in every Business Activity Sector, by specialized personnel and annually by a recognized, independent body taking over the environmental management system's control and certification. Based on the relevant audit results for 2018, no deviations were observed from the existing environmental licenses rendering necessary to plan investments to cover them; incidents of non-conformity with the environmental laws or regulations were not observed. (The list with decisions on environmental terms approval of the company is available at http://www.mytilineos.gr/Uploads/Adeies_Egkrishs_Perivallontikon_Oron.pdf).

Occupational Health & Safety

Impacts: Employee Health and Safety is a fundamental factor for MYTILINEOS' business and a primary corporate objective. As a responsible business, MYTILINEOS recognises both its responsibility to continuously improve the health and safety conditions in its workplaces as well as the right of its own employees and of independent contractors' employees, carrying out work at its premises, to work without being exposed to risks that could cause injuries or occupational diseases.

MYTILINEOS also recognises that by eliminating accidents and incidents of occupational diseases, particularly in its own production facilities, it promotes constant, sustainable, productive employment and decent work, while it also contributes effectively to enhancing its competitiveness.

The company's Business Sectors, due to the nature of their operation, run Occupational Health and Safety risks (minor accidents, lost time accidents, occupational diseases and accidents) that can cause significant or less significant social impact, if suffered not just by the employees themselves and their families but also by third parties such as: employees of independent contractors, associates, trainee students and employees, but also any visitor in their premises. In addition, these issues can cause effects related to degrading satisfaction and morale among employees, increasing accident/absenteeism costs and negatively affecting the image and reputation of MYTILINEOS.

The impacts from MYTILINEOS's operation in the field of occupational Health & Safety encompass all areas of the industrial facilities, factories and underground mines owned by the company and its subsidiaries in Greece, the worksites of Integrated Projects Division in countries abroad, all office buildings as well as local communities, where the company operates and carries out its business. The company's Business Sectors are directly involved in these effects, while independent contractors, towards which the latter is responsible for general safety at the workplace, are indirectly involved. In order to improve its overall performance, the company focuses on encouraging its contractors, suppliers and

other associates to adopt practices that ensure decent working conditions, in order to secure their employees' health and safety.

Major risks and relevant risk control practices: The company has identified the following risk categories within the scope of its operation:

Major Risks	Risk control practices
<ul style="list-style-type: none"> • Indirect or Direct Accident Risks: Indirect Accident Risks create the conditions that may lead to an accident and involve the layout, functionality, access - evacuation, lighting and temperature environment of workplaces. Direct Accident Risks may lead to an accident or occupational disease and involve physical, chemical and biological factors. • Non-Accidental Risks involving organisational, psychological and ergonomic factors that may not lead to an accident but affect the employees' mental and physical health in the short or the long run. 	<ul style="list-style-type: none"> ▶ Occupational Health and Safety is a line of responsibility that begins from the Management and Directorates General and stretches along all stages of production of every MYTILINEOS Business Sector. To address these risks, the company strictly implements security systems and safety measurements to assess their impact on the human body and to identify any need for interventions in all workplaces (offices and industrial facilities). At the same time, continuous progress and improvement highly depends on both preventive actions undertaken and broader experience that the company gains from any incident and near accident, while educating and training the personnel is crucial in order to maintain and further develop an accident prevention mentality.










Management:

- ✓ Occupational Health & Safety is a key point of MYTILINEOS' Code of Business Conduct and corporate principles and one of the main topics of the company's Consultation with the key groups of its Social Partners.
- ✓ MYTILINEOS strictly adheres to current national and European legislation and regulations relating to Occupational Health and Safety. Sometimes, in order to ensure that the operation of its Business Sectors conforms to the relevant legislation, it manages to set its own even stricter limits through the relevant programs and Management systems it implements.
- ✓ The company applies an occupational Health & Safety system certified according to the international standard **OHSAS 18001** (with a perspective transition to ISO 45001 within 2019 that replaces it), designed to minimise risks, to continuously take measures in order to prevent and minimise accidents and occupational diseases, to continuously train employees and to strengthen the work culture. The system is characterised by the following specific key practices that apply to the company's Business Sectors:

- Identification and assessment of occupational risks, where the prevention principle applies and the necessary measures are taken to address them.
 - Implementing advanced prevention tools and thorough analysis of all accidents and safety incidents.
 - Continuously informing and regularly engaging personnel in special occupational Health & Safety training programs.
 - Implementing specialised communication activities to raise awareness among employees.
 - Systematic inspection of the organisation and procedures applied, aiming to strictly comply with the rules of occupational safety in all activities of MYTILINEOS, ensuring the safety of employees as well as the safety of customers, associates and visitors at its premises.
- ✓ Individual policies pertaining to each Business Sector contribute decisively to improving performance in the field of Health and Safety by implementing best practices as a primary business objective.
 - ✓ The systematic and continuous effort to promote and form a corporate Health and Safety Mentality that would encourage all employees to behave responsibly for their own personal safety and the safety of their colleagues is a firm daily commitment.
 - ✓ Internal and independent external inspectors conduct scheduled or extraordinary safety inspections, the results of which help establish actions that further improve safety.
 - ✓ The framework of organising Occupational Health & Safety involves the operation of corresponding Directorates in each MYTILINEOS business sector, as well as special Health & Safety committees in the Sectors of Metallurgy and Integrated Projects and Infrastructures, covering all employees.

Non-financial Performance Indicators

The non-financial KPIs presented below have been defined in accordance with the GRI STANDARDS.

Health & Safety Indicators	2017	2018	
Number of fatalities (direct employees)	0	0	
Lost-time injury incidents (direct employees)	3	5	
Lost-time injury rate / 200,000 hours worked (direct employees)	0,15	0,25	
Lost days due to accidents / 200,000 hours worked (direct employees)	2,9	1,9	
Number of fatalities (indirect employees)	0	0	
Lost-time injury incidents (indirect employees)	5	9	
Lost-time injury rate / 200,000 hours worked) (indirect employees)	0,19	0,27	
Occupational disease incidents	0	0	
Rate of occupational disease incidents / 200,000 hours worked	0	0	

Policy results:

MYTILINEOS' highest priority, daily, is the Health & Safety of its employees across the range of its business activities. The company continues to strive constantly towards achieving the only acceptable objective of "NO ACCIDENT AND NO OCCUPATIONAL DISEASE", one of the leading challenges in the industry.

In 2018, the company continued focusing on improving and showcasing safe work issues to its direct and indirect personnel. The specialized campaign on safety at the work place using the pioneering method of brain 'right hemisphere' activation in the Metallurgy Sector was pursued for 5th consecutive year. The training hours of independent contractors, particularly in the Integrated Projects & Infrastructure Sector, posted a fourfold increase compared to 2017, while the company was awarded two significant distinctions ("Gold" awards) in the context of the 'Health & Safety Awards – 2018' institution; this was a reward for the company's initiatives in promoting health and safety in the Metallurgy Sector.

Notwithstanding, the systematic attempts made, and the procedures followed to prevent and minimize work accidents, across all company's activities, however, the year 2018 presented challenges for the relevant indicators resulting in transcendence of the annual targets. In particular:



Direct employees: No fatalities or incidents of occupational disease have occurred within 2018, while a total of five (5) accidents was reported (3 in the Metallurgy Sector and 2 in the Integrated Projects and Infrastructure Sector) due to employees' minor falls with lost time of ≥ 3 days. The events were analyzed with the Cause Tree Method (CTM), while remedy measures were taken to deter reoccurrence of similar situations. Moreover, through recording and investigating the safety incidents (near misses or near accidents) that could lead, under certain circumstances, to accidents, 25 incidents have been reported, a number increased by 63% than that of 2017. Such findings are analyzed to improve the safe work procedures and to inform the employees. To this end, MYTILINEOS planned and implemented in all Sectors of its business activity more than 13,000 hours of training, in order to prevent and eliminate specific risks; almost 1,000 employees joined this training.



Indirect employees: The company's independent contractors' personnel have not been involved in any fatal accident in 2018, however, a total of nine (9) accidents has been reported, that caused lost time of ≥ 3 days. The main causes were fall from height, other minor falls and inappropriate use of equipment. Three (3) accidents occurred in the Metallurgy Sector and six (6) in the Integrated Projects and Infrastructure Sector. Moreover, 38 near misses were recorded, a figure by 61% lower than the respective one in 2017. In 2018, emphasis was placed on training contractors, by implementing more than 30,000 hours of health and safety training, 75% of which taking place in the Integrated Projects and Infrastructure Sector. This action involved informing or training more than 5,000 persons.

Labour issues & Human rights

Impacts: MYTILINEOS opens to a new era of evolution with higher development outlook, seeking to achieve higher targets and performance.

As an employer, the company contributes to one of the broadly accepted social goals, i.e the improvement of living standards through full and safe employment and decent work. MYTILINEOS has fixed as priority the safety and protection of its employees' interests and rights, given that one of the success factors is the total devotion of its employees to their duties. In the context of Sustainable Development, the issue is of utmost importance since the relations between the Management and its employees contribute, inter alia, to the company's smooth operation. As a result, this facilitates the attainment of Global Sustainable Development Goals.

Employment is an internationally recognized goal related to economic and social progress. It is considered as an exceptionally important topic for the company's main Business Activity Sectors due to high localization and high number of employees. Creating opportunities for long term employment yields benefits not only for MYTILINEOS business activities but also for local communities contributing to their sustainability.

In addition, safeguarding decent working conditions (e.g. Working environment, wages and other forms of compensation, working time, rest periods, leaves of absence, disciplinary practices and redundancy practices, protection of motherhood, benefits and other welfare issues) is a top issue for the company aimed at its personnel satisfaction; at the same time, it is a key factor for employees' retention.

The company seeks to grow and improve its employees' competitiveness through appropriate occupational training and technical specialization. This is the way to support their optimal response to the current and future challenges of both professional and personal life. This is very important for all Business Activity Sectors due to the requirements in specialized personnel being necessary to run specific activities.

Through the employees' evaluation system, MYTILINEOS guarantees objectivity, transparency, meritocracy and the alignment of its practices with its vision, values and strategic objectives.

It also safeguards the protection of human rights, such as: Promoting equal opportunities and diversity, avoiding discrimination, forced & child work, protection of trade union right and the establishment of labor relations promoting mutual trust, cooperation, two-way communication and recognition boost individual improvement of employees both at personal and at professional level.

Based on the procedure of determining the company's material issues, Human Resources Management and Development and Human Rights Protection rank very high for all Social partners groups.

The boundaries from MYTILINEOS operation impact, in the field of labor practices and Human Rights, span across all areas of industrial facilities, factories and underground mines owned by the company and its subsidiaries in Greece, the work sites of Integrated Projects Sector in countries abroad and all office buildings. Directly involved in these effects are the company's Business Activity Sectors, while an indirect participation is reserved (particularly in Human rights protection) to contractors/suppliers located mainly in developing countries. For its responsible operation, the company focuses on committing its contractors, suppliers and other associates to adopting practices that ensure decent working conditions for their employees.

Major risks and relevant risk control practices: MYTILINEOS, in the framework of its Business Activity Sectors, recognizes the following risks:

Major Risks	Risk control practices
<ul style="list-style-type: none"> • Following its transformation, the company recognizes the risk of reduced performance or of employees' withdrawal, likely to occur due to their failed ability to adapt to the changes of the enterprise and of the procedures and therefore to the establishment of a common corporate culture. • Moreover, as there is no official proper procedure for safeguarding the protection of Human Rights, the company may have to confront situations jeopardizing such rights and may proceed to taking emergency measures, beyond the ones foreseen under normal business conditions. Through the Integrated Projects & Infrastructure Sector, the company owns work sites in countries abroad and cooperates with suppliers of developing countries in Middle East and Africa where there is a risk of Human Rights restriction or breach, likely to result in even suspension of works for some time, incurring an immediate economic cost for the company. 	<ul style="list-style-type: none"> ▶ Adoption and application of practices pertaining to the following: a) prompt and continuing briefing of employees on the changes in the structures and procedures due to the transformation b) elaboration of programs regarding the new single corporate culture, based on employees' common values and behaviors ▶ The company already envisages to apply the international Global Compact Self-Assessment Tool for Human Rights Protection in its business units. As far as its activity in developing countries is concerned, MYTILILNEOS takes all requisite measures to comply with the applicable law. In its contracts concluded with contractors, conditions are included regarding the respect of the national laws and regulations in force. In addition, an explicit provision is foreseen about safeguarding human rights protection (child and forced labor) and to avoiding conditions of corruption and bribery.

Management:

- ✓ MYTILINEOS approach in the management of human capital is aligned with its corporate values. The company has placed Health & Safety at work as top priority; it cares for the continuing improvement of labor relations, while aiming at protecting Human Rights in all work premises and in its key suppliers and associates. Therefore, employment across all company activities is characterized by long-term and steady relations with the employees. MYTILINEOS Code of Professional Ethics highlights the commitment to the United Nations Universal Declaration on Human Rights (U.N.D.H.R) and to the Conventions of ILO (International Labor Organization) on labor rights.

- ✓ The key components of Human Resources Management applied by the company are the following:
 - The labor practices applied by the company comply in minimum with the legislation in force, respecting the fundamental principles, as defined in the declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work.
 - To attract and uphold capable executives.
 - To continuously improve the relations with the employees and to apply modern performance evaluation systems.
 - To implement employees' training and skills development programs, in sectors that match the company's strategic development objectives and that allow the fulfillment of their professional goals.
 - To push the Code of Professional Ethics across the entire personnel.
 - To continuously improve health & safety at work for all staff and associates.
 - To carry out self-assessment for the defense of Human Rights, and labor rights.
 - To secure the flow of information and the prompt communication on the organizational changes through available communication channels: e-mail, SharePoint application and non-electronic ways of communication, i.e. evening consultation events with top hierarchy, consultation meetings between the management and 25-employee groups, written announcements in production areas and open communication with human resources via the role of HR-Business Partner per Business Activity Sector.
 - To protect employees' personal data allowing to be used only by authorized persons and only when this is required by the law and for the purposes related to labor relations operation and to the company's business activity.

- ✓ MYTILINEOS Human Resources General Directorate is responsible for elaborating and applying a management & development framework for the relevant policies and practices and for the provision of professional support to the Business Activity Sectors in coping with human resources related issues.

Non-financial Performance Indicators

*Annual Financial Report for the period
From the 1st January to the 31st December 2018*

The non-financial KPIs presented below have been defined in accordance with the GRI STANDARDS.

Labour indicators	2017	2018	
Employment			
Retention rate for full-time employees	92,5%	90,7%	●
Turnover rate ¹	3,3%	5,6%	●
Training & Development			
Training man-hours	45,833	43,950	●
Total training cost	314,949	392,362	●
Percentage of employees who received formal performance evaluation reviews ²	80,1%	72,9%	●
Human Rights			
Incidents of discrimination	0	0	●
Incidents of forced labour	0	0	●
Percentage of women in direct employment	15,4%	17,4%	●
Percentage of women in positions of extended responsibility ³	22,7%	18,8%	●
Percentage of young employees (<30 years old) in direct employment	11,90%	11,0%	●

¹Percentage of total volunteer withdrawals of employees on the annual average number of direct employees.

²Percentage of total employees. The respective percentage of the total eligible employees is 82,3%. Eligible are employees who qualify for inclusion in the annual performance evaluation process. In particular, the term does not include employees who have been with the company less than 6 months as well as special categories of workers concerning their role/object within the company.

³Percentages on the company's total executives' headcount.

Policy results:



Employment: MYTILINEOS seeks to ensure the prosperity of its employees, who constitute the most important factor of its development. In other words, employees are considered as 'embedded' in the company, in the sense of continuing improvement of their capabilities and of the outcome of their work, transcending a simple work-remuneration connection with the company. All the above are confirmed by the data recorded in 2018, where more than 9 out of 10 full time employees in 2017 remained in the company in 2018 also, while the percentage of direct employment increased by 3.2%, creating 45 new jobs. Similarly, in all areas MYTILINEOS operates, the remuneration and welfare schemes of employees adhere at minimum to the provisions of the labor law and the collective agreements, where applicable. The remuneration of employees, beyond the legal compensation, are based on their individual performance which is assessed on annual basis. These elements, in combination with keeping low rates of fixed term employment (10.2%) and part-time employees (0.9%), reinforce the company's intention to establish long-term cooperation with its people.



Training: The activity of MYTILINEOS in different sectors, such as the processing of metals, the specialized construction works and the activity in the sector of energy gives rise to different training needs, while giving employees a wide range of knowledge, affording them the opportunity to develop management and problem resolution skills, as they are daily confronted with new local and international challenges. To this end, the company's training program, in which 68% of the directly employed personnel participated, was

Financial Report for the period

from the 1st January to the 31st December 2018

completed in 2018 with the implementation of almost 44,000 man-hours of training, recording a small decline by 4.1% since 2017. Besides health and safety, intracompany training absorbed 32% of total hours, while more emphasis was placed on the improvement of administrative and technical skills.



Human rights: MYTILINEOS commitment to the 6 first Principles of the UN Global Compact and the company’s Code of Professional Ethics promote the protection and respect of Human Rights, such as e.g. the promotion of equal opportunities and diversity, the avoidance of discrimination, forced & child labor, the protection of trade union right, ensuring that such incidents will not reoccur in the working environment. In 2018, in accordance with the violation reporting procedure of the Code of Ethics, no incidents of human rights violation were reported in the company’s Business Activity Sectors. Moreover, labor rights constitute a vital topic for all employees. The company’s direct employees by 66% are covered by the collective labor agreements, while associations of employees operate in the Business Activity Sectors of Metallurgy and of the Integrated Projects & Infrastructure. MYTILINEOS follows the international practices across all regions and countries where it operates, making sure that the decisions regarding recruitments, remuneration, promotions, occupational training, retirement and the termination of contracts, are based solely on impartial criteria and are not associated with any kind of discrimination. With the biggest part of the company’s activity involving a heavy industry, the participation of women in employment and the promotion of new employees (proportionally and in accordance with the specifications of each activity sector) constitute the main issues of promoting equal opportunities at the work place. To this direction, in 2018, the percentage of women in direct employment posted an increase by 13%; while the percentage of young employees <30 years was reduced by 7.5%.

Anti-Corruption

Impacts: MYTILINEOS acknowledges that phenomena of corruption, bribery, fraud and money laundering undermine the ethics in each business environment; one of the repercussions would be the breach of Human Rights, the adverse environmental effects, the distortion of competition and the raising of obstacles to the distribution of countries’ wealth and economic growth. Such phenomena raise barriers to Sustainable Development, with a disproportional impact on poor communities eroding the social fabric. Combating corruption and bribery constitutes an essential issue for MYTILINEOS because it could a) contribute to risks’ identification, better assessment and management and to legislative compliance; this last one is a non-negotiable principle for MYTILINEOS in every region or country it operates, b) attain the business goals (for example to meet the relevant requirements when submitting bids for taking

over construction projects by the customer or financial institutions) and c) reinforce the company's protection from any phenomena of fraud, misappropriation and abuse, boosting further the corporate image.

Although no incidents of corruption or bribery have been confirmed, since the company's establishment to this day, nevertheless, the risk of occurrence of such an incident is acknowledged due to the company's transactions, both within its business activity sectors and beyond, with the main groups of social partners, such as: public authorities, business and regulatory bodies, customers, volunteers, NGOs, local communities, financial institutions and its supply chain.

Major risks and relevant risk control practices: MYTILINEOS may face the following major risks:

Major Risks	Risk control practices
<ul style="list-style-type: none"> • While undertaking integrated energy projects in developing countries with high energy needs, where a high risk is involved, according to the annual research of the Transparency International Organization, in relation to the corruption perception index, MYTILINEOS may be asked to proceed to facilitation payments or other benefits to local partners in order to continue the unobstructed operation of projects. • Any deviation from the company's principles and moral practices jeopardizes the good reputation, the reliability, the confidence of social partners and, by extension, the 	<ul style="list-style-type: none"> • MYTILINEOS has been formally committed to the 10th principle of UN Global Compact, whereby 'Businesses should work against corruption in all its forms, including extortion and bribery and facilitation payments'. This principle acts as a catalyst in establishing a culture of ethics across the company. • MYTILINEOS develops systems and controls both to prevent and to detect any mishaps; the aim is to ensure proper selection of vendors, avoid doubtful payments, proceed to proper payments and enter them in the company's accounting books in a correct and transparent manner. • In countries with a high risk of corruption, the company establishes a grievance mechanism accessed by each employee (direct or indirect), either non-anonymously or anonymously in order to denounce breaches related to personal data protection policies, bribery and corruption, human rights or the company's code of ethics. The company protects the complainants from eventual retaliation on condition that the complaint is filed in good faith even if it is not corroborated by the investigation result. • The setting up of MYTILINEOS Regulatory Compliance Division, in 2018, the renewal of policies against corruption and bribery to safeguard fair competition, to protect personal data and to screen business partners prior to the conclusion of

company's economic results and its ability to take over projects.

agreements boosts the importance of business ethics mindset for the company across the range of its activities alongside the management's focus on transparent procedures and zero tolerance vis-à-vis breaches of rules and policies.

- MYTILINEOS Code of Ethics for Vendors & Associates aims at tackling conditions of Corruption and Bribery in the supply chain. Unannounced audits on vendors intend to secure the code's application and to offer recommendations for corrective measures likely to be required.

Management: Coping with corruption and bribery constitutes a key element in the Code of Professional Ethics and in the Code of Ethics for MYTILINEOS Vendors & Associates. For the company, the principle of integrity in tackling corruption and bribery constitutes the benchmark. This principle is linked to its standing commitment for zero tolerance vis-à-vis these issues and is put into effective use by avoiding any transaction and contact with any third party likely to have been involved or suspected to have participated in the creation of conditions for the manifestation of incidents of corruption, extortion or bribery.

The prevention policy against phenomena of corruption and bribery, adopted by the company, taking steps towards its full implementation, is characterized by the following three key stages:

- To analyze the conditions and to identify possible risks or threats likely to encourage such incidents in the corporate environment, through a procedure of third-party screening. This practice covers corporate activities involving risks regarding the emergence of such incidents, such as: Charity contributions, sponsorships, gifts and hospitality, third party screenings as regards limitation lists concerning combating terrorism, the mediation services and the consulting services aimed at creating prevention procedures, in cases no such procedures exist.
- To make sure that all transactions taking place on behalf of the company, by shareholders, employees and its main associates and vendors shall be governed by the highest degree of integrity. Through designated procedures, applied mainly in the Purchases-Procurement departments and in project management for the selection of vendors and other associates, the conditions carrying out every transaction are screened annually in order to detect and eliminate those that may possibly lead to incidents of corruption or fraud.
- The company's function as a 'Responsible Corporate Citizen' reflected upon its participation international initiatives boosting transparency (UN Global Compact), in national working groups and in general its attachment to ethical business practices and sound corporate governance.

The General Directorate of Legal and Regulatory Issues, where the Regulatory Compliance Division belongs to, has already undertaken to set up and apply mechanisms for ensuring the company's protection from conditions of corruption and bribery at preventive and audit level.

Non-financial Performance Indicator

The non-financial KPIs presented below have been defined in accordance with the GRI STANDARDS.

Anti-Corruption	2017	2018	
Total incidents of corruption & bribery	0	0	●
Political contributions (€)	0	0	●

Policy results:



In 2018, MYTILINEOS applied all requisite internal processes to safeguard its policy. Through the audit mechanisms applied in the Purchases-Procurement Departments of the company's Activity Sectors, having examined both the selection of associates as well as any kind of transaction, no confirmed incidents of corruption occurred resulting in the removal or the disciplinary action against employees on grounds of corruption; no corruption-related incidents were confirmed driving to the termination or the non-renewal of cooperation with associates nor any public court cases related to corruption against the company or its employees.

Local Communities

Impacts: Social participation constitutes a preventive approach adopted by MYTILINEOS, mitigating the unpredictable non-financial risks and contributing to preserving its social license of operation along with its good reputation. This is an ongoing effort taking various forms, resulting in the company's commitment to understand and respond to local communities' concerns through open dialogue processes. Moreover, social participation aims at prevention and at problems resolution, via partnerships with local social bodies allowing the company to operate as a 'responsible corporate citizen'.

MYTILINEOS, aware of the modern socio-economic environment, wherever feasible, supports the work of Local Government offering its know-how and experience; at the same time through collective efforts, it builds on forms of cooperation yielding multiplying benefits, creating added value and contributing to long term strengthening of social cohesion.

All Business Activity Sectors of MYTILINEOS have a direct involvement in the foregoing effects, while the Local Government, as well as the Volunteer & Non-Governmental Organizations contribute indirectly in the framework of partnerships, implementing social actions, as foreseen in the company's social policy annual implementation plan.

Major risks and relevant risk control practices:

Major Risks	Risk control practices
<p>The weakness on behalf of MYTILINEOS to promptly determine and manage the unique and often changing social, economic and cultural priorities determining the outlook of local communities, may reverse the existing assumption that the company constitutes an inseparable member thereof with common interests. This is likely to affect the preservation of the company's social operation license, restricting therefore its future growth.</p>	<ul style="list-style-type: none"> ▶ The General Directorates of each Business Activity Sector of MYTILINEOS oversee the relations with local communities. What is principally sought after is to identify any negative business impact and to minimize thereof through a responsible activity. ▶ Moreover, in every Business Activity Sector of MYTILINEOS, a Corporate Social Responsibility team has been appointed to manage the implementation of social policy, the annual consultation with social partners, the use of local social media and the organization of visits by community members at the company's facilities, upon request. ▶ The company communicates with local communities in a clear and transparent way, opting for an 'open door' policy, applied in areas where the company owns industrial plants; it also communicates by organizing annual, thematic or general open consultations with local communities' representatives to attend and discuss special issues of local interest.

Management: In the framework of its social policy, MYTILINEOS focuses on:

- ✓ **Boosting local employment:** MYTILINEOS key activities are centered in the Greek regions; this fact confirms that the company acknowledges and accepts its share in developing and preserving local communities' prosperity.
- ✓ **Growth of local economy:** All Business Activity Sectors in the company subscribe to the same principle, i.e. domestic and by extension local suppliers shall take precedence in selection, based always on their needs and particularities.

✓ **Implementing social programs and initiatives through the annual Social Policy program:** The company's ambition is to contribute to empowering social cohesion, strategically seeking its maximum activation, through selected actions, in sectors directly connected with:

- Its culture and its business values,
- Its business activity impact
- The basic social needs emerging from the financial crisis and being still at play and
- The Global Sustainable Development Goals

Building on its constructive relation with social bodies over the years, MYTILINEOS has reviewed its internal processes, fixing a new way of managing social demands, in order to reinforce transparency and qualitative improvement of its social actions. An open procedure has been established to this end, through the company's web page, where requests are submitted by social bodies, based on concrete specifications.

Specialized executives in every Business Activity Sector manage the company's relations with local communities and in cooperation with the central service of MYTILINEOS Corporate Social Responsibility implement the annual Consultation of Social Partners at local level, in order to take stock of local needs and examine new partnership opportunities.

Non-financial Performance Indicators

The non-financial KPIs presented below have been defined in accordance with the GRI STANDARDS.

Social indicators	2017	2018	
Social investments (mio €)	2,02	2,37	
New hirings	95	45	
Percentage of employees from local communities	88,4%	93,2%	
Response rate to Stakeholder requests	55%	54%	

Policy results:

- **Communication and dialogue with Social partners:** MYTILINEOS applied the Open Social Dialogue with Social partners groups, with absolute consistency over the last 9 years. The company ranks amongst the pioneers in this sector in Greece, setting the conditions for carving out new perceptions and practices in its relationship with social groups, having as a springboard the specificities of its Business Activity Sectors. In this respect, MYTILINEOS, having streamlined its strategic priorities with Global Sustainable Development Goals, planned a series of actions to build a more responsible supply chain across all sectors of its business activity, beyond the lawful compliance, by 2025. The Consultation 2018 (4th consecutive thematic unit and 9th in total since 2010), inaugurated the beginning of

implementation of those actions by the company's Metallurgy Sector; the title of this Consultation was the following: '**Developing a Responsible Supply Chain**' with the participation of 50 key suppliers of all categories. The main targets of this open dialogue were the following: a) to inform suppliers on the latest developments regarding the company's growth and the overall purchase policy, b) to showcase the important role of the supply chain in Sustainable Development and c) to investigate ways of partnership for the attainment of mutual benefit goals. In conclusion, the Consultation highlighted the difficulties involved in sensitizing the supply chain in Sustainable Development issues, either due to the size of companies, or due to their limited exposure to external challenges and due to the lack of appropriate resources. However, an optimistic conclusion was reached since all suppliers agreed that their self-evaluation in social, environmental and labor issues constitutes more of an opportunity rather than a threat, because it will highlight the areas of their activity in need of improvement, will help improve quality of products and services and strengthen the openness and development of their competitiveness.

- **Social Policy:** In 2018, MYTILINEOS pursued the implementation of its social policy through a three-year Social Contribution Plan "IN PRACTICE" (2016-2019) raising its social expenditure by 20,2% compared to 2017, implementing actions in social sectors directly associated with the Global Sustainable Development Goals and the respective national priorities.



MYTILINEOS first and foremost supported the fire afflicted areas of Eastern Attica with infrastructure projects, tangibly showing its support to people affected by the ravaging fires in July 2018. The company was available to the competent authorities to offer any support to the Municipalities of Marathonas, Rafina and Pikermi, sending staple commodities and organizing emergency blood donation. Moreover, on the initiative by the company's President, the Board of Directors issued a relevant decision on 30/7/2018 regarding the allocation of €1.000.000 as assistance to affected individuals and for the prevention of future disasters. Following consultation with Municipal Authorities, residents' committees and Fire Brigade, the company decided to allocate this amount for the following actions:

- EUR 600,000 to improve the energy efficiency of the high school complex and the adjoining sheltered gym of the Municipal Community of Rafina - Pikermi Municipality within 2019, accommodating the schooling needs of 600 children and the sports activities of 1,000 children from the fire-affected areas of the Municipality and the neighboring municipalities.
- EUR 300,000 for the donation of 6 standalone fire trucks to the Fire Brigade Headquarters, within 2019 thus contributing effectively to its operational readiness.
- EUR 100,000 via a program implemented by the Hellenic Federation of Enterprises (SEV) to support 94 families in a state of emergency.

Aiming at safeguarding the sustainability of communities where the company operates and at improving the living conditions of residents, it invested more than 700.000€ to cover needs pertaining to local infrastructure and services with direct public benefit. The following are some indicative examples: The construction of the sheltered gym in Aspra Spitia, road construction projects, support to Livadia Municipality community service program etc. What is particularly valuable though is MYTILINEOS decision to support initiatives contributing to the development of sustainable cities and communities combining the preservation of cultural and natural heritage with local development. In particular, the company financed the implementation of the study ‘Nature and Cultural Route of Central Greece’, a program run by DIAZOMA Association; by promoting and developing natural and cultural monuments, the company aims to benefit the undertakings established in Mainland Greece as well as the producers of agro-food products, craftsmanship and industries as well as the producers of modern cultural products.

In addition, the added value that is highlighted by the company's business operation, with the elaboration of Renewable Energy Sources projects, through the Electricity Sector, is identified not only in the attainment of national environmental objectives but also in the significant benefits towards local communities. As a result, in 2018, the total investment in supporting infrastructure projects and services in Municipalities where new RES projects are running or are about to be elaborated exceeded 420.000€. Finally, more than 920,000€ were spent to support important events in the cultural life of the country promoting the dissemination and familiarization of Greek people with the cultural values; this amount was also intended to aid local sports associations and national federations in sports with dynamic growth.



The company considers that, although combating poverty presupposes the combination of many factors fixed by national definitions in effect, nevertheless, some basic practices involve the creation and preservation of jobs combined with the bridging of the gap between the skills offered by the labor market and the ones sought after. To this end, in 2018 MYTILINEOS created 45 new jobs, outnumbering in total the 700 jobs over the last 9 years; in addition, it preserved almost 1,300 indirect jobs across the entire range of its activities. In parallel, acknowledging its important role in developing and maintaining local communities' prosperity, the company pursued its local employment boosting policy with more than 8 out of 10 of its direct and indirect employees coming from local populations. Moreover, besides the long standing actions it implements for the economic support of families, foundations and social groceries, MYTILINEOS, in cooperation with the Social Enterprise ‘knowl’, implemented the program ‘#skills4engineers’, a program of Professional Skills & Employability of high standards, for 25 young unemployed graduates from Technical Universities and Technological foundations, offering them the opportunity to enhance their professional profile and achieve their immediate labor market integration.



MYTILINEOS joined the 'NUTRITION' program of Prolepsis Institute in 2018 to contribute to mitigating children's food insecurity. This program supports primary and secondary education state schools' students coming from vulnerable areas across the country, helping to cope with feeding problems faced by students of many schools, while promoting at the same time correct nutritional options. Through the 'NUTRITION' program, the company ensured in total the distribution of 22,682 healthy meals offering daily a healthy and high standards meal to 212 students studying in 5 schools of vulnerable areas in Mainland Greece (Sterea) during the school year 2018-2019.



As regards health promotion and access by all to all basic care quality services, MYTILINEOS, in 2018 continued the important cooperation launched in the previous year, with the Charity "Pediatric Trauma Care". Through this collaboration, the company aims to contribute to creating and upgrading the Emergency Departments at State Hospitals and Health Centers and to inform parents and teachers on pediatric trauma. In the context of this cooperation, MYTILINEOS in 2018 undertook and finalized full upgrading of three (3) Emergency Departments: 1) the Pediatric Department of Livadia General Hospital, 2) Hydra Healthcare Center 3) the Pediatric Clinic of Ioannina General University Hospital, with the necessary medical equipment. Considering also the company's contribution to the respective Emergency Department of the General Hospital of Larissa, in the end of 2017, the specific healthcare infrastructure is set to serve currently more than 16,000 children annually. Similarly, the company's contribution to this sector was significant also at local communities' level. In particular, the company a) offered 7 new beds to the Artificial Kidney Unit at Livadia Hospital, b) supported the maintenance and the equipment of Distomo Healthcare Center, c) supported financially the work of volunteer health associations, such as the Cancer Society (Livadia branch), the Hellenic Care Society of Volos, the Association Floga etc, while d) a special action by MYTILINEOS is the long standing approach to the HIPPOLYSIS Center aimed at disseminating the effective equine therapy method to an increasing number of people.



MYTILINEOS acknowledges that qualitative education is a fundamental factor of sustainable development and of human life improvement. During 2018 also, the company continued implementing a set of initiatives of high social value in this sector. The following are some indicative examples:

- 1. The completion of the 3rd and last round of the pilot social program for combating School Dropout, 'I AM IN',** in cooperation with the Association 'Together for the Child'. Upon completion of the program, MYTILINEOS identified and analyzed its social value based on the international methodology Social Return On Investment (SROI) that

applies the significant CSR programs it implements, constituting a pioneering fact and an innovation in the industry. Based on this analysis, the total investment for '1 AM IN' program produced a social value of 768,193.18 €, with an SROI indicator equal to 4,75:1. This means that for each 1€ invested in the program, the social value produced was 4.75 €. In a nutshell, the program's most significant achievements over the period 2016-2018, when 56 B' & C' grade of lower secondary school students participated, were the following:

- ✓ 90% of students participating in the program successfully completed their basic education and pursue their studies in upper secondary school (lyceum), being the program's main objective.
- ✓ 16 new jobs were created, while 15 individuals from 4 different social organizations were employed in the program's management.
- ✓ 6,800 healthy meals were provided to all students.
- ✓ A total of 1,358 hours of remedial teaching were completed and 127 hours of experiential actions.
- ✓ More than 400 hours of psychological intervention to students and counseling by school psychology experts to the program's participating teachers were carried out.

2. Reinforcing youth entrepreneurship and equal opportunities in education. In 2018, MYTILINEOS launched its cooperation with Athens University of Economics and with the Department of Administrative Science and Technology, to support the 9th Summer School of Youth Entrepreneurship (YES program), that has turned into an institution and attracts the interest of an increasing number of students across the country. The company offered in total 15 scholarships to upper secondary school students of all grades, enabling children of its employees and students from Attica and the rest of Greece to explore their capabilities as future executives or entrepreneurs and perceive more directly the outlook offered by this dynamically developing sector of economy. In addition, the company supported for 11th consecutive year the Scholarships Program of Piraeus University with 3 scholarships. This program aims to upgrade the studies and showcase excellence for a better future for young people and particularly for those coming from economically feeble families and to give them an equal opportunity of accessing the best possible education.

3. Upgrading of 25 schools with a new technology equipment. The acquisition of appropriate technological equipment is undoubtedly a means to upgrade the digital infrastructure of schools to reinforce the use of digital technology and to create equal access opportunities in the effective use of modern technology by anyone participating in the educational system. In this framework, MYTILINEOS, offered in 2018 50 new PC (desk & laptop), 15 screens, 2 projectors, 1 board and 1 photocopy machine, satisfying the demands of schools mainly from the Greek region to upgrade their technological equipment.

4. **Supporting specialized actions to promote the educational method STEM (Science-Technology-Engineering-Mathematics) to students.** MYTILINEOS cooperated for the first time with the Non-profit organization ‘WRO Hellas’ in order to support the spreading of educational robotics. The company offered 25 Lego education robotics packages to 25 state schools of primary and secondary education in the municipalities of Viotia and Magnesia, giving students from local communities the possibility to develop their digital skills, team work, imagination, creativity and critical thinking. In addition, the company supported economically the scientific work of students’ teams from the schools ‘Educational Renaissance’, Arsakia-Tositsia Schools of Ekali, that represented Greece in the finals of the world championship ‘f1 in schools’, on September 12, 2018 in Singapore.
5. **The creation and enrichment of 4 Libraries in the elementary schools of Davlia, Antikythira, Distomo and Paralia Distomou, Viotia Prefecture.** By fostering the program Libraries of the Greek Book Club, MYTILINEOS offered a gift of knowledge to 370 students, their families and to 60 teachers, promoting high quality books to readers.



Contributing to the attainment of the Global Sustainable Development Goal 16 that focuses on the elimination of all forms of violence, abuse and exploitation of children, MYTILINEOS supported actively as ‘Great Panhellenic Sponsor’ the organization of 12 training seminars, entitled ‘Protect your Child from the Electronic Crime’ in 10 cities in the country. For the company, this initiative is part of high social value actions since 3,166 students, parents and teachers had the opportunity to be informed about the safe use of Internet, phenomena of our times, addiction, high risk behaviors, ways of coping with the digital world challenges and to get answers in more than 200 different questions regarding their daily life submitted by the retired Police Lieutenant General of the Hellenic Police and President of Cyber Security International Institute Mr. Manolis Sfakianakis, who was the action’s main rapporteur.

The Company also supported the campaign ‘ONE in FIVE’ of the Council of Europe in Greece on the elimination of child sexual abuse. Aimed at informing and sensitizing the Greek society, in order to transmit the message of the campaign with greater intensity, MYTILINEOS undertook the reproduction of 20,000 DVD copies containing the information material of the initiative, with the approval of the Council of Europe and a positive opinion by the Institute of Educational Policy of the Education Ministry. The campaign visited more than 85 municipalities from 50 cities in the territory; it was hosted in 164 TV shows.



In the context of developing important partnerships for the attainment of the Global Sustainable Development Goals, MYTILINEOS participates in G.E.F.Y.R.A. program (Greek Enterprises For Youth Reinforcement Acceleration), seeking to create qualitative jobs for ‘employment preparation’. In 2018, under this initiative, the company developed 6 new forms of cooperation with higher educational institutions, while it continued the application of a successful program of 12-month salaried in-service training ‘ENGINEERS IN ACTION’ that constitutes an important

option for young people who find themselves excluded from the labor market. In total, 81 new quality vacancies were created for occupational training, in-service training and apprenticeship, while 5 of these new posts were converted into new jobs in the METALLURGY sector.

Market Presence

Impacts:

Supply chain

The company’s suppliers and associates play a decisive role in its effective operation, supplying a wide range of products and services from the mining activity and the production & maintenance of aluminium industry, the manufacturing and the purchase of equipment for EPC projects execution, until the operation and maintenance of Energy Centers, the development, construction and maintenance of Renewable Energy Sources. Given that the demand for products with a longer life-cycle and reduced environmental impact becomes increasingly higher, the company invests in seeking solutions that would satisfy its customer needs with the lowest possible environmental encumbrance. To this direction, the role of key associates and supplier is pivotal since they are an integral part of this effort. As a result of this policy, a wide range of specialized materials and products are produced/manufactured in Greece, serving the needs of all Business Activity Sectors.

Major risks and relevant risk control practices: MYTILINEOS acknowledges that its supply chain affects the attainment of its Sustainable Development objectives. In this respect, the Company faces the following risks:

Major Risks	Risk control practices
<p>Any non-responsible practices (business, environmental and social) by suppliers and the company's associates, with a direct impact on the production process (products and projects undertaken) as well as on its broader operation and reputation.</p>	<ul style="list-style-type: none"> ▶ During suppliers’ selection process in the Metallurgy Sector, meritocratic procedures are applied, on specific criteria regarding health and safety at work and environmental responsibility, besides the quality requirements, the compliance with technical specifications, issues of reliability, competitiveness and localization. Moreover, the company’s Code of Conduct has gradually started becoming a key prerequisite since 2017 for the conclusion of a commercial cooperation with new suppliers and contractors. ▶ In EPC Sector, in the countries where it operates, there is close cooperation with the competent Authorities for the regulatory framework implementation. As regards the management of environmental issues, the company notifies to subcontractors a project-specific Environmental Plan to be implemented; based on the work contract, they shall be bound to apply this plan

in order to minimize the environmental impact. Similarly, the management of health & safety issues is governed by a series of actions that should be implemented for proper implementation of employees' Health & Safety system and appropriate measures' taking. In the contracts signed with contractors and suppliers, an explicit provision is mentioned about the Code of Ethics to safeguard the protection of human rights and to prevent conditions of corruption and bribery.

Management: MYTILINEOS has made a commitment it invests in and will continue to invest at local, national and international level; this is to develop and uphold efficient and fruitful relations with suppliers and associates. MYTILINEOS forges longstanding forms of cooperation with a number of suppliers, while others are being treated on a short-term basis, depending on the market competition. The object and the type of the required supply will determine the priority to be placed on local suppliers, based on their economic, qualitative and time-related solvency, the cost of products or their services and their ability to ensure the required quality and to cover the procurement needs, in line with predetermined specifications, set by the company's Business Activity Sectors.

Moreover, MYTILINEOS' Suppliers Code of conduct, includes the description of minimum requirements/expectations of the company from its supply chain, in Responsible Entrepreneurship related issues. The sections of this code cover Environmental and Social issues as well as issues of governance.

By 2025, a key company target is to include requirements of Sustainable Development in the selection process of the basic suppliers and the commitment on their behalf to good and responsible practices, a fact that will yield two-way benefits.

Non-financial Performance Indicator

The non-financial KPI presented below have been defined in accordance with the **GRI STANDARDS**.

Supply chain indicator	2017	2018
Number of suppliers assessed for environmental and social impacts	5	146

Policy results:

In 2018, MYTILINEOS carried out the 1st official self-assessment of its main suppliers, as they were defined by each Business Activity Sector, through a structured questionnaire. The aim of this initiative was dual: 1) to investigate whether the company's suppliers own a recognition and management procedure of the most important and existing and potential negative effects (environmental and social) stemming from their activity and 2) to take stock of these effects to allow the company assess them and plan any corrective actions, in the framework of its goal to develop a responsible supply chain.

A total percentage of 53% (146 basic suppliers) responded to this first attempt of bringing closer the company's suppliers with Sustainable Development issues. Based on the survey findings:

- 7 out of 10 declared having a recognition and management procedure of environmental & labor/social effects.
- Moreover, 7 out of 10 reported practices they put in place to mitigate both environmental and labor/social effects deriving from their activity.
- Almost 4 out of 10 own certified environmental management and Health & Safety at work systems (ISO 14001 & OHSAS 18001).
- Overall, there seems to be a deviation in the correlation between the recognition procedure of effects/risks (environmental, labor/social) and the certified systems, either for Environmental management or for Health & Safety at Work. This deviation is more pronounced in domestic suppliers and is mainly attributed both to the small size of enterprises (lack of information and support, difficulty to cope with the relevant cost), as well as their exemption from or compliance with the legislation; as they mention, this practice usually covers this 'need'.
- The degree of correlation between the suppliers who declared having a recognition procedure of effects/risks and the reporting of respective practices applied for preventing or coping with such risks is very high reaching 97%. As far as the declared practices is concerned, compliance with the legislation ranks very high, in labor issues mostly, while reference to more specialized initiatives is limited.
- In addition, both domestic and foreign suppliers have a common identification of the areas likely to incur potential negative effects. About the most important potential environmental effects, the suppliers reported the following: Waste management, energy consumption, pollution of the natural environment, gaseous pollutants emissions and water consumption. Similarly, Health and Safety at work, fair treatment, remuneration-leaves-employees' overtime, products' quality and safety, issues of corruption and bribery constitute the most recognized labor and social effects.

In conclusion, following the study on results and the practices declared by suppliers, the company designed specific improvement actions (b' cycle of self-assessment with non-responding suppliers, training conferences, sending incentivizing letters etc) which are still under approval in view of a stepwise implementation starting in 2019.

VIII. Other Information for the Group and the Company

Group Structure

Companies included in the consolidated financial statements and the method of consolidation are presented in the following table:

NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
1 MYTILINEOS S.A.	Greece	Parent	
2 SERVISTEEL	Greece	99,98%	Full
3 RODAX ROMANIA SRL	Romania	100,00%	Full
4 ELEMKA S.A.	Greece	83,50%	Full
5 DROSCO HOLDINGS LIMITED	Cyprus	83,50%	Full
6 BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	Greece	62,63%	Full
7 METKA BRAZI SRL	Romania	100,00%	Full
8 POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	Turkey	100,00%	Full
9 DELFI DISTOMON A.M.E.	Greece	100,00%	Full
10 DESFINA SHIPPING COMPANY	Greece	100,00%	Full
11 ST. NIKOLAOS SINGLE MEMBER P.C.	Greece	100,00%	Full
12 RENEWABLE SOURCES OF KARYSTIA S.A.	Greece	100,00%	Full
13 SOMETRA S.A.	Romania	92,79%	Full
14 STANMED TRADING LTD	Cyprus	100,00%	Full
15 MYTILINEOS FINANCE S.A.	Luxembourg	100,00%	Full
16 RDA TRADING	Guernsey Islands	100,00%	Full
17 MYTILINEOS BELGRADE D.O.O.	Serbia	100,00%	Full
18 MYVEKT INTERNATIONAL SKOPJE	FYROM	100,00%	Full
19 MYTILINEOS FINANCIAL PARTNERS S.A.	Luxembourg	100,00%	Full
20 MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	Switzerland	100,00%	Full
21 GENIKI VIOMICHANIKI S.A.	Greece	Joint Management	Full
22 DELTA PROJECT CONSTRUCT SRL	Romania	95,01%	Full
23 DELTA ENERGY S.A.	Greece	100,00%	Full
24 FOIVOS ENERGY S.A.	Greece	100,00%	Full
25 HYDROHOOS S.A.	Greece	100,00%	Full
26 HYDRIA ENERGY S.A.	Greece	100,00%	Full
27 EN.DY. S.A.	Greece	100,00%	Full
28 THESSALIKI ENERGY S.A.	Greece	100,00%	Full
29 NORTH AEGEAN RENEWABLES	Greece	100,00%	Full
30 MYTILINEOS HELLENIC WIND POWER S.A.	Greece	80,00%	Full
31 AIOLIKI ANDROU TSIROVLIDI S.A.	Greece	80,20%	Full
32 MYTILINEOS AIOLIKI NEAPOLEOS S.A.	Greece	80,20%	Full
33 AIOLIKI EVOIAS PIRGOS S.A.	Greece	80,20%	Full
34 AIOLIKI EVOIAS POUNTA S.A.	Greece	80,20%	Full
35 AIOLIKI EVOIAS HELONA S.A.	Greece	80,20%	Full
36 AIOLIKI ANDROU RAHI XIROKOBİ S.A.	Greece	80,20%	Full
37 METKA AIOLIKA PLATANOU S.A.	Greece	80,20%	Full
38 AIOLIKI SAMOTHRAKIS S.A.	Greece	100,00%	Full
39 AIOLIKI EVOIAS DIAKOPTIS S.A.	Greece	80,20%	Full
40 AIOLIKI SIDIROKASTROU S.A.	Greece	80,20%	Full
41 HELLENIC SOLAR S.A.	Greece	100,00%	Full
42 SPIDER S.A.	Greece	100,00%	Full
43 GREEN ENERGY A.E.	Bulgaria	80,00%	Full
44 MOVAL S.A.	Greece	100,00%	Full
45 PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY (ex ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.)	Greece	100,00%	Full
46 METKA INDUSTRIAL - CONSTRUCTION S.A. (ex ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.)	Greece	100,00%	Full
47 ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
48 ANEMORAHİ RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
49 HORTEROU S.A.	Greece	100,00%	Full
50 KISSAVOS DROSERI RAHI S.A.	Greece	100,00%	Full
51 KISSAVOS PLAKA TRANI S.A.	Greece	100,00%	Full
52 KISSAVOS FOTINI S.A.	Greece	100,00%	Full
53 AETOVOUNI S.A.	Greece	100,00%	Full
54 LOGGARIA S.A.	Greece	100,00%	Full
55 IKAROS ANEMOS SA	Greece	100,00%	Full

2. Annual Board of Directors Management Report

	NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
56	KERASOUDA SA	Greece	100,00%	Full
57	AIOLIKH ARGOSTYLIAI A.E.	Greece	100,00%	Full
58	M & M GAS Co S.A.	Greece	50,00%	Full
59	J/V METKA – TERNA	Greece	10,00%	Equity
60	KORINTHOS POWER S.A.	Greece	65,00%	Full
61	KILKIS PALEON TRIETHNES S.A.	Greece	100,00%	Full
62	ANEMOROE S.A.	Greece	100,00%	Full
63	PROTERGIA ENERGY S.A.	Greece	100,00%	Full
64	SOLIEN ENERGY S.A.	Greece	100,00%	Full
65	ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME (EX OSTENITIS S.A.)	Greece	100,00%	Full
66	THERMOREMA S.A.	Greece	40,00%	Equity
67	FTHIOTIKI ENERGY S.A.	Greece	35,00%	Equity
68	METKA RENEWABLES LIMITED	Cyprus	100,00%	Full
69	IONIA ENERGY S.A.	Greece	49,00%	Equity
70	BUSINESS ENERGY AIOLIKH ENERGEIAKH TROIZINIAS S.A.	Ελλάδα	49,00%	Equity
71	AIOLIKH TRIKORFON S.A.	Greece	100,00%	Full
72	MAKRYNOROS ENERGEIAKH S.A.	Greece	100,00%	Full
73	RIVERA DEL RIO	Panama	50,00%	Full
74	METKA-EGN LTD	Cyprus	50,10%	Full
75	METKA-EGN LTD	England	50,10%	Full
76	METKA-EGN SpA	Chile	50,10%	Full
77	METKA-EGN USA LLC	Puerto Rico	50,10%	Full
78	METKA EGN KZ LLP	Kazakhstan	50,10%	Full
79	METKA EGN MEXICO S. DE R.L. C.V	Mexico	50,10%	Full
80	METKA-EGN UGANDA SMC LTD	Uganda	50,10%	Full
81	METKA-EGN JAPAN LTD	Japan	50,10%	Full
82	METKA POWER WEST AFRICA LIMITED	Nigeria	100,00%	Full
83	METKA INTERNATIONAL LTD	United Arab Emirates	100,00%	Full
84	METKA POWER INVESTMENTS	Cyprus	100,00%	Full
85	METKA IPS LTD	Dubai	50,00%	Equity
86	INTERNATIONAL POWER SUPPLY AD	Bulgaria	10,00%	Equity
87	AURORA VENTURES	Marshal Islands	100,00%	Full
88	PLEASURE FINANCE COMPANY	Marshal Islands	100,00%	Full
89	CHARM SHIPTRADE CORP.	Marshal Islands	100,00%	Full
90	EXPEDITION ENTREPRISES LTD	Marshal Islands	100,00%	Full
91	SEALAND MARINE CORP.	Marshal Islands	100,00%	Full
92	UNIQUE SHIPTRADE S.A.	Marshal Islands	100,00%	Full
93	MELODIA VENTURES S.A.	Marshal Islands	100,00%	Full
94	NAVARA MARITIME INC	Marshal Islands	100,00%	Full
95	STALLENT NAVIGATION LTD	Marshal Islands	100,00%	Full
96	MIMOSA MARINE CO	Marshal Islands	100,00%	Full
97	INSIGHT MARITIME LIMITED	Marshal Islands	100,00%	Full
98	PICADO MARINE INC	Marshal Islands	100,00%	Full
99	DOMENICO MARINE CORP	Marshal Islands	100,00%	Full
100	PROTERGIA THERMOELEKTRIKI S.A.	Greece	100,00%	Full
101	MTRH Developmnet GmbH	Austria	100,00%	Full
102	Energy Ava Yarz LLC	Iran	100,00%	Full
103	MTH Services Stock	Austria	100,00%	Full
104	METKA EGN SARDINIA SRL	Sardinia	50,10%	Full
105	METKA EGN FRANCE SRL	France	50,10%	Full
106	METKA EGN SPAIN SLU	Spain	50,10%	Full
107	METKA EGN KOREA LTD	Korea	50,10%	Full
108	METKA EGN GENERAL CONTRACTORS LTD	England	50,10%	Full
109	METKA EGN AUSTRALIA PTY LTD	Australia	50,10%	Full
110	METKA EGN SINGAPORE PTE LTD	Singapore	50,10%	Full
111	VIGA RENOVABLES SP1 SL	Spain	50,10%	Full
112	VIGA RENOVABLES SP2 SL	Spain	50,10%	Full
113	METKA EGN AUSTRALIA PTY HOLDINGS LTD	Australia	50,10%	Full

Changes on Group's structure are being stated in detail on note 1.3.

Related Party transactions

The related party transactions mentioned below are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction had any special terms and there were no guarantees given or received.

In the tables below presented the intercompany transactions and balances between the Company, its subsidiaries and the BoD members for the fiscal year 2018 and 2017 and the intercompany balances at 31.12.2018 and 31.12.2017 accordingly:

Benefits to executives at Group and Parent level:

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Short term employee benefits				
- Wages of Key Management and BOD Fees	11.832	16.372	9.714	14.582
- Insurance service cost	683	719	161	373
- Other remunerations	45	57	-	-
	12.560	17.148	9.874	14.954
Pension Benefits:				
- Defined contribution scheme	9	9	-	-
Total	12.569	17.157	9.874	14.954

Transactions with related parties

(Amounts in thousands €)		MYTILINEOS	MYTILINEOS
		GROUP	S.A.
		31/12/2018	31/12/2018
Stock Sales	SERVISTEEL	-	67
Stock Sales	ELEMKA S.A.	-	2
Stock Sales	DELFI DISTOMON A.M.E	-	584
Stock Sales	RENEWABLE SOURCES KARYSTIA S.A.	-	20
Stock Sales	KORINTHOS POWER S.A.	-	104.766
Stock Sales	POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	-	6.828
Stock Sales	AIOLIKI ANDROU TSIROVLIDI S.A.	-	30
Stock Sales	AIOLIKI SIDIROKASTROU S.A.	-	44
Stock Sales	HELLENIC SOLAR S.A.	-	25
Stock Sales	SPIDER ENERGY S.A.	-	10
Stock Sales	YDROXOOS .S.A.	-	3
Stock Sales	AIOLIKI TRIKORFA S.A.	-	9
Stock Sales	ELIA S.A.	354	354
Stock Sales	TATOI CLUB	355	355
Stock Sales	METKA-EGN Ltd UK	-	145
Stock Purchases	DELFI DISTOMON A.M.E	-	16.697
Stock Purchases	PROTERGIA THERMOILEKTRIKI S.A.	-	151
Stock Purchases	M&M GAS Co S.A.	-	12.771
Services Sales	ELEMKA S.A.	-	4
Services Sales	ANEMODRASIS RENEWABLE ENERGY SOURCES S.A.	-	3
Services Sales	ANENEMORAHIS RENEWABLE ENERGY SOURCES S.A.	-	3
Services Sales	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	-	3
Services Sales	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	-	3
Services Sales	DELFI DISTOMON A.M.E	-	17
Services Sales	RENEWABLE SOURCES KARYSTIA S.A.	-	279
Services Sales	MOVAL S.A.	-	16
Services Sales	PROTERGIA THERMOILEKTRIKI S.A.	-	5
Services Sales	GENERAL INDUSTRY S.A. DEFENCE MATERIAL	-	3
Services Sales	CHORTEROU S.A.	-	3
Services Sales	KISSAVOS DROSERI RAHI S.A.	-	3
Services Sales	AETOVOUNI S.A.	-	3
Services Sales	KISSAVOS PLAKA TRANI S.A.	-	3
Services Sales	KISSAVOS FOTINI S.A.	-	3
Services Sales	LOGGARIA S.A.	-	3
Services Sales	KORINTHOS POWER S.A	-	1.048
Services Sales	OSTENITIS S.A.	-	3
Services Sales	PROTERGIA ENERGY S.A.	-	5
Services Sales	ANEMOROI S.A.	-	3
Services Sales	KILKIS PALIAON TRIETHNES S.A.	-	3
Services Sales	KERASOUDA S.A.	-	3
Services Sales	IKAROS ANEMOS .S.A	-	3
Services Sales	AIOLIKI ARGOSTYLIA S.A.	-	3
Services Sales	NORTH AEGEAN RENEWABLES S.A.	-	3
Services Sales	MYTILINEOS HELLENIC WIND POWER S.A.	-	16
Services Sales	AIOLIKI ANDROU TSIROVLIDI S.A.	-	51
Services Sales	MYTILINEOS AIOLIKI NEAPOLEOS S.A.	-	3
Services Sales	AIOLIKI EVOIAS PIRGOS S.A.	-	3
Services Sales	AIOLIKI EVOIAS POUNTA S.A.	-	3
Services Sales	AIOLIKI EVOIAS HELONA S.A.	-	3
Services Sales	AIOLIKI ANDROU RAHI XIROKOBI S.A.	-	3
Services Sales	METKA AIOLIKI PLATANOU S.A.	-	3
Services Sales	AIOLIKI SAMOTHRAKIS S.A.	-	3
Services Sales	AIOLIKI EVOIAS DIAKOPTIS S.A.	-	3
Services Sales	AIOLIKI SIDIROKASTROU S.A.	-	107
Services Sales	HELLENIC SOLAR S.A.	-	156
Services Sales	SPIDER ENERGY S.A.	-	56
Services Sales	DELTA RENEWABLE ENERGY SOURCES S.A.	-	16
Services Sales	EN. DY. S.A.	-	3
Services Sales	THESSALIKI ENERGY S.A.	-	3
Services Sales	YDRIA ENERGY S.A.	-	3
Services Sales	YDROXOOS S.A.	-	8
Services Sales	FOIVOS ENERGY S.A.	-	3
Services Sales	AIOLIKI TRIKORFA S.A.	-	129
Services Sales	MAKRINOROS S.A.	-	15
Services Sales	M&M GAS S.A.	-	3
Services Sales	DESFINA S.A.	-	3
Services Sales	MYTILINEOS FINANCIAL PARTNERS S.A.	-	5.136
Services Sales	SOLIEN S.A.	-	14
Services Sales	St. Nikolaos S.A.	-	55
Services Sales	METKA POWER WEST AFRICA LIMITED	-	14
Services Sales	ELIA S.A.	14.346	14.346
Other Sales	Osmanthus Holdings Co.	10.123	-
Services Purchases	SERVISTEEL	-	823
Services Purchases	ELEMKA S.A.	-	2.853
Services Purchases	STANMED TRADING LTD	-	92
Services Purchases	DELFI DISTOMON A.M.E	-	21
Services Purchases	RENEWABLE SOURCES KARYSTIA S.A.	-	3
Services Purchases	KOPINOOΣ POWER A.E.	-	21
Services Purchases	AIOLIKI ANDROU TSIROVLIDI S.A.	-	5
Services Purchases	AIOLIKI SIDIROKASTROU S.A.	-	7
Services Purchases	HELLENIC SOLAR S.A.	-	2
Services Purchases	AIOLIKI TRIKORFA S.A.	-	4
Services Purchases	M&M GAS S.A.	-	238
Services Purchases	MYTILINEOS FINANCIAL PARTNERS S.A.	-	8
Services Purchases	ELIA S.A.	4.477	4.186
Services Purchases	TATOI CLUB	230	127
Services Purchases	M-MARITIME Corporation	7.328	7.328

2. Annual Board of Directors Management Report

(Amounts in thousands €)		MYTILINEOS	MYTILINEOS
		GROUP	S.A.
		31/12/2018	31/12/2018
Receivables from Related Parties	SERVISTEEL	-	6
Receivables from Related Parties	ELEMKA S.A.	-	682
Receivables from Related Parties	STANMED TRADING LTD	-	272
Receivables from Related Parties	ANEMODRASÍ RENEWABLE ENERGY SOURCES S.A.	-	4
Receivables from Related Parties	ANEMORAHÍ RENEWABLE ENERGY SOURCES S.A.	-	4
Receivables from Related Parties	ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.	-	10
Receivables from Related Parties	ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.	-	6
Receivables from Related Parties	METKA BRAZÍ SRL	-	353
Receivables from Related Parties	DELFI DISTOMON A.M.E	-	110
Receivables from Related Parties	RENEWABLE SOURCES KARYSTIA S.A.	-	330
Receivables from Related Parties	MOVAL S.A.	-	16.311
Receivables from Related Parties	PROTERGIA THERMOILEKTRIKI S.A.	-	361
Receivables from Related Parties	GENERAL INDUSTRY S.A. DEFENCE MATERIAL	-	50
Receivables from Related Parties	CHORTEROU S.A.	-	4
Receivables from Related Parties	KISSAVOS DROSERI RAHI S.A.	-	4
Receivables from Related Parties	AETOVOUNI S.A.	-	4
Receivables from Related Parties	KISSAVOS PLAKA TRANI S.A.	-	4
Receivables from Related Parties	KISSAVOS FOTINI S.A.	-	4
Receivables from Related Parties	LOGGARIA S.A.	-	4
Receivables from Related Parties	KORINTHOS POWER S.A	-	14.122
Receivables from Related Parties	OSTENITIS S.A.	-	570
Receivables from Related Parties	PROTERGIA ENERGY S.A.	-	6
Receivables from Related Parties	ANEMOROÍ S.A.	-	4
Receivables from Related Parties	KILKIS PALIAON TRIETHNES S.A.	-	4
Receivables from Related Parties	KERASOUDA S.A.	-	4
Receivables from Related Parties	IKAROS ANEMOS .S.A	-	4
Receivables from Related Parties	POWER PROJECT	-	5.031
Receivables from Related Parties	AIOLIKI ARGOSTYLIA S.A.	-	4
Receivables from Related Parties	NORTH AEGEAN RENEWABLES S.A.	-	56
Receivables from Related Parties	MYTILINEOS HELLENIC WIND POWER S.A.	-	23.533
Receivables from Related Parties	AIOLIKI ANDROU TSIROVLIDI S.A.	-	196
Receivables from Related Parties	MYTILINEOS AIOLIKI NEAPOLEOS S.A.	-	4
Receivables from Related Parties	AIOLIKI EVOIAS PIRGOS S.A.	-	4
Receivables from Related Parties	AIOLIKI EVOIAS POUNTA S.A.	-	4
Receivables from Related Parties	AIOLIKI EVOIAS HELONA S.A.	-	13
Receivables from Related Parties	AIOLIKI ANDROU RAHI XIROKOBI S.A.	-	5
Receivables from Related Parties	METKA AIOLIKI PLATANOU S.A.	-	4
Receivables from Related Parties	AIOLIKI SAMOTHRAKIS S.A.	-	4
Receivables from Related Parties	AIOLIKI EVOIAS DIAKOFOTIS S.A.	-	4
Receivables from Related Parties	AIOLIKI SIDIROKASTROU S.A.	-	180
Receivables from Related Parties	HELLENIC SOLAR S.A.	-	2.715
Receivables from Related Parties	SPIDER ENERGY S.A.	-	20.481
Receivables from Related Parties	DELTA RENEWABLE ENERGY SOURCES S.A.	-	1.535
Receivables from Related Parties	EN. DY. S.A.	-	4
Receivables from Related Parties	THESSALIKI ENERGY S.A.	-	4
Receivables from Related Parties	YDRIA ENERGY S.A.	-	4
Receivables from Related Parties	YDROXOOS S.A.	-	9
Receivables from Related Parties	FOIVOS ENERGY S.A.	-	4
Receivables from Related Parties	GREEN ENERGY S.A.	-	182
Receivables from Related Parties	AIOLIKI TRIKORFA S.A.	-	430
Receivables from Related Parties	MAKRINOROS S.A.	-	57
Receivables from Related Parties	M&M GAS Co S.A.	-	6
Receivables from Related Parties	DESFINA S.A.	-	34
Receivables from Related Parties	MYTILINEOS FINANCIAL PARTNERS S.A.	-	122.462
Receivables from Related Parties	Mytilineos International Trading Company AG (MIT Co)	-	204
Receivables from Related Parties	SOLIEN S.A.	-	16
Receivables from Related Parties	St. Nikolaos S.A.	-	3
Receivables from Related Parties	METKA-EGN Ltd Cyprus	-	541
Receivables from Related Parties	METKA-EGN Ltd UK	-	805
Receivables from Related Parties	METKA-EGN USA LLC	-	344
Receivables from Related Parties	METKA POWER WEST AFRICA LIMITED	-	828
Receivables from Related Parties	METKA RENEWABLE LTD CYPRUS	-	3.127
Receivables from Related Parties	ELIA S.A.	3.861	3.811
Receivables from Related Parties	TATOÍ CLUB	112	106
Receivables from Related Parties	M-MARITIME Corporation	917	917
Receivables from Related Parties	SPLENDOR MARINE S.A.	12.923	-
Receivables from Related Parties	THAYER MARITIME LTD	24.541	-
Receivables from Related Parties	VACENTY SHIPTRADE Co	15.358	-
Receivables from Related Parties	VERA SHIPTRADE Co	3.762	-
Payables to Related Parties	SERVISTEEL	-	525
Payables to Related Parties	ELEMKA S.A.	-	2.278
Payables to Related Parties	MYTILINEOS FINANCE S.A.	-	13.865
Payables to Related Parties	STANMED TRADING LTD	-	35
Payables to Related Parties	RDA TRADING	-	3
Payables to Related Parties	METKA BRAZÍ SRL	-	18
Payables to Related Parties	DELFI DISTOMON A.M.E	-	791
Payables to Related Parties	RENEWABLE SOURCES KARYSTIA S.A.	-	4
Payables to Related Parties	PROTERGIA THERMOILEKTRIKI S.A.	-	268
Payables to Related Parties	KORINTHOS POWER S.A.	-	29
Payables to Related Parties	POWER PROJECT SANAYÍ INSAAT TICARET LIMITED SIRKETI	-	137
Payables to Related Parties	AIOLIKI ANDROU TSIROVLIDI S.A.	-	6
Payables to Related Parties	AIOLIKI SIDIROKASTROU S.A.	-	9
Payables to Related Parties	HELLENIC SOLAR S.A.	-	2
Payables to Related Parties	DELTA RENEWABLE ENERGY SOURCES S.A.	-	300
Payables to Related Parties	AIOLIKI TRIKORFA S.A.	-	5
Payables to Related Parties	M&M GAS Co S.A.	-	506
Payables to Related Parties	MYTILINEOS FINANCIAL PARTNERS S.A.	-	500
Payables to Related Parties	METKA-EGN Ltd Cyprus	-	1
Payables to Related Parties	ELIA S.A.	102	98
Payables to Related Parties	M-MARITIME Corporation	31	31

Dividend Policy

The BOD will propose to the General Assembly of the Shareholders (GA) the distribution of dividend of amount 0,3600 / share, while in 2017 the BOD had proposed the distribution of dividend of amount 0,3200 / share. The distribution is subject to the approval of the General Assembly of the Shareholders (GA).

Post Balance Sheet events

- On 07.01.2019 MYTILINEOS S.A. announced the signing of a contract for the construction of the Freight Center in Thriasio Plain, Western Attica, Greece, for an initial contract amount of €109mn. The contract was signed with the consortium ETVA VIPE (Industrial Areas) and Goldair (THEK S.A), who are the Project's Concession Holders for the 60-year duration of the concession contract. The Thriasio Transit Project relates to the Design and Construction of the first Logistics Park in Greece, including the development of warehouses and supporting buildings covering a total surface of 235,000m² within a land plot of 588,000m², owned by GAIAOSE. In addition to the construction of building facilities, a road and a railway network will be constructed within the park aimed at supplying the warehouses. This combination of transport will be the first in the Greek logistics market. The first phase of the construction project will begin once the concession contract has become en force, scheduled within the following quarter, and has duration of 24 months.
- On 16.01.2019, MYTILINEOS SA announced that the acquisition of all the shares (50%) that MOTOR OIL (HELLAS) CORINTH REFINERIES SA held in the company M AND M NATURAL GAS SA had been completed. Henceforth, MYTILINEOS SA is the sole shareholder (100%) of M AND M NATURAL GAS SOCIETE ANONYME. On 08.03.2019 Greek Authorities approved the amendments of articles 1 & 10 of the Articles of Association of M AND M NATURAL GAS SA. The new company's name is "MYTILINEOS GAS SUPPLY AND TRADE OF NATURAL GAS S.A." with the distinctive title "M-NG TRADING".
- On 21.02.2019, MYTILINEOS SA announced the signing of the agreement for the acquisition of 60% in ZEOLOGIC SA, a company headquartered in Thessaloniki, that provides innovative solutions in solid and liquid waste treatment. ZEOLOGIC, is a Greek start-up company set-up in 2014, to take advantage of the internationally patented technology based on the geochemical processing (Geochemical Active Clay Sedimentation - GACS) for liquid and solid waste treatment. ZEOLOGIC treats in its own facilities and supplies the waste treatment units it

executes, with the required chemical consumables to ensure their long-term operation. The strategic cooperation with MYTILINEOS will enable ZEOLÓGIC to penetrate new international markets and further to develop its innovative technologies into new applications. MYTILINEOS EPC & Infrastructure Projects Business Unit will benefit from this participation by further extending its activity in the area of Environmental Projects and circular economy.

Evangelos Mytilineos

Chairman & Chief Executive Officer

MYTILINEOS S.A.

3. Explanatory report

Information regarding the issues of article 4 paragraph 7-8 of L.3556/2007 of MYTILINEOS Holdings S.A.

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 7 and 8 of article 4 L.3556/2007, as in force.

I. Company's Share Capital Structure

The share capital of Mytilineos Holding S.A amounts to one hundred thirty-eight millions six hundred four thousand four hundred twenty-six euros and seventeen cents (€138.604.426,17), divided into one hundred forty-two millions eight hundred ninety-one thousand one hundred sixty-one (142.891.161) registered shares with a nominal value of €0,97 each.

The shares of Mytilineos Holding S.A are all listed on the Securities Market of the Athens Exchange [Sector "Basic Resources"].

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically:

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory reserves is distributed from the profits of each year to the shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held on behalf of the Company by the "Hellenic Exchanges – Athens Stock Exchange" on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The payment date and the payment method of the dividend are available through the media appointed by L. 3556/07. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five (5) years from the end of the year during which the General Meeting approved the distribution of the said dividend.
- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,
- The right of pre-emption according to their participation in the existing share capital at every share capital increase of the Company (including increase in kind) or issuance of convertible bonds into shares or cash and at undertaking new shares, including increases in kind or issuance of convertible bonds into shares.

- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.
- Shareholders participate in the Company's General Meeting which constitute the following rights: in person presence or by delegate, vote, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.

The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 4 of article 33 of the Articles of Association). The shareholders' responsibility is limited to the nominal value of the shares held.

II. Restrictions for transferring Company shares

The transfer of Company shares takes place based on procedures stipulated by the law under which the Company is liable, while there are no restrictions set by the Articles of Association for transfer of shares.

III. Important Indirect/Direct participations according to articles 9-11 of L.3556/07

On 31.12.2018 the following shareholders held more than 5% of the Company's voting rights:

Mr. Ioannis Mytilineos held indirectly, through "FREZIA LTD" and "NIOVAL LTD" (chain of controlled undertakings), 19.201.219 common registered voting shares issued by the Company and the respective voting rights, i.e. 13,44% of the voting rights of the Company.

Mr. Evangelos Mytilineos held indirectly, through "KILTEO LTD" and "ROCALDO LTD" (chain of controlled undertakings), 18.718.330 common registered voting shares issued by the Company and the respective voting rights, i.e. 13,10% of the voting rights of the Company.

On publication date 28.3.2019, the shareholders that hold more than 5% of the total voting rights of the Company are the same as above.

IV. Shares with special control rights

There are no Company shares that provide special control rights to their holders.

V. Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. Agreements between Company shareholders

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

VII. Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association

The Company's Articles of Association (article 22), within the powers vested by C.L. 2190/1920 as it is now in force, provide the following regarding the appointment and substitution of its members of the BoD:

1. The Board of Directors may elect members in substitution of members who resigned, died or forfeited their office in any other manner; this election is done provided such substitution cannot feasibly be done from substitute members, if any, elected by the General Meeting. Such election by the Board of Directors is effected by means of a decision of the remaining members, provided they are at least three (3), and is valid for the remainder of the term of the substituted member. The election decision is submitted to the publication formalities referred to in art. 7b of Codified Law 2190/20 and is announced by the Board of Directors to the immediately following General Meeting session; the General Meeting may replace the elected members, even if no such item is included in the General Meeting agenda.
2. In case of resignation, death or forfeiture, in any other manner, of director status, the remaining directors (BoD members) may continue to run and represent the company even without substituting the members in question as per the preceding paragraph, provided their number exceeds one half of the number of members as it stood prior to the occurrence of the said events. In all cases, such members may not be less than three (3).
3. In all cases, the remaining BoD members, irrespective of the number thereof, may call the General Meeting for the sole purpose of electing a new Board of Directors.

The provisions of the Company's Articles of Association regarding the amendment of the provisions thereof do not deviate from the provisions of the C.L. 2190/1920.

VIII. Responsibility of the BoD for a) the issuance of new shares or b) acquisition of own shares according to C.L. 2190/1920

According to the provisions of article 13 par. 1 item b) and c) of C.L. 2190/1920 and the article 5 par. 2 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five years per instance of renewal.

IX. Significant agreements put in force, amended or terminated in case of a change in the Company's control following a public offer

There are no significant agreements of the Company that become effective, are amended or terminated in the event of change in the control of the Company following a public offer.

There are however loan and other agreements, which provide, as it is common in such agreements, the right of the lending banks or bondholders or the Company's counterparty, to request under certain conditions the early repayment of the loans/bonds or the termination of the respective agreements in the event of change in the control of the Company, though such right is not granted specifically in case the change of control in the Company results from a public offer.

X. Agreement between the Company and BoD members or employees

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer. However, pursuant to the terms of the agreement for provision of services between the Company and the current chairman and managing director, as such terms have been approved by the shareholders' general assembly dated 7th June 2018, this agreement may be terminated against compensation in the event of change in the control of the Company (including following a public offer).

Evangelos Mytilineos

Chairman & Managing Director

MYTILINEOS S.A.

4. Statement of Corporate Governance

This Statement of Corporate Governance forms a special section of the Annual Board of Directors Management Report and has been prepared in accordance with the relevant provisions of C.L. 2910/1920, as substituted, as of 01.01.2019, by articles 152 and 153 of Law 4548/2018, and concerns the following:

1. Main development in the Corporate Governance of the Company during 2018

A significant part of the corporate restructuring involved the full review of the overall Corporate Governance framework, namely of Executive Governance and Board Governance.

Executive Governance:

- Establishment of an Executive Committee dealing with the Company's day-to-day operation and Management, assisted by competent Board committees (Metallurgy, Energy EPC, Finance, Capital allocation).
- New Corporate Governance Department

Board Governance - Restructuring of the Board of Directors:

- Restructuring of the Board of Directors by selecting new Members through a nomination procedure supported by an internationally recognised consulting firm.
- Significant enhancement of the Board's formal and substantial independence: 64% independence in the Board's composition – 100% independence in the Board Committees (Audit Committee and Remuneration & Nomination Committee) – Upgrade of the Corporate Social Responsibility Committee.
- Reinforcing diversity with the aim of bringing together different perspectives in terms of experience, skills, knowledge and gender.
- Specialisation in all of the Company's business activities, experience of board membership, finance, legal and regulatory affairs, international capital markets, as well as international and academic experience.
- Board Committees composed exclusively of independent Board members.
- Appointment of Lead Independent Director and upgrading of the role of Corporate Secretary.

Other significant improvements

- Provision to the shareholders of the right to vote for each candidate Board member separately (unbundling of Board elections).
- Cooperation with internationally recognised consulting firms on all improvements: McKinsey, EgonZehnder, D.F. King, KornFerry-Hay.

2. Compliance of the Company with the Corporate Governance Code

Up to and including financial year 2018, MYTILINEOS S.A. (the “Company”) has subscribed voluntarily to the “Hellenic Corporate Governance Code for Listed Companies” (hereinafter the “Code”). The Code was drafted at the initiative of the Hellenic Federation of Enterprises (SEV) and was subsequently amended in the context of its review by the Hellenic Corporate Governance Council (HCG Council) in October 2013. The Code is posted on the website of Hellenic Exchanges: As of 01.01.2019, following a relevant resolution of the Company’s Board of Directors, adopted on 15.11.2018 and aimed at ensuring transparency and responsible operation in all areas of activity, the Company will voluntarily adopt the UK Corporate Governance Code (THE UK CORPORATE GOVERNANCE CODE - 2018), <https://www.mytilineos.gr/en-us/corporate-governance-code/presentation>, which is posted on the Company’s website. Based on the highest international standards of entrepreneurship, the Company strives for closer engagement with its investors, with the ultimate aim of unlocking further value for its shareholders. Drawing on the best corporate governance practices, the Company formulates its strategy and develops the general directions, policies, values and principles that govern its operation, while ensuring transparency and safeguarding the interests of its shareholders.

3. Deviations from the special practices of the Code

The Company’s practices deviate from the special practices of the Code in the cases which are reported below together with relevant explanations.

3.1. Board composition and membership

Deviation (Article 3.3): Concerns the non-appointment by the Board of an independent Vice-Chairman.

Explanation: The Board of Directors has elected a Non-Executive Vice Chairman A’, as well as a Lead Independent Director who is charged with coordinating the Board’s Executive and Non-Executive Members and ensuring effective communication between them. He also chairs the procedure concerning the evaluation of the Chairman by the Board Members, as well as the meetings of the Board’s Non-Executive Members. Finally, he is available and attends the General Meetings of the Company’s shareholders, in order to discuss matters pertaining to corporate governance, as and when the need arises.

3.2. Internal Control System

Partial deviation (Article 1.5): Concerns the lack of procedures to allow Company personnel to voice their concerns, with due observance of confidentiality, about potential unlawful acts and irregularities in financial reporting or about other matters pertaining to the Company’s operation. The Audit Committee should ensure the availability of procedures that will allow such matters to be investigated effectively and independently, as well as to be dealt with as appropriate.

Explanation: In countries with a high risk of corruption, the Company ensures that a Grievance Mechanism is put in place, to which all employees (direct or indirect) have access in order to submit, either in their name or anonymously, complaints of violations in connection with the policies on personal data protection,

bribery and corruption, human rights or violations of the Company's Code of Conduct. The Company protects the complainants from retaliation, on condition that the complaint is made in good faith, even if the result of the investigation does not confirm the said complaint.

4. Composition and functioning of the Board of Directors

4.1 Role and responsibilities of the Board

4.1.1 The Board of Directors, acting collectively, exercises the Management of the Company. It is responsible for managing (administering and disposing of) the Company's assets as well as for representing it, with the aim of strengthening its economic value and profitability and of safeguarding the Company's interests. The Board of Directors holds regular meetings at least once per month, and extraordinary meetings whenever important issues arise or decisions need to be made. The regular meetings of the Board of Directors are usually attended by all Board members. Thus far, the Board of Directors has never postponed making a decision because of lack of quorum.

4.1.2 According to the Articles of Association and the Company's Internal Regulations of Operation, the Board of Directors has the following basic competences:

- Setting the strategic directions, including the sale or other disposal of the Company's shares, the acquisition of any enterprise or the proposal for the merging of the Company with another enterprise, which are submitted for final approval by the General Meeting of the Company's shareholders.
- Adopting and implementing the general policy on the basis of the recommendations and suggestions made by the General Managers and Directors heading the Company's Business Units and Central Functions.
- Managing and disposing of the Company's assets as well as representing the Company judicially or extra-judicially.
- Drafting the Company's annual budget and business plan, defining and meeting its efficiency objectives, monitoring the Company's progress and controlling major capital expenditure.
- Performing a full and effective internal audit of all the Company's activities.
- Monitoring the effectiveness of the Corporate Governance principles, based on which the Company operates, and making the necessary changes when needed.
- Defining the strategy and the risk management policy of the Company
- Selecting, managing and developing the Company's senior executives and defining the policy for their remuneration.
- Appointing an internal auditor and defining his/her remuneration.
- Defining the accounting principle that the Company follows.
- Making a brief presentation of the proceedings to the General Meeting of the Company's shareholders.

- Preparing annual reports which state in detail all the transactions between the Company and its associated companies in accordance with the applicable laws.
- Formulating, promoting and implementing the core values and principles of the Company, which govern its relations with all parties whose interests are linked to those of the Company.

4.1.3. Executive, Non-Executive and Independent Members of the Board

The Executive Members of the Board deal with the issues involved in the day-to-day Management of the Company and supervise the implementation of the Board's resolutions.

Non-Executive Members are charged with supervising the implementation of the Board's resolutions as well as with other issues or areas of activity of the Company that have been specifically assigned to them by resolution of the Board of Directors.

The Independent Non-Executive members are the members that have no business transaction or other commercial relation with the Company which could influence their independent judgement. In that sense, it is not possible to consider as an Independent member of the Board of Directors any person that: (a) has a business or other professional relation with the Company or with one of its associated companies within the meaning of article 42e par.5 of C.L. 2190/1920, as applicable in each case, which influences its business activity and especially when this person is an important supplier of goods or services or a key customer of the Company, (b) is Chairman or General Manager of the Company or is Chairman or General Manager or Executive member of the Board of Directors of one of its associated companies within the meaning of article 42e par. 5 of C.L. 2190/1920, as applicable in each case, or has a relation of dependent or paid employment with the Company or with one of its associated companies, (c) has a second degree kindred relationship with or is the spouse of an executive member of the Board of Directors or a senior executive or a shareholder holding the majority of the share capital of the Company or one of its associated companies within the meaning of article 42e par. 5 of C.L. 2190/1920, as applicable in each case, (d) has been appointed in accordance with article 18 par. 3 of C.L. 2190/1920. The Independent Non-Executive members of the Board may submit separate reports to the General Meeting.

The rules regarding the representation of the Company and the persons authorised to bind it are defined by special decisions of the Board of Directors.

4.1.4. Role of the Chairman

The Chairman of the Board of Directors coordinates and directs the Board's meetings and overall functioning. He heads the Board of Directors and is responsible for convening meetings, determining the agenda and ensuring the proper organisation of the Board's activities and the efficient conduct of its

meetings. The Chairman is also responsible for ensuring the provision of timely and accurate information to the Board members, as well as for effective communications with all shareholders, seeking to guarantee the fair and equitable treatment of the interests of all shareholders. In the event that the Chairman is absent or prevented from attending, he is replaced in all his responsibilities and powers by the Vice-Chairman A', who is in turn replaced, when absent or prevented from attending, by the Vice-Chairman B'.

4.1.5. Role of the Non-Executive Vice-Chairman A'

The Board's Vice-Chairman A' replaces the Chairman of the Board in all of the latter's responsibilities and powers, in the event that the latter is absent or prevented from attending. The Vice-Chairman A' also chairs the procedure concerning the evaluation of the Board of Directors. Finally, he follows up on and ensures the smooth and effective collaboration and communication between the Board Committees and the Board of Directors.

4.1.6. Role of the Lead Independent Director

The Lead Independent Director is charged with coordinating the Board's Executive and Non-Executive Members and ensuring effective communication between them. He also chairs the procedure concerning the evaluation of the Chairman by the Board Members, as well as the meetings of the Board's Non-Executive Members. Finally, he is available and attends the General Meetings of the Company's shareholders, in order to discuss matters pertaining to corporate governance, as and when the need arises.

4.1.7. Role of the CEO

The CEO follows up on and checks the implementation of the Company's strategic goals, monitors its day-to-day management and sets out the guidelines for the Company's Business Units and Central Functions. He supervises and ensures the smooth, orderly and effective operation of the Company in accordance with the strategic goals, the business plans and the action plan, as these are specified by the resolutions of the Board of Directors and of the General Meeting of the Company's Shareholders. The CEO sits on and reports to the Board of Directors and implements the Company's strategic choices and key decisions.

4.1.8. Role of the Corporate Secretary

The Board of Directors appoints a Corporate Secretary. The Corporate Secretary is charged with minuting the meetings of the Board of Directors and of the Board Committees. The responsibilities of the Corporate Secretary include ensuring the efficient flow of information between the Board of Directors and the Board Committees, as well as between the Executive Management Team and the Board of Directors. The Corporate Secretary formulates the induction programme intended for Board members immediately after their election, and ensures that they are provided with ongoing information and training on Company-related matters. Finally, the Corporate Secretary ensures the efficient organisation of the shareholder's meetings and the good communication in general of the latter with the Board of Directors, with a view to ensuring the Board's compliance with the applicable legal and regulatory requirements.

4.2. Size and composition of the Board

Soon after the merger, the Company evaluated the structure of its Board of Directors, taking into account best corporate governance practices, and proposed a new Board which was elected by the Annual General Meeting of 07.06.2018. More specifically, in considering the Board's structure the Company set as a goal to maximise the independence and strengthen the capabilities of the Board as a body and the relevant practices applied, by attracting members that collectively could contribute the functional and industry competences required, so that the Company could tackle the challenges in its business development going forward.

In line with the above, the Company sought to achieve the optimum diversity of skills, views, competences, knowledge, qualifications and experience, including gender representation, in the composition of the Board.

Support and assistance was provided by Egon Zehnder, who advised on the process of identifying needs, candidate assessment and selection of directors.

The selection and assessment process that the Company adopted was as follows:

The process of need identification involved profiling the required skill set and projected needs, key competencies functional skill sets and industry backgrounds for the members of the Company's Board. Based on these, role specifications were prepared and the search strategy was defined.

The identification of potential candidates included individual early due diligence and background checks, in order to prepare a list of candidates who were then interviewed by the Company.

The core competencies used for assessing all individual candidates were the following:

- Board results orientation
- Strategic orientation
- Collaboration & influencing
- Independence & integrity

Additional Selection Criteria:

In addition to the core competences, account was also taken of the following experiences, skills and qualities, so as to ensure that the Board as a whole would be credible and knowledgeable with sufficient business acumen, and able to properly evaluate corporate performance and support the Management, as well as to provide directions and guidance where and as required:

- Understanding of finance, strategy, technology, marketing, leadership and international know-how
- Integrity, accountability, sound judgment, confidence, incisiveness
- Diversity in terms of age, gender and professional experience.

After reviewing the potential conflicts of interests of the nominees, the Company came to the conclusion that no such conflicts existed.

The final list of nominees submitted unbundled to the General Meeting of the Shareholders for approval. Elected Board members serve a term of four years.

According to the Company's Articles of Association, the Board of Directors should be composed of no fewer than seven (7) and no more than fifteen (15) members.

The current Board of Directors is composed of eleven (11) members and was elected by the General Meeting of the Shareholders on 07.06.2018 for a term of four (4) years, due to expire on 06.06.2022. Of the total number of Board members, three (3) are executive and eight (8) are non-executive members, of which seven (7) are independent.

The Board's composition is as follows:

4 – Statement of Corporate Governance

Name	Status	Committees	Age	Gender	Tenure in office (as at 31.12.2018)	Business leadership	Finance	BoD membership experience	International Exposure	Specialisation	Academic experience	International Capital Markets
Evangelos Mytilineos	Chairman & CEO		64	M	26 years and 9 months	✓	✓	✓	✓	Metallurgy, Electir Power & Natural Gas, EPC		
Spyridon Kaldas	Vice-Chairman A' - Non-Executive Member		72	M	7 months	✓		✓	✓	Metallurgy, Mines		
Evangelos Chrisafis	Vice-Chairman B' - Executive Member		55	M	7 months			✓		Legal & Regulatory Affairs, Energy		
Christos Zerefos	Lead Independent Director - Independent Non-Executive Member		75	M	10 years and 7 months				✓	Environment, Climate Change	✓	
Panagiota Antonakou	Independent Non-Executive Member	Audit Committee (out of BoD)	44	F	7 months	✓			✓	IT, Marketing		
Emmanouil Kakaras	Independent Non-Executive Member	Remuneration & Nomination Committee	56	M	7 months			✓	✓	Energy	✓	
Konstantina Mavraki	Independent Non-Executive Member	Remuneration & Nomination Committee, Audit Committee (out of BoD)	42	F	7 months	✓	✓		✓	Finance, Commodities		✓
Dimitrios Papadopoulos	Executive Member	Audit Committee (out of BoD)	56	M	7 months	✓	✓	✓		Banks, Investments		✓
Ioannis Petrides	Independent Non-Executive Member	Audit Committee	60	M	7 months	✓	✓	✓	✓	Consumer products		✓
Alexios Pilavios	Independent Non-Executive Member	Audit Committee Chairman	65	M	7 months		✓	✓		Asset Management, Capital Market Supervision, Banks		✓
George Chryssikos	Independent Non-Executive Member	Remuneration & Nomination Committee Chairman	45	M	1 year and 3 months	✓	✓	✓		Real Estate, Investments		✓
Constantine Cotsilinis	Independent Member of the Audit Committee (non-Board member) elected by the General Meeting of the Shareholders	Audit Committee	73	M	1 year and 3 months			✓		Auditing, Supervision, Chartered Accountant		
SECRETARIAT												
Dr. Leda Kondoyanni	Corporate Secretary	Remuneration & Nomination Committee	57	F	7 years	✓	✓	✓	✓	Corporate Governance, Asset Management, Corporate Affairs	✓	
Vasiliki Prantzou	Audit Committee Secretary	Audit Committee	37	F	5 years					Legal		
Panagiotis Psarreas	Deputy Corporate Secretary	Remuneration & Nomination Committee	38	M	6 years					Communication		

The Board of Directors appointed Mrs Leda Condoyanni as new Corporate Secretary, with Mr Panagiotis Psarreas as her deputy.

Summary CVs of Board Members, Corporate Secretaries and Committee Secretaries

The Board Members – with the exception of the executive ones, who engage exclusively in the Company’s activities – are professionally active in their individual fields of specialisation, as also evidenced by their CVs which are given in the following.

CHAIRMAN & CEO

EVANGELOS G. MYTILINEOS – Executive Member

Mr Mytilineos is Chairman and Chief Executive Officer (CEO) of MYTILINEOS S.A., one of Greece’s leading industrial groups. Born in Athens in 1954, Mr Mytilineos holds a BSc in economics from the University of Athens and an MSc in economics from the London School of Economics.

In 1978 he took over the family business, which was founded in 1908 and represented metal and steel product manufacturers. In 1990 he established MYTILINEOS Holdings Group, which is today the leading private group in Power and Gas, Metallurgy and Mining, and EPC projects, with a turnover in 2017 of more than USD 2 billion and 2,700 employees.

In 1998, MYTILINEOS Holdings acquired the majority shareholding of the metal construction company METKA S.A, and turned it to an internationally established EPC contractor and industrial manufacturing group, with a dynamic EPC portfolio in Europe, Middle East and Africa. Six years later, in 2005, the group acquired Aluminium of Greece, the largest fully vertically integrated producer of alumina and aluminium in Europe.

In the early 2000s, MYTILINEOS S.A. entered the energy sector, and in a little bit more than a decade has become the 2nd largest power producer in Greece after the Public Power Corporation, with Protergia as the Group’s flagship company which, since 2014, is dynamically active in the retail energy market.

In 2010, the Group joined forces with Motor Oil, one of the leading Greek petroleum refining companies. Together they established M&M Gas S.A., a company that engages in the supply and trading of natural gas and has paved the way for the liberalisation of the domestic natural gas market.

In 2017, Mr Mytilineos led to successful completion a major corporate restructuring plan, merging all major subsidiaries into MYTILINEOS S.A..

VICE-CHAIRMAN A'

SPYRIDON D. KASDAS – Non-Executive Member

Born in Alexandria, Egypt in 1946. He has graduated from the National Polytechnic School of Athens with a degree in Mechanical and Electrical Engineering. He is Chairman of the mining company Delphi - Distomon, owned by Mytilineos SA and member of the Board of Directors of SEV's Business Council for Sustainable Development.

During his professional career in the international aluminium industry, which spans 48 years, he has served as plant manager of the alumina refinery and aluminium smelter of Aluminium of Greece SA, as smelting research manager for the French industrial group Pechiney, as CEO of the Australian aluminium smelting company Tomago, as Vice President Technology and member of the Primary Executive Committee of the French group Pechiney and later on of the Canadian group Alcan. In 2005, when Mytilineos group acquired Aluminium of Greece SA, Spiros Kasdas returned to Greece and served as CEO and later on as Chairman of the company until its absorption by Mytilineos in 2017.

VICE-CHAIRMAN B'

EVANGELOS G. CHRISAFIS – Executive Member

Evangelos Chrisafis is a lawyer and holds a degree from the Law School of the Aristotle University of Thessaloniki.

He has been the General Manager of Legal and Regulatory Affairs at MYTILINEOS SA, since 2009.

He is a member of the Board of Directors of GOLDEN SOLAR SA since 2007 and a member of the Board of Directors of the Hellenic Association of Independent Power Producers.

He was also a member of the Board of Directors of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and member of the Board of Directors of PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME.

He was born in 1963 and was registered as a lawyer with the Thessaloniki Bar Association in 1989.

By actively practicing law, he gained international experience in all aspects of International and European Economic Law with a particular emphasis on Competition and State Aid Law and Regulatory Markets Law. Furthermore, he has a wide experience in energy issues thanks to his rich consulting activity and law practice over the last 20 years.

He speaks English and German.

He is married and has two children.

LEAD INDEPENDENT DIRECTOR

CHRISTOS S. ZEREFOS – Independent Non-Executive Member

Born in 1943 in Cairo, Egypt, Christos Zerefos graduated from the Department of Physics of the University of Athens, and has carried out post-doctoral studies and research in the US and in Greece. Honorary Professor of Atmospheric Physics in the University of Thessaloniki and Emeritus in Athens, and Visiting Professor at the Universities of Boston, Minnesota and Oslo. Member of the Academy of Athens, the Norwegian Academy of Sciences and Letters, Academia Europaea, the Russian Academy of Natural Sciences, the European Academy of Sciences and other Academies and international scientific

4. Statement of Corporate Governance

institutions. He has been known for his research in ozone, UV, ozone-climate interactions and climate extreme events. His research led to important contributions to international agreements such as the Montreal Protocol. Has served as President, Secretary and Member of numerous international societies and committees.

In the past 20 years has acted as author, contributor or reviewer in almost all WMO/UNEP Scientific Assessments of Ozone Depletion and reviewer in IPCC Aviation and extreme events reports (1998 and 2013). Award Certificate and Letter from UNEP and IPCC for substantial contribution to the reports of IPCC, which shared the 2007 Nobel Peace Prize with the former Vice President of USA, Al Gore (December 2007).

For his career achievements he has received a number of global distinctions, awards and medals from WMO/UNEP and several scientific societies (e.g. the UNEP Global Ozone Award, the Blaise Pascal Medal, the European Academy of Sciences; the AGU Kaufman Award; the European and Balkan Physics Societies Award; the European Union Prize for Cultural Heritage-Europa Nostra Award and others). Has been decorated by the French Government as: “Commandeur dans l’ordre de Palmes académiques” and other international and national authorities. Has served as member of the European Economic and Social Committee which is consulting body of the European Union and as expert with the World Meteorological Organization and the EU Commission on Research.

PANAGIOTA L. ANTONAKOU – Independent Non-Executive Member

Peggy Antonakou is the CEO of Microsoft Greece, Cyprus & Malta. She has deep experience in the fields of Marketing and General Management, having held key positions both in Europe and the USA. She joined Microsoft in February 2012 as a Sales Director and took over the leadership of the company as the General Manager in November of the same year. She later assumed expanded responsibility as the CEO for Greece, Cyprus and Malta. During her tenure, Greece was awarded as Best subsidiary in the world amongst countries of relevant size.

She joined Microsoft, from DELL S.A, where she held the position of General Manager of Consumer and SMB divisions for Southeastern Europe & Italy. She first joined DELL in 2002, in the Marketing Department of the company’s Headquarters in Austin, Texas USA. Peggy has previously held positions at General Motors USA και Opel Bank GMBH.

She holds a BSc in Business Administration from the University of Piraeus and an MBA from the University of Michigan. She was born in Athens.

EMMANOUIL C. KAKARAS – Independent Non-Executive Member

Professor Emmanouil Kakaras has been Vice President and Head of Research & Development at Mitsubishi Hitachi Power Systems Europe GmbH since September 2012. His current R&D activities mainly focus on flexible operation of thermal plants, on fuel cells and electrolyzers, the development of large scale energy storage and the utilization of CO₂. Since January 1st 2018, he serves as Senior Vice President for Energy Solution and New Products.

Born in 1962, Mr. Kakaras first got his diploma in Mechanical Engineering at the National Technical University in Athens (NTUA), and then proceeded to get his PhD at the NTUA and at the Technical University Braunschweig in Germany. He

4. Statement of Corporate Governance

continued his academic career in 1991 as a professor at the NTUA until 2012, when he left on a sabbatical leave. Since 2014 until today, he serves on a part-time basis at the NTUA. He has also been guest lecturer at the Universities of Warsaw and Tokyo. From 1999 to 2018, he has been the Director of the Centre of Research and Technology Hellas/Chemical Process and Energy Resources Institute (CERTH/CPERI).

Next to his involvement in academia and research, Emmanouil Kakaras was professionally active as an advisor of the European Commission and he has been appointed Executive Director of the Hellenic Association of Independent Power Producers from 2010 till 2012. Emmanouil Kakaras also has a keen interest in European affairs. He is the Vice Chairman of the Advisory Council of the European Technology Platform ETIP-SNET (European Technology & Innovation Platforms on Smart Networks for Energy Transition), member of the Coal Advisory Group of the European Commission and of the Advisory Council of the Technology Platform on Zero Emission Power Plants. From January 2013 to January 2018, he was President of the European Power Plant Suppliers Association (EPPSA) and he is member of the Board of Directors of EU Turbines.

KONSTANTINA N. MAVRAKI – Independent Non-Executive Member

Ms. Tina Mavraki is a Commodities and Finance Senior Manager with global experience. She started her career in 1998 and is based in London. Most recently Ms. Mavraki served as Head of Financing for Gemcorp Commodities (2016-2018). She developed the commodity and merchant CFO, Treasury, Structuring and Investor Relations functions of the Group.

Prior to that, she was Structured Finance Manager for Noble Group (2011-2016), originating investments globally. She was instrumental in building the Base Metals Division and she financed critical crude oil, LNG and coal projects for the Group. She ran her own FCA-regulated consultancy practice (2008-2011), advising the Government of India and the State of Maharashtra on renewable energy policy and solar tariff setting.

Previously, Ms. Mavraki had a career in Investment Banking as Fixed Income Trader in London (1998-2007). She managed risk in the Euro and US\$ Markets for Citigroup. She expended her remit at Morgan Stanley to advise institutional and alternative investors on their market positioning, as well as European Central Banks on their annual debt issuance programmes and their strategic hedges.

Ms. Mavraki was born in 1977 in Athens. She holds a BA and MA in Philosophy Politics & Economics from the University of Oxford, and an MSc in Finance from the London Business School. She is a CFA Charter holder.

Ms. Mavraki founded UK Charity Hellenic Hope, making a lasting impact on thousands of children at risk in Greece.

DIMITRIOS S. PAPADOPOULOS – Executive Member

Mr. Papadopoulos serves as General Manager of Investor Relations and Corporate Governance and member of the Executive Committee of Mytilineos Group. He joined Mytilineos Group in 2005 and served as a member of the BoD of Aluminium of Greece SA when acquired by Mytilineos Group. Mr. Papadopoulos is currently member of the BoD and the Investment Committee of GRIVALIA PROPERTIES and BoD of M&M GAS and PRAKTIKER HELLAS .

4. Statement of Corporate Governance

He started his career in 1988 in the Banking sector, as Capital Markets executive at the Hellenic Bank for Industrial Development (ETVA). He spent 7 years at SOCIETE GENERALE BANK in Greece, where he served as Greek Head of Investment Banking and then Private Banking, before moving to SIGMA SECURITIES in 1996, to head the company's Business Development and Corporate Finance activities. In 2000 was appointed as CEO and Executive Vice-President of the Investment Bank of GREECE (IBG), a startup financial institution later merged into Marfin Bank. Before joining Mytilineos Group in 2005, was CEO of the newly formed REIT of the Hellenic Real Estate Company (KED) the real estate holding company of the Greek State.

He has been a director of a number of Greek companies and member of Investment Committees.

He is 56 years old and holds a BA degree in Economics from the George Washington University, Washington D.C. (USA) and an MBA degree in Finance from the American University, Washington D.C. (USA).

IOANNIS G. PETRIDES – Independent Non-Executive member

Mr. Yiannis Petrides has been serving since 2013 as Chairman of the Supervisory Board of Rotterdam-based Refresco N.V., the world's largest independent producer of private label beverages with Revenues of around 4 billion euros and 60 manufacturing facilities in Europe, North America and Mexico. Yiannis led the listing of the Company in 2015 in the Amsterdam stock exchange. Until 2016, he also held the position of Chairman of the Board of Largo (parent of Wind Hellas Telecommunications), a major fixed, broadband and mobile telecommunications operator in Greece. Yiannis is currently also a Director on the Board of PUIG, a privately held global player in fashion and perfumes, which owns brands including Nina Ricci, Paco Rabanne, Carolina Herrera and Jean Paul Gaultier. He also serves as the Chairman of PUIG's Audit and Compliance Committee. During 2005-2014 he served as Vice-Chairman of the Board of Directors of the Campofrio Food Group, Europe's leader in the processed and packaged meat market which was listed on the Madrid stock exchange. During that time he served as the Chairman of Campofrio's Audit Committee as well as Chairman of the Strategy Committee.

Yiannis worked for 23 years with PepsiCo Inc. Between 2000-2010 he served as President - Europe for the Pepsi Bottling Group, significantly expanding the Group's presence in countries like Russia, Spain and Turkey through organic growth as well as strategic acquisitions, creating a 4 billion USD business with 20 manufacturing facilities and over 10000 employees. He was one of the founders of PBG, which was spun-off from PepsiCo and listed on NYSE in 1999. Prior to that, he held the position of President of PepsiCo Spain. He also served as President for PepsiCo Greece/Balkans and as well as in different Marketing and Franchise positions with the company in the Middle East – working across both Beverage and Food Divisions of PepsiCo.

Prior to PepsiCo, Yiannis worked with the Procter and Gamble Company in the Middle East and USA.

Born in 1958, he holds a Bachelors and Masters degree with Honours in Economics from Cambridge University and an MBA from the Harvard Business School. Yiannis is a native of Cyprus.

ALEXIOS A. PILAVIOS – Independent Non-Executive member

Alexios Pilavios is currently Non-Executive Chairman of Alpha Asset Management and Vice Chairman of ABC Factoring. He is also Chairman of the Athens Exchange Clearing House and member of the Board of Directors of the Hellenic Exchanges.

He has a deep experience in the fields of Banking, Asset Management and Capital Markets.

During his thirty-five year career, he held senior positions in the Greek financial sector. He was Chairman of the Hellenic Capital Markets Commission (2004-2009) and General Manager of Alpha Bank (Head of Wealth Management) and member of the Executive Committee (2009-2017).

Alexios has served also for numerous years as CEO of Alpha Investments and Alpha Asset Management (1992-2004), holding also the position of Chairman of the Association of Greek Institutional Investors (1996-2000).

Prior to his assignments with Alpha Bank he held senior positions with Ergo Bank, Commercial Bank of Greece and the National Investment Bank of Industrial Development (NIBID).

Born in 1953, Alexios graduated from the Athens College and holds a BSc (Econ) from the London School of Economics, a MSc in Economics from the University of Essex and a PhD in the Economics of Education from the London University Institute of Education.

GEORGE C. CHRYSIKOS – Independent Non-Executive Member

George Chryssikos serves as Chief Executive Officer, Executive BoD member and Chairs the Investment Committee of Grivalia Properties. He joined the Company in early 2006 as Investment Manager & Investment Committee member and was elected in the BoD in 2007. In 2008, he assumed Managing Director's duties in the Company. He plays a leading role in the strategic planning of the Company and his contribution to the IPO and the Share Capital Increases of the Company, with most recent that of January 2014 has been crucial. Together with his team, George has so far completed real estate transactions of over €700mil., which involved acquisitions and disposals of assets in Greece and South-Eastern Europe, thus building up Grivalia Properties' portfolio.

George has founded Grivalia Hospitality platform to deploy capital in the very attractive high- end hospitality sector in Greece and abroad.

George is currently Non-Executive Director in the Boards of Eurobank Group, Mytilineos and Praktiker Hellas.

In the past George was Managing Director of Corporate Value Partners, CEO of DTZ in Greece, BoD advisor at Iaso Healthcare Group and Senior Associate in McKinsey & Co at the London Office specializing in private equity. He has also experience in the construction industry in Greece, having worked as Project manager for more than 2 years in a specialized construction company.

George was born in 1972 and holds an MBA in Corporate Finance & Strategy from Columbia Business School (NY), an MSc in Engineering & Construction Management from UC Berkeley (CA) and a MEng in Civil Engineering from the National Technical University of Athens. He is also a Member of the Royal Institute of Chartered Surveyors (MRICS). In his younger age, George was a National Champion in sailing and member of the Greek National Sailing Team for many years.

CONSTANTINE E. COTSILINIS – Independent Member of the Audit Committee (non-Board member) elected by the General Meeting of the Shareholders

Constantine (Costa) Cotsilinis was born in New Zealand in 1946. He was educated at Victoria University of Wellington and graduated with a Bachelor of Commerce and Administration degree. He has dual New Zealand and Greek citizenship and is fluent in both Greek and English. He is a Chartered Accountant : 1969 – 2012, Member of the New Zealand Institute of Chartered Accountants and 1993 – present Member of the Institute of Certified Public Accountants of Greece.

He commenced his professional career in 1968 at Coopers & Lybrand, Wellington and transferred to the London office in 1972 and later that year to the Greek office. From 1978 to 2003 he was head of the audit practice of Coopers & Lybrand/PwC Greece and in the later years served as Chairman of the Board. He retired from PwC in 2003.

He has served on various boards and committees including the Supervisory Board of the European Financial Reporting Advisory Group (2002-2004) and the Accounting Harmonization Committee of UNICE (2002-2005). From 2009 to 2014 he was Deputy Chairman of the Hellenic Accounting and Auditing Standards Oversight Board and Chairman of the Auditing Standards Board and represented Greece during that period in the relevant committees of the European Commission including Chairman of the Auditing Working Group during the Greek Presidency.

He is presently Chairman of the Board (since 2006) of a Greek subsidiary of an Israel Insurance Company, Deputy Chairman of the Board of the charitable organisation, "The Smile of the Child" (since 2006) and a member of the Audit Committee of Mytilineos S.A. Since 2006 he also acts as advisor to the Audit Committee of the National Bank of Greece.

Since 1991 he is the Honorary Consul-General for New Zealand in Greece and has been twice honoured by Queen Elizabeth for his services.

Dr. LEDA C. CONDOYANNI – Corporate Secretary

Leda Condoyanni joined MYTILINEOS as Corporate Governance Director in March 2018.

She is a Corporate Governance leading expert in Greece who conceived, designed and liaised with SEV and Athex to jointly form the Hellenic Corporate Governance Council, owner of the Greek CG Code, and served as General Manager and board member.

Prior to this as Department Coordinator for State Relations and Institutional Authorities with SEV, she managed the areas of finance, corporate affairs, corporate governance, public administration, free movement of services and internal market, among others.

From 2004-2007, she held the position of Special Adviser to the Chairman of Enterprise Greece Agency, the official investment promotion agency of Greece.

During a significant part of her career, 1989-2004, she held senior management positions in institutional fund management in the banking and financial services sector, which included Alpha Bank, ETEBA and Ionian Bank.

In addition, she has sat as non-executive member on boards in the financial sector, among which the Athens Derivatives Exchange, and state-owned enterprises. Also, she has served as member of several government committees: Development

Min for the revision of Company Law, ministries of Employment, Finance, Interiors', and the Hellenic Capital Market Commission for the revision of CG legislation.

She has also taught Finance at Deree College for 10 years. She has published articles and project reports in international academic journals and in the Greek Press.

She holds a Ph.D. in Finance and an M.A. in Accounting and Finance, Lancaster University, UK.

VASSILIKI G. PRANTZOU – Audit Committee Secretary

Vassiliki Prantzou was born in 1981 in Athens. She is a graduate of the Law School of the Aristotle University of Thessaloniki and holds a postgraduate degree (Private Law A) from the School of Law of the National and Kapodistrian University of Athens. She is an accredited intermediary and has also attended a postgraduate course in business administration for executives (e-mba) at the University of Piraeus. She is a member of the Athens Bar Association since 2006 and has joined the Company's Legal Department in 2014.

PANAGIOTIS L. PSARREAS – Deputy Corporate Secretary

Born in Athens in 1981. He studied Architecture in the University of Florence and then journalism in Athens. He worked in various Media as a journalist until 2010, when he assumed the position of associate at the Mytilineos Group Chairman's Office. Since 2012, he is Secretary to the Board of Directors and in 2013 he also assumed the position of the Company's Digital Media Officer.

4.3. Conflict of interests

Each member of the Board has a duty of loyalty to the Company. Board members act with integrity and in the Company's interests and safeguard the confidentiality of information that is not publicly available. They must not have a relationship of competition with the Company and should avoid any position or activity that creates or appears to create a conflict between their personal interests and those of the Company, including holding positions on the board of directors or the management of competitor companies, without permission from the General Meeting of the Company's shareholders. Board members must contribute their experience and devote to their duties the necessary time and attention. Prior to their appointment, they should notify the Board of Directors of their other professional commitments, including significant non-executive commitments, to companies and non-profit institutions, and should report to the Board any changes in such commitments, as soon as these arise.

Finally, the Internal Audit Department reports to the Audit Committee any cases of conflict of the private interests of Board members with the interests of the Company, which (cases) it ascertains in the performance of their duties.

4.3.1. Other professional commitments of the Board members

- Evangelos Mytilineos: (a) Vice-Chairman, Hellenic Federation of Enterprises (SEV) and (b) Board member, Foundation for Economic & Industrial Research (IOBE)
- Spyridon Kasdas: Board member, Council for Sustainable Development of the Hellenic Federation of Enterprises (SEV)
- Christos Zerefos: (a) Chairman of the Board (executive), Mariolopoulos-Karaginis Foundation for Environmental Science and (b) Chairman of the Board (non-executive), “Biomedical Sciences and Technologies S.A.” of the Biomedical Research Foundation of the Academy of Athens
- Dimitrios Papadopoulos: (a) Administrator, HUMANIS Private Company, (b) Board member (non-executive), Praktiker Hellas Commercial S.A., and (c) Board member (independent non-executive) of ATHEX-listed GRIVALIA PROPERTIES
- Ioannis Petrides: (a) Chairman of the Board (independent non-executive) - Refresco N.V., listed in the Amsterdam Stock Exchange, (b) Board member (independent non-executive) of privately-held PUIG S.A. and (c) Board member (independent non-executive) of privately-held CyPet Ltd.
- Alexios Pilavios: (a) Chairman (non-executive) Alpha Asset Management AEDAK, (b) Vice-Chairman (non-executive)) ABC Factors S.A., (c) Board member (non-executive) of ATHEX-listed Hellenic Exchanges S.A., (d) Chairman (non-executive) of the Athens Exchange Clearing House and (e) Board member (non-executive) of the Hellenic-American Educational Foundation
- Emmanouil Kakaras: (a) Academic Staff Member, CERTH / CPERI (Centre for Research and Technology Hellas / Chemical Process and Energy Resources Institute), (b) Professor, School of Mechanical Engineering, National Technical University of Athens (NTUA, on part-time basis), (c) Management Board Senior Vice-President (executive), Mitsubishi Hitachi Power Systems Europe GmbH and (d) Board member (non-executive), EU Turbines Association.
- Panagiota Antonakou: (a) Board member, Hellenic-American Chamber and (b) Board member, Foundation for Economic & Industrial Research (IOBE)
- George C. Chryssikos: (a) CEO of ATHEX-listed GRIVALIA PROPERTIES and Board member in companies of the Grivalia Group, (b) Board member (non-executive) of ATHEX-listed Eurobank Ergasias S.A.
- Evangelos Chrisafis: (a) Board member (non-executive) GOLDEN SOLAR S.A. and (b) Vice-Chairman of the Board (non-executive), GOLDEN YACHTING MARITIME COMPANY OF PLEASURE YACHTS.
- Konstantina Mavraki: (a) General Manager, Barak Group, (b) Trustee, Hellenic Hope charity.

4.4. Meetings of the Board of Directors

During 2018, the Board of Directors of the Company held 58 meetings. The table below shows the Board members' attendance of the meetings of the Board of Directors and of the Board Committees:

Meetings of the Board of Directors during the period from 01.01.2018 to 06.06.2018

Composition of the Board of Directors	Status	Meetings during the period from 01.01.2018 to 06.06.2018	Attendance rate of meetings
Evangelos Mytilineos	Chairman & CEO	26	100%
Ioannis Mytilineos	Vice-Chairman	26	100%
George Kontouzoglou	Executive Director	26	100%
Sophia Daskalaki-Mytilineou	Member	26	100%
George Chryssikos	Member	26	100%
Apostolos Georgiadis	Member	26	100%
Christos Zerefos	Member	26	100%

Meetings of the Board of Directors during the period from 07.06.2018 to 31.12.2018

Composition of the Board of Directors	Status	Meetings during the period from 07.06.2018 to 31.12.2018	Attendance rate of meetings
Evangelos Mytilineos	Chairman & CEO	32	100%
Spyridon Kaldas	Vice-Chairman A' – Non-Executive Member	32	100%
Evangelos Chrisafis	Vice-Chairman B' – Executive Member	32	100%
Christos Zerefos	Lead Independent Director – Independent Non-Executive Member	32	100%
Panagiota Antonakou	Independent Non-Executive Member	32	100%
Emmanouil Kakaras	Independent Non-Executive Member	32	100%
Konstantina Mavraki	Independent Non-Executive Member	32	100%
Dimitrios Papadopoulos	Executive Member	32	100%
Ioannis Petrides	Independent Non-Executive Member	32	100%
Alexios Pilavios	Independent Non-Executive Member	32	100%
George Chryssikos	Independent Non-Executive Member	32	100%

Concerning the number of Board meetings, we note that pursuant to the Greek Law, the Articles of Association of the Company and the relevant resolutions of the General Meetings of the shareholders regarding the delegation of authorities within the Board of Directors, collective action by the Board is required for a number of matters, such as for providing a corporate guarantee in favour of any third party, including companies associated with the Company. Taking also into consideration the Company's extensive activities in Greece and abroad via its EPC, Metallurgy, Electric Power and Gas Trading Business Units, the Board of Directors must often act collectively, in the sense that there is a requirement for a relevant resolution which must be reflected in the minutes of the respective Board's meeting. However, it should be noted that no administrative or other costs incur for the Company as a result of these resolutions. The relevant minutes of the Board's resolutions are drafted and are signed by circulation by all members of the Board, without a prior meeting of the Board taking place, pursuant to art. 21, par. 5 of C.L. 2190/1920. More specifically, out of the total number of 58 minutes of the Board's meetings during 2018, 26 of them were drafted and were signed by all members of the Board without a prior meeting of the Board taking place, pursuant to art. 21, para. 5 of C.L. 2190/1920 (as stated at the end of each individual minutes).

4.5. Evaluation of the Board of Directors and its Committees

The Remuneration and Nomination Committee which was established on 07.06.2018 is also responsible for the periodic evaluation of the size and composition of the Board of Directors, as well as for submitting proposals on the desired profile of the Board for the latter's consideration. This procedure is chaired by the Board's Non-Executive Vice-Chairman A'.

On 07.06.2018, a new Board of Directors was elected, consisting of eight (8) new members and only three (3) old ones, namely the Chairman and CEO, the Lead Independent Director and one non-executive independent member. Therefore, the Board in its new composition did not to proceed to evaluate itself, as the time remaining until the end of 2018 was not adequate.

Until today, the evaluation of the Board of Directors is mainly based on the latter's Management Report and is performed by the General Meeting of the Shareholders. Furthermore, the evaluation of the effectiveness of the Board and of its Committees focuses on the examination and analysis of their work, as presented in the Management Report, against the Company's business targets as well as against the degree to which the Company's overall strategy was achieved and the progress made in this respect.

4.6. Induction programme for new Board members

Immediately after the new Board members assumed their duties, an induction programme specifically developed for them was implemented: this included visits to the Company's production sites, informative meetings, presentations and discussions with key members of the Management, aimed at helping new members to understand the purpose and nature of the Company's business activities. The programme also relied on support provided by the Board's executive members, as well as by previous Board members, so as to ensure the fullest possible briefing and swift integration of the new Board members.

More specifically, during the second half of 2018, the Induction Programme consisted of extensive briefings by the Chairman & CEO on all activities and on matters of critical and material significance for the Company, as well as on individual matters covering strategy, operations and Management, as well as detailed presentations of the Company's Business Units by means of corresponding briefings by the General Manager Strategy, Mergers & Acquisitions, the Chief of Staff, the General Manager Electric Power and the Director Gas Trading. A visit was also organised and attended by all new Board members to the Company's aluminium plant in Aspra Spitia, Viotia, where they were given a guided tour of the plant by the General Manager of the Metallurgy Business Unit and had the opportunity to discuss with the local plant managers. The new Board members were also briefed by the Legal Department Manager and the Corporate Secretary on their obligations in accordance with the Code of Conduct, the Company's Internal Regulations of Operation, the stock exchange legislation, the policy on the protection of personal data, the Company's corporate governance framework and the overall policies and procedures which govern the operation of the Company.

Finally, individual meetings of the new Board members were also held with the Company's General Managers, as well as special meetings of the members of the Audit Committee and the Remuneration and Nomination Committee with the Directors responsible for Internal Audit, Compliance, Finance, and with the Chief of Staff, the Human Resources General Manager and the External Auditors of the Company.

5. Composition and functioning of the Board of Directors and the Board Committees

The Board of Directors is assisted in its work by the following Committees, which, in order to ensure the best possible performance of their tasks, may retain the services of financial, legal and other specialist consultants.

5.1. AUDIT COMMITTEE

The Audit Committee, in accordance with the Company's Internal Regulations of Operation and with the Committee's own Regulation Code, which was approved and put into effect by the Committee's Decision dated 3.11.2009 and subsequently amended by the Resolution of the Company's Board of Directors of 11.05.2017, following a relevant proposal submitted by the Committee, reports through its Chairman to the Board of Directors by means of drawing up and submitting regular or ad hoc reports and works closely with the Company's Internal Audit Department.

According to the Company's Internal Regulations of Operation, the Audit Committee consists of at least three members, who in their majority must be independent within the meaning of the provisions of Law 3016/2012, as in force, and is either an independent committee or a committee of the Board of Directors. In particular, the Committee is composed of Non-Executive Members of the Board of Directors and of members who are elected by the General Meeting of the shareholders. The Committee's Chairman is appointed by its members or elected by the General Meeting of the Company's shareholders and is independent of the Company. At least one member of the Committee must be a certified auditor-accountant in suspension or retirement or have sufficient knowledge of auditing and accounting. In accordance with the Committee's Regulation Code, the term of office of its members is commensurate with that of the Board Directors, unless otherwise decided by resolution of the General Meeting or of the Board of Directors acting under the General Meeting's authority, and the Committee may elect a Secretary responsible for keeping the minutes of its meetings. The members of the Committee and its Secretary are prohibited from undertaking activities external to the Company, which might hinder independent decision-making and give rise to conflicts of interest. Every member of the Committee is provided with appropriate information and training and is appropriately remunerated in relation to the time devoted to the Committee's work.

The Audit Committee meets at least four (4) times per year and its key responsibilities are to monitor the statutory audit of the Company's individual and consolidated financial statements, the financial reporting process and the effectiveness of the internal control systems, including the provision to the Internal Audit Department of general guidelines on the audit framework and the activities to be audited, to examine the activities of the Internal Audit Department, with a view to assessing its effectiveness, to receive regular updates on the progress of the activities of the Internal Audit Department and to confirm that significant problems and weaknesses identified, as well as the related recommendations, have been notified to and discussed in a timely manner with the Management, which has taken the necessary corrective actions. Additionally, the Audit Committee has the right, when it considers this to be necessary, to request from the

4. Statement of Corporate Governance

Internal Audit Department or from third parties any information it deems necessary in order to properly carry out its work.

The Audit Committee is today composed of two independent non-executive members of the Board of Directors and one member, who was elected by the General Meeting of the Company's shareholders on 07.06.2018 and, according to the statement made by the Company, meets the requirements of article 44 of Law 4449/2017 and the provisions on independence of Law 3016/ 2002. The term of office of the Committee's office has a duration of four years, which is commensurate with that of the Board members, and is due to expire on 06.07.2022. The Committee took up its composition by its decision of 07.06.2018. The Committee meets at regular intervals, at least four (4) times per year, and also holds extraordinary meetings when required.

Composition of the Audit Committee (01.01.2018 - 06.06.2018)

Composition of the Audit Committee	Status	Tenure in office	Meetings during the period from 01.01.2018 to 06.06.2018 (3)	Attendance rate of meetings
Apostolos Georgiadis	Chairman	18.06.2014 – 07.06.2018	3/3	100%
Christos Zerefos	Member	18.06.2014 – 07.06.2018	3/3	100%
Constantine Cotsilinis	Member	01.06.2017 – 07.06.2018	3/3	100%

Composition of the Audit Committee (07.06.2018 - 31.12.2018)

Composition of the Audit Committee	Status	Tenure in office	Meetings during the period from 07.06.2018 to 31.12.2018 (7)	Attendance rate of meetings
Alexios Pilavios	Chairman	07.06.2018 – 07.06.2022	7/7	100%
Ioannis Petrides	Member	07.06.2018 – 07.06.2022	7/7	100%
Constantine Cotsilinis	Member	07.06.2018 – 07.06.2022	7/7	100%

The Committee's Secretary is lawyer Mrs Vassiliki Prantzou.

The duties and responsibilities of the Audit Committee and its Regulation Code are posted on the Company's website www.mytilneos.gr at the following address: <http://www.mytilneos.gr/en-us/committees/and-external-auditors>

The items discussed by the Audit Committee during 2018 are presented in the following table:

DATE OF MEETING	AGENDA
17.01.2018	<ol style="list-style-type: none"> 1. Presentation by the External Auditors (Grant Thornton) of the planning for the statutory audit of the individual consolidated financial statements for the financial year 2017. 2. Approval of audit reports submitted by the Internal Audit Department. 3. Approval of the proposed structure of the Internal Audit Department. 4. Approval of the Internal Audit Department's audit plan for 2018. 5. Approval of the Committee's work programme for 2018. 6. Approval of the Annual Report of the Committee's Activities for 2017.
26.03.2018	<ol style="list-style-type: none"> 1. Presentation, by the External Auditors (Grant Thornton) and the Company's Finance Central Support Function, of the key audit matters identified during the audit of the Company's annual financial statement for the accounting period ended on 31.12.2017 and submission to the Committee of the supplementary report of article 11 of Regulation (EU) 537/2014.

4. Statement of Corporate Governance

	2. Drafting of the Committee's report to the Board of Directors of the Company on the annual individual and consolidated financial statements of the Company for the accounting period ended on 31.12.2017.
16.05.2018	<ol style="list-style-type: none"> 1. Approval of the minutes of the Audit Committee's meetings of 17.01.2018 and 26.03.2018. 2. Submission to the Company's Board of Directors of a proposal on the appointment of External Auditors for financial year 2018, following a proposal from the Company's Finance Central Support Function. 3. Approval of the Internal Audit Department's reports on (a) Management of SAP Rights and (b) Credit Risk Management of the Electric Power Business Unit. 4. Approval of the Internal Audit Department's quarterly report. 5. Approval of the Committee's quarterly report on its activities during 2018Q1.
07.06.2018	Appointment of Chairman and taking up of the Committee's composition.
20.07.2018	<ol style="list-style-type: none"> 1. Briefing on the Committee's annual work plan. 2. Briefing on the activities of Internal Audit Department. 3. Briefing by the External Auditors on the planning of their audit activities. 4. Drafting of the Committee's report to the Board of Directors on its activities during 2018Q2
07.09.2018	<ol style="list-style-type: none"> 1. Briefing by the External Auditors, in the framework of the review of the Company's six-monthly individual and consolidated financial statements (30.06.2018). 2. Drafting of the Committee's report to the Board of Directors of the Company regarding its activities in connection with the six-monthly individual and consolidated financial statements of the Company. 3. Presentation by the Finance Central Support Function. 4. Presentation by the Compliance Department.
21.09.2018	Approval of the offers submitted by the External Auditors (Grant Thornton) for the provision of allowed services to the Company and its subsidiaries.
12.10.2018	<ol style="list-style-type: none"> 1. Report of activities during 2018Q3 by the Internal Audit Department. 2. Approval of reports submitted by the Internal Audit Department. 3. Questionnaire from the Accounting Standardisation and Audits Committee.
02.11.2018	1. Drafting of the Committee's report to the Board of Directors on its activities

4. Statement of Corporate Governance

	<p>during 2018Q3</p> <ol style="list-style-type: none">2. Approval of the audit report for the audit of the International Operations Section of the Internal Audit Department.3. Briefing on the completion of the tax audit for the period from 01.01.2017 to 31.12.2017.4. Pre-approval of known and recurring tasks which are performed by the External Auditors on behalf of the Company and of its subsidiaries and do not form part of the annual statutory audit.5. Presentation of the Non-Financial Risk Management Section.
30.11.2018	<ol style="list-style-type: none">1. Detailed presentation by Grant Thornton of the tax audit activities and findings (tax certificate) for the period from 01.01.2017 to 31.12.2017.2. Briefing by Grant Thornton on IFRS 15, differences between six-monthly and annual reports with respect to IFRS 9 and 15, planning of regular audit for financial year 2018.3. Approval of audit reports submitted by the Internal Audit Department on: (a) Sample inventory-taking of the stock of the Main Warehouse of the Metallurgy Business Unit (Aluminium of Greece), and (b) Follow-up of the implementation of the agreed action plans with a deadline of 30.06.2018.4. Briefing by the Internal Audit Department on the procedure for the preparation of the audit plan for 2019.

5.2. REMUNERATION AND NOMINATION COMMITTEE

Purpose

The Remuneration and Nomination Committee is responsible for the following:

- proposing to the Board the remuneration of each individual executive Board member, including bonuses, incentive payments and share options;
- reviewing and making proposals to the Board on the total annual package of variable compensation in the Company;
- reviewing regularly the salary of executive board members and other contractual terms, including severance payments and pension arrangements;
- making proposals to the Board on any business policy related to remuneration;
- reviewing the annual remuneration report;

4. Statement of Corporate Governance

- determining selection criteria and appointment procedures for Board members;
- periodically assessing the size and composition of the Board and proposing a desired Board profile for consideration by the Board;
- leading the process for nominee identification and selection;
- making proposals to the board for the nomination of board members.

The Remuneration and Nomination Committee meets regularly, at a frequency allowing it to efficiently perform its work. It draws up its Regulation Code, which sets out the Committee's role and responsibilities, and posts it on the Company's website.

Establishment and composition

The Remuneration and Nomination Committee was established by the Board of Directors resolution of 07.06.2018 and is composed of three (3) independent non-executive Board members. The Committee's Secretary is the Corporate Secretary Mrs Leda Condoynani, with the Deputy Corporate Secretary Mr Panagiotis Psarreas as her deputy.

Composition of the Remuneration and Nomination Committee	Status	Tenure in office	Meetings from 7/2018 onwards (4)	Attendance rate of meetings
George Chryssikos	Chair	07.06.2018 – 07.06.2022	4/4	100%
Emmanouil Kakaras	Member	07.06.2018 – 07.06.2022	4/4	100%
Konstantina Mavraki	Member	07.06.2018 – 07.06.2022	4/4	100%

It is noted that the Remunerations Committee, which was replaced by the Remuneration and Nomination Committee, did not hold any meetings.

The duties and responsibilities of the Remuneration and Nomination Committee are posted on the Company's website www.mytilineos.gr, at the following address: <https://www.mytilineos.gr/en->

[us/committees/and-external-auditors#tab-remunerations-committee](https://www.mytilneos.gr/en-us/committees/and-external-auditors#tab-remunerations-committee)<https://www.mytilneos.gr/en-us/committees/and-external-auditor>. The Committee’s Regulation Code is currently under development.

DATE OF MEETING	AGENDA
07.06.2018	Establishment of the Remuneration and Nomination Committee and appointment of Chairman.
16.07.2018	1. Role and responsibilities of the Remuneration and Nomination Committee, Regulation Code of the Committee. 2. Planning of the Committee’s work.
11.09.2018	Assistance by an external consultant to ensure fulfilment of the Company’s obligations regarding remunerations under Law 4548/2018.
06.11.2018	1. Progress of the project “Policy on the Remuneration of Board members” carried out by the external consultant. 2. Meeting with the General Manager Human Resources and briefing on Company matters related to the scope of the Committee’s activity.

5.3. Other Committees in which Board members participate

In addition to the two Board Committees mentioned above, the Company has also established the following Committee, composed of executive and non-executive Board members and of Company executives.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Purpose

The CSR Committee act in an advisory capacity to the Company’s CEO in connection with monitoring and ensuring the correct implementation of Corporate Social Responsibility in the Company in terms of policies, targets, actions and results in connection with environmental, social and ethical issues in the internal as well as the external environment of the Company.

Establishment and composition

The Corporate Social Responsibility Committee was established by the Board of Directors resolution of 17.11.2010. Its composition, as amended by the Board of Directors resolution of 07.06.2018, comprises seven (7) members, as follows:

- Three (3) members of the Company's Board of Directors, of which one (1) executive member and two (2) independent non-executive members.
- The Special Advisor to the CEO on CSR.
- The Human Resources General Manager.
- The Corporate Social Responsibility Manager.
- The Corporate Communication Manager

The Chairman is appointed by the Committee members in a meeting of the Committee held for this purpose and may be replaced by unanimous decision of the Committee members.

Composition of the CSR Committee (01.01.2018 - 06.06.2018)

Composition of the CSR Committee	Status	Tenure in office
Christos Zerefos	Chair	01.01.2018 – 07.06.2018
Evangelos Mytilineos	Member	18.06.2014 – 07.06.2018
Sophia Daskalaki-Mytilineou	Member	01.06.2017 – 07.06.2018
Fotios Spyarakos	Member	01.06.2017 – 07.06.2018
Vivian Bouzali	Member	01.06.2017 – 07.06.2018

The Committee did not hold any meetings during the period from 01.01.2018 to 06.06.2018.

Composition of the CSR Committee (07.06.2018 - 31.12.2018)

Composition of the CSR Committee	Status	Tenure in office	Meetings during the period from 07.06.2018 to 31.12.2018	Attendance rate of meetings
Sophia Daskalaki-Mytilineou	Chair	01.01.2018 – 07.06.2022	2/2	100%
Dimitrios Papadopoulos	Member	07.06.2018 – 07.06.2018	2/2	100%
Panagiota Antonakou	Member	07.06.2018 – 07.06.2018	2/2	100%
Konstantina Mavraki	Member	07.06.2018 – 07.06.2018	2/2	100%
Dimitra Brakatselou	Member	07.06.2018 – 07.06.2018	2/2	100%
George Galanis	Member	07.06.2018 – 07.06.2018	2/2	100%
Trantafilia Lanara	Member	07.06.2018 – 07.06.2018	2/2	100%

Summary CVs of the CSR Committee members who are not Board members and of the Committee's Secretary are given in the following.

Sofia Daskalaki-Mytilineou

Born in Buenos Aires in 1952. She studied Business Administration (BSc, Deree College) and Economics (MSc Econ., London School of Economics). She worked as a financial analyst for two years in the Short-Term Economic Forecasting Department of the Ministry of Coordination and for five years in the Research Department of the Bank of Greece, before joining the Company in 1985, where she developed the Company's Corporate Affairs and Corporate Social Responsibility functions. She served as a member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) and, since June 2013, is a member of the Board of Directors of the American-Hellenic Chamber of Commerce. From 2000 to 2010 she served as elected Municipal Councillor and Deputy Mayor of the Municipality of Athens. She is also a founding member of the NGO "Friends of Children with Cancer" ("ELPIDA") and of the "Transparency International - Hellas" Network.

DIMITRA BRAKATSELOU

Mrs. Dimitra Brakatselou has 20 years of experience in the area of Human Resources and joined MYTILINEOS as General Manager, Human Resources in 2017.

In the past she has held various senior managerial roles in HR in multinational companies, such as Coca-Cola Hellenic Bottling Company and Vodafone, as well as in the banking sector, specifically in the National Bank of Greece.

Over the course of her overall career, Mrs. Brakatselou has planned and successfully implemented strategies and programs concerning the recruitment, evaluation and induction of new talent, the training and further professional development of employees, the performance evaluation and rewarding of personnel according to operational objectives, as well as the engagement and active participation of employees in CSR activities.

She holds a Bachelor's degree in French Literature from the National & Kapodistrian University of Athens, a Master's degree in Applied Linguistics from Université Stendhal Grenoble 3 and a MBA from ALBA Graduate Business School.

GEORGE GALANIS

George Galanis, has 16 years of experience in the field of Corporate Social Responsibility (CSR) and since October 2014 holds the position of CSR Manager of MYTILINEOS S.A. During 2002 and 2014 Mr. Galanis held the position of Director of Corporate Social Responsibility and Communication, of the dedicated consulting firm on CSR domain, MEDA Communication S.A. During his term, he was engaged: (a) in the development of innovative research tools for the promotion and implementation of CSR in Greek enterprises, (b) in the shaping a CSR culture and the development and implementation of CSR strategic directions lines, (c) in the development of Sustainability Reporting and (d) in the CSR training for corporate staff and executives. In this context, as an external consultant, he has carried out numerous projects in leading companies in Greece such as OTE, Cosmote, ALPHA BANK, EUROBANK, AB Vasilopoulos, Vodafone, Wind, Interamerican, Revoil and Coca Cola 3E. In 2012 he was the head of the project team who undertook and successfully completed the Cyprus National Corporate Social Responsibility Action Plan under the supervision of the Republic of Cyprus (Planning Bureau). George was born in Athens in 1964. He is a graduate of the Department of Sociology of the Panteion University of Athens and, through a corporate scholarship, he holds a postgraduate degree in Business Administration from Sterling University of Scotland UK.

TRIANTAFILIA (FILIO) LANARA

Filio Lanara is Corporate Communication Manager at MYTILINEOS since April 2017. Prior to her current role, she worked as Manager for a leading Corporate Public Affairs and Strategic Communications agency. She has served as Press Officer for the Ministry of Environment, Energy and Climate Change from June 2011 until December 2014,

4. Statement of Corporate Governance

while she was also appointed as Communication Officer of the Hellenic Presidency of the Council of the European Union for the same Ministry. She has also worked as a Press Officer for the Ministry of Finance from October 2009 until June 2011. Since 2004, she has served as Press Officer for several organizations such as the Panhellenic Socialist Party (PASOK) and the Western Macedonia chapter of the Technical Chamber of Greece. She has also taught Advertising and Public Relations as a Visiting Professor at the Technological Educational Institute of Western Macedonia. Mrs. Lanara has studied Journalism and Mass Media at the Aristotle University of Thessaloniki, as well as Public Opinion and Public Sphere studies at the National University of Athens, while she holds a Master's degree in International and European Economics from the Athens University of Economics and Business.

POLYTIMI BOUDALI – CSR Committee Secretary

She has been working in the Communication Department of MYTILINEOS since 1998.

As of 2013, she has assumed the duties of Company CSR Coordinator.

Born in Athens in 1974, she holds an MBA from the University of Huddersfield and a B.A. in Business & Management from London Guildhall University.

The items discussed in these meetings are presented in the following table:

DATE OF MEETING	AGENDA
28.06.2018	Establishment of the CSR Committee and appointment of Chairman.
16.07.2018	Approval of the draft CSR Committee Regulation Code. Approval of the "CSR Action Plan - 2018".

6. General Meeting of the shareholders and shareholders' rights

6.1. Functioning and key powers of the General Meeting

1. The General Meeting of the Company's shareholders is the supreme corporate body, having authority to decide on any matter relevant to the company. More specifically, the General Meeting is the sole body with the authority to decide on the following:

a) extension of the Company's duration, merger, split-up, conversion, revival or dissolution;

4. Statement of Corporate Governance

- b) amendment of the Articles of Association;
- c) increase or decrease of the share capital, with the exception of the case of para 2, case a, article 5 of the Articles of Association, the provisions imposed by the law and the capitalization of the reserves;
- d) issuance of a debenture loan with convertible loans and a debenture loan with participation right in the profits, without prejudice to the terms of para 2, case b, article 5 of the Articles of Association;
- e) election of the Board members, apart from the cases of article 22 of the Articles of Association;
- f) election of auditors;
- g) election of liquidators;
- h) approval of annual accounts (annual financial statements);
- i) appropriation of annual profits.

The above competencies do not include:

- a) increases decided in application of paragraphs 1 and 14 of article 13, C.L. 2190/1920, as each time in force, and increases imposed by provisions of other laws;
 - b) the amendments of the Articles of Association decided by the Board of Directors in application of para 5, article 11, para 2, article 13a, para 13, article 13 and para 4, article 17b of C.L. 2190/1920 as each time in force;
 - c) the absorption of a public limited company (SA) under article 78 by another public limited company (SA) possessing 100% of its shares; and
 - d) the possibility of profit or optional reserve appropriation in the current fiscal year with the decision of the Board of Directors provided that there is no relevant authorisation of the ordinary general meeting.
2. Its legal decisions also bind the shareholders who are absent or disagree.
3. The shareholders' General Meeting is convened by the Board of Directors and is held at the Company's seat or in the region of another municipality within the prefecture where the Company has its seat or in another municipality neighbouring the one where the Company has its seat, at least once a year, always in the first semester from the

4. Statement of Corporate Governance

expiry of each fiscal year. The General Meeting can also be held in the municipality where the seat of the Stock Market where the Company's shares are listed. The Board of Directors can convene an extraordinary shareholders' General Meeting, when deemed necessary. The General Meeting can be held via teleconference, according to the technical security specifications stipulated in the decisions of the Minister of Development, following an opinion of the Capital Market Commission.

4. The General Meeting, with the exception of repeat meetings and the similar ones, should convene at least within twenty (20) full days before the one set for its convocation. It is clarified that non-working days are taken into account in calculating the 20-days time limit. The publication day of the invitation to the General Meeting and the day of the meeting are not taken into account. The invitation to the General Meeting includes the place of the meeting with its exact address, the date and the time, the items on the agenda, the shareholders with participation right and exact instructions about the way the shareholders will be able to participate in the meeting and exercise their rights in person or by proxy or even from a distance. No invitation is required if shareholders representing the total of the share capital are presented or represented and no one objects to its convocation and decision taking.
5. The General Meeting is in quorum and validly meets on the items on the agenda when a percentage of at least twenty per cent (20%) of the paid-up share capital is represented. If such a quorum is not achieved in the first Assembly, a repeat one is convened within twenty (20) days from the date of the postponed meeting by invitation of the Board of Directors sent at least ten (10) days before. The repeat meeting is in quorum and validly meets on the items on the agenda whatever the part of the paid-up share capital represented.
6. The decisions of the General Meeting are taken with the absolute majority of the votes represented in the meeting. The General Meeting is exceptionally considered to be in quorum and validly meets on the items on the agenda if at least two thirds (2/3) of the paid-up share capital are represented, in the case of decisions pertaining to: a. extension of the Company's duration, merger, split-up, conversion, revival or dissolution; b. change of the national status of the Company; c. change of the scope of the Company's activities; d. increase and decrease in the share capital; e. change in the profit appropriation (Law 876/1976); f. increase in the shareholders' obligations; g. provision or renewal of the power of the Board of Directors for an increase in the share capital under para 1, article 13, C.L. 2190/1920, and in any case defined by the law or the Articles of Association that for the General Meeting to take a specific decision, the above quorum is required.

7. The General Meeting is provisionally chaired by the Chairman of the Board of Directors or, if the Chairman is unable to attend, by his Deputy, appointed by the Board of Directors by special decision to this purpose. Secretarial duties are performed by the secretary appointed by the Chairman. After the list of the shareholders with a right to vote is approved, the meeting continues with the election of its Chair and a secretary who also acts as a teller.
8. The discussions and decisions of the General Meeting are restricted to the items on the agenda. The agenda is prepared by the Board of Directors and includes the proposals of the Board to the General Meeting and possible proposals made by the auditors or shareholders representing one twentieth (1/20) of the paid-up share capital. For the items discussed for which decisions are taken, minutes are kept, signed by the Chair and the Secretary. The list of the shareholders present or represented in the General Meeting is recorded at the beginning of the minutes. If only one (1) shareholder is present in the General Meeting, the presence of a Notary Public is compulsory to co-sign the minutes of the meeting.

6.2. Rights of shareholders and their way of exercise

1. The shareholders exercise the rights relevant to the Company's administration only with their participation in the General Meeting. Each share provides the right of one vote in the General Meeting.
2. Any person appearing as a shareholder in the registry of the Dematerialized Securities System managed by HELLENIC EXCHANGES SA (HELEX), in which the shares of the Company are recorded, is entitled to participate in the General Meeting. Proof of shareholder status should be made by presenting relevant written certification from HELEX or alternatively with direct electronic link-up of the Company with the records of the Dematerialized Securities System. Shareholder proof status should exist in the beginning of the fifth (5th) day prior to the general meeting (record date) and the relevant written certification in proof of the shareholder status issued by HELEX must have been received by the Company by the third (3rd) day before the date of the General Meeting.
3. The Company considers that only a party having the shareholder's capacity on the record day of the list has the right to participate and vote. Shareholders who do not comply with the provisions of article 28a of C.L. 2190/1920 may participate in the General Meeting only after the Meeting has authorized them to do so.
4. It is noted that in order to exercise said rights (participation and voting), it is not necessary to block the shares or follow any other similar procedure that may restrict the ability to sell and transfer shares in the period between the Record Date and the date of the General Meeting.
5. The shareholder may participate in the General Meeting and may vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Meeting by appointing up to three (3) persons as proxy holders. The appointment and revocation of appointment of proxies shall be made in writing and shall be notified to the Company in writing at least three (3) days prior to the date of the General

Annual Financial Report for the period

From the 1st January to the 31st December 2018

Meeting. Prior to the commencement of the General Meeting proceedings, the proxy holder must disclose to the Company any particular facts that may be of relevance for shareholders in assessing the risk that the proxy holder may pursue interests other than those of the shareholder. Within the meaning intended in this paragraph, a conflict of interest may arise in particular when the proxy holder: (a) is a controlling shareholder of the Company or is another entity controlled by such shareholder; (b) is a member of the board of directors or the broader management of the Company, or of a controlling shareholder or an entity controlled by such shareholder; (c) is an employee or an auditor of the Company, or a controlling shareholder or an entity controlled by such shareholder; (d) is a spouse or close relative (1st degree) of a natural person referred to in cases (a) to (c) above.

6. Participation from a distance in the voting during the shareholders' general meeting is possible either by using electronic means or voting by mail by sending the items of the agenda to the shareholders along with the relevant vote forms on these items. The agenda and the vote forms may be made available, and the latter may also be completed electronically, over the Internet. The exercise of voting rights in this way may take place prior to or also during the General Meeting.

6.3. Other rights of the shareholders

1. Ten (10) days before the ordinary General Meeting, each shareholder may obtain from the Company the annual financial statements and the relevant reports of the Board of Directors and of the auditors. These documents should have been timely submitted by the Board of Directors to the Company's office.
2. Following a request of shareholders representing at least one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to call an Extraordinary General Meeting setting a date which is not more than forty-five (45) days from the day the application was served on the Chairman of the Board of Directors. The application should accurately determine the item on the agenda. If a General Meeting is not called by the Board of Directors within twenty (20) days from serving the relevant application, the meeting is convened by the applicant shareholders at the Company's expenses with the decision issued by the Single-Member First Instance Court of the Company's seat according to the interim measures procedure. This decision sets the location and the time of the meeting and the agenda.
3. Following a request of shareholders representing at least one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to include additional items in the agenda of a General Meeting, already called, if the said request is communicated to the Board of Directors at least fifteen (15) days prior to the General meeting. The additional items should be published or made public with the responsibility of the Board of Directors, under article

4. Statement of Corporate Governance

26, C.L. 2190/1920, at least seven (7) days before the General Meeting. If these items are not published, the applicant shareholders are entitled to ask the postponement of the General Meeting under paragraph 3, article 39 of C.L. 2190/1920 and proceed with the publication according to the previous section, at the Company's expenses.

4. Following a request of shareholders representing at least one twentieth (1/20) of the paid-up share capital, the Board of Directors puts at the disposal of the shareholders, under article 27, para 3 of C.L. 2190/1920, at least six (6) days before the date of the General Meeting, draft resolutions on items included in the initial or possible revised agenda, if the relevant request is communicated to the Board of Directors at least seven (7) days prior to the date of the General Meeting.
5. Following a request of any shareholder and provided that said request is filed with the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting with the specific requested information regarding the affairs of the Company, insofar as such information is relevant to a proper assessment of the items on the agenda.
6. Following a request of shareholders representing at least one twentieth (1/20) of the paid-up share capital, the Chair of the General Meeting is obliged to postpone once taking decisions in the Ordinary or Extraordinary General Meeting for all or specific items, setting as a date of a decision-making meeting the one on the shareholders' application, which, though, cannot be more than thirty (30) days away from the postponement day. The General Meeting following a postponement is the continuation of the previous one and there is no need to repeat the publication formalities of the shareholders' invitation. New shareholders can also participate, by observing the provisions of articles 27, para 2 and 28a of C.L. 2190/1920.
7. Following a request of shareholders representing at least one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to announce to the Ordinary General Meeting the amounts paid in the last two years to each member of the Board of Directors or the Company's directors/ managers and any benefit given to these parties for any reason or as a result of an agreement made with the Company. Furthermore, following an application of any shareholder submitted to the Company at least five (5) full days before the General Meeting, the Board of Directors is obliged to give the General Meeting the applied-for specific information to the degree this information is useful for the real assessment of the items on the agenda.

The Board of Directors may decline to provide such information citing sufficient material grounds, and this should be recorded in the minutes. Such a reason could be, depending on the specific cases, the representation of the applicant shareholders in the Board of Directors pursuant to paragraphs 3 or 6 of article 18 of C.L. 2190/1920, as currently in force. The Board of Directors may provide a single answer to shareholders' requests that are of similar content. The obligation to provide information does not apply in the event that such information is already available from the Company's website, particularly in the case of frequently asked questions.

8. Following a request of shareholders representing one fifth (1/5) of the paid-up share capital, and provided that the said request is given to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is

obliged to provide the General Meeting with information on the course of the business affairs and financial status of the Company. The Board of Directors may decline to provide such information citing sufficient material grounds, and this should be recorded in the minutes. Such a reason could be, depending on the specific cases, the representation of the applicant shareholders in the Board of Directors pursuant to paragraphs 3 or 6 of article 18 of C.L. 2190/1920, as currently in force, provided the members of the Board of Directors have received the relevant information in an adequate way.

9. Following a request of shareholders representing at least one twentieth (1/20) of the paid-up share capital, a decision on any item on the agenda of the General Meeting is taken by a roll-call vote.
10. Shareholders of the Company representing at least one twentieth (1/20) of the paid-up share capital have the right to ask the Single-Member First Instance Court of the region where the Company has its seat, for an audit of the Company, and the Court applies the voluntary jurisdiction procedure. The audit is ordered if there is the possibility of actions that violate the provisions of the law or the Company's Articles of Association or the decisions of the General Meeting.
11. Company shareholders representing at least one fifth (1/5) of the paid-up share capital have the right to ask the court of the previous paragraph for an audit of the Company, provided that it is believed that the management of corporate affairs is not exercised in accordance with the principle of prudent and sound management. This provision is not applied in the cases the minority asking for the audit is represented in the Company's Board of Directors.

7. Description of the main characteristics of the internal control systems and risk management function of the Company in relation to the preparation of the financial statements

7.1 Framework of internal control systems and risk management function of the Company in relation to the preparation of the financial statements

The reliability of the Company's Financial Statements is ensured by the application of Internal Control and Risk Management Processes. The Company has put in place separate procedures for the monthly, interim and annual Financial Reports.

More specifically, every month the Management Information Systems Department of the Company receives from the Finance Business Partners financial data and information, which it proceeds to check and then use to prepare reports for submission to the Management of the Group. This information is produced in accordance with the International Financial Reporting Standards. Every month, the Management of the Group is updated on the changes to the consolidated key financial indicators by means of relevant management reports. This monthly monitoring approach, coupled with the checking of the consolidated financial statements and the

analyses performed on the latter are the key tools used in the quality and consistency control of the financial results.

With regard to the Interim and Annual consolidated Financial Statements, the Company employs an advanced software tool to consolidate the financial results and statements, as well as to generate reports for the Management as well as for investors and other interested parties. This software tool is automatically updated with data from the Group's accounting monitoring program and includes controls to ensure accurate transfer and accounting recognition of the input data. The Management Information Systems Department ensures the smooth operation of the software tool and checks the integrity and correctness of the consolidated Financial Statements and other reports, providing the Chief Finance Officer, the External Auditors and the Management of the Company with all necessary information.

The External Auditors examine the consolidated Interim and Annual Financial Reports and report to the Audit Committee on the progress and results of their audits for each reporting period. The Audit Committee is informed of the procedure and schedule for the preparation of the Financial Statements by the Group Chief Finance Officer and holds meetings with the Management / the responsible executives during the preparation of the financial reports. It obtains from the Chief Finance Officer the necessary information on the Group's performance and consolidated Financial Statements and reports to the Board of Directors accordingly. During these meetings, the Audit Committee is also informed about the management of financial risks and assesses the effectiveness of the risk management system. The Financial Statements (Individual and Consolidated) are approved by the Board of Directors, following a relevant report from the Audit Committee.

7.2 Organisation and implementation of risk management

The Company has defined risk as a set of uncertain and unpredictable situations that may affect all its activities, its business operation and its financial performance, as well as the implementation of its strategy and the achievement of its goals.

In line with this approach, it has established a specific risk management approach in all its areas of activity where certain risks have been recognised. This approach consists of the following steps:

- Identification and assessment of risk factors.
- Planning of the risk management policy.
- Implementation and evaluation of the risk management policy.

The Company has established specific and comprehensive Enterprise Risk Management (ERM) processes. All senior executives are involved in the identification and initial assessment of risks, so as to facilitate the work of

the Executive Committees of each Business Unit, as well as of the Board of Directors of each legal person, in the planning and approval of specific actions in the context of the approved ERM processes.

With regard to Non-Financial Information, since 2010 the Company has introduced a specific Stakeholder engagement process for evaluating the materiality of the sustainability issues which are related to its activity sectors. This process, combined with the corresponding prioritisation of these issues by the Company's Business Units, is at the core of the accountability policy applied by the Company.

The process for determining the material sustainability issues is an ongoing exercise that is constantly developed and improved. The purpose of this process is to highlight the issues that reflect the Company's significant environmental and social impacts and influence substantially the decisions of its Stakeholders.

By identifying and understanding the material sustainability issues, the Company formulates and develops its uniform business strategy and its aims, targets and social and environmental initiatives.

Last but not least, the Company conducts regular internal audits to ensure the appropriate and effective implementation of the risk identification and assessment processes and of the management policies for such risks.

7.3 Internal Control System

1. In addition to everything mentioned herein and described above in connection with the competences of the Audit Committee, the Internal Audit Division of the Company is an independent organisational unit which reports to the Board of Directors. Its competences include, among others, the assessment and improvement of the risk management and internal control systems, as well as the monitoring of the compliance with the established policies and procedures as these are determined by the Internal Regulations of Operation, the legislation in force and the regulatory provisions.

Moreover, the following are examined and analysed on a continuous basis:

- The efficiency of the Company's accounting and financial systems, audit mechanisms, quality control systems, health & safety and environmental systems, and business risk management systems.
- The drafting of the financial statements and of other important data and information intended for disclosure.
- The reliability, the qualifications and the independence of the chartered auditors.
- Cases of conflict between the private interests of the members of the Board or executives of the Company and the latter's interests.

4. Statement of Corporate Governance

- Relations and transactions of the Company with affiliated companies as well as relations of the Company with companies in whose share capital members of the Company's Board of Directors participate with a percentage of at least 10% or shareholders of the Company participate with a percentage of at least 10%.
 - The legality of the fees and any kind of bonuses to the members of the management with regard to the decisions of the competent bodies of the Company.
2. The Board of Directors re-examines in a continuous and consistent way the corporate strategy and the principal business risks, especially in a constantly changing financial and business environment. Moreover, the Board receives at regular intervals from the Audit Committee reports on the activities of the audits carried out, based on the annual schedule of audits planned by the Company's Internal Audit Department. The above allow the Board to form a detailed opinion of the effectiveness of the systems, processes and regulations of the Company.
 3. The external auditors do not offer to the Company and to the Group non-audit services which are prohibited, as per the provisions article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council and of law 4449/2047.

8. Board of Directors remunerations

In accordance with the company's Articles of Association, the terms of the Board members' remuneration are set by the Board and submitted to the Annual General Meeting of the shareholders for approval.

From the current Board members, only the CEO and one executive Board member have a salaried employment relation with the Company.

The Board members do not receive any other compensation or benefit. For the period from 01.01.2018 to 31.12.2018, no share options were granted and no share benefit plans were in force.

The Company has adopted a specific policy for the remuneration of the members of the Board, with the aim of enhancing its corporate values and its long-term interests. The remuneration policy conforms to the Company's business strategy, which ensures that the organisation's business objectives remain aligned with those of its stakeholders – such as its employees, its management and its shareholders.

The remuneration policy is based on the following principles:

- Maximisation of performance.

4. Statement of Corporate Governance

- Alignment of remunerations and rewards with profitability, risk and capital adequacy.
- Internal transparency.

The alignment of the Board members' remuneration policy with the strategy of each core business activity of Company is a continuous commitment. The procedures used in determining the remuneration amounts are clear, documented and transparent. The remuneration policy is designed by the Human Resources Central Support Function, with the support of the Finance Central Support Function and the Legal Service Department, and is submitted to the Remuneration and Nomination Committee. In addition to a fixed part, the structure of these remunerations may also include a variable part, ensuring that remunerations are linked to the short and long-term business profitability and efficiency.

With regard to the fixed remunerations of Board members, these must be competitive, in order to allow the Company to attract and retain individuals with the capabilities, skills, experiences and behaviours it requires. The aim is for the remuneration amounts to be commensurate with the time that the members devote to the Board meetings, to reflect the actual performance of the duties assigned to them and to be close to the market average established by the relevant salary surveys. Higher remunerations are foreseen for Board members with special roles of increased significance or in cases of outstanding experience and performance.

With regard to variable remunerations, these are linked to the performance of the Board member and of the Company in general. The achievement of the objectives at the aforementioned levels is a core element of the corporate culture of the Company. The level of the variable remunerations paid depends on the actual performance according to a number of quantitative criteria. These include the medium and long-term Company strategy, ensure the alignment of the objectives with the said strategy and secure the interests of the organisation and of its shareholders, and are related to the following indicative Key Performance Indicators (KPIs):

- Sustaining and/or increasing turnover.
- Sustaining and/or increasing the operating margin.
- Realising positive cash flows from operations.
- Sustaining and/or increasing net profits.

KPIs are defined annually on the basis of the Company's business plan and the level of the Board members' variable remunerations is calculated on the back of the evaluation process for those KPIs, always considering the general economic environment.

It is noted that the non-executive members of the Board receive fixed remunerations only.

The new Remuneration and Nomination Committee will propose the development of a remuneration policy in line with Law 4548/2018, to be completed during 2019.

9. Diversity policy applied by the Company in relation to the composition of its Board and the percentage representation of each gender in the composition of the Board and of the Executive Management Team

The Company acknowledges the significance of promoting the principle of diversity in the composition of its governance bodies as well as in its executives and administrative personnel.

Managing and capitalising on diversity represents a major organisational business challenge for the Company, which the latter, as a modern-day business, will have to address in the next two years, following the completion of its corporate restructuring and in the framework of its responsible operation. In 2017, the Company paved the way in this direction by introducing a specific Diversity Policy with clearly defined vision and objectives.

Diversity Policy

1. Introduction - Purpose

1.1 MYTILINEOS S.A. (the “Company”), remaining engaged in its commitment to the implementation of best Corporate Governance practices and in compliance with the provisions of article 2 of Law 4403/2016, aims to apply the principle of Diversity (based, among other basic parameters, on gender, age, experience, skills and knowledge) to the composition of its Board of Directors, of its executive management team and of all direct employees in all its activities, where this is feasible. To this end, the Company hereby adopts the present Diversity Policy (hereinafter the “Policy”).

2. Vision

- 2.1 The Company acknowledges that in an era in which flexibility and creativity are the keys to competitiveness, promoting diversity in its administrative, management and supervisory bodies is particularly significant for its further business growth.
- 2.2 The Company also acknowledges that diversity at the workplace in the broader sense may increase the potential for accessing a greater range of solutions to issues of business strategy, thus increasing its competitive advantage.

3. Basic Principles

4. Statement of Corporate Governance

- 3.1 The procedure of searching for and selecting candidates for Board membership or other senior executive positions should take place using merit-based and objective criteria, taking account of the benefits that result from the application of the principle of diversity, including the representation of both genders, in the said procedure.
- 3.2 A precondition for the appointment of a Board member or other senior executive is primarily the existence of the necessary qualifications and the fulfilment of other criteria, as these are specified by the Company. However, the procedure should ensure that women and men will have equal opportunities of being selected as candidates.
- 3.3 If the Company, through its competent bodies (e.g. Committee for the evaluation of candidate Board members or the Human Resources Central Support Function), employs the services of third parties, such as independent consultants, in connection with searching for candidates for Board membership or for senior executive positions, explicit mention should be made of the fact that both women and men are to be proposed.
- 3.4 In the framework of the annual evaluation of the Board of Directors and of its Committees, the members of the Board and of the Committees should take into consideration the balance of all diversity parameters applicable to the Board, as these are mentioned in the present Policy.
- 3.5 Despite the fact that most of its activities are in the heavy industries sector, the Company aims to facilitate the broader possible participation of women and young people in its workforce, where feasible, always in accordance with the requirements and opportunities in each one of its Business Units.
- 3.6 Managing and capitalising on diversity represents a major organisational business challenge for the Company. Investing in the development of managerial skills, so that senior executives can correctly manage a potentially multicultural work environment, is considered necessary.

4. Measurable targets

- 4.1 At the time of adoption of the present Policy, the Company sets as its objective the achievement of the following target percentages concerning the representation of women by 2020:
- Up to 27% of the composition of the Board.
 - Up to 50% of the total number of independent Board members.
 - 20% of senior executives (Directors and General Managers).
 - 15% of direct employees.

5. **Scope of application**

5.1 The Policy is applied to the procedure for the selection of members of the Company’s Board of Directors and is taken into account in the procedures for searching for and selecting senior executives as well as personnel at all other levels of the Company’s hierarchy.

6. **Revision procedure**

6.1 The Committee for the nomination of candidate Board members is charged with the revision of the present Policy. The Committee may examine any revisions which may be required and propose them to the Board of Directors for approval.

7. **Policy disclosure**

7.1 The Policy is posted on the Company's website (www.mytilineos.gr) for the purpose of informing its Stakeholders and the public at large.

7.2 In the “Statement of Corporate Governance” section of its Annual Report, the Company reports its performance against the targets set, together with the percentages – by gender and age – of the members of the Board and of the executive management team.

<i>MYTILINEOS S.A. Diversity Indicators</i>		
<i>Board of Directors, Executives and Administrative employees)</i>		
	2017	2018
Board of Directors		
Men	85,7%	81,8%
Women	14,3%	18,2%
<30 years old	0%	0%
30-50 years old	0%	27,3%
>50 years old	100%	72,7%
Audit Committee		
Men	0%	83,3%
Women	0%	16,7%
<30 years old	0%	0%
30-50 years old	0%	33,3%
>50 years old	0%	66,7%
Executives		
Men	77,5%	81,2%
Women	22,5%	18,8%
<30 years old	4%	2,4%
30-50 years old	76,6%	65,5%
>50 years old	19,4%	27,3%
Administrative employees		
Men	68,5%	64,6%
Women	31,5%	35,4%
<30 years old	9,8%	10,4%
30-50 years old	66,2%	68,2%
>50 years old	23,8%	21,3%

10. Related party transactions

Annual Financial Report for the period
From the 1st January to the 31st December 2018

Each related company follows the rules on transparency, independent financial management and the accuracy and correctness of its transactions, as stipulated by the law. The Company's transactions with related parties take place for a price or consideration which is equivalent to the one that would apply if the transaction were to take place with some other natural or legal person, under the conditions that prevail in the market at the time when the transaction takes place and, in particular, equivalent to the price or consideration agreed to by the Company when entering into a transaction with any third party. The Company complies fully with all relevant provisions of the laws. In the framework of the application of the International Accounting Standards and of the International Financial Reporting Standards and, in particular, in accordance with IAS 24 "Related Party Disclosures", the Company is obliged to disclose, primarily via periodic financial statements, the transactions between related parties. According to the provisions of IAS 24, related parties – other than the companies (subsidiaries and related) which are members of the Company's business group – are the members of the Company's management, its management executives and their closest family members, as well as third companies in which the aforementioned persons hold a significant stake (>20%) and, by the nature of their transactions, affect or impact significantly the decisions and the strategic or financial activities of the Company. Information on related party transactions is updated every quarter (in the case of remunerations and of liabilities and accounts receivable) and every six months (in the case of participations in third companies by members of the Company's Management and by its management executives or their closest family members), at which time the Company's Finance Central Support Function sends a relevant form to the related parties, which the latter complete and return within 20 days from its dispatch. At the end of each quarter, a relevant form is sent to the liable parties by the Company's Finance Central Support Function, which is responsible for monitoring transactions between related parties, which the latter complete and return no later than 20 days after the expiry of that quarter. Under the responsibility of the Finance Central Support Function, the information on the transactions between related companies is in the report accompanying financial statements of the Company, for the shareholders' information. The Board of Directors is responsible for submitting to the General Meeting of the shareholders for approval the contracts falling within the scope of application of article 23a of C.L. 2190/1920.

11. Information required in accordance with article 10 par. 1 of Directive 2004/25/EC of the European Parliament and of the Council

The information required in accordance with article 10 par. 1 of Directive 2004/25/EC of the European Parliament and of the Council is contained, as per the stipulations of article 4 par. 7 and par. 8 of Law 3556/2007, in the Explanatory Report, which is presented above.

5. Independent Auditor's Report

To the Shareholders of "MYTILINEOS S.A."

Report on the audit of the separate and consolidated financial statements

Opinion

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

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

Basis for opinion

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

Key Audit Matters

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

Key audit matters

How our audit addressed the key audit matter

Revenue recognition

Group and Company's revenues arose from differentiated operating segments. Given the complexity of the volume of transactions, the use of IT systems as well as management's judgements and estimates, which include an uncertainty, revenue recognition has been considered as a key audit matter.

More specifically, Group revenues arose from electricity retailing are determined through IT systems and include judgments and computations in areas as unbilled revenue from customers. Moreover, Group's construction revenues are determined based on their percentage of completion, as the fraction of actual cost to total estimated cost until the completion of each construction.

Group and Company's disclosures for the accounting policy, judgements and estimates used for revenues are included in explanatory notes 2.1.1, 2.2, 2.5, 2.20 and 3.1 of the financial statements.

Our audit approach included, among others, the following procedures:

- We assessed the IT systems environment which supports the main sources of revenues, including related internal procedures and controls.
- We assessed the correct data transfer from the individual IT systems to the general ledger.
- We assessed the judgements for the recognition of unbilled revenue at the end of the year ended 31 December 2018.
- We assessed the judgements for the recognition of construction revenue as well as the calculation of the percentage of completion at the end of the year ended 31 December 2018.
- For the above procedures, where this was deemed appropriate, we used our firm's specialist.
- We assessed whether the accounting policies and the methodology applied by management is appropriate and complies with IFRS 15.
- We assessed the adequacy of the related disclosures included in explanatory notes 2.1.1, 2.2, 2.5, 2.20 and 3.1 of the financial statements.

Assessment of whether non-current assets may be impaired

As at December 31, 2018, the Group has recognized goodwill of €209 mil. (Company: €0), intangible assets of €235 mil. (Company: €87 mil.) and tangible assets of

Our audit approach included, among others, the following procedures:

€1.142 mil. (Company: €796 mil.). In addition, as at December 31, 2018 the Company holds investments in subsidiaries of €239 mil. and investments in associates of to €17 mil. (Group: €23 mil.).

Goodwill and intangible assets not yet available for use are tested for impairment annually, while intangible assets with definite useful life, tangible assets and investments in subsidiaries and associates are tested for impairment whenever there are related indications.

Taking into consideration the significant amounts of the non-current assets mentioned above and the use of management's assumptions and estimates for the determination of the relative recoverable amounts, we consider this area as a key audit matter.

Impairment testing requires the determination of recoverable amounts based on the value in use of the assets. Value in use is derived from the discounted cash flow method, based on business plans which incorporate key management's assumptions and estimates.

Management's assumptions and estimates are mainly related to the future prices of LME, petroleum products, gas and electricity. They are also related to the estimation of future exchange rates and discount rates. Furthermore, macroeconomic environment's volatility, competition as well as regulatory developments could affect the operating performance of the Group's cash generating units.

As at December 31, 2018, no impairment loss has been recognized for the Group and the Company in relation to the above categories of non-current assets.

Group and Company's disclosures for the accounting policy, assumption and estimates used for the analysis of the above non-current assets are included in explanatory notes 2.2, 2.4, 2.7, 2.8, 2.9, 3.2, 3.3, 3.4, 3.5 and 3.6 of the

- We assessed management's procedures for the identification of impairment indications relating to non-current assets.
- We assessed management's procedure relating to the preparation of reliable business plans.
- We assessed the reasonableness of management's assumptions and estimates.
- We assessed the mathematical accuracy of discounted cash flow models.
- For the above procedures, where this was deemed appropriate, we used our firm's specialist.
- We assessed the adequacy of the related disclosures included in explanatory notes 2.2, 2.4, 2.7, 2.8, 2.9, 3.2, 3.3, 3.4, 3.5 and 3.6 of the financial statements.

financial statements.

Provisions and contingent liabilities

As at December 31, 2018, the Group and the Company are engaged (as defendant or claimant) in numerous and complex litigation claims and arbitration procedures in the course of their operation.

The determination of provisions or disclosures of contingent liabilities and contingent assets which relate to litigation claims and arbitration procedures has been considered as a key audit matter as it includes significant management judgments based on legal advisors' estimations. The estimations relate both to the outcome of each claim and the potential economic impact for the Group and the Company.

Group and Company's disclosures relating to provisions and contingent liabilities are included in explanatory notes 2.2, 2.19, 3.17 and 3.37 of the financial statements.

Our audit approach included, among others, the following procedures:

- We assessed management's procedures regarding the collection, monitoring and evaluation of the outcome of pending litigation claims.
- We reviewed and assessed legal advisors' responses and discussed them with the management and the legal advisors, where this was deemed appropriate.
- We assessed management's conclusions regarding the effect of pending litigation claims on Group's and Company's financial position.
- We assessed the adequacy of the related disclosures included in explanatory notes 2.2, 2.19, 3.17 and 3.37 of the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

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

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

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

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

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

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

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

significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

- a. The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Greek Codified Law 2190/1920.
- b. In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Greek Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2018.
- c. Based on the knowledge we obtained during our audit about the Company "MYTILINEOS HOLDINGS S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Separated Financial Statements

Taking into account that management is responsible for preparation of the separated financial statements, which include the separated per activity statement of financial position of the Company and the Group as at December 31, 2018 and the separated per activity income statement before tax of the Company and the Group for the period January 1, 2018 to December 31, 2018 in accordance with the provision of L.4001/2011 and the decision No.43/2014 of Regulatory Authority of Energy (RAE) we note that in our opinion the separated financial statements, as presented in the annex I of the notes of the financial statements of the Company and Group, have been prepared in accordance with the provisions of L.4001/2011 and the decision No.43/2014 of RAE.

3. Additional Report to the Audit Committee

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

4. Non Audit Services

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

The allowed services provided to the Company and the Group, in addition to the statutory audit, during the year ended December 31, 2018 have been disclosed in Note 3.20 to the accompanying separate and consolidated financial statements.

5. Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on June 25, 2003. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 15 consecutive years.

Athens, March 27, 2019

The Certified Public Accountant

Manolis Michalios

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

6. Annual Financial Statements

We confirm that the attached Financial Statements are those approved by the Board of Directors of “MYTILINEOS S.A.” at 27.03.2019 and have been published to the website www.mytilneos.gr.

Income Statement

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.		
	1/1-31/12/2018	1/1-31/12/2017	1/1-31/12/2018	1/1-31/12/2017	
Sales	3.1	1.526.514	1.526.721	1.226.117	1.161.628
Cost of sales	3.19	(1.229.125)	(1.209.113)	(995.103)	(933.979)
Gross profit		297.389	317.608	231.014	227.649
Other operating income	3.21	21.209	58.650	10.834	46.463
Distribution expenses	3.20	(9.204)	(9.171)	(7.802)	(8.225)
Administrative expenses	3.20	(78.815)	(76.710)	(61.598)	(59.914)
Research & Development expenses		(138)	(139)	-	-
Other operating expenses	3.21	(26.217)	(58.111)	(12.013)	(44.422)
Earnings before interest and income tax		204.224	232.126	160.434	161.551
Financial income	3.22	12.369	16.095	6.077	13.932
Financial expenses	3.22	(50.368)	(59.347)	(30.648)	(45.579)
Other financial results	3.23	290	(7.442)	15.250	1.944
Share of profit of associates	3.6.1	401	176	-	-
Profit before income tax		166.917	181.609	151.112	131.847
Income tax expense	3.24	(23.166)	(23.602)	(16.179)	(4.354)
Profit for the period		143.751	158.007	134.933	127.493
Result from discontinuing operations	3.27	(3.591)	(262)	(19)	(285)
Profit for the period		140.160	157.745	134.914	127.208
Attributable to:					
Equity holders of the parent	3.25	141.158	154.583	134.914	127.208
Non controlling Interests		(998)	3.161	-	-
Basic earnings per share		0,9879	1,0818	0,9442	0,8902
Earnings per share		0,9879	1,0818	0,9442	0,8902
Summary of Results from continuing operations					
Oper.Earnings before income tax,financial results,depreciation and amortization		283.559	305.978	217.036	215.395
Earnings before interest and income tax		204.224	232.126	160.434	161.551
Profit before income tax		166.917	181.609	151.112	131.847
Profit for the period		143.751	158.007	134.933	127.493
Definition of line item: OperEarnings before income tax,financ.res,depr&amort. (EBITDA)					
Profit before income tax		166.917	181.609	151.112	131.847
Plus: Financial results		37.708	50.693	9.322	29.704
Plus: Capital results		(401)	(176)	-	-
Plus: Depreciation		78.662	72.904	56.601	53.844
Subtotal		282.886	305.030	217.036	215.395
Plus: Other operating results (II)		673	949	-	-
Oper.Earnings before income tax,financial results,depreciation and amortization (EBITDA)		283.559	305.978	217.036	215.395

The notes on pages 133 to 218 are an integral part of these financial statements.

(*) The Group defines the «Group EBITDA» quantity as profits/losses before tax, itemized for financial and investment results; for total depreciation (of tangible and intangible fixed assets) as well as for the influence of specific factors, i.e. shares in the operational results of associates where these are engaged in business in any of the business sectors of the Group, as well as the influence of write-offs made in transactions with the aforementioned mentioned associates.

Statement of Comprehensive Income

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	1/1-31/12/2018	1/1-31/12/2017	1/1-31/12/2018	1/1-31/12/2017
Other Comprehensive Income:				
Net Profit/(Loss) For The Period	140.160	157.745	134.914	127.208
Items that will not be reclassified to profit or loss:				
Actuarial Gain / (Losses)	284	1.081	332	1.083
Deferred tax from actuarial gain/(losses)	4	(15)	2	(16)
Items that may be reclassified subsequently to profit or loss:				
Exchange Differences On Translation Of Foreign Operations	(269)	4.370	(854)	3.003
Other Financial Assets	2.152	-	-	-
Cash Flow Hedging Reserve	71.033	(38.194)	70.864	(40.295)
Reserve Variation From Tax Rate Revaluation	(1)	-	-	-
Deferred Tax From Cash Flow Hedging Reserve	(20.368)	11.076	(20.368)	11.686
Other Comprehensive Income:	52.835	(21.681)	49.975	(24.539)
Exchange Differences On Translation Of Foreign Operations	192.994	136.064	184.888	102.670
Total comprehensive income for the period attributable to:				
Equity attributable to parent's shareholders	193.478	133.186	184.888	102.670
Non controlling Interests	(484)	2.877	-	-

The notes on pages 133 to 218 are an integral part of these financial statements.

Statement of Financial Position

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Assets				
Non current assets				
Tangible Assets	3.2	1.141.786	1.136.779	796.859
Goodwill	3.3	209.313	209.313	-
Intangible Assets	3.4	235.277	235.517	87.518
Investments in Subsidiary Companies	3.5	-	-	239.415
Investments in Associates	3.6	23.773	23.372	17.212
Deferred Tax Receivables	3.7	143.030	124.179	84.670
Other Financial Assets	3.10.1	159	163	37
Other Long-term Receivables	3.10.4	105.019	134.603	58.558
		1.858.357	1.863.927	1.284.269
				1.262.305
Current assets				
Total Stock	3.8	184.377	158.890	169.612
Trade and other receivables	3.11	799.307	745.856	372.433
Other receivables	3.9	259.193	272.625	347.857
Financial assets at fair value through profit or loss	3.10.2	63	814	63
Derivatives	3.10.3	31.605	15.168	29.453
Cash and cash equivalents	3.12	208.090	160.940	139.656
		1.482.637	1.354.292	1.059.076
				999.645
Assets		3.340.994	3.218.219	2.343.345
				2.261.950
Liabilities & Equity				
Equity				
Share capital	3.15.1	138.839	138.839	138.604
Share premium		193.312	193.311	124.701
Fair value reserves		17.804	(32.692)	17.109
Other reserves	3.15.2	130.758	109.767	(136.454)
Translation reserves		(11.197)	(10.414)	2.149
Retained earnings		1.038.862	978.058	902.914
Equity attributable to parent's shareholders		1.508.378	1.376.871	1.049.025
Non controlling Interests		52.671	54.122	-
Equity		1.561.048	1.430.992	1.049.025
				927.085
Non-Current Liabilities				
Long-term debt	3.10	534.028	598.755	369.323
Derivatives	3.10.3	2.787	4.227	2.787
Deferred Tax Liability	3.7	212.116	181.096	171.665
Liabilities for pension plans	3.16	16.273	17.283	13.874
Other long-term liabilities	3.10.7	129.666	82.273	97.100
Provisions	3.17	14.130	13.564	13.069
Non-Current Liabilities		908.999	897.198	667.817
				633.588
Current Liabilities				
Trade and other payables	3.13	608.346	575.331	438.138
Tax payable	3.18	52.005	43.510	45.541
Short-term debt	3.10	28.912	95.998	267
Current portion of non-current liabilities	3.10	35.551	34.327	17.332
Derivatives	3.13	3.222	58.530	2.826
Other payables	3.14	142.903	82.331	122.397
Current portion of non-current provisions	3.17	7	-	-
Current Liabilities		870.946	890.028	626.502
				701.278
Liabilities		1.779.945	1.787.226	1.294.320
Liabilities & Equity		3.340.994	3.218.219	2.343.345
				2.261.950

The notes on pages 133 to 218 are an integral part of these financial statements.

Statement of changes in Equity (Group)

MYTILINEOS GROUP									
	Share capital	Share premium	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Total	Non controlling Interests	Total
(Amounts in thousands €)									
Adjusted Opening Balance 1st January 2017, according to IFRS - as published-	113.643	210.195	(4.073)	104.627	(15.040)	580.029	989.382	294.869	1.284.252
Adjustments due to IFRS 9	-	-	-	-	-	-	-	-	-
Change In Equity									
Dividends Paid	-	-	-	-	-	(4.418)	(4.418)	-	(4.418)
Transfer To Reserves	-	-	-	(1.058)	-	1.058	-	-	-
Impact From Acquisition Of Share In Subsidiaries	-	-	-	-	-	48	48	-	48
Impact From Transfer Of Subsidiary	-	-	-	-	-	2.796	2.796	311	3.107
Impact From Merge Through Acquisition Of Subsidiary	25.196	(16.884)	-	3.628	-	243.936	255.877	(243.936)	11.941
Transactions With Owners	25.196	(16.884)	-	2.571	-	243.420	254.302	(243.625)	10.677
Net Profit/(Loss) For The Period	-	-	-	-	-	154.583	154.583	3.161	157.745
Other Comprehensive Income:									
Exchange Differences On Translation Of Foreign Operations	-	-	-	2	4.626	26	4.654	(284)	4.370
Cash Flow Hedging Reserve	-	-	(40.309)	2.115	-	-	(38.194)	-	(38.194)
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	(15)	-	-	(15)	-	(15)
Actuarial Gain / (Losses)	-	-	-	1.081	-	-	1.081	-	1.081
Dererred Tax From Cash Flow Hedging Reserve	-	-	11.689	(613)	-	-	11.076	-	11.076
Total Comprehensive Income For The Period	-	-	(28.619)	2.569	4.626	154.609	133.186	2.877	136.064
Adjusted Closing Balance 31/12/2017	138.839	193.311	(32.692)	109.767	(10.414)	978.058	1.376.871	54.122	1.430.992
Opening Balance 1st January 2018, according to IFRS - as published-	138.839	193.311	(32.692)	109.767	(10.414)	978.058	1.376.871	54.122	1.430.992
Adjustments due to IFRS 9	-	-	-	-	-	(17.223)	(17.223)	-	(17.223)
Adjusted Opening Balance 1st January 2018	138.839	193.311	(32.692)	109.767	(10.414)	960.835	1.359.648	54.122	1.413.769
Change In Equity									
Dividends Paid	-	-	-	-	-	(45.725)	(45.725)	-	(45.725)
Transfer To Reserves	-	-	-	18.383	-	(18.373)	10	-	10
Impact From Acquisition Of Share In Subsidiaries	-	-	-	-	-	967	967	(967)	-
Transactions With Owners	-	-	-	18.383	-	(63.131)	(44.748)	(967)	(45.715)
Net Profit/(Loss) For The Period	-	-	-	-	-	141.158	141.158	(998)	140.160
Other Comprehensive Income:									
Exchange Differences On Translation Of Foreign Operations	-	-	-	-	(783)	-	(783)	515	(269)
Other Financial Assets	-	-	-	2.152	-	-	2.152	-	2.152
Cash Flow Hedging Reserve	-	-	70.864	169	-	-	71.033	-	71.033
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	4	-	-	4	-	4
Actuarial Gain / (Losses)	-	-	-	284	-	-	284	-	284
Reserve Variation From Tax Rate Revaluation	-	-	-	(1)	-	-	(1)	-	(1)
Dererred Tax From Cash Flow Hedging Reserve	-	-	(20.368)	-	-	-	(20.368)	-	(20.368)
Total Comprehensive Income For The Period	-	-	50.496	2.608	(783)	141.158	193.478	(484)	192.994
Closing Balance 31/12/2018	138.839	193.312	17.804	130.758	(11.197)	1.038.862	1.508.378	52.671	1.561.048

The notes on pages 133 to 218 are an integral part of these financial statements.

Statement of changes in Equity (Company)

MYTILINEOS S.A.							
(Amounts in thousands €)	Share capital	Share premium	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Total
Opening Balance 1st January 2017, according to IFRS -as published-	113.408	141.585	-	3.492	-	225.821	484.306
Adjustments due to IFRS 9	-	-	-	-	-	-	-
<u>Change In Equity</u>							
Dividends Paid	-	-	-	-	-	(3.896)	(3.896)
Transfer To Reserves	-	-	-	130	-	3.293	3.423
Impact From Merge Through Acquisition Of Subsidiary	25.196	(16.884)	(4.767)	(159.304)	-	496.342	340.582
Transactions With Owners	25.196	(16.884)	(4.767)	(159.175)	-	495.739	340.109
Net Profit/(Loss) For The Period	-	-	-	-	-	127.208	127.208
<u>Other Comprehensive Income:</u>							
Exchange Differences On Translation Of Foreign Operations	-	-	-	-	3.003	-	3.003
Cash Flow Hedging Reserve	-	-	(40.309)	13	-	-	(40.295)
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	(16)	-	-	(16)
Actuarial Gain / (Losses)	-	-	-	1.083	-	-	1.083
Deferred Tax From Cash Flow Hedging Reserve	-	-	11.689	(4)	-	-	11.686
Total Comprehensive Income For The Period	-	-	(28.619)	1.077	3.003	127.208	102.670
Closing Balance 31/12/2017	138.604	124.701	(33.387)	(154.606)	3.003	848.768	927.085
Opening Balance 1st January 2018, according to IFRS -as published-	138.604	124.701	(33.387)	(154.606)	3.003	848.768	927.085
Adjustments due to IFRS 9	-	-	-	-	-	(17.223)	(17.223)
Adjusted Opening Balance 1st January 2018	138.604	124.701	(33.387)	(154.606)	3.003	831.545	909.862
<u>Change In Equity</u>							
Dividends Paid	-	-	-	-	-	(45.725)	(45.725)
Transfer To Reserves	-	-	-	17.819	-	(17.819)	-
Transactions With Owners	-	-	-	17.819	-	(63.544)	(45.725)
Net Profit/(Loss) For The Period	-	-	-	-	-	134.914	134.914
<u>Other Comprehensive Income:</u>							
Exchange Differences On Translation Of Foreign Operations	-	-	-	-	(854)	-	(854)
Cash Flow Hedging Reserve	-	-	70.864	-	-	-	70.864
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	2	-	-	2
Actuarial Gain / (Losses)	-	-	-	332	-	-	332
Deferred Tax From Cash Flow Hedging Reserve	-	-	(20.368)	-	-	-	(20.368)
Total Comprehensive Income For The Period	-	-	50.496	333	(854)	134.914	184.888
Closing Balance 31/12/2018	138.604	124.701	17.109	(136.454)	2.149	902.914	1.049.025

The notes on pages 133 to 218 are an integral part of these financial statements.

Cash flow statement

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	1/1-31/12/2018	1/1-31/12/2017	1/1-31/12/2018	1/1-31/12/2017
Cash flows from operating activities				
Cash flows from operating activities	3.26	211.450	252.515	149.090
Interest paid		(30.757)	(31.880)	(20.509)
Taxes paid		(18.051)	(6.126)	(15.084)
Net Cash flows continuing operating activities		162.642	214.509	113.497
Net Cash flows discontinuing operating activities		(679)	(337)	(19)
Net Cash flows from continuing and discontinuing operating activities		161.962	214.172	113.478
Net Cash flow from continuing and discontinuing investing activities				
Purchases of tangible assets		(75.702)	(121.147)	(42.481)
Purchases of intangible assets		(8.477)	(6.349)	(4.612)
Sale of tangible assets		19.401	519	150
Dividends received		580	498	15.534
Purchase of financial assets at fair value through profit and loss		(564)	-	(564)
Acquisition /Sale of subsidiaries (less cash)		(480)	700	(480)
Sale of financial assets at fair value through profit and loss		951	-	943
Interest received		12.673	4.026	9.707
Grants received/(returns)		5.017	4.526	2.160
Other cash flows from investing activities		-	24	-
Net Cash flow from continuing investing activities		(46.600)	(117.203)	(19.642)
Net Cash flow from discontinuing investing activities		-	-	-
Net Cash flow from continuing and discontinuing investing activities		(46.600)	(117.203)	(19.642)
Net Cash flow continuing and discontinuing financing activities				
Tax payments		-	(2)	-
Dividends paid to shareholders		(45.945)	(5.112)	(41.373)
Proceeds from borrowings		388.037	584.932	178.923
Repayments of borrowings		(515.985)	(665.977)	(285.901)
Payment of finance lease liabilities		-	-	-
Other cash flows from financing activities		105.176	(46.801)	105.176
Return of share capital to shareholders		-	-	-
Net Cash flow continuing financing activities		(68.717)	(132.960)	(43.174)
Net Cash flow from discontinuing financing activities		-	-	-
Net Cash flow continuing and discontinuing financing activities		(68.717)	(132.960)	(43.174)
Net (decrease)/increase in cash and cash equivalents		46.645	(35.991)	50.661
Cash and cash equivalents at beginning of period		160.940	197.884	88.995
Cash and cash equivalents at beginning of period (merged companies)		-	-	134.979
Exchange differences in cash and cash equivalents		506	(953)	(7)
Net cash at the end of the period		208.090	160.940	139.656
Cash and cash equivalent		208.090	160.940	139.656
Net cash at the end of the period		208.090	160.940	139.656

The notes on pages 133 to 218 are an integral part of these financial statements.

The cash flows from financing activities of the Group and the Company and specifically the line "Other", include repayments/(payments) of financing under trade agreements.

Notes on the Financial Statements

1. Information about MYTILINEOS HOLDINGS S.A.	132
1.1 General Information	132
1.2 Nature of activities	132
1.3 Group Structure – pending	134
1.3.1 Establishment & Acquisition	136
1.3.2 Other changes.....	137
2. Basis for preparation of the financial statements and basic accounting principles	137
2.1 Changes in Accounting Policies.....	138
2.1.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union	138
2.1.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union	143
2.2 Significant accounting judgments, estimates and assumptions	146
2.2.1 Judgments	146
2.2.2 Estimates and assumptions	147
2.3 Discontinued Operations	148
2.4 Consolidation	149
2.5 Segment reporting.....	151
2.6 Foreign currency translation.....	151
2.7 Tangible assets.....	152
2.8 Intangible assets - Goodwill	152
2.9 Impairment of Assets.....	154
2.10 Financial instruments	155
2.11 Fair value determination	156
2.12 Inventory	156
2.13 Cash and cash equivalents.....	157
2.14 Long-term assets held for sale and discontinued operations.....	157
2.15 Share capital	157
2.16 Income tax & deferred tax.....	158
2.17 Employee benefits	159
2.18 Grants	160
2.19 Provisions	160
2.20 Recognition of income and expenses	160
2.21 Leases	162
2.22 Dividend distribution	163
2.23 Proforma figure “Operating Earnings before Financial & Investment results, Tax, Depreciation & Amortization” (Group EBITDA)	163
2.24 CO₂ emission liability	164

2.25 Hedging Accounting	164
2.26 Earnings per share	165
3. Notes on the financial Statements	165
3.1 Segment reporting	165
Regional Information	167
3.2 Tangible assets	168
3.3 Goodwill	170
3.4 Intangible Assets	173
3.5 Investments on subsidiaries	175
3.5.1 Important non-controlling interests	175
3.6 Investments in associate companies	177
3.6.1 Interests in Associates	178
3.7 Deferred tax	179
3.8 Inventories	181
3.9 Other receivables	181
3.10 Financial assets & liabilities	182
3.10.1 Financial Assets available for sale	182
3.10.2 Financial assets at fair value through profit or loss	183
3.10.3 Derivatives financial instruments	183
3.10.4 Other long-term receivables	183
3.10.5 Loan liabilities	184
3.10.6 Loan liabilities movement	184
3.10.7 Other long-term liabilities	185
3.11 Customers and other trade receivables	186
3.12 Cash and cash equivalents	187
3.13 Suppliers and other liabilities	187
3.14 Other short-term liabilities	187
3.15 Total Equity	188
3.15.1 Share capital	188
3.15.2 Reserves	188
3.16 Employee benefit liabilities	189
3.17 Provisions	191
3.18 Current tax liabilities	192
3.19 Cost of goods sold	192
3.20 Administrative & Distribution Expenses	192
3.21 Other operating income / expenses	193
3.22 Financial income / expenses	194
3.23 Other financial results	195
3.24 Income tax	195
3.25 Earnings per share and dividends	196

3.26 Cash flows from operating activities	197
3.27 Discontinued Operations	197
3.28 Encumbrances	198
3.29 Commitments	198
3.30 Operating Leases	199
3.31 Financial Risk Factors	199
3.31.1 Market Risk	199
3.31.2 Credit Risk	201
3.31.3 Liquidity Risk	202
3.32 Fair Value Measurements	204
3.33 Capital Management	206
3.34 Dividend Proposed and Payable	206
3.35 Number of employees	206
3.36 Related Party transactions	207
3.37 Contingent Assets & Contingent Liabilities	209
3.37.1 Unaudited tax years	209
3.37.2 Other Contingent Assets & Liabilities	210
3.38 Post Balance Sheet events	216

1. Information about MYTILINEOS HOLDINGS S.A.

1.1 General Information

Mytilineos Holdings S.A. is today one of the biggest industrial Groups internationally. The Company, which was founded in 1990 as a metallurgical company of international trade and participations, is an evolution of an old metallurgical family business which began its activity in 1908. During the last decade the Company's has gradually expanded its operations from traditional sectors of international metal's trading to metallurgy in the domains of Integrated Projects and Infrastructure and Electricity and Natural Gas. The Group's objective is to develop synergies between three different operation segments by assigning the role of management and strategy to Mytilineos Holdings S.A.

During FY 2017, corporate restructuring was completed through absorption of the subsidiary companies ALUMINUM OF GREECE, METKA, Protergia and Protergia THERMOELECTRIC AGIOS NIKOLAOS by Mytilineos Holdings S.A. The only change arising following the Corporate Restructuring is conversion of the non-controlling shareholders of METKA into shareholders of the new entity.

Devoted to continuous growth and progress and aiming to be a leader in all its activities, the Group promotes through its long presence its vision to be a powerful and competitive European Group of "Heavy Industry".

The group's headquarters is located in Athens – Maroussi (8 Artemidos Str., P.C. 151 25) and its shares were listed in the Athens Stock Exchange in 1995.

The financial statements for the year ended 31.12.2018 (along with the respective comparative information for the previous year 2017), were approved by the Board of directors on 27.03.2019 and the approval of the Annual General Meeting of shareholders is pending.

1.2 Nature of activities

During the last ten years the Group's activities have expanded from the traditional sector of international metal's trading to those of construction and energy. The group aims in the development of synergies between the three different areas of activities, by delegating the role of management and strategy formation in Mytilineos Holdings S.A.

Following the decision of the Regular General Meeting of the Company's shareholders as of 01-06-2017, its corporate objective has been amended as follows:

- a. Participation in other entities capital,
- b. Production and manufacture in Greece of alumina and aluminum and their marketing in any country,
- c. Industrial production of metal structures of various kinds,
- d. Design, construction, operation, maintenance, management and operation of power plants from every source;
- e. Production, marketing,

supply, transportation and distribution of electricity, f. Performance of all types of construction, repair and dissolution works regarding vessels and defense material in general, g. Production, extraction, acquisition, storage, gasification, transmission, distribution and transfer (including sale/supply) of natural gas, h. Conduct of studies, construction of public and private technical works of any kind, assembly and installation of manufactured constructions and products produced by the Company in Greece and abroad, i. Construction, operation and exploitation of plumbing, sewerage and other related facilities that will serve the purposes of the Company and/or third parties that cooperate with it; j. Production and sale of steam, water (demineralized, for extinguishing etc) k. Rendering various services to third parties cooperating with the Company, such as a) anti-pollution services, b) fire fighting, c) monitoring and recording of air quality, d) collection, transportation, disposal and management of solid and liquid wastes and storm sewage, l. Preparation of feasibility studies, production processes, operation of power stations and thermal production of all kinds, m. Acquisition, construction, sale and resale of real estate and all types of rental leases, installation, construction and exploitation of mines and quarries, factories and industrial departments, n. Rendering consultancy services in the domains of organization, administration and business management, risk management, IT systems, financial management, o. Rendering services in respect of market research, analyzing investment plans, performing studies and projects, commissioning, supervising and managing related projects, risk management and strategic planning, development and organization, and p. Performing all types of business transactions and undertaking all types of operations either directly or indirectly related to the above corporate objective.

The group monitors its performance on Metallurgy & Mining Sector through the subsidiaries “Aluminium S.A.” (Alumina–Aluminium) and “Sometra S.A.” (Zinc–Lead). Zinc – Lead Sector was the first which effected from the negative economic environment mainly due to the decrease on demand, the increasing prices of coke and the difficulty to find appropriate Raw Materials. All the above mentioned reasons lead the General Assembly of the company on 26.01.2009 to suspend temporary the production activity (note 3.27).

The Group through its subsidiary METKA is the leading and most specialized EPC Constructor in Greece and expanded in competitive markets abroad with value of pending construction contracts amounting to €984 mio.

With a portfolio of 1.2 GW of installed capacity from thermal plants operating since 2012 and over 1,000 MW RES in different stages of development , the Group is established as the as the country’s largest independent energy producer.

1.3 Group Structure – pending

The Group Structure as at 31.12.2018 is presented on the following table:

NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
MYTILINEOS S.A.	Greece	Parent	
SERVISTEEL	Greece	99,98%	Full
RODAX ROMANIA SRL	Romania	100,00%	Full
ELEMKA S.A.	Greece	83,50%	Full
DROSCO HOLDINGS LIMITED	Cyprus	83,50%	Full
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	Greece	62,63%	Full
METKA BRAZI SRL	Romania	100,00%	Full
POWER PROJECT SANAYI INSAAT TICARET LIMITED SIRKETI	Turkey	100,00%	Full
DELFI DISTOMON A.M.E.	Greece	100,00%	Full
DESFINA SHIPPING COMPANY	Greece	100,00%	Full
ST. NIKOLAOS SINGLE MEMBER P.C.	Greece	100,00%	Full
RENEWABLE SOURCES OF KARYSTIA S.A.	Greece	100,00%	Full
SOMETRA S.A.	Romania	92,79%	Full
STANMED TRADING LTD	Cyprus	100,00%	Full
MYTILINEOS FINANCE S.A.	Luxembourg	100,00%	Full
RDA TRADING	Guernsey Islands	100,00%	Full
MYTILINEOS BELGRADE D.O.O.	Serbia	100,00%	Full
MYVEKT INTERNATIONAL SKOPJE	FYROM	100,00%	Full
MYTILINEOS FINANCIAL PARTNERS S.A.	Luxembourg	100,00%	Full
MYTILINEOS INTERNATIONAL COMPANY AG "MIT Co"	Switzerland	100,00%	Full
GENIKI VIOMICHANIKI S.A.	Greece	Joint Management	Full
DELTA PROJECT CONSTRUCT SRL	Romania	95,01%	Full
DELTA ENERGY S.A.	Greece	100,00%	Full
FOIVOS ENERGY S.A.	Greece	100,00%	Full
HYDROHOOS S.A.	Greece	100,00%	Full
HYDRIA ENERGY S.A.	Greece	100,00%	Full
EN.DY. S.A.	Greece	100,00%	Full
THESSALIKI ENERGY S.A.	Greece	100,00%	Full
NORTH AEGEAN RENEWABLES	Greece	100,00%	Full
MYTILINEOS HELLENIC WIND POWER S.A.	Greece	80,00%	Full
AIOLIKI ANDROU TSIROVLIDI S.A.	Greece	80,20%	Full
MYTILINEOS AIOLIKI NEAPOLEOS S.A.	Greece	80,20%	Full
AIOLIKI EVOIAS PIRGOS S.A.	Greece	80,20%	Full
AIOLIKI EVOIAS POUNTA S.A.	Greece	80,20%	Full
AIOLIKI EVOIAS HELONA S.A.	Greece	80,20%	Full
AIOLIKI ANDROU RAHI XIROKOBI S.A.	Greece	80,20%	Full
METKA AIOLIKA PLATANOU S.A.	Greece	80,20%	Full
AIOLIKI SAMOTHRAKIS S.A.	Greece	100,00%	Full
AIOLIKI EVOIAS DIAKOPTIS S.A.	Greece	80,20%	Full
AIOLIKI SIDIROKASTROU S.A.	Greece	80,20%	Full
HELLENIC SOLAR S.A.	Greece	100,00%	Full
SPIDER S.A.	Greece	100,00%	Full
GREEN ENERGY A.E.	Bulgaria	80,00%	Full
MOVAL S.A.	Greece	100,00%	Full
PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY (ex ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.)	Greece	100,00%	Full
METKA INDUSTRIAL - CONSTRUCTION S.A. (ex ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.)	Greece	100,00%	Full
ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
ANEMORAHI RENEWABLE ENERGY SOURCES S.A.	Greece	100,00%	Full
HORTEROU S.A.	Greece	100,00%	Full
KISSAVOS DROSERI RAHI S.A.	Greece	100,00%	Full
KISSAVOS PLAKA TRANI S.A.	Greece	100,00%	Full
KISSAVOS FOTINI S.A.	Greece	100,00%	Full
AETOVOUNI S.A.	Greece	100,00%	Full
LOGGARIA S.A.	Greece	100,00%	Full
IKAROS ANEMOS SA	Greece	100,00%	Full

6. Annual Financial Statements

	NAME OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	COUNTRY OF INCORPORATION	PERCENTAGE	CONSOLIDATION METHOD
56	KERASOUDA SA	Greece	100,00%	Full
57	AIOLIKH ARGOSTYLIA S.A.	Greece	100,00%	Full
58	M & M GAS Co S.A.	Greece	50,00%	Full
59	J/V METKA – TERNA	Greece	10,00%	Equity
60	KORINTHOS POWER S.A.	Greece	65,00%	Full
61	KILKIS PALEON TRIETHNES S.A.	Greece	100,00%	Full
62	ANEMOROE S.A.	Greece	100,00%	Full
63	PROTERGIA ENERGY S.A.	Greece	100,00%	Full
64	SOLIEN ENERGY S.A.	Greece	100,00%	Full
65	ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME (EX OSTENITIS S.A.)	Greece	100,00%	Full
66	THERMOREMA S.A.	Greece	40,00%	Equity
67	FTHIOTIKI ENERGY S.A.	Greece	35,00%	Equity
68	METKA RENEWABLES LIMITED	Cyprus	100,00%	Full
69	IONIA ENERGY S.A.	Greece	49,00%	Equity
70	BUSINESS ENERGY AIOLIKH ENERGEIAKH TROIZINIAS S.A.	Greece	49,00%	Equity
71	AIOLIKH TRIKORFON S.A.	Greece	100,00%	Full
72	MAKRYNOROS ENERGEIAKH S.A.	Greece	100,00%	Full
73	RIVERA DEL RIO	Panama	50,00%	Full
74	METKA-EGN LTD	Cyprus	50,10%	Full
75	METKA-EGN LTD	England	50,10%	Full
76	METKA-EGN SpA	Chile	50,10%	Full
77	METKA-EGN USA LLC	Puerto Rico	50,10%	Full
78	METKA EGN KZ LLP	Kazakhstan	50,10%	Full
79	METKA EGN MEXICO S. DE.R.L. C.V	Mexico	50,10%	Full
80	METKA-EGN UGANDA SMC LTD	Uganda	50,10%	Full
81	METKA-EGN JAPAN LTD	Japan	50,10%	Full
82	METKA POWER WEST AFRICA LIMITED	Nigeria	100,00%	Full
83	METKA INTERNATIONAL LTD	United Arab Emirates	100,00%	Full
84	METKA POWER INVESTMENTS	Cyprus	100,00%	Full
85	METKA IPS LTD	Dubai	50,00%	Equity
86	INTERNATIONAL POWER SUPPLY AD	Bulgaria	10,00%	Equity
87	AURORA VENTURES	Marshal Islands	100,00%	Full
88	PLEASURE FINANCE COMPANY	Marshal Islands	100,00%	Full
89	CHARM SHIPTRADE CORP.	Marshal Islands	100,00%	Full
90	EXPEDITION ENTREPRISES LTD	Marshal Islands	100,00%	Full
91	SEALAND MARINE CORP.	Marshal Islands	100,00%	Full
92	UNIQUE SHIPTRADE S.A.	Marshal Islands	100,00%	Full
93	MELODIA VENTURES S.A.	Marshal Islands	100,00%	Full
94	NAVARA MARITIME INC	Marshal Islands	100,00%	Full
95	STALLENT NAVIGATION LTD	Marshal Islands	100,00%	Full
96	MIMOSA MARINE CO	Marshal Islands	100,00%	Full
97	INSIGHT MARITIME LIMITED	Marshal Islands	100,00%	Full
98	PICADO MARINE INC	Marshal Islands	100,00%	Full
99	DOMENICO MARINE CORP	Marshal Islands	100,00%	Full
100	PROTERGIA THERMOELEKTRIKI S.A.	Greece	100,00%	Full
101	MTRH Developmnet GmbH	Austria	100,00%	Full
102	Energy Ava Yarz LLC	Iran	100,00%	Full
103	MTH Services Stock	Austria	100,00%	Full
104	METKA EGN SARDINIA SRL	Sardinia	50,10%	Full
105	METKA EGN FRANCE SRL	France	50,10%	Full
106	METKA EGN SPAIN SLU	Spain	50,10%	Full
107	METKA EGN KOREA LTD	Korea	50,10%	Full
108	METKA EGN GENERAL CONTRACTORS LTD	England	50,10%	Full
109	METKA EGN AUSTRALIA PTY LTD	Australia	50,10%	Full
110	METKA EGN SINGAPORE PTE LTD	Singapore	50,10%	Full
111	VIGA RENEWABLES SP1 SL	Spain	50,10%	Full
112	VIGA RENEWABLES SP2 SL	Spain	50,10%	Full
113	METKA EGN AUSTRALIA PTY HOLDINGS LTD	Australia	50,10%	Full

1.3.1 Establishment & Acquisition

During January 2018, the 100% Group's subsidiary METKA Renewables Ltd, acquired the company MTRH Development GmbH, which is based in Austria, at the amount of € 0.7 Mio. The Group holds 100% of the shares and the newly acquired company is consolidated in the group's financial statements using the method of full consolidation. The consolidation of the newly acquired company does not have any significant effect on the financial statements of 31.12.2018.

During June 2018, the 50,10% Group's subsidiary, METKA – EGN LTD, which is based in UK, founded METKA -EGN UGANDA – SMC LTD. METKA – EGN LTD holds 100% of the shares and the newly acquired company is consolidated in the group's financial statements using the method of full consolidation.

During June 2018, the 50,10% Group's subsidiary, METKA – EGN LTD, which is based in UK, founded METKA -EGN JAPAN LTD. METKA – EGN LTD holds 100% of the shares and the newly acquired company is consolidated in the group's financial statements using the method of full consolidation.

On 30.06.2018, the MYTILINEOS S.A. acquired the remaining 9.97% of the subsidiary DELTA ENERGY S.A., thus becoming the sole shareholder. The purchase price amounted to € 480 thousand. After the aforementioned purchase, the companies FOIVOS ENERGY S.A., HYDROHOOS S.A., HYDRIA ENERGY S.A., EN.DY. S.A. and THESSALIKI ENERGY S.A. also became 100% subsidiaries of the Group, through DELTA ENERGY S.A.

In July 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, acquired VIGA RENOVBLES SP1 incorporated in Spain. Mytilineos S.A. holds investment of 50,10% and the new acquired entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In July 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, acquired VIGA RENOVBLES SP2 incorporated in Spain. Mytilineos S.A. holds investment of 50,10% and the new acquired entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In August 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, established METKA-ENG SPAIN in which it holds investment of 100%. The new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In August 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, acquired METKA-ENG KOREA incorporated in Korea. Mytilineos S.A. holds investment of 50,10% and the new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In August 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, established METKA-ENG GC incorporated in United Kingdom. Mytilineos S.A. holds investment of 50,10% and the new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In August 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, established METKA-ENG AUSTRALIA PTY in which it holds investment of 100%. The new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In November 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, established METKA-ENG SARDINIA in which it holds investment of 100%. The new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In November 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, established METKA-ENG SINGAPORE in which it holds investment of 100%. The new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

In November 2018, 50,1% subsidiary of Mytilineos S.A. METKA-EGN LTD Cyprus, established METKA-ENG FRANCE in which it holds investment of 100%. The new established entity will be incorporated into the consolidated financial statements of the Group under full consolidation method.

1.3.2 Other changes

In July 2018, 100% subsidiary of group Power Projects disposed the subsidiary ESPRIT SHIP MANAGEMENT CO and its parent company SYMBOL HOLDING LTD.

2. Basis for preparation of the financial statements and basic accounting principles

The consolidated financial statements of MYTILINEOS S.A. as of December 31st 2018 covering the entire 2018 fiscal year, have been compiled based on the historic cost principle as amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

According to the IFRS, the preparation of the Financial Statements requires estimations during the application of the Group's accounting principles. Important admissions are presented wherever it has been judged appropriate.

The reporting currency is Euro (currency of the country of the domicile of the parent Company) and all amounts are reported in thousands unless stated otherwise.

2.1 Changes in Accounting Policies

The accounting principles and calculations based upon under the preparation of the consolidated financial statements are the same as those applied for the preparation of the annual consolidated financial statements for FY ended as at 31 December 2017 and successively applied to all the presented periods, apart from the below mentioned amendments, adopted by the Group as at 01/01/2018. The Group proceeded with the first time adoption of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments". The nature and the effect of all the amendments are analyzed in the following paragraphs.

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

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

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

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations.

Effect of application of IFRS 15 "Revenue from Contracts with Customers"

As at January 1, 2018, the Group and the Company adopted IFRS 15, applying this Standard retrospectively, with the cumulative effect of the original application recognized on the date of initial application. Therefore, it recognized the cumulative effect of the transition to the account "Retained Earnings" while the comparative amounts were not restated. However, the Group and the Company did not have any impact on their profitability or financial position during the first application of IFRS 15, with the result that no adjustment was made to "Retained Earnings".

The Group's and Company's revenues come mainly from Construction Contracts (Construction Sector) and sale of goods and services (Metalworking and Power Sector).

The Group and the Company recognize income when (or as) they fulfill a performance commitment by transferring a promised asset or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer acquires control of that asset. The customer acquires control of an asset (good or service) when it can direct its use and receive virtually all the remaining benefits from it.

The amount of revenue recognized is the amount that is allocated to the performance commitment of the contract that has been settled. The performance commitment of the contract can be fulfilled either at a specific time or over time. For over time performance commitments, the Group and the Company recognize revenue over time by choosing the most appropriate method to measure progress in fulfilling every performance commitment. Appropriate methods of measuring progress include both output methods and input methods.

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

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting.

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning as at or after 01/01/2018. The Group and the Company have applied the new standard from 01/01/2018 retrospectively without reviewing comparative information from previous years. Therefore, the adjustments resulting from the new classification and the new impairment rules do not appear in the Statement of Financial Position as at 31/12/2017 but were recognized in the Statement of Financial Position as at 01/01/2018.

Effect of application of IFRS 9 "Financial Instruments"

Classification and Measurement

IFRS 9 eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 had no impact on the Group's accounting policies for financial liabilities. The effect of IFRS 9 on the classification and measurement of financial assets is presented below.

In accordance with IFRS 9, financial instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. Classification is based on two criteria:

- the business model for managing a financial asset, meaning, whether the objective is to hold for the purpose of collecting contractual cash flows or collecting contractual cash flows as well as the sale of financial assets; and
- whether the contractual cash flows of the financial asset consist exclusively of capital repayments and interest on the outstanding balance ("SPPI" criterion).

Financial assets (equity investments) that the Group had classified as available-for-sale under IAS 39 are now classified as other financial assets and measured at fair value through the statement of other comprehensive income. Changes in the equity

valuation are included in items that will not be classified in the income statement in the future. IFRS 9 allows entities the irrevocable choice to measure an equity investment that is not held for trading at fair value through other comprehensive income.

Financial assets at fair value through profit or loss include equity instruments that the Group has not irrevocably chosen to classify in the statement of comprehensive income upon initial recognition or transfer. This category also includes securities whose cash flows do not meet the SPPI criterion or the Group does not own them in the context of a business model for the purpose of collecting contractual cash flows or collecting contractual cash flows and selling them. The profit or loss on financial assets at fair value through income is recognized in the income statement.

Impairment

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets as it replaced the treatment of IAS 39 for recognizing realized losses by recognizing the expected credit losses.

Conventional assets and receivables from customers: The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured in an amount equal to the expected credit losses over the lifetime for customer receivables and contractual assets. To determine the expected credit losses in relation to customer receivables, the Group uses a credit loss projection table based on the historical data of the Group for credit losses, adjusted for future factors in relation to the debtors and the financial environment. In particular, to determine the expected credit losses in respect of contractual assets, account shall be taken of the estimated rate of early termination of contracts, the amount of the clauses in the case of early termination and the relative rate of collectability. The provision for impairment for the Group and the Company increased by € 17.2 million as at 01/01/2018. Increase in the projection resulted in the respective adjustment of "Retained Earnings".

Hedge Accounting

At the date of the original application of the Standard, all existing hedging relationships of the Group can be classified as continuing and hence the application of the new standard has no impact on the financial statements. The Group's risk management policies are in line with the requirements of the new standard and hedge accounting continues to apply.

Derivative financial instruments to the extent that they are not classified as effective hedging instruments are measured at fair value through the income statement.

Adoption of IFRS 9 from the Group and the Company

The table below shows the adjustments made for each separate line item of the Statement of Financial Position due to the application of the requirements of IFRS 9. Any lines that were not affected by the changes introduced by the new standard are not included in the table.

6. Annual Financial Statements

<i>(Amounts in thousands €)</i>	MYTILINAIOS GROUP		
Segment from Statement of Financial Position	31/12/2017	IFRS 9	1/1/2018
Financial Assets Available for Sale	163	(163)	0
Other Financial Assets	0	163	163
Trade and Other Receivables	745.856	(16.734)	729.121
Other Receivables	272.625	(489)	272.136
Retained Earnings	978.058	(17.223)	960.835

<i>(Amounts in thousands €)</i>	MYTILINAIOS S.A.		
Segment from Statement of Financial Position	31/12/2017	IFRS 9	1/1/2018
Financial Assets Available for Sale	37	(37)	0
Other Financial Assets	0	37	37
Trade and Other Receivables	426.155	(16.734)	409.420
Other Receivables	328.430	(489)	327.941
Retained Earnings	848.768	(17.223)	831.545

Clarification to IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2018)

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The amendments do not affect the consolidated and separate financial statements.

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

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a

modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the consolidated and separate financial statements.

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

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

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

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

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

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments do not affect the consolidated and separate financial statements.

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

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The new Interpretation has a non-significant effect on the consolidated and separate financial statements.

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

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

IFRS 16 “Leases” (effective for annual periods starting on or after 01/01/2019)

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

The Management has examined the expected effect of IFRS 16 application on 01/01/2019 as well as its estimated effect on the financial statements.

Under the transition, liabilities arising from the effective operating leases will be discounted through applying the relevant discount rate. The arising present value will be recognized as a lease liability. The rights to use the assets will be measured in the same way as the lease obligation, adjusted by the amount of any prepaid or accrued rentals.

The Group will apply the new standard using the cumulative effect method, under which comparative sizes for the previous year will not be restated. At the same time, explanations regarding the reasoning behind changes in the financial statements will be provided as a result of first time IFRS 16 application.

The final effect arising from IFRS 16 application will depend on the discount rate effective as at 01/01/2019, determination of the lease agreements, falling within the scope of the new Standard as at that date, the final evaluation of the lease term, in particular with respect to the exercise of any renewal and termination rights, and incorporation of new acquisitions into consolidation.

In general, based on the current estimates made by the Management, the effect of first time IFRS 16 application is expected to be as follows:

The Consolidated Statement of Financial Position as at 01/01/2019 is expected to record an increase in total assets due to capitalization of assets with rights to use and a corresponding increase in the lease liabilities fluctuating between € 58 million and 68 million.

In respect of the consolidated Income Statement for FY 2019, depreciations are expected to increase from € 6.7 million to € 7.7 million and the amounts recorded in the item "Interest and related expenses" are expected to increase from € 1.9 million to € 2.2 million. Decrease in rental expenses is expected to lead to an improvement in "Operating profits before financial and investing activities, depreciation and amortization" of approximately € 7,3 million.

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

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

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

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 “Income Taxes” specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2019.

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

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

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

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

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

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

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

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

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

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

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

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

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

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

IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01/01/2021)

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

2.2 Significant accounting judgments, estimates and assumptions

Preparations of financial statements under IFRS requires the management to apply judgments, make estimates and use assumptions that affect publicized amounts of assets and liabilities as well as disclosures of contingent assets and liabilities as at the financial statements preparation date and publicized amounts of revenue and expenses for the reporting period. The actual results may differ from estimated.

Estimations are reassessed on an on-going basis and are based on both – past experience and other factors, such as expectations of future events deemed reasonable under the current conditions.

2.2.1 Judgments

The applied accounting principles and judgments of the management, apart from those pertaining to estimates, that have the most significant effect on the amounts, recognized in the financial statements, mainly pertain to the following:

- **Recoverability of receivables**

Allowances for doubtful receivables are based on historical data on recoverability of receivables and take into account the expected credit risk. The method, applied by Company, facilitates calculating the expected credit losses over the life of its receivables. The method is used on past experience, but is adapted in order to reflect projections for the future financial condition of customers and economic environment. Balancing historical data and future financial conditions with the expected credit losses requires applying significant estimates. The amount of the allowance is recognized as an expense in other operating expenses in the income statement.

- **Obsolesce of inventory**

Adequate allowances are made for obsolete, useless and slow moving inventory. Impairment in net realizable value of inventory and other losses are recorded in the income statement for the period when incurred.

2.2.2 Estimates and assumptions

Estimating specific amounts, included or affecting financial statements and related disclosures required making assumptions in respect of values or circumstances that can not be known with certainty at the time of financial statements preparation. Significant accounting estimate is defined as an estimate significant to the company's financial position and results, which requires the most difficult, subjective or complex management judgments, often arising from the need to make estimates regarding the effect of assumptions that are uncertain. The Group assesses such assumptions on an on-going basis, taking into close consideration historical data and experience, discussions with experts, current trends and other methods considered appropriate, under the effective conditions, in line with the projections as to how the change in the future.

Significant accounting estimates and judgments of the Management applied under the preparation of the current financial statements are consistent with those applied in the annual financial statements as of December 31st 2017. The following issues are to be noted following the above and in particular, regarding the financial statements as of 31/12/2018:

- **Goodwill impairment estimates**

The Group tests goodwill for potential impairment on annual basis and whenever events or circumstances indicate that impairment may be effective (ex. a major adverse change in the corporate environment or a decision to sell or dispose of a reporting unit). Determining whether an impairment is effective requires valuation of the respective reporting unit, estimated applying a discounted cash flow method. When deemed available and as appropriate, comparative market multiples are applied in order to verify the results arising from discounted cash flows. When applying the particular method, the Management relies on a number of factors, including actual operating results, future business plans, economic projections and market data.

Should this analysis indicates the existence of goodwill impairment, its measurement requires estimating fair value of every identified tangible or intangible asset. In this case, cash flow approach is applied, as recorded above, by independent appraisers, whenever deemed appropriate.

Other identified intangible assets with defined useful lives, subject to amortization, are tested for impairment through comparing the carrying amount to the aggregation of undiscounted cash flows expected to be generated by the asset. Intangible assets with indefinite lives are tested for impairment on annual basis applying a fair value method such as discounted cash flows.

The Group tests goodwill for impairment annually, in accordance with the accounting principles recorded in Note 3.3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, which require the use of accounting estimates.

- **Budgeting of construction contracts**

The accounting treatment of revenues and expenses of a construction contract depends on whether the final result of the contract can be estimated reliably (and is expected to generate profit or loss for the beneficiary). When the result of a construction contract can be estimated reliably then all the respective revenues and expenses related to the contract are

recognized during the term of the contract. The Group uses the percentage of completion method to determine the appropriate amount of the respective revenue and expense to be recognized in every period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project. Therefore, significant management estimates are required with regard to the gross result regarding the completed construction (estimated cost of execution).

- **Income tax**

The Group and the Company are subject to income tax in numerous tax jurisdictions. Significant estimates are required while determining provisions for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognize liabilities for anticipated tax audit issues based on estimates of the extent, to which additional taxes will be imposed. When the final tax outcome of these matters is different from the initially recorded amount, such differences will affect the income tax and provisions for deferred tax in the period when the aforementioned amounts have been determined.

- **Provisions for rehabilitation of environment**

The Group operates in the sectors of Metallurgy, Integrated Construction & Infrastructures, Electricity and Natural Gas Trading. The environmental impacts, potentially to be generated by the aforementioned activities, may cause rehabilitation costs. For the determination of environmental rehabilitation costs and the time they may occur, the Group performs the relevant analyzes and makes assessments using specialized technical and legal consultants. The Group makes a provision in its financial statements for the estimated environmental rehabilitation costs when these are considered probable.

- **Contingent liabilities**

In the ordinary course of its business operations, the Group gets involved in litigations and claim. The Management estimates that none of the resulting settlements would materially affect the financial position of the Group as at December 31, 2018. However, determining contingent liabilities relating to litigations and claims is a complex procedures, involving s judgments as to potential outcomes and interpretation of legislations and regulations.

2.3 Discontinued Operations

The Company Mytilineos S.A. which resulted from the merger of its subsidiaries METKA, ALUMINUM OF GREECE, PROTERGIA and PROTERGIA THERMO AGIOS NIKOLAOS presents separately the result from discontinued operations as described below.

In 2009, applying IFRS 5 "Non-current assets held for sale & discontinued operations", the assets and liabilities of the subsidiary company SOMETRA S.A. were presented separately, regarding which a decision was made on January 26, 2009 on temporary suspension of the production activity of the Zinc-Lead production plant in Romania, and presents also the amounts recognized in the income statement separately from continuing operations. Given the global economic recession, there were no feasible scenarios for the alternative utilization of the aforementioned financial assets.

Consequently, since 2011, by applying par. 13 of IFRS 5 "Non-current assets Held for Sale" Zinc-Lead («SOMETRA S.A.») production ceases to be an asset held for sale and is considered as an asset to be abandoned. The assets of its operations

returned to continuing operations while at the same time, it continued to show separately the result of the discontinued operation in the income statement.

On 31/12/2015, SOMETRA S.A., contributed the Zinc-Lead activity, through a spin – off process, to its newly established subsidiary Reycom Recycling S.A. (REYCOM). The said spin - off is part of the "Mytilineos Group" restructuring process, regarding the Zinc-Lead discontinued operation, targeting on the production of Zn & Pb oxides through the development of a recycling operation of metallurgical residues.

Within the same frame, on 29/11/2016 the cross-border merger of the subsidiary REYCOM and the subsidiary company ALUMINUM OF GREECE (ATE) was completed.

2.4 Consolidation

(a) Subsidiaries: Subsidiaries are entities (including special purpose entities) in which the Group holds more than half of the voting rights or has the ability to direct the financial and operating principles followed.

The existence of potential voting rights that are exercisable at the time the financial statements are prepared, is taken into account in order to determine whether the parent exercises control over the subsidiaries.

Subsidiaries are consolidated completely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The paragraph "2.8 Intangible Assets - Goodwill" presents the accounting treatment of goodwill. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately transferred to the income statement.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are eliminated in consolidation. Unrealized losses are also eliminated except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be in conformity to the ones adopted by the Group.

Transactions with minorities: For the accounting of transactions with minority, the Group applies the accounting principle based on which such transactions are handled as transactions with third parties beyond the Group. The sales towards the minority create profit and losses for the Group, which are booked in the results. The purchases by the minority create goodwill, which is the difference between the price paid and the percentage of the book value of the equity of the subsidiary acquired.

(b) Associates: Associates are companies on which the Group can exercise significant influence but not “control” and which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the group imply that holding a percentage between 20% and 50% of a company’s voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the Equity method. At the end of each period, the cost of acquisition is increased by the Group’s share in the associates’ net assets change and is decreased by the dividends received from the associates.

Any goodwill arising from acquiring associates is contained in the cost of acquisition. Whether any impairment of this goodwill occurs, this impairment decreases the cost of acquisition by equal charge in the income statement of the period.

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

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group’s percentage ownership in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been adjusted to be in conformity to the ones adopted by the Group.

(c) Investments in joint ventures: Investments in joint ventures are classified according to IFRS 11 “Joint Arrangements”, or “Joint Operation”, or “Joint Venture”. The classification is based upon each participating parties’ rights and obligations arising from the joint arrangement. The Group by assessing the nature and the special characteristics of the investments, classifies, as at 31/12/2017, an investment in joint venture recognized based on the equity method.

Investments in joint ventures according to the equity method are initially recognized at cost and are then adjusted to the Group's share of profits or losses and other comprehensive income of the joint ventures. When the Group's share of losses of a joint venture is equal to or exceeds its interest in that joint venture, the Group does not recognize any further losses unless it has entered into commitments or has made payments on behalf of the joint venture.

Unrealized gains on transactions between the Group and joint ventures are eliminated by the Group's participation in the joint ventures. Unrealized losses are also eliminated unless there is evidence of the transaction for impairment of the asset transferred.

2.5 Segment reporting

MYTILINEOS Group consists of three main operating business segments: a) Metallurgy and Mining, b) EPC and Infrastructure and c) Electric power and gas trading. According to IFRS 8 - Operating Segments, the management monitors the operating result of each business segment individually for decision making regarding resources allocation and performance appraisal.

2.6 Foreign currency translation

(a) Functional currency and presentation currency

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

(b) Transactions and balances

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

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

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

(c) The Group's companies

Operating results and equity of all Group's companies (excluding those opening in hyperinflationary economies), that their operating currency is not the same as Group's, are translated to Group's presentation currency as follows:

- (i) Assets and liabilities are presented and translated according to the exchange rate at the balance sheet date.
- (ii) Sales and expenses of the Profit and Loss statement are translated according to the average exchange rate of the balance sheet period.
- (iii) Foreign exchange differences arising from the above are registered at equity account "Translation Reserve".

Goodwill and fair value revaluation arising from subsidiary acquisition, operating abroad, are registered as assets/liabilities at subsidiary accounts and are converted according to fixing rate at each time.

2.7 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

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

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

Buildings	25-35 years
Mechanical equipment	4-30 years
Vehicles	4-10 years
Other equipment	4-7 years

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

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

2.8 Intangible assets - Goodwill

The intangible assets include Goodwill, the rights of use of Property, plant and equipment, software licenses, licenses for the production, installation and operation of renewable energy assets and thermal energy assets, the environment rehabilitation expenditure.

Software Software licenses are valued in cost of acquisition less accumulated depreciation. Costs that improve or prolong the performance of software programs beyond the original technical specifications or software conversion costs are included in the cost of acquiring intangible assets with a prerequisite that they can be measured reliably. Maintenance of software

programs is recognized as an expense when the expense is incurred. Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Production, Installation and Operation Licenses of Renewable Energy Assets and Thermal Energy Assets: The different types of licenses entitles the group either with the right to construct an energy asset or the right to produce and sell energy. Current market conditions provide adequate evidence about the recoverable amount of such licenses.

The Group, upon acquisition, recognized these permits as intangible assets at their fair value and then measured them using the cost model, according to which the asset is measured at cost (which is the acquisition cost of the asset value as described above) less depreciation and any impairment provision. Therefore the Group has recognized licenses as intangible assets at fair value less depreciation and less any provision for impairment. Depreciation is carried out using the straight-line method over the useful life of those items, which is 30 years for gas-fired power plants and 20 years for renewable electricity. The Group runs impairment tests on a yearly basis using the following methodology:

- i) Attach possibility factors according to management estimation regarding the construction of assets under license.
- ii) Runs Discounted Cash Flows (DCF) methodology using assumptions prevailing at the energy market. The period regarded by the management for provisions exceeds the five years encouraged by IAS 36 as, especially for the renewable energy assets, there is satisfactory visibility for a substantially longer period.
- iii) The final recoverable amount is calculated for a total portfolio of either renewable or thermal energy assets by multiplying the overall possibility factor with the outcome of the DCF valuation.
- iv) Finally, the Group compares the recoverable value calculated to be the value-in-use of the assets with their carrying amounts.

When the recoverable value is less than the carrying amount an equal impairment provision is charged to the income statement.

Legal rights to explore mines: The legal rights to explore mines concern rights that the group has acquired mining mineral reserves in several geographical areas. In cost of the mining rights, apart from nominal value of the rights, any cost that relates to the initial evaluation of the rehabilitation cost of the area where work has been done, the commitment of the Group either during the acquirement of the right or as a result of its use for a certain time period. The depreciation time period that is adopted by the Group does not exceed 10 years.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of conventions of manufacture of work (compensative profits) are valued in cost of acquisition, which equals their fair value at the date of their concession, less accumulated depreciation. Depreciation is calculated using the "production units method".

Research and Development Expenses: Research and Development expenditures are recognized as expenses when they are realized. The expenses which arise from the developing programs (related to the design and the test of new or improved products) are capitalized if it is possible to produce future economic benefit. The other development expenditures are booked as an expense in the results when they are realized. Previous years' development expenditures recognized as expenses, can not be capitalized in the future fiscal years. The capitalized development expenses are depreciated from the beginning of the product's economic life using the straight line method during the period of the product's future economic benefits. The Group's depreciation period doesn't exceed the 5 years.

Land Stripping & Restoration expenses: Land Stripping & Restoration expenses are capitalized and amortized using the unit of production method.

Goodwill on Acquisition: is the difference between the asset's acquisition cost and fair value and the net assets of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes this surplus value, emerged from acquisition, as an asset and presents it in cost. This cost is equal to the amount by which the acquisition cost exceeds the company's share in the net assets of the acquired company.

After the initial recognition, the surplus value is valued at cost less any accumulated impairment losses. The surplus value is not depreciated, but is reviewed on an annual basis for possible decrease in its value (impairment), if there are events that indicate such a loss according to IAS 36.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. A cash generated unit is the smallest identifiable group of assets generating cash inflows independently and represents the level used by the Group to organise and present each activities and results in its internal reporting. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount (typically the value in use) of the cash-generating units is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill as at 31 December.

In the case where acquisition cost is less than the company's stake in the acquired company's net assets, the former recalculates the acquisition cost and values the assets, liabilities and contingent liabilities of the acquired company. Any difference prevailing after the recalculation is recognized directly in the income statement as a profit.

2.9 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets

that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit- CGU) is greater than its recoverable amount.

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

2.10 Financial instruments

i) Initial recognition

A financial asset or financial liability is recognized in the statement of financial position of the Group when it arises or when the Group becomes part of the contractual terms of the financial instrument.

Financial assets are classified at initial recognition and are subsequently measured at amortized cost at fair value through other comprehensive income and fair value through profit or loss.

Initially, the Group measures financial assets at fair value. Trade receivables (which do not contain significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it shall generate cash exclusively pertaining to capital and interest repayments of the initial capital. The business model applied by the Group for the purposes of managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, disposal of financial assets, or both. Acquisition or disposal of financial assets that require delivery of assets within a timeframe specified by a regulation or a contract is recognized as at the transaction date, i.e. as at the date when the Group makes a commitment to acquire or to dispose of the asset.

ii) Classification and subsequent measurement

To facilitate subsequent measurement purposes, financial assets are classified into the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging instruments. Financial assets with cash flows referring not only to capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in order to maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortized cost, subsequently apply the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through total comprehensive income

Upon initial recognition, the Group may decide to irrevocably classify its investment participations as equity instruments designated at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is determined per financial instrument. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments designated at fair value through total comprehensive income are not subject to impairment test. The Group has decided to classify its non-listed shares into this category.

iii) Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

iv) Impairment

The Group recognizes provision for impairment for expected credit losses regarding all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Group expects to receive.

Regarding trade receivables, the Group applies simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk.

2.11 Fair value determination

Fair value of financial assets traded on active markets (stock exchanges) is determined by the quoted prices effective as at the balance sheet date. Fair value of financial assets not traded on active markets is determined applying valuation techniques and assumptions based on market data at the end of the reporting period.

2.12 Inventory

Inventories are valued at the lower of acquisition cost and net realizable value. The cost of finished and semi-unfinished products includes all the costs incurred to locate them at their current storage and processing point and consists of raw

materials, labor, general industrial costs and packaging costs. The cost of inventories is determined by operating segment and by their nature, using acceptable measurement methods that are consistent with the financial statements preparation framework. The cost of inventories does not include financial expenses.

Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. Provision for slow moving or depreciated stocks is made when deemed necessary.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits and overdrafts, as well as other high liquidity investments that are directly convertible to specific amounts of cash that are subject to a non-significant risk of change in value.

For the purpose of preparing the consolidated statements of cash flows, cash available include cash and balances with banks as well as cash as stated above.

2.14 Long-term assets held for sale and discontinued operations

The Group classifies a long-term asset or a group of assets and liabilities as held for sale if their value is expected to be recovered principally through the disposal of the items and not through their use.

The key prerequisites for the classification of a long-term asset or a group of assets (assets and liabilities) as held for sale are the asset or the group available for direct sale in their current state and the completion of the sale depends only on normal and formal conditions for sales of such items and the sale should be highly probable.

Immediately prior to the initial classification of the asset or group of assets and liabilities as held for sale, the asset (or all of the assets and liabilities included in the group) are measured using the IFRS applicable in each case.

Long-term assets (or groups of assets and liabilities) classified as held for sale are valued (after initial classification as above) at the lower of their value in the financial statements and their fair value less direct costs disposal, and the resulting impairment losses are recognized in the income statement. Potential increase in fair value in a subsequent measurement is recognized in the income statement but not in excess of the impairment loss initially recognized.

From the date when a long-term asset (or long-term assets included in a group of assets and liabilities) is classified as held for sale, no depreciation is accounted for on such long-term assets.

2.15 Share capital

Expenses incurred for the issuance of shares reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired. Where any Group company purchases the Company's equity share capital (Treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration

received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Company's equity holders. Treasury stock does not hold any voting rights.

2.16 Income tax & deferred tax

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

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws prevailing during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the Equity of the Group, such as

the revaluation of property value that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

2.17 Employee benefits

Short-term benefits

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

Benefits for employment termination

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group's liabilities for retirement benefits concern both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense in the period in question. Retirement plans adopted by the Group are funded partly through payments to insurance companies or state social insurance funds.

Defined contribution plan

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions. The payable contribution from the company to a defined contribution scheme, is either recognized as a liability after the deduction of the paid contribution, or as an expense.

Defined benefits plan

According to laws 2112/20 and 4093/2012 the Company pays to their personnel benefits for employment termination or retirement. The benefits are related to, employment years, remuneration amount and whether the employment was terminated or due to retirement. The maturity of the right to participate to these schemes, usually depends upon service years of the employee till retirement.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For discounting 2016 the selected interest rate is related to the tendency of iBoxx AA Corporate Overall 10+ EUR indices, consistent to IAS19 guidelines and suitable for long term provisions that consists of bonds corresponding to the currency and the duration relative to employees' benefits.

A defined contribution scheme, defines based on several parameters such as age, service years, remuneration amount, certain obligations for defined benefits. The provisions relating to the period are included in personnel cost at company and Group P&L statements and consist of current and past employment cost, the pertinent financial cost, the actuarial gain or loss as well as any additional charges. Regarding not recognized actuarial gain or loss, amended IAS19R is adopted, that includes a series of amendments regarding accounting treatment of defined benefits scheme, amongst other:

- recognition of actuarial profit/(loss) in other comprehensive income statement
- non-recognition of annual return on benefits scheme in profit and loss accounts
- recognition of interest rate in liability account based on discount rate used in employee compensation program.

2.18 Grants

The Group recognizes Government Grants that cumulatively satisfy the following criteria: a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and b) it is probable that the amount of the grant will be received. Government Grants are booked at fair value and are systematically recognized as revenues according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Government Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenues over the useful life of the fixed asset.

2.19 Provisions

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

2.20 Recognition of income and expenses

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

- **Construction Projects Contracts:** Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when occur.

Revenue from construction contracts is recognized based on the stage of completion of the project on the reporting date of the Statement of Financial Position.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoices until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoices, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoices exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

In cases where initial estimates may change, revenue, costs and / or completion rates are revised. These revisions may lead to increases or decreases in estimated earnings or costs and are presented in the results of the period in which the reasons for the revision are disclosed by the Management.

- **Sale of goods:** Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of the Group's operations, net of discounts, VAT and other taxes related to sales. The Group recognizes in the income statement the sale of the goods at the moment when the benefits and risks associated with the ownership of those goods are transferred to the client.

- **Provision of services:** Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total services to be rendered.

- **Electric energy:**

Revenue from electricity generation: Electricity sales are recognized on the date when the relevant risks are transferred to the buyer, namely, according to the monthly electricity production provided to the Greek network and confirmed by the Energy Exchange Group and DAPEEP (ex LAGIE) (Operators of the Electricity Market) and ADMIE (Independent Power Transmission Operator). Revenue also includes ancillary services received from ADMIE.

Revenue from cross-border trade: Revenues from the sale of electricity to the domestic and foreign markets are based on the monthly measurements of the System Operators, Energy Exchange Group (ex LAGIE) (Greece) and the managers of other countries, which are announced to the Group. These monthly measurements include the total of imported and exported quantities sold to domestic and foreign markets. For these quantities sold, the Group issues the corresponding invoices every month.

Revenue from retail electricity sales: Revenues from electricity sales in the retail market are recognized during the period in which electricity is provided to customers and is measured on a monthly basis, according to the ADMIE and HEDNO measurements for medium voltage customers and with estimates based on the historical consumption that HELLENIC

ELECTRICITY DISTRIBUTION NETWORK OPERATOR S.A. (HEDNO) announces for low voltage customers. Based on these measurements provided by ADMIE and HEDNO projections containing unit consumption and in conjunction with the contractual terms, each customer receives a monthly bill per meter. For low-voltage customers, the bills are up to HEDNO to send the actual consumption of the period, and then a clearing account is issued.

- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

2.21 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

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

Group Company as lessor: When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period's results during the lease using the net investment method, which represents a constant periodic return.

Fixed assets that are leased through operating leases are included in the statements of financial position's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease.

2.22 Dividend distribution

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

2.23 Proforma figure "Operating Earnings before Financial & Investment results, Tax, Depreciation & Amortization" (Group EBITDA)

Pro forma figures (EBITDA, EBITDA margin, free cash flow, net debt) are not governed by the International Financial Reporting Standards (IFRS). Thus, these figures are calculated and presented by the Group in a way that provides a more fair view of the financial performance of its Business Sectors. The Group defines "Group EBITDA" as the Operating Earnings before any interest income and expenses, investment results, depreciation, amortization and before the effects of any special factors. "Group EBITDA" is an important indicator used by Mytilineos Group to manage the Group's operating activities and to measure the performance of the individual segments.

The special factors that affect the Group's net profit / (losses) and EBITDA are the following:

- a) The Group's share in the EBITDA of associates when these are active in one of its reported Business Segments.
- b) The Group's share on the profit from the construction of fixed assets on account of subsidiaries and associates when these are active in one of its reported Business Segments.

It is noted that the Group financial statements, prepared according to IAS 1 and IAS 28, include:

The Group's profit realized in connection with the construction of fixed assets on account of subsidiaries and associates, when these are active in one of its reported Business Segments. Such profits are deducted from the Group's equity and fixed assets and released in the Group accounts over the same period as depreciation is charged. Consequently, for the calculation of EBITDA (operational results before depreciation), the Group does not eliminate the profit from the construction of fixed assets as its recovery through their use will effect only the profit after depreciation.

The Group states that the calculation of "Group EBITDA" may differ from the calculation method used by other companies/groups. However, "Group EBITDA" is calculated with consistency in each financial reporting period and any other financial analysis presented by the Group. Specifically financial results contain interest income/expense, while investment results contain gains/loss of financial assets at fair value through profit and loss, share of results in associates companies and gains/losses from the disposal of financial assets (such as subsidiaries and associates).

2.24 CO₂ emission liability

CO₂ emissions are recognized according to the net liability approach through which, the Group recognizes liabilities from CO₂ emissions when the actual emissions exceed the distributed emission rights from E.U. The liability is measured at fair value to the extent that the Group has the obligation of covering the deficit through the market. Emission rights acquired over the required quantities for covering the deficit are recognized as intangible assets at cost.

2.25 Hedging Accounting

The Group uses Derivative financial instruments such as Commodity Futures and Currency Forwards in order to mitigate the risk related to its business activities along with the risk related to the funding of such activities.

At inception of the hedging transaction, the Group validates the hedging relationship between the underlying and the hedging instrument as far as its risk management strategy is concerned. The Group also verifies the hedging efficiency from the beginning of the hedging relationship and on a continuing basis.

All derivative financial instruments are initially recognized at fair value as at the date of settlement and are valued on a mark - to - market basis on each balance sheet date. The result of this valuation is recognized as an asset when positive and as a liability when negative.

When a derivative financial instrument is no longer regarded as hedging instrument any difference in its fair value is recognized in profit and loss.

There are three kinds of hedges:

A. Fair Value Hedging

Fair value hedging is regarded when hedging the exposure in the fluctuations of the fair value of a recognized asset, liability, contingent liability or part of them that could have a negative impact on results.

When hedging accounting, concerning fair value hedge, is followed then any profit or loss from revaluation is recognized in profit and loss. For non-derivative hedging instruments used to hedge foreign currency risk, only the foreign currency item in its book value will be recognized in profit or loss - the entire instrument needs to be re-measured. The gain or loss on the hedged item attributable to the hedged risk should be recognized directly in the income statement to offset the change in the carrying amount of the hedging instrument. This applies to items recognized at cost and available-for-sale financial assets. Any compensation ineffectiveness is recognized directly in the income statement.

B. Cash Flow Hedging

The Group enters into Cash Flow Hedging transactions in order to cover the risks that cause fluctuations in its cash flows and arise either from an asset or a liability or a forecasted transaction and the change will affect the results. Examples of Group cash flow hedges include future foreign currency transactions subject to exchange rate changes as well as future sales of aluminum subject to changes in selling prices. Changes in the carrying amount of the effective part of the hedging instrument

are recognized in Equity as "Reserve" while the ineffective portion is recognized in the Income Statement. The amounts accrued in equity are transferred to the income statement in the periods in which the hedged items are recognized in the income statement as in a prospective sale. When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all accumulated profit or loss recognized in Equity, stays in Equity until the final settlement of the underlying. If the underlying is not expected to be settled then any profit or loss recognized in Equity is transferred to profit and loss account.

C. Hedging of a Net Investment

Hedging of a foreign investment is regarded for accounting purposes in a way similar to cash flow hedging.

The effective part of the hedging result is recognized directly in Equity while any ineffective part is recognized in profit and loss.

Accumulated profit or loss recognized in Equity is transferred in profit and loss account at the time of disposal of the investment.

2.26 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the parent with the weighted average number of ordinary shares outstanding during each accounting period, excluding the average of ordinary shares acquired as treasury shares.

The weighted average number of ordinary shares outstanding during the accounting period and for all the periods presented is adjusted for events that have altered the number of ordinary shares in circulation without a corresponding change in resources.

3. Notes on the financial Statements

3.1 Segment reporting

MYTILINEOS Group is active in three main operating business segments: Metallurgy and Mining, EPC & Infrastructure and Power & Gas. In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. The Group's activities, which do not meet the criteria and the quantitative thresholds of IFRS 8, in order to form a reportable operating segment, are aggregated and reported under the category "Others".

The Group has applied IFRS 5 "Non Current Assets Available for Sale & Discontinued Operations" and present separately the results of the discontinued operations of the subsidiary company SOMETRA S.A.

The totals that are presented in the following tables, reconcile to the related accounts of the consolidated financial statements.

6. Annual Financial Statements

Segment's results are as follows:

<i>(Amounts in thousands €)</i>							
<i>1/1-31/12/2018</i>	Metallurgy	Metallurgy	EPC & Infrastructure	Power & Gas	Others	Discontinuing Operations	Total
	Continuing Operations	Discontinuing Operations					
Total Gross Sales	566.198	1.337	386.247	727.293	8.910	(1.337)	1.688.648
Intercompany sales	(16.697)	-	(18.917)	(119.219)	(7.301)	-	(162.134)
Inter-segment sales	-	-	-	-	-	-	-
Net Sales	549.501	1.337	367.330	608.074	1.609	(1.337)	1.526.514
Earnings before interest and income tax	133.478	(3.585)	49.509	19.219	2.018	3.585	204.224
Financial results							(37.709)
Investment Results							401
Profit before income tax	-	-	-	-	-	-	166.916
Assets depreciation	32.460	82	4.697	41.155	350	(82)	78.662
Other operating included in EBITDA			673				673
Oper.Earnings before income tax,financial results,depreciation and amortization (EBITDA)	165.955	(3.503)	54.859	60.373	2.372	3.503	283.559

<i>(Amounts in thousands €)</i>							
<i>1/1-31/12/2017</i>	Metallurgy	Metallurgy	EPC & Infrastructure	Power & Gas	Others	Discontinuing Operations	Total
	Continuing Operations	Discontinuing Operations					
Total Gross Sales	670.049	2.719	518.061	524.580	5.497	(2.719)	1.718.187
Intercompany sales	(18.948)	-	(16.690)	(17.145)	(4.462)	-	(57.245)
Inter-segment sales	(134.221)	-	-	-	-	-	(134.221)
Net Sales	516.880	2.719	501.371	507.435	1.035	(2.719)	1.526.721
Earnings before interest and income tax	92.795	(13)	83.755	37.386	18.190	13	232.126
Financial results	-	-	-	-	-	-	(50.693)
Investment Results	-	-	-	-	-	-	176
Profit before income tax	-	-	-	-	-	-	181.609
Assets depreciation	31.229	61	4.057	37.271	346	(61)	72.903
Other operating included in EBITDA	-	-	949	-	-	-	949
Oper.Earnings before income tax,financial results,depreciation and amortization	124.024	48	88.761	74.657	18.536	(48)	305.978

Segment's assets and liabilities are as follows:

<i>(Amounts in thousands €)</i>					
	Metallurgy	EPC & Infrastructure	Power & Gas	Others	Total
31/12/2018					
Assets	961.586	1.180.901	962.100	236.407	3.340.994
Consolidated assets	961.586	1.180.901	962.100	236.407	3.340.994
Liabilities	486.845	428.848	485.883	378.369	1.779.945
Consolidated liabilities	486.845	428.848	485.883	378.369	1.779.945
<i>(Amounts in thousands €)</i>					
	Metallurgy	EPC & Infrastructure	Power & Gas	Others	Total
31/12/2017					
Assets	1.050.888	1.275.812	1.056.565	(165.046)	3.218.219
Consolidated assets	1.050.888	1.275.812	1.056.565	(165.046)	3.218.219
Liabilities	755.532	559.885	599.051	(127.242)	1.787.226
Consolidated liabilities	755.532	559.885	599.051	(127.242)	1.787.226

Regional Information

Revenues from external customers have been identified on the basis of the customer's geographical location. The Group's Sales and its non-current assets (other than financial instruments, investments, deferred tax assets and post-employment benefit assets) are divided into the following geographical areas:

MYTILINEOS GROUP				
(Amounts in thousands €)	Sales 31/12/2018	Sales 31/12/2017	Non current assets 31/12/2018	Non current assets 31/12/2017
Hellas	827.382	823.985	1.518.423	1.512.526
European Union	366.101	374.923	20.418	23.198
Other Countries	333.031	327.813	47.535	45.885
Regional Analysis	1.526.514	1.526.721	1.586.376	1.581.609

(Amounts in thousands €)	Metallurgy		EPC & Infrastructure	Power & Gas	Other	Discontinuing Operations	Total
	Continuing Operations	Discontinuing Operations					
31/12/2018							
Hellas	150.027	-	108.387	568.968	1	-	827.383
European Union	316.003	1.337	27.392	22.708	-	(1.337)	366.103
Other Countries	83.471	-	231.551	16.398	1.608	-	333.028
Total	549.501	-	367.330	608.074	1.609	(1.337)	1.526.514

(Amounts in thousands €)	Metallurgy		EPC & Infrastructure	Power & Gas	Other	Discontinuing Operations	Total
	Continuing Operations	Discontinuing Operations					
31/12/2017							
Hellas	162.799	-	160.015	501.171	-	-	823.985
European Union	296.477	2.719	73.827	4.619	-	(2.719)	374.923
Other Countries	57.604	-	267.529	1.645	1.035	-	327.813
Total	516.880	2.719	501.371	507.435	1.035	(2.719)	1.526.721

Group Sales per activity:

MYTILINEOS GROUP		
Sales	31/12/2018	31/12/2017
(Amounts in thousands €)		
Alumina	175.816	131.373
Aluminium	370.021	340.130
EPC & Infrastructure	242.496	354.944
Solar Parks	85.173	91.838
Energy Supply	258.133	207.136
Energy Production	271.296	261.945
Natural Gas Supply	50.790	13.900
RES	27.856	24.454
Discontinuing Operations	(1.337)	(2.719)
O&M & Other Sales	46.270	103.719
Sales	1.526.514	1.526.721

It should be noted that Group's backlog of the existing projects amounts to €984 mio. In the following table is shown the revenue expected to be recognized.

<i>(Amounts in thousands €)</i>	up to 1 year	1-3 years	3-5 years
Revenue expected to be recognized	556.531	396.550	30.779
Total	556.531	396.550	30.779

* The amount of € 420 mio concerning the backlog of Deir Azzur project is not included in the above table. For the aforementioned project the Group has already announced the pause of the construction on site.

3.2 Tangible assets

MYTILINEOS GROUP

<i>(Amounts in thousands €)</i>	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	406.756	1.493.965	35.222	35.352	1.971.295
Accumulated depreciation and/or impairment	(94.249)	(772.864)	(27.368)	(3.559)	(898.039)
Net Book Value as at 1/1/2017	312.507	721.101	7.854	31.793	1.073.255
Gross Book Value	411.872	1.519.595	39.578	97.849	2.068.895
Accumulated depreciation and/or impairment	(99.141)	(802.387)	(28.776)	(1.812)	(932.115)
Net Book Value as at 31/12/2017	312.732	717.209	10.802	96.037	1.136.779
Gross Book Value	424.136	1.571.030	41.091	103.233	2.139.490
Accumulated depreciation and/or impairment	(107.228)	(857.748)	(30.916)	(1.812)	(997.704)
Net Book Value as at 31/12/2018	316.909	713.282	10.175	101.421	1.141.786

<i>(Amounts in thousands €)</i>	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book Value as at 1/1/2017	312.507	721.101	7.854	31.793	1.073.255
Additions	804	38.104	4.085	91.204	134.197
Sales - Reductions	4.432	1.544	(34)	(5.337)	606
Depreciation	(7.681)	(59.914)	(1.499)	-	(69.094)
Reclassifications	4.740	16.374	401	(21.629)	(114)
Net Foreign Exchange Differences	(2.070)	(1)	(5)	-	(2.076)
Net Book Value as at 31/12/2017	312.732	717.209	10.802	96.037	1.136.779
Additions	1.705	31.133	940	64.945	98.723
Sales - Reductions	(1.055)	(21.360)	(4)	(304)	(22.723)
Depreciation	(8.211)	(60.667)	(2.217)	-	(71.095)
Reclassifications	10.924	46.048	664	(60.456)	(2.819)
Net Foreign Exchange Differences	814	919	(10)	1.198	2.921
Net Book Value as at 31/12/2018	316.909	713.282	10.175	101.421	1.141.786

6. Annual Financial Statements

MYTILINEOS S.A.

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
<i>(Amounts in thousands €)</i>					
Gross Book Value	13.354	473	2.199	-	16.027
Accumulated depreciation and/or impairment	(4.254)	(393)	(1.851)	-	(6.498)
Net Book Value as at 1/1/2017	9.100	81	348	-	9.529
Gross Book Value	303.381	1.199.591	36.170	15.869	1.555.012
Accumulated depreciation and/or impairment	(59.206)	(666.679)	(26.292)	-	(752.178)
Net Book Value as at 31/12/2017	244.175	532.912	9.878	15.869	802.834
Gross Book Value	306.289	1.222.949	37.337	29.618	1.596.193
Accumulated depreciation and/or impairment	(64.901)	(706.200)	(28.233)	-	(799.334)
Net Book Value as at 31/12/2018	241.387	516.749	9.105	29.618	796.859

	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
<i>(Amounts in thousands €)</i>					
Net Book Value as at 1/1/2017	9.100	81	348	-	9.529
Additions	536	14.277	3.697	13.282	31.791
Sales - Reductions	(1.667)	(1.056)	(32)	(4.023)	(6.777)
Depreciation	(5.658)	(43.569)	(1.367)	-	(50.594)
Reclassifications	4.740	16.374	401	(21.629)	(114)
Net Foreign Exchange Differences	-	-	1	-	1
Merge Through Acquisition Of Subsidiary	237.125	546.805	6.829	28.239	818.998
Net Book Value as at 31/12/2017	244.175	532.912	9.878	15.869	802.834
Additions	380	18.994	538	26.430	46.342
Sales - Reductions	-	-	-	(150)	(150)
Depreciation	(5.802)	(44.201)	(1.968)	-	(51.971)
Reclassifications	2.529	9.035	661	(12.531)	(306)
Net Foreign Exchange Differences	105	10	(5)	-	109
Net Book Value as at 31/12/2018	241.387	516.749	9.105	29.618	796.859

Depreciation charged in profit and loss is analyzed in notes 3.19 and 3.20.

3.3 Goodwill

3.3.1 Changes in goodwill

Goodwill is allocated to the group's cash-generating units identified according to business segment for 2017 and 2018.

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Continuing Operations (Total)	Total Segment
Gross Book Value	12.889	142.166	54.258	209.313	209.313
Impairment	-	-	-	-	-
Net Book Value as at 1/1/2017	12.889	142.166	54.258	209.313	209.313
Gross Book Value	12.889	142.166	54.258	209.313	209.313
Impairment	-	-	-	-	-
Net Book Value as at 31/12/2017	12.889	142.166	54.258	209.313	209.313
Gross Book Value	12.889	142.166	54.258	209.313	209.313
Impairment	-	-	-	-	-
Net Book Value as at 31/12/2018	12.889	142.166	54.258	209.313	209.313

(Amounts in thousands €)	Metallurgy	Constructions	Energy	Continuing Operations (Total)	Total Segment
Net Book Value as at 1/1/2017	12.889	142.166	54.258	209.313	209.313
Additions	-	-	-	-	-
Net Book Value as at 31/12/2017	12.889	142.166	54.258	209.313	209.313
Additions	-	-	-	-	-
Net Book Value as at 31/12/2018	12.889	142.166	54.258	209.313	209.313

3.3.2 Impairment test on goodwill

Goodwill arising from acquisition, has been allocated in the following Cash Generating Units (CGU) per business operating sector :

(Amounts in thousands €)	31/12/2018	31/12/2017
Goodwill allocated per segment		
Metallurgy and Mining	12.889	12.889
EPC and Infrastructure	142.166	142.166
Electric Power & Gas Trading	54.258	54.258
Total	209.313	209.313

For the annual impairment test on goodwill, the recoverable amount of each segment is as follows:

<i>(Amounts in thousands €)</i>		
Recoverable amount per Segment	31/12/2018	31/12/2017
Metallurgy and Mining	724.858	546.572
EPC and Infrastructure	864.439	801.514
Electric Power & Gas Trading	881.631	567.783
Total	2.470.929	1.915.869

The Group performs annually impairment tests for goodwill.

The recoverable amount of the recognized goodwill, related with the separate CGU's, was assessed using value in use and calculated using the DCF method. The "value in use" was determined based on management's assumptions, which management deems reasonable and are based on estimates from international rating agencies on Financial Statement's issue date. No need for impairment arose from impairment tests.

3.3.3 Assumptions used in calculation of Value in Use

The recoverable amount of each CGU is determined according to the calculation of the value in use. The calculations for the CGU's recoverable amount were based on the present value of the expected future cash flows. The basic estimates the Group uses to determine the value in use divide in:

- **Market prices estimations:**
 - o Metal/Mineral prices at LME for the metallurgy sector
 - o Exchange rate between \$/€ for the metallurgy/constructions/energy sectors
 - o CO2 prices for the metallurgy and energy sector
 - o Gas and BRENT prices for the metallurgy/energy sectors
- **Operating estimations:**
 - o Raw material prices and equipment for the metallurgy/constructions sectors
 - o Technical KPI's for the production plants of metallurgy and energy sectors
 - o Project milestones and completion percentage of construction sector
 - o Cost and time of major inspections for the metallurgy/energy sectors

- Capacity rate and total demand of energy system for the energy sector

- **Business plan per CGU:**

- Business plans are drawn up over a maximum of 5 years. Cash flows over 5 years are deduced using the estimates of growth rates listed below.
- Business plans are based on recently prepared budgets and estimates. Business plans use operating profit margins and EBITDA, as well as future estimates using reasonable assumptions.
- Concerning projects in the electricity and natural gas sector, these projects extend over a period equal to the duration of the relevant licences (20 years).
- Concerning projects in the field of integrated projects and infrastructures, these projects extend over a period of 9-10 years. The reasons are related to the characteristics of EPC thermal constructions, which (together with metal constructions) are the core business of the business sector. In particular, future projects are mainly located in African countries, regional countries of the former Soviet Union and Middle East countries. Management estimates that the market for EPC projects in these countries is changing, boosting interest in projects where the manufacturer takes a Partner role by participating in financing the construction and recovering the liquidity provided through the project's future operational cash flows. The total completion and repayment cycle of the projects has been set at 9-10 years.
- Calculations to determine the recoverable amount of operating segments were based on business plans approved by the Management, which included the necessary revisions to capture the current economic situation and reflect past experience, sectoral projections and other available information from external sources.

- **Weighted Average Cost of Capital (WACC):**

The WACC method reflects the discount rate of future cash flows for each CGU, according to which the cost of equity and the cost of long-term debt and any grants are weighted, in order to calculate the cost of capital of the company. Since all cash flows of the business plans are denominated in euro, the yield of ten-year German government bond was used as the risk-free rate. Assumptions of independent sources were taken into account for the calculation of the risk premium.

Betas are evaluated annually based on published market data. The Company's WACC was estimated at 8.83%.

Apart from the above considerations concerning the determination of the value in use of CGUs, no other changes that may affect the rest of the assumptions have come to the Management's attention.

The Group analyzed the sensitivity of the recoverable amounts per CGU through change in a percentage point of 0.5% in the discount rate. From the relevant analysis there is no amount of impairment.

3.4 Intangible Assets

MYTILINEOS GROUP

	Software	Land Restoration	Licenses	Other Intangible Assets	Total
<i>(Amounts in thousands €)</i>					
Gross Book Value	10.471	63.138	235.427	41.841	350.878
Accumulated depreciation and/or impairment	(9.451)	(48.326)	(25.547)	(24.521)	(107.844)
Net Book Value as at 1/1/2017	1.021	14.813	209.880	17.321	243.034
Gross Book Value	10.691	66.485	229.036	49.386	355.598
Accumulated depreciation and/or impairment	(9.752)	(50.205)	(30.325)	(29.800)	(120.082)
Net Book Value as at 31/12/2017	939	16.280	198.711	19.586	235.517
Gross Book Value	11.128	70.120	231.172	53.361	365.781
Accumulated depreciation and/or impairment	(10.100)	(51.810)	(36.349)	(32.245)	(130.503)
Net Book Value as at 31/12/2018	1.028	18.310	194.823	21.116	235.277

MYTILINEOS GROUP

	Software	Land Restoration	Licenses	Other Intangible Assets	Total
<i>(Amounts in thousands €)</i>					
Net Book Value as at 1/1/2017	1.021	14.813	209.880	17.321	243.034
Additions	180	3.347	63	3.384	6.974
Additions From Acquisition/Consolidation Of Subsidiaries	-	-	(2.858)	-	(2.858)
Sales - Reductions	11	-	(5.032)	-	(5.021)
Depreciation	(272)	(1.879)	(3.347)	(1.226)	(6.725)
Reclassifications	-	-	5	109	114
Net Foreign Exchange Differences	-	-	-	(2)	(2)
Net Book Value as at 31/12/2017	939	16.280	198.711	19.586	235.517
Additions	133	3.635	110	4.125	8.003
Sales - Reductions	-	-	(2.558)	(638)	(3.196)
Depreciation	(350)	(1.605)	(3.465)	(2.446)	(7.866)
Reclassifications	306	-	2.026	488	2.819
Net Foreign Exchange Differences	-	-	-	1	1
Net Book Value as at 31/12/2018	1.028	18.310	194.823	21.116	235.277

6. Annual Financial Statements

MYTILINEOS S.A.

	Software	Land Restoration	Licenses	Other Intangible Assets	Total
<i>(Amounts in thousands €)</i>					
Gross Book Value	1.256	-	-	-	1.256
Accumulated depreciation and/or impairment	(1.097)	-	-	-	(1.097)
Net Book Value as at 1/1/2017	159	-	-	-	159
Gross Book Value	10.208	-	101.746	15.665	127.619
Accumulated depreciation and/or impairment	(9.343)	-	(22.572)	(6.587)	(38.502)
Net Book Value as at 31/12/2017	865	-	79.174	9.078	89.117
Gross Book Value	10.521	-	101.746	19.496	131.763
Accumulated depreciation and/or impairment	(9.652)	-	(25.916)	(8.678)	(44.245)
Net Book Value as at 31/12/2018	870	-	75.830	10.818	87.518

MYTILINEOS S.A.

	Software	Land Restoration	Licenses	Other Intangible Assets	Total
<i>(Amounts in thousands €)</i>					
Net Book Value as at 1/1/2017	159	-	-	-	159
Additions	138	-	-	2.485	2.623
Sales - Reductions	11	-	-	-	11
Depreciation	(242)	-	(3.258)	(893)	(4.394)
Reclassifications	-	-	5	109	114
Merge Through Acquisition Of Subsidiary	800	-	82.428	7.377	90.605
Net Book Value as at 31/12/2017	865	-	79.174	9.078	89.117
Additions	8	-	-	3.831	3.839
Depreciation	(309)	-	(3.344)	(2.090)	(5.743)
Reclassifications	306	-	-	-	306
Net Book Value as at 31/12/2018	870	-	75.830	10.818	87.518

Amortization charged in profit and loss is analyzed in notes 3.19 and 3.20.

3.5 Investments on subsidiaries

MYTILINEOS S.A.		
<i>(Amounts in thousands €)</i>	31/12/2018	31/12/2017
Total Opening	238.935	638.057
Additions	480	1.549
Merge Through Acquisition Of Subsidiary	-	(400.671)
Total	239.415	238.935

Below the investments of MYTILINEOS S.A. per subsidiary as at 31/12/2018:

<i>(amounts in thousands €)</i>	31/12/2018	31/12/2017
EPC AND INFRASTRUCTURE SECTOR SUBSIDIARIES	6.797	6.797
ELECTRIC POWER SECTOR SUBSIDIARIES	206.422	205.942
METALLURGY AND MINING SECTOR SUBSIDIARIES	17.509	17.509
METKA INDUSTRIAL - CONSTRUCTION S.A. (ex ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.)	165	165
PROTERGIA AGIOS NIKOLAOS S.A. OF GENERATION AND SUPPLY OF ELECTRICITY (ex ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.)	165	165
ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME (EX OSTENITIS S.A.)	60	60
M & M GAS Co S.A.	1.000	1.000
MYTILINEOS FINANCIAL PARTNERS S.A.	2.000	2.000
GENIKI VIOMICHANIKI S.A.	145	145
MYTILINEOS FINANCE S.A.	405	405
SOMETRA S.A.	4.747	4.747
Total	239.415	238.934

3.5.1 Important non-controlling interests

On the table below, the analysis of the non-controlling interests in Group's Subsidiaries:

SUBSIDIARY	% of NCI		Total comprehensive income allocated to NCI		Accumulated NCI	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
METKA-EGN Ltd Cyprus	49,9%	49,9%	(1.838)	824	252	1.148
METKA-EGN Ltd UK	49,9%	49,9%	(28)	1.949	3.744	3.803
METKA-EGN USA LLC	49,9%	49,9%	(663)	(1.150)	(1.254)	(548)
KORINTHOS POWER S.A.	35%	35%	442	1.325	39.978	39.540
M & M GAS Co S.A.	50%	50%	(74)	203	1.173	1.247
METKA EGN KZ LLP	49,9%	49,9%	971	(19)	1.028	6

The summarized financial statements of the Group's subsidiary companies before intragroup eliminations :

	METKA-EGN Ltd Cyprus		METKA-EGN Ltd UK		METKA-EGN USA LLC	
<i>(Amounts in thousands €)</i>	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Non-current assets	774	316	1.411	68	3	101
Current assets	22.118	27.712	12.969	30.955	559	2.650
Total assets	22.892	28.027	14.380	31.023	562	2.750
Non-current liabilities	103	0	73	0	0	252
Current liabilities	22.283	25.727	6.804	23.402	3.075	3.596
Total liabilities	22.386	25.727	6.877	23.402	3.075	3.848
Equity attributable to owners of the parent	254	1.153	3.759	3.818	(1.259)	(550)
Non-controlling interests	252	1.148	3.744	3.803	(1.254)	(548)
(Amounts in thousands €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Sales	29.514	34.000	28.623	52.140	3.584	4.794
Profit of the year attributable to owners of the parent	(1.845)	828	(29)	1.956	(666)	(1.154)
Profit for the year attributable to NCI	(1.838)	824	(28)	1.949	(663)	(1.150)
Profit for the year	(3.683)	1.652	(57)	3.905	(1.329)	(2.304)
Other comprehensive income for the year	1.888	(35)	(61)	(183)	(94)	(14)
Total comprehensive income for the year attributable to owners of the parent	(900)	810	(59)	1.865	(713)	(1.161)
Total comprehensive income for the year attributable to NCI	(896)	807	(59)	1.858	(710)	(1.157)
Total comprehensive income for the year	(1.795)	1.617	(118)	3.722	(1.423)	(2.318)
(Amounts in thousands €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net cash from operating activities	(4.302)	4.019	(10.560)	2.205	(62)	737
Net cash used in investins activities	71	(5.983)	(29)	468	0	(3)
Net cash from financing activities	0	6.000	0	6.032	9	(547)
Net (decrease)/increase in cash and cash equivalent s	(4.231)	4.036	(10.589)	8.705	(53)	187

6. Annual Financial Statements

<i>(Amounts in thousands €)</i>	METKA EGN KZ LLP		KORINTHOS POWER		M & M	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Non-current assets	69	59	251.461	266.417	218	213
Current assets	3.619	776	38.315	23.901	5.260	13.937
Total assets	3.689	835	289.776	290.317	5.477	14.151
Non-current liabilities	0	0	130.960	144.828	42	41
Current liabilities	1.629	823	44.594	32.517	3.090	11.616
Total liabilities	1.629	823	175.554	177.345	3.132	11.657
Equity attributable to owners of the parent	1.032	6	74.245	73.432	1.173	1.247
Non-controlling interests	1.028	6	39.978	39.540	1.173	1.247
<i>(Amounts in thousands €)</i>	<i>31/12/2018</i>	<i>31/12/2017</i>	<i>31/12/2018</i>	<i>31/12/2017</i>	<i>31/12/2018</i>	<i>31/12/2017</i>
Sales	2.864	904	146.236	123.096	28.151	29.208
Profit of the year attributable to owners of the parent	974	(19)	821	2.461	(74)	203
Profit for the year attributable to NCI	971	(19)	442	1.325	(74)	203
Profit for the year	1.945	(38)	1.263	3.786	(148)	405
Other comprehensive income for the year	103	39	(12)	1.308	0	(3)
Total comprehensive income for the year attributable to owners of the parent	1.026	1	813	3.311	(74)	201
Total comprehensive income for the year attributable to NCI	1.022	1	438	1.783	(74)	201
Total comprehensive income for the year	2.048	1	1.251	5.094	(148)	402
<i>(Amounts in thousands €)</i>	<i>31/12/2018</i>	<i>31/12/2017</i>	<i>31/12/2018</i>	<i>31/12/2017</i>	<i>31/12/2018</i>	<i>31/12/2017</i>
Net cash from operating activities	275	(349)	19.112	7.915	(2.277)	2.409
Net cash used in investins activities	(8)	(59)	(2.056)	(5.832)	1	1
Net cash from financing activities	0	450	(6.005)	(3.502)	0	0
Net (decrease)/increase in cash and cash equivalents	267	42	11.051	(1.419)	(2.276)	2.410

3.6 Investments in associate companies

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Total Opening	23.372	23.242	17.212	-
Share Of Profit/Loss (After Taxation & Minority Interest)	401	130	-	-
Additions	-	500	-	(1.001)
Merge Through Acquisition Of Subsidiary	-	(500)	-	18.213
Investments In Associates	23.773	23.372	17.212	17.212

The Group participates in associate companies, which due to significant influence are classified as associates and consolidated by equity method in the consolidated financial statements (the activity and percentage of participation are presented in note 3.6.1). These associate companies are not listed in any Stock Exchange market and therefore there are no market values.

3.6.1 Interests in Associates

Group's Financial Statements include, with the equity method, the following companies incorporated: THERMOREMA S.A. 40% (31.12.2017: 40%), FTHIOTIKI ENERGY S.A. 35,0% (31.12.2017: 35,0%), IONIA ENERGY S.A. (BUSINESS ENERGY TRIZINIA S.A. is included) 49% (31.12.2017: 49%), IPS S.A. 10% (31.12.2017: 10%). The Group based on the immaterial contribution of the above mentioned associate companies at earnings before taxes notifies below a summarized Income Statement:

<i>(Amounts in thousands €)</i>				
ASSOCIATE	% Participation	Sales	Profit / (Loss) Of The Period	Share Of Profit / (Loss) For The Period
THERMOREMA S.A.	40%	1.775	808	323
FTHIOTIKI ENERGY S.A.	35%	854	323	113
IONIA ENERGY S.A.	49%	2.313	341	167
INTERNATIONAL POWER SUPPLY AD	10%	1.129	(2.025)	(202)
		6.071	(552)	401

3.7 Deferred tax

MYTILINEOS GROUP							
	1/1/2018			31/12/2018			
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	Deferred Tax Impact From Disposal Of Subsidiary	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
<i>(Amounts in thousands €)</i>							
Non - Current Assets							
Intangible Assets	(31.246)	4.776	-	-	(26.470)	-	(26.470)
Tangible Assets	(51.991)	4.430	4	-	(47.554)	-	(47.554)
Other Financial Assets	(3)	-	-	-	(3)	-	(3)
Long-Term Receivables	(5.771)	136	-	-	(5.635)	-	(5.635)
Investment to subsidiaries	(12.050)	-	-	-	(12.050)	-	(12.050)
Current Assets	(101.061)	9.342	4	-	(91.712)	-	(91.712)
Inventories	(29)	-	-	-	(29)	-	(29)
Construction Contracts	40.437	632	-	-	41.069	41.069	-
Receivables	(2.213)	2.445	-	-	232	232	-
Financial Assets at fair value	63	(9)	-	-	54	54	-
Reserves	38.258	3.068	-	-	41.326	41.355	(29)
Reserves' defer tax liability	(58.760)	3.051	-	-	(55.709)	-	(55.709)
Actuarial Gain/Losses	27	2	-	-	29	29	-
Long-term Liabilities	(58.733)	3.053	-	-	(55.680)	29	(55.709)
Employee Benefits	3.169	(789)	(1)	-	2.378	2.378	-
Subsidies	69	-	-	-	69	69	-
Long-Term Loans	(807)	(890)	-	-	(1.696)	-	(1.696)
Other Long-Term Liabilities	(10.862)	148	-	-	(10.714)	-	(10.714)
Short-Term Liabilities	(8.431)	(1.531)	(1)	-	(9.963)	2.447	(12.410)
Provisions	(4.392)	(74)	(2)	-	(4.468)	-	(4.468)
Contingent Liabilities	7.220	-	-	-	7.220	7.220	-
Employee Benefits	348	(110)	2	-	239	239	-
Liabilities From Derivatives	13.768	(53)	(20.368)	-	(6.654)	-	(6.654)
Liabilities From Financing Leases	(57)	-	-	-	(57)	-	(57)
Other Short-Term Liabilities	(13.018)	2.006	-	-	(11.012)	-	(11.012)
Other Contingent Defer Taxes	11.877	-	-	-	11.877	11.877	-
Total	15.746	1.769	(20.368)	-	(2.855)	19.336	(22.191)
Offsetting	-	-	-	-	-	30.062	(30.062)
Deferred Tax From Tax Losses	57.303	(7.505)	-	-	49.798	49.798	-
Deferred Tax (Liability)/Receivables	(56.918)	8.196	(20.365)	-	(69.086)	143.027	(212.113)

MYTILINEOS GROUP							
	1/1/2017			31/12/2017			
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	Deferred Tax Impact From Disposal Of Subsidiary	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
<i>(Amounts in thousands €)</i>							
Non - Current Assets							
Intangible Assets	(24.975)	(6.271)	-	-	(31.246)	-	(31.246)
Tangible Assets	(45.118)	(6.873)	-	-	(51.991)	-	(51.991)
Other Financial Assets	(3)	-	-	-	(3)	-	(3)
Long-Term Receivables	(14.852)	9.081	-	-	(5.771)	-	(5.771)
Investment to subsidiaries	(36.563)	(3.225)	27.738	-	(12.050)	-	(12.050)
Current Assets	(121.511)	(7.288)	27.738	-	(101.061)	-	(101.061)
Inventories	(29)	-	-	-	(29)	-	(29)
Construction Contracts	35.770	4.667	-	-	40.437	40.437	-
Receivables	6.045	542	(8.800)	-	(2.213)	-	(2.213)
Financial Assets at fair value	62	1	-	-	63	63	-
Reserves	41.848	5.210	(8.800)	-	38.258	40.500	(2.242)
Reserves' defer tax liability	(58.760)	-	-	-	(58.760)	-	(58.760)
Actuarial Gain/Losses	25	1	1	-	27	27	-
Long-term Liabilities	(58.735)	1	1	-	(58.733)	27	(58.760)
Employee Benefits	3.832	(689)	26	-	3.169	3.169	-
Subsidies	69	-	-	-	69	69	-
Long-Term Loans	(1.517)	1.256	(545)	-	(806)	-	(806)
Other Long-Term Liabilities	(7.181)	(3.681)	-	-	(10.862)	-	(10.862)
Short-Term Liabilities	(4.797)	(3.114)	(519)	-	(8.430)	3.238	(11.668)
Provisions	(3.331)	(1.050)	(11)	-	(4.392)	-	(4.392)
Contingent Liabilities	7.220	-	-	-	7.220	7.220	-
Employee Benefits	(66)	414	-	-	348	348	-
Liabilities From Derivatives	2.141	-	11.627	-	13.768	13.768	-
Liabilities From Financing Leases	(57)	-	-	-	(57)	-	(57)
Other Short-Term Liabilities	925	(13.941)	(2)	-	(13.018)	-	(13.018)
Other Contingent Defer Taxes	12.868	(1.010)	19	-	11.877	11.877	-
Total	19.700	(15.587)	11.633	-	15.746	33.213	(17.467)
Offsetting	-	-	-	-	-	(10.103)	10.103
Deferred Tax From Tax Losses	34.367	22.937	-	-	57.304	57.304	-
Deferred Tax (Liability)/Receivables	(89.128)	2.159	30.053	-	(56.916)	124.179	(181.095)

6. Annual Financial Statements

MYTILINEOS S.A.

	1/1/2018			31/12/2018			
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	Deferred Tax Impact From Disposal Of Subsidiary	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
<i>(Amounts in thousands €)</i>							
Non - Current Assets							
Intangible Assets	(29.344)	4.224	-	-	(25.120)	602	(25.721)
Tangible Assets	(60.931)	8.055	-	-	(52.876)	108	(52.984)
Long-Term Receivables	-	136	-	-	136	136	-
Current Assets	(90.275)	12.415	-	-	(77.860)	846	(78.705)
Construction Contracts	35.446	1.559	-	-	37.005	37.005	-
Receivables	(3.987)	1.049	-	-	(2.938)	340	(3.278)
Financial Assets at fair value	67	(9)	-	-	57	57	-
Reserves	31.526	2.599	-	-	34.124	37.402	(3.278)
Reserves' defer tax liability	(62.156)	3.051	-	-	(59.105)	-	(59.104)
Actuarial Gain/Losses	16	-	-	-	16	16	-
Long-term Liabilities	(62.140)	3.051	-	-	(59.089)	16	(59.104)
Employee Benefits	3.516	(728)	-	-	2.788	2.788	-
Long-Term Loans	32	(12)	-	-	20	349	(329)
Other Long-Term Liabilities	(2.768)	223	-	-	(2.546)	(27)	(2.519)
Short-Term Liabilities	780	(517)	-	-	262	3.110	(2.848)
Provisions	970	(77)	-	-	893	1.018	(126)
Employee Benefits	785	(117)	2	-	669	669	-
Liabilities From Derivatives	13.637	-	(20.368)	-	(6.731)	-	(6.731)
Other Short-Term Liabilities	(12.343)	1.790	-	-	(10.553)	10.319	(20.871)
Total	3.048	1.596	(20.366)	-	(15.722)	12.007	(27.729)
Deferred Tax From Tax Losses	38.633	(7.344)	-	-	31.289	31.289	-
Deferred Tax (Liability)/Receivables	(78.428)	11.800	(20.366)	-	(86.995)	84.670	(171.664)

MYTILINEOS S.A.

	1/1/2017			31/12/2017			
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	Deferred Tax Impact From Disposal Of Subsidiary	As At 31 December	Deferred Tax Asset	Deferred Tax Liability
<i>(Amounts in thousands €)</i>							
Non - Current Assets							
Intangible Assets	626	(5.988)	-	(23.982)	(29.344)	635	(29.978)
Tangible Assets	(1.228)	(1.394)	-	(58.309)	(60.931)	29	(60.960)
Long-Term Receivables	-	9.202	-	(9.202)	-	-	-
Investment to subsidiaries	(27.738)	(3.225)	27.738	3.225	-	-	-
Current Assets	(28.340)	(1.405)	27.738	(88.268)	(90.275)	664	(90.938)
Construction Contracts	-	4.117	-	31.329	35.446	-	35.446
Receivables	8.800	540	(8.800)	(4.527)	(3.987)	-	(3.987)
Financial Assets at fair value	66	1	-	-	67	67	-
Reserves	8.866	4.658	(8.800)	26.802	31.526	67	31.459
Reserves' defer tax liability	-	-	-	(62.156)	(62.156)	-	(62.156)
Actuarial Gain/Losses	16	-	-	-	16	16	-
Long-term Liabilities	16	-	-	(62.156)	(62.140)	16	(62.156)
Employee Benefits	-	(700)	26	4.190	3.516	3.516	-
Long-Term Loans	(16)	865	-	(816)	33	36	(4)
Other Long-Term Liabilities	-	(3.632)	-	864	(2.768)	31	(2.799)
Short-Term Liabilities	(16)	(3.467)	26	4.238	781	3.583	(2.803)
Provisions	1.903	(1.051)	(10)	128	970	1.113	(143)
Employee Benefits	190	414	-	181	785	785	-
Liabilities From Derivatives	-	-	11.689	1.947	13.636	13.637	-
Other Short-Term Liabilities	-	(13.926)	-	1.583	(12.343)	3.600	(15.942)
Other Contingent Defer Taxes	-	(12)	-	12	-	-	-
Total	2.093	(14.576)	11.679	3.851	3.048	19.135	(16.085)
Deferred Tax From Tax Losses	-	30.881	-	7.752	38.633	38.633	-
Deferred Tax (Liability)/Receivables	(17.381)	16.091	30.643	(107.781)	(78.427)	62.098	(140.523)

3.8 Inventories

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Raw materials	64.334	60.691	61.161	59.122
Semi-finished products	2.358	844	2.040	522
Finished products	28.355	18.060	28.355	18.059
Work in Progress	42.760	32.552	42.665	32.228
Merchandise	528	5.064	-	-
Others	48.475	44.110	37.694	32.455
Total	186.809	161.322	171.915	142.387
(Less)Provisions for scrap, slow moving and/or destroyed inventories	(2.432)	(2.432)	(2.303)	(2.303)
Total Stock	184.377	158.890	169.612	140.084

The increase in inventories is due to the purchase of anodes and bauxite that will be consumed in 2019.

3.9 Other receivables

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other Debtors	149.323	199.361	76.804	106.690
Receivables from the State	41.193	31.149	10.438	15.191
Receivables from Subsidiaries	-	-	192.177	168.891
Accrued income - Prepaid expenses	69.191	43.007	68.989	38.551
Prepaid expenses for construction contracts	875	6	837	5
Less: Provision for Bad Debts	(1.388)	(899)	(1.388)	(899)
Total	259.193	272.625	347.857	328.430

As at 31/12/2018, the category "Other Debtors" includes mainly amounts of 37 mio € as collateral for letters of guarantee and 8,5 mio € from Operator of Electricity Market .

In addition, prepaid expenses for construction contracts, includes amounts of € 500 thousands for the construction of the project "Freight Center in Thriasio Plain".

"Other receivables" do not include overdue and non-impaired receivables.

The movement of the provision of doubtful other receivables is shown in the following table:

<i>(Amounts in Thousands €)</i>	MYTILINEOS GROUP	MYTILINEOS S.A.
	Other Receivables	Other Receivables
Opening Balance 1st January 2018, according to IAS 39	899	899
Adjustment, according to IFRS 9	489	489
Opening Balance 1st January 2018, according to IFRS 9	1.388	1.388
Revaluation of loss	-	-
Closing Balance 31/12/2018	1.388	1.388

3.10 Financial assets & liabilities

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, FX spot and forwards, trade accounts receivable and payable, loans to and from subsidiaries, associates, joint ventures, investments in bonds, dividends payable and lease obligations.

The financial instruments presented in the financial statements are categorized in the tables below:

	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
<i>(Amounts in thousands €)</i>				
Non current assets	-	-	-	-
Financial Assets Available for Sale	159	163	37	37
Other Long-term Receivables	105.019	134.603	58.558	52.074
Total	105.177	134.766	58.595	52.111
Current assets	-	-	-	-
Derivatives	31.605	15.168	29.453	15.168
Financial assets at fair value through profit or loss	63	814	63	814
Trade and other receivables	1.058.501	1.018.481	720.291	754.584
Cash and cash equivalents	208.090	160.940	139.656	88.995
Total	1.298.260	1.195.402	889.464	859.561
Non-Current Liabilities	-	-	-	-
Long-term debt	534.028	598.755	369.323	397.589
Derivatives	2.787	4.227	2.787	4.227
Other long-term liabilities	129.666	82.273	97.100	63.901
Total	666.480	685.255	469.209	465.717
Current Liabilities	-	-	-	-
Short-term debt	28.912	95.998	267	75.492
Current portion of non-current liabilities	35.551	34.327	17.332	22.202
Derivatives	3.222	58.530	2.826	57.964
Trade and other payables	751.249	657.663	560.535	511.410
Total	818.934	846.518	580.961	667.068

A description of the Group's financial instruments risks, is given in Note 3.31.

3.10.1 Financial Assets available for sale

	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
<i>(Amounts in thousands €)</i>				
Total Opening	163	169	37	37
Valuation Of Treasury Shares At Fair Value	(10)	9	-	-
Exchange Rate Differences	6	(15)	-	-
Closing Balance	159	163	37	37
Non-Current Assets	-	-	-	-
Current Assets	-	-	-	-

Regarding highly liquid assets, namely shares, bank bonds and mutual funds with long-term investment horizon that are traded in an active market.

3.10.2 Financial assets at fair value through profit or loss

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Total Opening	814	959	814	69
Additions	564	-	564	-
Sales	(1.316)	-	(1.316)	-
Fair Value Adjustments	1	(144)	1	(144)
Merge Through Acquisition Of Subsidiary	-	-	-	890
Closing Balance	63	814	63	814

3.10.3 Derivatives financial instruments

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP				MYTILINEOS S.A.			
	31/12/2018		31/12/2017		31/12/2018		31/12/2017	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Derivatives	31.605	6.009	15.168	62.757	29.453	5.613	15.168	62.191

All derivatives open positions have been marked to market. Fair values of the “interest rate swaps”, are confirmed by the financial institutions that the Group has as counterparties.

The Group manages the exposure to currency risk through the use of currency forwards and options and thus by “locking” at exchange rates that provide sufficient cash flows and profit margins. Furthermore, the Group manages the exposure to commodity risk through the use of: a) commodity futures that hedge the risk from the change at fair value of commodities and b) commodity swaps that hedge fluctuations in cash flows from the volatility in aluminum prices.

3.10.4 Other long-term receivables

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Customers - Withholding guarantees falling due after one year	89.099	122.964	47.252	44.524
Given guarantees	5.551	1.788	5.071	1.291
Other long term receivables	10.369	9.851	6.235	6.258
Other long term receivables	105.019	134.603	58.558	52.074

Mytilineos' Group "other long term receivables" refer to advances to suppliers of the Parent company as well as receivables of subsidiary POWER PROJECTS from Turkish tax authorities. The reduction of long-term receivables from customers is mainly due to their transfer to customers and other trade receivables.

3.10.5 Loan liabilities

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Long-term debt				
Bank loans	138.631	14.759	-	-
Bonds	395.396	583.996	369.323	397.589
Total	534.028	598.755	369.323	397.589
Short-term debt				
Overdraft	123	54.562	123	52.462
Bank loans	28.785	41.437	141	23.031
Bonds	4	-	4	-
Total	28.912	95.998	267	75.492
Current portion of non-current liabilities	35.551	34.327	17.332	22.202
Total	598.491	729.080	386.922	495.283

The effective weighted average borrowing rate for the group, as at the balance sheet date is 3.75%.

3.10.6 Loan liabilities movement

(Amounts in thousands €)	MYTILINEOS GROUP					
	31/12/2018		Total	31/12/2017		Total
	Short term Loan Liabilities	Long term Loan Liabilities		Short term Loan Liabilities	Long term Loan Liabilities	
Total Opening	130.326	598.755	729.080	387.526	428.650	816.176
Repayments	(322.749)	(193.235)	(515.985)	(437.676)	(228.301)	(665.977)
Proceeds	233.258	154.778	388.037	155.140	429.792	584.932
Foreign Exchange Rates	(279)	(2.184)	(2.463)	255	-	255
Other	(2.095)	1.916	(179)	2.673	(1.000)	1.673
Reclassification	26.003	(26.003)	-	22.407	(30.386)	(7.979)
Total	64.463	534.028	598.491	130.325	598.755	729.080

(Amounts in thousands €)	MYTILINEOS S.A.					
	31/12/2018		Total	31/12/2017		Total
	Short term Loan Liabilities	Long term Loan Liabilities		Short term Loan Liabilities	Long term Loan Liabilities	
Total Opening	97.694	397.589	495.283	18.831	5.250	24.081
Impact From Merge of Subsidiaries	-	-	-	295.818	261.551	557.369
Repayments	(154.305)	(131.596)	(285.901)	(371.605)	(220.248)	(591.853)
Proceeds	78.923	100.000	178.923	140.116	375.000	515.116
Other	(5.092)	3.710	(1.383)	323	(1.763)	(1.440)
Reclassification	380	(380)	-	14.211	(22.202)	(7.991)
Total	17.599	369.323	386.922	97.694	397.589	495.283

3.10.7 Other long-term liabilities

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Received guarantees - Grants-Leasing				
Total Opening	46.779	49.418	29.250	-
Received Guarantees - Grants-Leasing From Subsidiaries' acquisition	-	-	-	30.470
Additions	20.160	39	2.160	39
Transfer At Profits/Loss	(310)	(147)	(310)	(147)
Transfer From / (To) Short - Term	(4.201)	(2.531)	(1.113)	(1.112)
Closing Balance	62.428	46.779	29.988	29.250
Advances of customers				
Total Opening	7.029	45.837	7.029	-
Received Guarantees - Grants-Leasing From Subsidiaries' acquisition	-	-	-	45.837
Additions	31.290	(34.858)	31.290	(34.858)
Transfer From / (To) Short - Term	-	(3.949)	-	(3.949)
Closing Balance	38.320	7.029	38.320	7.029
Other				
Total Opening	8.847	5.908	8.004	27.585
Received Guarantees - Grants-Leasing From Subsidiaries' acquisition	-	-	-	5.742
Additions	1.751	2.080	9.174	2.262
Transfer At Profits/Loss	(8.045)	-	(8.004)	-
Transfer From / (To) Short - Term	6.420	861	-	(27.585)
Exchange Rate Differences	329	(2)	-	-
Closing Balance	9.301	8.847	9.174	8.004
Suppliers holdings for good performance				
Total Opening	19.618	32.733	19.618	-
Received Guarantees - Grants-Leasing From Subsidiaries' acquisition	-	-	-	19.847
Additions	-	(19.847)	-	(19.847)
Transfer From / (To) Short - Term	-	9.110	-	19.618
Exchange Rate Differences	-	(2.379)	-	-
Closing Balance	19.618	19.618	19.618	19.618
Total	129.666	82.273	97.100	63.901

3.11 Customers and other trade receivables

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Customers	619.299	479.076	298.798	325.012
Notes receivable	-	300	-	-
Checks receivable	4.283	4.282	2.505	2.463
Receivables from contracts	158.538	217.309	60.528	59.474
Less: Impairment Provisions	(24.439)	(6.766)	(22.276)	(4.603)
Net trade Receivables	757.681	694.202	339.554	382.347
Advances for inventory purchases	96	157	-	-
Advances to trade creditors	41.530	51.497	32.879	43.808
Total	799.307	745.856	372.433	426.155

<i>Construction Contracts</i>	MYTILINEOS GROUP	
	31/12/2018	31/12/2017
Realised Contractual Cost & Profits (minus realised losses)	3.064.924	3.211.142
Less: Progress Billings	(3.056.797)	(3.126.994)
	8.127	84.148
Receivables for construction contracts according to the percentage of completion	158.538	217.309
Liabilities related to construction contracts according to percent. of completion	(150.410)	(133.161)
Advances received	53.497	60.246
Clients holdings for good performance	63.935	75.349

The increase in customers is mainly due to invoices of the EPC sector which were made at the end of 2018 and are expected to be collected in 2019 as well as to the transfer of receivables from customers - long-term receivables.

The movement in the provision for doubtful receivables related to Customers and Other Trade Receivables is analyzed below:

<i>(Amounts in Thousands €)</i>	MYTILINEOS GROUP	MYTILINEOS S.A.
	Customers and Other Trade Receivables	Customers and Other Trade Receivables
Opening Balance 1st January 2018, according to IAS 39	6,766	4,603
Adjustment, according to IFRS 9	16,734	16,734
Opening Balance 1st January 2018, according to IFRS 9	23,500	21,337
Revaluation of loss	939	939
Closing Balance 31/12/2018	24,439	22,276

3.12 Cash and cash equivalents

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Cash	1.257	1.002	1.113	915
Bank deposits	118.508	104.783	50.797	34.309
Time deposits & Repos	88.326	55.155	87.747	53.770
Total	208.090	160.940	139.656	88.995

The weighted average interest rate is as:	31/12/2018	31/12/2017
Deposits in Euro	0,23%	0,24%

Cash and cash equivalent do not include blocked deposits.

3.13 Suppliers and other liabilities

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Suppliers	262.066	331.536	132.892	225.220
Notes Payable	105	-	-	-
Customers' Advances	195.764	111.073	154.290	86.887
Liabilities to customers	150.410	132.722	150.956	132.504
Total	608.346	575.331	438.138	444.610

The increase in customer advances concerns the collection of advances under trade agreements.

3.14 Other short-term liabilities

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Liabilities to Related Parties	-	-	15.431	16.208
Accrued expense	58.906	31.371	53.114	24.032
Social security insurance	4.101	4.048	3.453	3.460
Dividends payable	2.955	195	2.955	195
Deferred income-Grants	-	16	-	-
Others Liabilities	76.941	46.701	47.444	22.906
Total	142.903	82.331	122.397	66.800

The increase in accrued expenses is due to purchases of electricity and gas which will be invoiced in January 2019.

The increase in other liabilities mainly concerns the sale of CO2 emissions with a repurchase obligation in 2019.

3.15 Total Equity

3.15.1 Share capital

The shares of Mytilineos Holding S.A are all listed on the Securities Market of the Athens Exchange.

The share capital of Mytilineos Holding S.A amounts to one hundred thirty-eight millions six hundred four thousand four hundred twenty-six euros and seventeen cents (€ 138.604.426,17), divided into one hundred forty-two millions eight hundred ninety-one thousand one hundred sixty-one (142.891.161) registered shares with a nominal value of € 0,97 each.

3.15.2 Reserves

Reserves in the financial statements are analysed as follows:

MYTILINEOS GROUP									
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Revaluation reserves	Financial instruments valuation reserve	Stock Option Plan Reserve	Stock Option Plan Reserve	Merged Reserves	Total
<i>(Amounts in thousands €)</i>									
Opening Balance 1st January 2017, according to IFRS -as published-	19.920	8.762	77.546	221	(1.056)	1.225	(1.991)	-	104.627
Transfer To Reserves	659	(5)	(1.916)	-	-	-	204	-	(1.058)
Impact From Merge Through Acquisition Of Subsidiary	-	-	-	-	-	-	-	3.628	3.628
Exchange Differences On Translation Of Foreign Operations	-	-	-	-	-	-	2	-	2
Cash Flow Hedging Reserve	-	-	-	-	2.115	-	-	-	2.115
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	(15)	-	(15)
Actuarial Gain / (Losses)	-	-	-	-	-	-	1.081	-	1.081
Deferred Tax From Cash Flow Hedging Reserve	-	-	-	-	(613)	-	-	-	(613)
Closing Balance 31/12/2017	20.579	8.757	75.630	221	446	1.225	(719)	3.628	109.767
Opening Balance 1st January 2018, according to IFRS -as published-	20.579	8.757	75.630	221	446	1.225	(719)	3.628	109.767
Transfer To Reserves	130	4.394	13.859	-	-	-	-	-	18.383
Available For Sale Financial Assets	-	-	-	-	2.152	-	-	-	2.152
Cash Flow Hedging Reserve	-	-	-	-	169	-	-	-	169
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	4	-	4
Actuarial Gain / (Losses)	-	-	-	-	-	-	283	1	284
Reserve Variation From Tax Rate Revaluation	-	-	-	-	-	-	(1)	-	(1)
Closing Balance 31/12/2018	20.709	13.150	89.489	221	2.767	1.225	(433)	3.629	130.758

MYTILINEOS S.A.									
	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Revaluation reserves	Financial instruments valuation reserve	Stock Option Plan Reserve	Stock Option Plan Reserve	Merged Reserves	Total
<i>(Amounts in thousands €)</i>									
Opening Balance 1st January 2017, according to IFRS -as published-	55.572	16.989	(70.446)	172	-	1.298	(93)	-	3.492
Transfer To Reserves	545	-	(2.483)	-	-	-	253	1.815	130
Impact From Merge Through Acquisition Of Subsidiary	7.080	58.105	106.924	2	(11)	317	(5.699)	(326.021)	(159.304)
Cash Flow Hedging Reserve	-	-	-	-	13	-	-	-	13
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	(16)	-	(16)
Actuarial Gain / (Losses)	-	-	-	-	-	-	1.083	-	1.083
Deferred Tax From Cash Flow Hedging Reserve	-	-	-	-	(4)	-	-	-	(4)
Closing Balance 31/12/2017	63.197	75.093	33.994	174	(2)	1.615	(4.471)	(324.206)	(154.606)
Opening Balance 1st January 2018, according to IFRS -as published-	63.197	75.093	33.994	174	(2)	1.615	(4.471)	(324.206)	(154.606)
Transfer To Reserves	-	4.394	13.425	-	-	-	-	-	17.819
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	-	-	-	2	-	2
Actuarial Gain / (Losses)	-	-	-	-	-	-	331	1	332
Closing Balance 31/12/2018	63.197	79.487	47.419	174	(2)	1.615	(4.139)	(324.205)	(136.454)

The majority of the above reserves relates to Parent Company and Greek subsidiaries. Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to

a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed throughout the life of the company.

Tax free reserves represent non distributed profits that are exempt from income tax based on special provisions of development laws (under the condition that adequate profits exist for their allowance). These reserves mainly relate to investments and are not distributed.

Specially taxed reserves represent interest income and income from disposal of listed in the Stock Exchange and non listed companies and are tax free or tax has been withheld at source. Except for any tax prepayments, these reserves are exempted from taxes, provided they are not distributed to shareholders.

3.16 Employee benefit liabilities

MYTILINEOS GROUP						
(Amounts in thousands €)	31/12/2018			31/12/2017		
	Defined Contributions Plans	Defined Benefits Plans	Total	Defined Contributions Plans	Defined Benefits Plans	Total
Current employment cost	351	11	361	344	-	344
Financial cost	291	85	376	321	108	429
Anticipated return on assets	-	(93)	(93)	-	(95)	(95)
Losses from abridgement	-	5	5	-	-	-
Net actuarial (profits)/ losses realised for the period	9	-	9	99	-	99
Settlement Cost	535	38	573	396	41	437
Amount to Income Statement	1.186	45	1.231	1.160	55	1.214
Actuarial (Gain)/Losses immediate recognise in profit and loss statement	(397)	113	(284)	(605)	(476)	(1.082)
Amount through Other Comprehensive Income	(397)	113	(284)	(605)	(476)	(1.082)
Expected return of plan assets	-	93	93	-	95	95
Actuarial gains on plan assets	-	527	527	-	170	170
Return of plan assets	-	620	620	-	265	265

MYTILINEOS S.A.						
(Amounts in thousands €)	31/12/2018			31/12/2017		
	Defined Contributions Plans	Defined Benefits Plans	Total	Defined Contributions Plans	Defined Benefits Plans	Total
Current employment cost	298	-	298	289	-	289
Financial cost	253	85	338	281	108	389
Anticipated return on assets	-	(93)	(93)	-	(95)	(95)
Net actuarial (profits)/ losses realised for the period	7	-	7	101	-	101
Settlement Cost	518	38	556	340	41	381
Amount to Income Statement	1.076	30	1.106	1.009	55	1.064
Actuarial (Gain)/Losses immediate recognise in profit and loss statement	(445)	113	(332)	(607)	(476)	(1.083)
Amount through Other Comprehensive Income	(445)	113	(332)	(607)	(476)	(1.083)

The Group's present value of the liability at year end 2018 is € 16.273 k and accordingly for 2017 is € 17.283 k :

6. Annual Financial Statements

MYTILINEOS GROUP

	31/12/2018			31/12/2017		
	Defined Contributions Plans	Defined Benefits Plans	Total	Defined Contributions Plans	Defined Benefits Plans	Total
<i>(Amounts in thousands €)</i>						
Total Opening	17.166	117	17.283	17.815	768	18.583
Current Employment Cost	355	15	371	343	-	343
Financial Cost	292	85	377	321	108	429
Employer Contributions	-	(110)	(110)	-	(1.145)	(1.145)
Actuarial (Profits)/ Losses	(412)	128	(284)	(841)	(430)	(1.270)
Losses From Abridgement	315	32	346	77	41	118
Settlement Cost	223	(171)	52	324	778	1.102
Anticipated Return On Assets	-	(96)	(96)	-	(95)	(95)
Contributions Paid	(1.789)	126	(1.664)	(992)	117	(875)
Merge Through Acquisition Of Subsidiary	-	-	-	119	(26)	93
Closing Balance	16.147	126	16.274	17.166	117	17.283

The Entity's present value of the liability at year end 2018 is € 13.874 k and accordingly for 2017 is € 14.994 k.

MYTILINEOS S.A.

	31/12/2018			31/12/2017		
	Defined Contributions Plans	Defined Benefits Plans	Total	Defined Contributions Plans	Defined Benefits Plans	Total
<i>(Amounts in thousands €)</i>						
Total Opening	14.877	117	14.994	710	-	710
Current Employment Cost	298	-	298	289	-	289
Financial Cost	253	85	338	281	108	389
Employer Contributions	-	(110)	(110)	-	(1.145)	(1.145)
Actuarial (Profits)/ Losses	(445)	113	(331)	(844)	(430)	(1.274)
Losses From Abridgement	315	32	346	77	41	118
Settlement Cost	204	(171)	33	262	778	1.041
Anticipated Return On Assets	-	(96)	(96)	-	(95)	(95)
Contributions Paid	(1.727)	130	(1.596)	(894)	117	(777)
Merge Through Acquisition Of Subsidiary	-	-	-	14.997	742	15.739
Closing Balance	13.773	101	13.874	14.877	117	14.994

The assumptions used, are presented in the following table:

	31/12/2018	31/12/2017
Discount Rate	1,6%	1,7%
Future Salary increases	2,0%	2,0%
Inflation	2,0%	2,0%

3.17 Provisions

Provisions referring to Group and Company are recognized if the following are met: (a) legal or implied liabilities exist as a consequence of past events, (b) there is a possibility of settlement that will require the outflow of economic benefits and (c) the amount of the liability can be measured reliably. More specifically, the Group recognizes provisions for environmental restorations as a result of exploitation of mineral resources processed mainly for the production of Alumina and Aluminum. All provisions are reviewed at each balance-sheet date and are adjusted accordingly so that they reflect the present value of expenses that will be required for the restoration of the environment. Contingent receivables are not recognized in the financial statements but are disclosed if there is a possibility of an inflow of economic benefits.

Environmental Restoration. This provision represents the present value of the estimated costs to reclaim quarry sites and other similar post-closure obligations.

Tax Liabilities. This provision relates to future obligations that may result from tax audits.

Other provisions. Comprise other provisions relating to other risks none of which are individually material to the Group and to contingent liabilities arising from current commitments.

MYTILINEOS GROUP				
(Amounts in thousands €)	Environmental Restoration	Tax liabilities	Other	Total
1/1/2017	1.099	1.315	11.517	13.930
Additional Provisions For The Period	1.000	372	1.080	2.452
Unrealised Reversed Provisions	-	(346)	-	(346)
Exchange Rate Differences	-	-	(2)	(2)
Realised Provisions For The Period	(168)	(444)	(1.858)	(2.471)
31/12/2017	1.930	897	10.737	13.564
Long -Term	1.930	897	10.737	13.564
Short - Term	-	-	-	-
Additional Provisions For The Period	500	(44)	2.188	2.644
Unrealised Reversed Provisions	(1.500)	-	-	(1.500)
Exchange Rate Differences	-	-	815	815
Realised Provisions For The Period	(150)	(2)	(1.235)	(1.387)
31/12/2018	781	851	12.505	14.137
Long -Term	781	895	12.454	14.130
Short - Term	-	-	7	7

MYTILINEOS S.A.				
(Amounts in thousands €)	Environmental Restoration	Tax liabilities	Other	Total
1/1/2017	-	2	266	268
Merge Through Acquisition Of Subsidiary	-	1.395	11.233	12.628
Additional Provisions For The Period	1.000	-	1.093	2.093
Unrealised Reversed Provisions	-	(346)	-	(346)
Realised Provisions For The Period	-	(437)	(1.855)	(2.291)
31/12/2017	1.000	615	10.737	12.352
Long -Term	1.000	615	10.737	12.352
Short - Term	-	-	-	-
Additional Provisions For The Period	500	-	2.138	2.638
Unrealised Reversed Provisions	(1.500)	-	-	(1.500)
Exchange Rate Differences	-	-	815	815
Realised Provisions For The Period	-	-	(1.235)	(1.235)
31/12/2018	-	615	12.454	13.069
Long -Term	-	615	12.454	13.069
Short - Term	-	-	-	-

3.18 Current tax liabilities

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Tax expense for the period	26.399	23.009	23.583	18.483
Tax audit differences	(7)	(7)	-	-
Tax liabilities	25.612	20.508	21.958	15.727
Total	52.005	43.510	45.541	34.210

3.19 Cost of goods sold

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Retirement benefits	1	1	-	-
Other employee benefits	57.807	56.991	50.539	50.001
Cost of materials & inventories	506.711	599.512	414.027	461.644
Third party expenses	160.548	133.043	67.426	51.244
Third party benefits	375.923	283.554	371.785	282.490
Assets repair and maintenance cost	15.079	13.723	10.667	10.256
Operating leases rent	2.583	2.501	1.658	1.536
Taxes & Duties	5.314	9.724	4.186	5.400
Advertisement	787	289	786	289
Other expenses	30.427	36.647	20.909	18.384
Depreciation - Tangible Assets	69.204	68.109	50.689	49.842
Depreciation - Intangible Assets	5.788	5.543	3.478	3.416
Grants amortization incorporated to cost	(1.047)	(523)	(1.047)	(523)
Total	1.229.125	1.209.113	995.103	933.979

3.20 Administrative & Distribution Expenses

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Distribution expenses				
Other employee benefits	840	873	780	818
Inventory cost	1	-	1	-
Third party expenses	2.307	2.323	2.058	2.264
Third party benefits	73	637	71	636
Assets repair and maintenance cost	1	1	1	-
Operating leases rent	51	45	49	43
Taxes & Duties	1.172	922	107	105
Advertisement	3.945	3.338	3.945	3.338
Other expenses	807	1.017	783	1.005
Depreciation - Tangible Assets	7	10	7	10
Depreciation - Intangible Assets	-	5	-	5
Total	9.204	9.171	7.802	8.225

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Administrative expenses				
Other employee benefits	22.385	21.186	19.592	17.520
Inventory cost	-	59	-	59
Third party expenses	33.481	34.892	24.851	25.640
Third party benefits	3.340	5.476	3.048	5.381
Assets repair and maintenance cost	407	597	395	575
Operating leases rent	3.434	2.944	2.515	2.190
Taxes & Duties	370	501	267	381
Advertisement	2.463	1.261	2.276	1.032
Other expenses	6.739	8.566	5.113	5.993
Depreciation - Tangible Assets	1.710	1.093	1.623	1.018
Depreciation - Intangible Assets	4.484	135	1.916	125
Total	78.815	76.710	61.598	59.914

For 2018, the figure for Administrative expenses includes amount of € 0,1 mio, regarding auditor fees for the provision of services other than statutory audits.

3.21 Other operating income / expenses

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other operating income				
Grants amortization	1.484	1.468	65	49
Income from Subsidies	664	47	450	26
Compensations	546	25.093	536	15.306
Profit from foreign exchange differences	9.630	25.761	2.701	24.987
Rent income	1.983	250	2.106	372
Operating income from services	2.758	3.922	904	4.319
Income from reversal of unrealized provisions	1.418	-	1.418	-
Profit from sale of fixed assets	148	56	6	9
Other	2.578	2.053	2.649	1.395
Total	21.209	58.650	10.834	46.463
Other operating expenses				
Losses from foreign exchange differences	11.326	34.165	4.223	21.893
Provision for bad debts	939	986	939	1.000
Loss from sale of fixed assets	-	7	-	4
Operating expenses from services	10.206	1.497	4.561	317
Other taxes	1.717	667	1.185	426
Compensations	927	19.789	2	19.781
Other provisions	1.102	1.000	1.102	1.000
Total	26.217	58.111	12.013	44.422

The fluctuations of the foreign exchange currency rates in 2018 and 2017 and the respective effect in the financial statements are analysed in detail in the Annual Report of the B.o.D. and in “Business Risk Management”.

On 29.08.2017, MYTILINEOS announced its justification to the International Arbitral Tribunal against Serbia. Following an international arbitration process lasting several years, the International Arbitral Tribunal to which MYTILINEOS had recourse against the Serbian company RTB Bor requesting compensation, vindicated the Greek company. The award amount of 24.6 € mio has been included in other operating incomes.

Operating expenses from services were charged due to the case of “BOTAS PETROLEUM PIPELINE CORPORATION” (see note 3.37.2).

In the other operating expenses and specifically in compensations, the Company had recognized the amount of € 17.4 million in the year 2017 for the state aid case against MYTILINEOS (see detail note 3.37.2).

3.22 Financial income / expenses

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Financial income				
Bank deposits	204	111	151	84
Customers	870	709	670	507
Loans to related parties	-	-	5.071	5.833
Other	4.514	9.721	185	6.873
Transactions with related parties	-	-	-	634
Receivables' discount interest	6.781	5.554	-	-
Total	12.369	16.095	6.077	13.932
Financial expenses				
Discounts of Employees' benefits liability due to service termination	13	12	11	13
Bank Loans	30.645	36.443	20.521	24.508
Interest charges due to customer downpayments	84	120	84	120
Loans to related parties	-	-	96	6.327
Letter of Credit commissions	9.207	6.481	4.249	3.798
Interest rate swaps	-	1.712	-	-
Factoring	2.426	855	2.273	783
Other Banking Expenses	3.551	4.035	1.903	2.699
Interest from operating/trading activities	1.963	8.059	1.512	7.331
Liabilities' discount interest	2.478	1.629	-	-
Total	50.368	59.347	30.648	45.579

The decrease in “Other” financial income is mainly due to the amount of interest which was accounted as financial income from the compensation received by the Company in 2017 (note 3.21).

The decrease in “Interest from operating/trading activities” is mainly due to the amount of interest that was accounted as financial expense of the compensation paid by the Company for the State aid case (note 3.21) in 2017.

3.23 Other financial results

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other financial results				
Non-hedging derivatives	-	(310)	-	(310)
Profit / (loss) from fair value of other financial instrument through profit/loss	(6)	(4.131)	-	(144)
Gain from disposal	-	20	-	20
Profit / (loss) from the sale of financial instruments	(284)	(100)	(284)	(100)
Income from dividends	580	498	15.534	2.478
Other Income	(1)	-	-	-
Profit / (loss) from the sale of subsidiary	-	(3.419)	-	-
Total	290	(7.442)	15.250	1.944

3.24 Income tax

Income tax for the Group and Company differs from the theoretical amount that would result using the nominal tax rate prevailing at year end over the accounting profits. The reconciliation of this difference is analysed as follows:

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Income Tax	26.399	23.698	23.584	18.485
Income Tax provision	2.729	(781)	2.700	(780)
Tax Audit differences	-	434	-	434
Deferred taxation	(8.196)	(2.160)	(11.800)	(16.091)
Extraordinary Income Tax	51	52	-	-
Other Taxes	2.183	2.358	1.695	2.306
Total	23.166	23.602	16.179	4.354
Earnings before tax	166.917	181.609	151.112	131.847
Nominal Tax rate	0,29	0,29	0,29	0,29
Tax calculated at the statutory tax rate	48.406	52.667	43.823	38.236
Nominal Tax Rate Adjustments - Change in Greek Tax Rate	(18.396)	-	(15.533)	-
Nominal Tax Rate Difference in foreign Subsidiary Companies	-	(5.504)	-	-
Non taxable income	(8.293)	(29.172)	(5.830)	(22.395)
Tax on Non taxable reserves	(9.881)	-	(9.881)	-
Dividends Tax	-	180	-	-
Non tax deductible expenses	1.150	4.261	1.147	4.145
Income tax from land - plot & buildings	-	49	-	-
Income tax coming from previous years	2.818	770	2.700	434
Extraordinary Income Tax	51	52	-	-
Other	7.311	298	(248)	(16.066)
Effective Tax Charge	23.166	23.602	16.179	4.354

The tax rate of the public limited liability entities in Greece as at 31.12.2018 is 29% (2017:29%). According to the new tax law 4579/2018, which was voted on December 2018, the tax rate on the earnings of business activity of legal entities, will gradually decrease by 1% per year, as following: 28% for tax year 2019, 27% for tax year 2020, 26% for tax year 2021 and 25% for tax year 2022 and thereafter. See comments on income tax in Note 3.37.1.

3.25 Earnings per share and dividends

Earnings per share

Basic earnings per share are calculated by the weighted average number of ordinary shares.

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	1/1-31/12/2018	1/1-31/12/2017	1/1-31/12/2018	1/1-31/12/2017
Equity holders of the parent	141.158	154.583	134.914	127.208
Weighted average number of shares	142.891	142.891	142.891	142.891
Basic earnings per share	0,9879	1,0818	0,9442	0,8902
Continuing Operations (Total)				
Equity holders of the parent	144.749	154.845	134.933	127.493
Weighted average number of shares	142.891	142.891	142.891	142.891
Basic earnings per share	1,0130	1,0837	0,9443	0,8922
Discontinuing Operations (Total)				
Equity holders of the parent	(3.591)	(262)	(19)	(284)
Weighted average number of shares	142.891	142.891	142.891	142.891
Basic earnings per share	(0,0251)	(0,0018)	(0,0001)	(0,0020)

Dividends

During 2018, the Group paid dividends of € 46 mio to its equity shareholders.

Also during 2018, the directors proposed the payment of a dividend of € 0.3600 per share). As the distribution of dividends requires approval at the shareholders' meeting, no liability in this respect is recognised in the 2018 consolidated financial statements. No income tax consequences are expected to arise as a result of this transaction at the level of Illustrative Corporation.

3.26 Cash flows from operating activities

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	1/1-31/12/2018	1/1-31/12/2017	1/1-31/12/2018	1/1-31/12/2017
Cash flows from operating activities				
Profit for the period	143.751	158.007	134.933	127.493
Adjustments for:				
Tax	23.166	23.602	16.179	4.354
Depreciation of property, plant and equipment	71.008	68.918	52.016	50.532
Depreciation of intangible assets	10.061	6.710	5.381	4.380
Impairments	-	3.991	-	-
Provisions	750	(170)	871	143
Income from reversal of prior year's provisions	(21)	(795)	(21)	(780)
(Profit)/Loss from sale of tangible assets	(148)	(52)	(6)	(4)
(Profit)/Loss from sale of subsidiary	-	1.254	-	-
(Profit)/Loss from fair value valuation of financial assets at fair value through PnL	155	141	155	144
(Profit)/Loss from sale of financial assets at fair value	129	100	129	100
Interest income	(8.569)	(16.049)	(6.077)	(13.932)
Interest expenses	46.568	58.477	26.887	45.502
Dividends	(580)	(498)	(15.534)	(2.478)
Grants amortization	(3.199)	(1.990)	(1.488)	(572)
Exchange differences	(220)	(10.136)	202	(15.981)
Other differences	(3.415)	(701)	-	(691)
	135.684	132.802	78.695	70.717
Changes in Working Capital				
(Increase)/Decrease in stocks	(25.482)	98.519	(29.528)	12.064
(Increase)/Decrease in trade receivables	(84.839)	(259.171)	15.161	5.318
(Increase)/Decrease in other receivables	(1.314)	(1.334)	(1.204)	(1.893)
Increase / (Decrease) in liabilities	44.345	123.326	(48.218)	(61.004)
Pension plans	(695)	350	(748)	283
Other	-	18	-	-
	(67.985)	(38.293)	(64.538)	(45.231)
Cash flows from operating activities	211.450	252.515	149.090	152.980

3.27 Discontinued Operations

The Group, since 2009, applies IFRS 5 "Non-current assets held for sale & discontinued operations", and presents separately the assets and liabilities of the subsidiary company SOMETRA S.A., following the suspension of the production activity of the Zinc-Lead production plant in Romania, and presents also the amounts recognized in the income statement separately from continuing operations. Given the global economic recession, there were no feasible scenarios for the alternative utilization of the aforementioned financial assets.

Consequently, from 2011 and on, by applying par. 13 of IFRS 5 "Non-current assets Held for Sale", the Zinc-Lead production ceases to be an asset held for sale and is considered as an asset to be abandoned. The assets of the disposal group to be abandoned are presented within the continuing operations while the results as discontinued operations.

In December 2015, SOMETRA S.A., contributed the Zinc-Lead activity, through a spin – off process, to its newly established subsidiary Reycom Recycling S.A. (REYCOM). The said spin - off is part of the "Mytilineos Group" restructuring process,

regarding the Zinc-Lead discontinued operation, targeting on the production of Zn & Pb oxides through the development of a recycling operation of metallurgical residues.

Following the analysis of the profit and loss of the discontinued operations:

MYTILINEOS GROUP		
<i>(Amounts in thousands €)</i>	1/1-31/12/2018	1/1-31/12/2017
Sales	1.337	2.719
Cost of sales	368	(1.098)
Gross profit	968	1.621
Other operating income	829	429
Distribution expenses	(79)	(120)
Administrative expenses	(2.387)	(1.723)
Other operating expenses	(2.916)	(220)
Earnings before interest and income tax	(3.585)	(13)
Financial income	-	-
Financial expenses	(6)	(249)
Profit before income tax	(3.591)	(262)
Income tax expense	-	-
Profit for the period	(3.591)	(262)
Result from discontinuing operations	-	-
Profit for the period	(3.591)	(262)

3.28 Encumbrances

Group's assets pledges and other encumbrances amount to € 289.8 mio for 31.12.2018.

3.29 Commitments

Group's commitments due to construction contracts and finance lease are as follows:

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Commitments from construction contracts				
Value of pending construction contracts	1.403.898	1.311.341	573.251	634.777
Granted guarantees	320.232	243.112	310.883	235.701
Total	1.724.130	1.554.453	884.134	870.478

*The amount of € 420 mio concerning the backlog of Deir Azzur project is included in the above table. For the aforementioned project the Group has already announced the pause of the construction on site.

3.30 Operating Leases

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Until 1 year	8.040	4.188	6.427	3.188
1 to 5 years	26.839	15.441	20.727	10.800
> 5 years	43.032	11.504	24.544	3.665
Total Operating Lease	77.911	31.133	51.699	17.654

3.31 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management program focuses on the unpredictability of commodity and financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge the exposure to certain financial risks.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury operates as a cost and service centre and provides services to all business units within the Group, co-ordinates access to both domestic and international financial markets and manages the financial risks relating to the Group's operations. This includes identifying, evaluating and if necessary, hedging financial risks in close co-operation with the various business units within the Group.

3.31.1 Market Risk**(i) Foreign Exchange Risk**

The Group is activated in a global level and consequently is exposed to foreign exchange risk emanating mainly from the US dollar. This kind of risk mainly results from commercial transactions in foreign currency as well as net investments in foreign entities. For managing this type of risk, the Group Treasury Department enters into derivative or non derivative financial instruments with financial institutions on behalf and in the name of group companies.

In Group level these financial instruments are characterized as exchange rate risk hedges for certain assets, liabilities or foreseen commercial transactions.

(ii) Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces, which are determined by the international markets and the global demand and supply.

The Group is price risk from fluctuations in the prices of variables that determine either the sales and/or the cost of sales of the group entities (i.e. products' prices (LME), raw materials, other cost elements etc.). The Group's activities

expose it to the fluctuations of the prices of Aluminium (AL), Zinc (Zn), Lead (Pb) as well as to Fuel Oil as a production cost.

Commodity price risk can be reduced through the negotiation of long term contracts or through the use of financial derivatives.

(iii) Interest rate risk.

Group's interest bearing assets comprises only of cash and cash equivalents. Additionally, the Group maintains its total bank debt in products of floating interest rate. In respect of its exposure to floating interest payments, the Group evaluates the respective risks and where deemed necessary considers the use of appropriate interest rate derivatives. The policy of the Group is to minimize interest rate cash flow risk exposures on long-term financing.

Effect from risk factors and sensitivities analysis

The effect from the above mentioned factors to Group's operating results, equity and net results as at 31.12.2018 and 31.12.2017 presented in the following table:

2018

LMEAL (Aluminium)	\$/t	+ 50	- 50
EBITDA	m. €	0,1	(0,1)
Net Profit	m. €	0,1	(0,1)
Equity	m. €	0,1	(0,1)

API (Alumina)	\$/t	+ 10	- 10
EBITDA	m. €	2,8	(2,8)
Net Profit	m. €	2,8	(2,8)
Equity	m. €	2,8	(2,8)

Exchange Rate €/€	€/€	-5%	+5%
EBITDA	m. €	(7,3)	7,5
Net Profit	m. €	(5,7)	5,9
Equity	m. €	(5,7)	5,9

BRENT	\$/t	- 50	+ 50
EBITDA	m. €	0,3	(0,3)
Net Profit	m. €	0,3	(0,3)
Equity	m. €	0,5	(0,5)

NG Price	€/MWh	- 5	+ 5
EBITDA	m. €	12,4	(12,4)
Net Profit	m. €	12,4	(12,4)
Equity	m. €	12,4	(12,4)

CO2 (€/t)	€/t	- 1	+ 1
EBITDA	εκ. €	2,2	(2,2)
Net Profit	εκ. €	2,2	(2,2)
Equity	εκ. €	2,2	(2,2)

2017

LME AL (Aluminium)	\$/t	+50	-50
EBITDA	m. €	1,0	(1,0)
Net Profit	m. €	1,0	(1,0)
Equity	m. €	1,0	(1,0)

Exchange Rate €/€	€/€	-5%	+5%
EBITDA	m. €	(5,6)	5,6
Net Profit	m. €	(5,6)	5,6
Equity	m. €	(5,2)	5,2

BRENT	\$/t	-50	+50
EBITDA	m. €	0,3	(0,3)
Net Profit	m. €	0,3	(0,3)
Equity	m. €	0,3	(0,3)

NG Price	€/MWh	-5	+5
EBITDA	m. €	12,5	(12,5)
Net Profit	m. €	12,5	(12,5)
Equity	m. €	12,5	(12,5)

The Group's exposure in price risk and therefore sensitivity may vary according to the transaction volume and the price level. However, the above sensitivity analysis is representative for the Group exposure in 2018 and 2017.

3.31.2 Credit Risk

The Group has no significant concentrations of credit risk with any single counter party. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers.

Concerning trade accounts receivables, the Group is not exposed to significant credit risks as they mainly consist of a large, widespread customer base. However, the atypical conditions that dominate the Greek market and several other markets in Europe are forcing the Group to constantly monitor its business claims and also to adopt policies and practices to ensure that such claims are collected. By way of example, such policies and practices include insuring credits where possible; pre-collection of the value of product sold to a considerable degree; safeguarding claims by collateral loans on customer reserves; and receiving letters of guarantee.

To minimize credit risk on cash reserves and cash equivalents; in financial derivative contracts; as well as other short term financial products, the Group specifies certain limits to its exposure on each individual financial institution and only engages in transactions with creditworthy financial institutions of high credit rating.

The tables below summarize the maturity profile of the Group's financial assets as at 31.12.2018 and 31.12.2017 respectively:

MYTILINEOS GROUP

<i>(Amounts in thousands €)</i>	0-3 months	Past due but not impaired		> 1 year	Non past due but not impaired	Total
		3-6 months	6-12 months			
Liquidity Risk Analysis - Trade Receivables						
2018	64.778	33.004	23.892	28.437	665.930	816.042
2017	58.253	14.129	16.599	20.115	636.760	745.856

MYTILINEOS S.A.

<i>(Amounts in thousands €)</i>	0-3 months	Past due but not impaired		> 1 year	Non past due but not impaired	Total
		3-6 months	6-12 months			
Liquidity Risk Analysis - Trade Receivables						
2018	33.725	6.959	2.685	25.910	319.889	389.168
2017	36.342	10.022	4.912	19.206	355.672	426.155

3.31.3 Liquidity Risk

Liquidity risk is related with the Group's need for the sufficient financing of its operations and development. The relevant liquidity requirements are the subject of management through the meticulous monitoring of debts of long term financial liabilities and also of payments made on a daily basis.

The Group ensures that there is sufficient available credit facilities to be able to cover its short-term business needs, after the calculation of cash flows arising from the operation as well as cash and cash equivalents which are held. The funds for long-term liquidity needs ensured by a sufficient amount of loanable funds and the ability to sell long-term financial assets.

The tables below summarize the maturity profile of the Group's financial liabilities as at 31.12.2018 and 31.12.2017 respectively:

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2018	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	460.165	73.863	534.028
Short Term Loans	10.679	18.233	-	-	28.912
Trade and other payables	242.635	152.499	20.450	-	415.585
Other payables	(106.163)	225.056	10.401	14.914	144.208
Current portion of non - current liabilities	16.788	24.013	-	-	40.801
Total	163.939	419.801	491.016	88.777	1.163.533

MYTILINEOS GROUP

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2017	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	498.870	90.456	589.326
Short Term Loans	50.629	45.948	-	-	96.577
Trade and other payables	282.757	108.979	19.805	-	411.541
Other payables	(230.131)	257.459	975	55.556	83.859
Current portion of non - current liabilities	22.342	21.415	-	-	43.757
Total	125.597	433.801	519.650	146.012	1.225.060

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2018	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	369.323	-	369.323
Short Term Loans	267	-	-	-	267
Trade and other payables	199.354	65.778	19.618	-	284.750
Other payables	98.013	10.050	-	14.914	122.977
Current portion of non - current liabilities	8.666	13.916	-	-	22.582
Total	306.300	89.744	388.941	14.914	799.899

MYTILINEOS S.A.

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2017	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	388.160	-	388.160
Short Term Loans	31.801	43.692	-	-	75.492
Trade and other payables	264.888	21.363	19.618	-	305.869
Other payables	46.524	6.055	-	14.909	67.488
Current portion of non - current liabilities	18.440	13.190	-	-	31.631
Total	361.653	84.300	407.778	14.909	868.640

It must be noted that the above table does not include liabilities to clients from the performance of construction projects, as the maturity of such values cannot be assessed.

Moreover, cash-advances from customers, construction contracts liabilities as well as the provisions and accrued expenses are not included.

Capital Control imposition in Greece

The Group is constantly and vigorously monitoring capital controls, stemming from the Legislative Act (L.A.) of June 28th 2015 and any subsequent ones, taking every necessary measure to safeguard its going concern. Through the strength of its international profile and export orientation, the Group copes with existing difficulties, supports the liquidity of the Greek system and achieves a smooth and normal operation for all its sectors of activity.

3.32 Fair Value Measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Group's financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy for 31/12/2018 and 31/12/2017 as follows:

6. Annual Financial Statements

MYTILINEOS GROUP				
(Amounts in thousands €)	31/12/2018	Level 1	Level 2	Level 3
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	10	10	-	-
Bank Bonds	54	54	-	-
Financial Assets for Sale	159	113	8	37
Foreign Exchange Contracts For Cash Flow Hedging (Forward)	2.152	-	-	2.152
Commodity Futures	29.453	-	29.453	-
Financial Assets	31.827	177	29.462	2.188
Financial Liabilities				
Foreign Exchange Swap Contracts (Swaps)	396	-	396	-
Foreign Exchange Contracts (Forward)	3.386	-	3.386	-
Options	2.227	-	2.227	-
Financial Liabilities	6.009	-	6.009	-

MYTILINEOS GROUP				
(Amounts in thousands €)	31/12/2017	Level 1	Level 2	Level 3
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	761	761	-	-
Bank Bonds	53	53	-	-
Financial Assets for Sale	163	117	8	37
Foreign Exchange Contracts (Forward)	15.168	-	15.168	-
Financial Assets	16.145	932	15.176	37
Financial Liabilities				
Foreign Exchange Swap Contracts (Swaps)	566	-	566	-
Commodity Futures	61.843	-	61.843	-
Commodity Options	348	-	348	-
Financial Liabilities	62.757	-	62.757	-

MYTILINEOS S.A.				
(Amounts in thousands €)	31/12/2018	Level 1	Level 2	Level 3
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	10	10	-	-
Bank Bonds	54	54	-	-
Financial Assets Available For Sale	37	-	-	37
Commodity Futures	29.453	-	29.453	-
Financial Assets	29.554	63	29.453	37
Financial Liabilities				
Foreign Exchange Contracts (Forward)	3.386	-	3.386	-
Options	2.227	-	2.227	-
Financial Liabilities	5.613	-	5.613	-

MYTILINEOS S.A.				
(Amounts in thousands €)	31/12/2017	Level 1	Level 2	Level 3
Financial Assets				
Financial assets at fair value through profit or loss				
Stock Shares	761	761	-	-
Bank Bonds	53	53	-	-
Financial Assets for Sale	37	-	-	37
Foreign Exchange Contracts (Forward)	15.168	-	15.168	-
Financial Assets	16.019	814	15.168	37
Financial Liabilities				
Commodity Futures	61.843	-	61.843	-
Commodity Options	348	-	348	-
Financial Liabilities	62.191	-	62.191	-

In the financial year 2018 no transfer existed between levels 1 and 2.

3.33 Capital Management

The primary objective of the Group's capital management is to ensure the continuous smooth operation of its business activities and the achievement of its growth plans combined with an acceptable credit rating. For the purpose of capital management, the Group monitors the ratios "Net Debt to EBITDA" and "Net Debt to Equity". As net debt, the Group defines interest bearing borrowings minus cash and cash equivalents. The ratios are managed in such a way in order to ensure the Group a credit rating compatible with its strategic growth.

The table below presents ratio results for the years December 31, 2018 and 2017 respectively:

	MYTILINEOS GROUP	
	31/12/2018	31/12/2017
<i>(Amounts in thousands €)</i>		
Long-term debt	534.028	598.755
Short-term debt	28.912	95.998
Current portion of non-current liabilities	35.551	34.327
Cash and cash equivalents	(208.090)	(160.940)
Group Net debt	390.400	568.141
Oper.Earnings before income tax, financial results, depreciation and amortization	283.559	305.978
Equity	1.561.048	1.430.992
Group Net debt / Oper.Earnings before income tax, financial results, depreciation and amortization	1,38	1,86
Group Net debt / Equity	0,25	0,40

The Company manage its funds on a Group level and not on a Company level.

Due to bank financing, the Group holds an obligation and restriction to maintain the ratio of "Net Debt to Equity" below one.

3.34 Dividend Proposed and Payable

The BOD will propose to the General Assembly of the Shareholders (GA) the distribution of dividend of gross amount € 0.3600/ share. In 2017 the BOD had proposed the distribution of dividend of gross amount € 0.3200/ share. The aforementioned proposed amount should be approved by the General Assembly of the Shareholders (GA).

3.35 Number of employees

The number of employees at 31/12/2018 amounts to 2.109 for the Group and to 1.795 for the Entity. Accordingly, at 31/12/2017, the number of employees amounted to 2.071 and 1.778.

3.36 Related Party transactions

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction from the above mentioned had any special terms and there were no guarantees given or received.

(Amounts in thousands €)	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
<u>Stock Sales</u>				
Subsidiaries	-	-	112.534	94.291
Other Related parties	709	-	709	-
Total	709	-	113.243	94.291
<u>Stock Purchases</u>				
Subsidiaries	-	-	29.619	19.035
Total	-	-	29.619	19.035
<u>Services Sales & Other Sales</u>				
Subsidiaries	-	-	7.243	9.842
Other Related parties	24.469	4.563	14.346	4.253
Total	24.469	4.563	21.589	14.095
<u>Services Purchases</u>				
Subsidiaries	-	-	4.078	27.200
Management remuneration and fringes	12.569	17.157	9.874	14.954
Other Related parties	12.035	7.624	11.641	7.365
Total	24.604	24.781	25.593	49.519
<u>Loans given to Related Parties</u>				
Subsidiaries	-	-	122.338	-
Total	-	-	122.338	-
<u>Receivables from Related Parties</u>				
Subsidiaries	-	-	93.612	203.645
Other Related parties	61.474	5.926	4.834	5.878
Total	61.474	5.926	98.446	209.523
<u>Guarantees granted for Related Parties</u>				
Subsidiaries	955.313	859.915	955.313	859.915
Total	955.313	859.915	955.313	859.915
<u>Payables to Related Parties</u>				
Subsidiaries	-	-	19.281	36.473
Management remuneration and fringes	-	37	188	37
Other Related parties	133	491	129	490
Total	133	528	19.598	37.000

Out of the above mentioned parent company guarantees:

- € 510.42 mio are parent company guarantees for bank loans of the Group and
- € 444.9 mio are parent company guarantees on behalf of customers and suppliers of the Group.

It is noted that the above amount of guarantees issued by the parent on behalf of customers and suppliers of its subsidiaries, refers to the maximum amount of the guarantee and the respective risk undertaken by the parent regardless of the probability of realization of said risk.

The above mentioned related party transactions are on a pure commercial basis. The Group or any of its related parties has not entered in any transactions that were not in an arm's length basis, and do not intent to participate in such transactions in the future. No transaction from the above mentioned was under any special terms.

The employee and pension benefits are analyzed as follows:

<i>(Amounts in thousands €)</i>	MYTILINEOS GROUP		MYTILINEOS S.A.	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Short term employee benefits				
- Wages of Key Management and BOD Fees	11.832	16.372	9.714	14.582
- Insurance service cost	683	719	161	373
- Other remunerations	45	57	-	-
	12.560	17.148	9.874	14.954
Pension Benefits:				
- Defined contribution scheme	9	9	-	-
Total	12.569	17.157	9.874	14.954

No loans have been given to members of the Board of Directors or other management members of the Group (and their families).

3.37 Contingent Assets & Contingent Liabilities

3.37.1 Unaudited tax years

Unaudited tax years

For the fiscal years from 2011 up to 2017, the Group's Companies operating in Greece fulfilling relevant criteria to be subject to tax audit by the statutory auditors, have received Tax Compliance Report, according to article 65A par. 1 of law 4174/2013 and to article 82 par.5 of Law 2238/1994, having no significant differentiations. According to the circular CL. 1006/2016, companies that have been subject to foresaid tax audit, are not exempt from the regular tax audit held by the competent tax authorities. For fiscal year 2018, the tax Compliance audit is already being performed by the Statutory auditors and is not expected to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements.

Unaudited tax years – Group's resident (Greek) subsidiaries

Taking into consideration the above regarding the Tax Compliance Report (where applicable), the following table shows the Company's and resident (Greek) subsidiaries' financial years whose tax liabilities are not definitive:

COMPANY	YEARS NOT INSPECTED BY TAX AUTHORITIES	COMPANY	YEARS NOT INSPECTED BY TAX AUTHORITIES
1 MYTILINEOS S.A.	-	32 HELLENIC SOLAR S.A.	2010
2 METKA INDUSTRIAL - CONSTRUCTION S.A. (absorption by MYTILINEOS in 2018)	-	33 SPIDER S.A.	2010 & 2014-2018*
3 ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME (absorption by MYTILINEOS in 2018)	2010	34 MOVAL S.A.	1/7/2009-30/6/2010 & 2014-2018*
4 PROTERGIA S.A. (absorption by MYTILINEOS in 2018)	2010	35 PROTERGIA THERMOELEKTRIKI S.A.	1/7/2009-30/6/2010 & 2014-2018*
5 PROTERGIA THERMOELEKTRIKI S.A. (absorption by MYTILINEOS in 2018)	2010	36 METKA INDUSTRIAL - CONSTRUCTION S.A. (ex ANEMOSTRATA RENEWABLE ENERGY SOURCES S.A.)	2009 - 2010 & 2014-2018*
6 SERVISTEEL	2010	37 ANEMODRASI RENEWABLE ENERGY SOURCES S.A.	2009 - 2010 & 2014-2018*
7 ELEMKA S.A.	2010	38 ANEMORAHI RENEWABLE ENERGY SOURCES S.A.	2009 - 2010 & 2014-2018*
8 BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS S.A.	2010 & 2014-2018*	39 PROTERGIA AGIOS NIKOLAOS POWER S.A. OF GENERATION AND SUPPLY OF ELECTRICITY (ex ANEMOSKALA RENEWABLE ENERGY SOURCES S.A.)	2009 - 2010 & 2014-2018*
9 DELFI DISTOMON A.M.E.	2006-2010	40 HORTEROU S.A.	2010 & 2014-2018*
10 DESFINA SHIPPING COMPANY	2010-2018	41 KISSAVOS DROSERI RAHI S.A.	2010 & 2014-2018*
11 ST. NIKOLAOS SINGLE MEMBER P.C.	2014-2018	42 KISSAVOS PLAKA TRANI S.A.	2010 & 2014-2018*
12 RENEWABLE SOURCES OF KARYSTIA S.A.	2010	43 KISSAVOS FOTINI S.A.	2010 & 2014-2018*
13 GENIKI VIOMICHANIKI S.A.	2014-2018	44 AETOVOUNI S.A.	2010 & 2014-2018*
14 DELTA ENERGY S.A.	2010 & 2014-2018*	45 LOGGARIA S.A.	2010 & 2014-2018*
15 FOIVOS ENERGY S.A.	2010 & 2014-2018*	46 IKAROS ANEMOS SA	2014-2018*
16 HYDROHOOS S.A.	2010 & 2016-2018	47 KERASOUDA SA	2014-2018*
17 HYDRIA ENERGY S.A.	2010 & 2014-2018*	48 AIOLIKH ARGOSTYLIAS A.E.	2014-2018*
18 EN.DY. S.A.	2010 & 2014-2018*	49 J/V METKA – TERNA	2009-2018*
19 THESSALIKI ENERGY S.A.	2010 & 2014-2018*	50 KORINTHOS POWER S.A.	2010
20 NORTH AEGEAN RENEWABLES	2010 & 2014-2018*	51 KILKIS PALEON TRIETHNES S.A.	2010 & 2014-2018*
21 MYTILINEOS HELLENIC WIND POWER S.A.	2010	52 ANEMOROE S.A.	2010 & 2014-2018*
22 AIOLIKI ANDROU TSIROVLIDI S.A.	2010 & 2014-2015*	53 PROTERGIA ENERGY S.A.	2010 & 2014-2018*
23 MYTILINEOS AIOLIKI NEAPOLEOS S.A.	2010 & 2014-2018*	54 SOLIEN ENERGY S.A.	2007-2011 & 2014-2018*
24 AIOLIKI EVOIAS PIRGOS S.A.	2010 & 2014-2018*	55 ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME (EX OSTENITIS S.A.)	2010 & 2014
25 AIOLIKI EVOIAS POUNTA S.A.	2010 & 2014-2018*	56 THERMOREMA S.A.	2007-2018
26 AIOLIKI EVOIAS HELONA S.A.	2010 & 2014-2018*	57 FTHIOTIKI ENERGY S.A.	2003-2018
27 AIOLIKI ANDROU RAHI XIROKOBIS S.A.	2010 & 2014-2018*	58 IONIA ENERGY S.A.	2010-2011, 2013-2018
28 METKA AIOLIKA PLATANOU S.A.	2010 & 2014-2018*	59 AIOLIKH TRIKORFON S.A.	2008-2014
29 AIOLIKI SAMOTHRAKIS S.A.	2010 & 2014-2018*	60 MAKRYNOROS ENERGEIAKH S.A.	2008-2018
30 AIOLIKI EVOIAS DIAKOPTIS S.A.	2010 & 2014-2018*	61 M & M GAS Co S.A.	-
31 AIOLIKI SIDIROKASTROU S.A.	2010	62 BUSINESS ENERGY TRIZINIA S.A.	2008-2015

*said companies have received a Tax Compliance Report for the fiscal years 2011-2013 while from 2014 onwards, following the amendment of the provisions of Law 4174/2013 par. 1 article 65A, they no longer meet the control criteria.

Unaudited tax years – Group’s foreign subsidiaries

The years of the Group’s foreign subsidiaries whose tax liabilities are not definitive, are stated on following table:

COMPANY	YEARS NOT INSPECTED BY TAX AUTHORITIES	COMPANY	YEARS NOT INSPECTED BY TAX AUTHORITIES
1 RODAX ROMANIA SRL, Romania	2009-2018	31 METKA EGN SARDINIA SRL, Sardinia	new entity
2 DROSCO HOLDINGS LIMITED, Cyprus	2003-2018	32 METKA EGN FRANCE SRL, France	new entity
3 METKA BRAZI SRL, Romania	2008-2018	33 METKA EGN SPAIN SLU, Spain	new entity
4 POWER PROJECTS, Turkey	2010-2018	34 METKA EGN KOREA LTD, Korea	new entity
5 GREEN ENERGY S.A.	2007-2018	35 METKA EGN GENERAL CONTRACTORS LTD, England	new entity
6 METKA RENEWABLES LIMITED	2015-2018	36 METKA EGN AUSTRALIA PTY LTD, Australia	new entity
7 SOMETRA S.A., Romania	2003-2018	37 METKA EGN SINGAPORE PTE LTD, Singapore	new entity
8 STANMED TRADING LTD, Κύπρος	2011-2018	38 VIGA RENEWABLES SP1 SL, Spain	new entity
9 MYTILINEOS FINANCE S.A., Luxembourg	2007-2018	39 VIGA RENEWABLES SP2 SL, Spain	new entity
10 RDA TRADING, Guernsey Islands	2007-2018	40 METKA EGN AUSTRALIA PTY HOLDINGS LTD	new entity
11 MYTILINEOS BELGRADE D.O.O., Serbia	1999-2018		
12 MYVEKT INTERNATIONAL SKOPIJE	1999-2018		
13 MYTILINEOS FINANCIAL PARTNERS S.A.	2011-2018		
14 MYTILINEOS INTERNATIONAL COMPANY A.G. "MIT Co"	2013-2018		
15 DELTA PROJECT CONSTRUCT SRL, Romania	2005-2018		
16 RIVERA DEL RIO	2015-2018		
17 METKA-EGN LTD (CYPRUS)	2015-2018		
18 METKA-EGN LTD (ENGLAND)	2015-2018		
19 METKA -EGN SpA	2015-2018		
20 METKA-EGN USA LLC	2015-2018		
21 METKA POWER WEST AFRICA LIMITED	2015-2018		
22 METKA-EGN KZ	2018		
23 METKA-EGN MEXICO	2018		
24 METKA-EGN UGANDA SMC LTD	new entity		
25 METKA-EGN JAPAN LTD	new entity		
26 METKA INTERNATIONAL LTD	2016-2018		
27 METKA POWER INVESTMENTS	2016-2018		
28 METKA IPS LTD	2018		
29 INTERNATIONAL POWER SUPPLY AD	2016-2018		
30 MTRH Developmnet GmbH	2016-2018		

3.37.2 Other Contingent Assets & Liabilities

Notes of Independent Power Transmission Operator S.A. (ADMIE)

On 17.12.2014, Independent Power Transmission Operator S.A. (IPTO or ADMIE) sent briefing notes to MYTILINEOS (henceforth the “Company”) as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME due to merger, requesting the issuance of a credit invoice for the amount of €17.4m relating to the Excise Tax (ET) on Gas consumed at the Combined Heat and Power (CHP) Plant for the period of 28/11/2012 until 31/10/2013 (henceforth the “Reference Period”). Said ET was invoiced to ADMIE during the aforementioned period, pursuant to its related debit notes.

In relation to the above, we note the following:

- The CHP station is a dispatchable cogeneration unit, part of which qualifies as highly efficient (High-Efficiency Combined Heat and Power/ HE-CHP) under the Code's provisions, but also under the specific operational terms which were approved by way of RAE's Decision No. 700/2012 (as amended by Decision 341/2013).
- According to Article 197(2) of Law 4001/2011, from 1/9/2011 onwards, all HE-CHP stations, regardless of their installed capacity, gain priority for the allocation of their loads. In particular, in accordance with Article 197(3) of the above Law, HE-CHP stations with an installed capacity over 35MW are to be compensated with the tariff which derives from the table displayed in Law 3468/2006, plus the Natural Gas Clause Coefficient (CC), which is calculated using the following formula: $CC = 1 + (AGP - 26) / (100 \times nel)$

Where:

- AGP: the monthly mean average unitary selling price of natural gas to NG users in Greece who are also electricity customers, in €/MWh using the gross calorific value (GCV). This value is determined by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate and is communicated to Hellenic Transmission System Operator S.A. (HTSO or DESMIE) on a monthly basis.
- nel: the electrical efficiency of the provision for High-Efficiency CHP based on the gross calorific value (GCV) of natural gas, which is defined in accordance with the station's technical information, as reported by the relevant Operator.

The CC value cannot be lower than one (1) and is determined on a case-by-case basis by way of a decision made by the Minister of Environment, Energy and Climate Change (henceforth the "Ministerial Decision") following consultation by RAE. RAE's opinion must also take the plant's installed capacity into account, in a way so that the determined value generally decreases as the capacity increases.

Moreover, the AGP is displayed in €/MWh and includes the ET, as specified in the letter sent by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate on 2/11/2011.

The High-Efficiency CHP station owned by the Company has an installed capacity of 334MW, of which 134.6MW has priority in entering the system (HE-CHP) in accordance with the aforementioned decisions which approved the Specific Operational Terms. From 1/9/2011 until 31/10/2013 (which ADMIE set as the final date for settling the ET), the CC value, as defined above, had not been established because the relevant decision had not been issued by the Minister of Environment, Energy and Climate Change, despite the fact that the Regulatory Authority for Energy had issued two relevant opinions in accordance with the provisions of Article 197(2) of Law 4001/2011 (RAE 3/2012 and RAE 5/2013).

Consequently, the Subsidiary's HE-CHP neither issued invoices nor received a tariff in accordance with the provisions of Law 4001/2011. Instead, following the signing of a Private Agreement between the Company and the Operator of Electricity Market (LAGIE) on 26.4.2013, HE-CHP issued temporary invoices, for the entire aforementioned period, at the minimum price which could have resulted from the application of the mathematical formula established by Law 4001/2011 (if the CC value was set at the unit price, i.e., if the AGP amounted to 26€/MWh). According to the Private Agreement, the final settlement was to take place following the establishment of the CC by way of the issuance of the relevant Ministerial Decision, so that dispatched HE-CHP energy would be compensated in accordance with the provisions of the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" (Government Gazette B' 3108/23.11.2012) which was concluded between the Company and LAGIE on 28.11.2012.

The aforementioned provisions of Law 4001/2011, in conjunction with the provisions specified in the letter sent by the Ministry of Environment, Energy and Climate Change's Petroleum Policy Directorate, as well as the provisions of both the Company's Private Agreement with LAGIE and the "Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station" between the two parties, require that the Natural Gas ET is recovered to the extent that the natural gas was consumed in generating electricity. Therefore, the Company also recognized the part of the Natural Gas ET which corresponded to consumptions made in generating useful heat (steam for the Alumina production process) as a liability (deducted from ADMIE's receivables balance), the total value of which amounted to €9.1m.

Regarding the remaining balance of ADMIE's relevant briefing note, which amounts to €8.3m and relates to the Natural Gas ET which corresponded to consumptions for electricity generation (HE- CHP), it is noted that this does not constitute a liability for the Company. Specifically, in accordance with IAS 37, "a liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits". Based on the above and given that the Company has not received a final compensatory price for the Period (by way of the CC, see above), while, based on the Private Agreement between the Company and LAGIE, the final settlement will take place following the issuance of the relevant Ministerial Decision regarding the establishment of the CC (which has not been issued), the Company believes that it has no commitment which would legally constitute an obligation to return the amount of €8.3m. A relevant liability may arise once the aforementioned Ministerial Decision regarding the establishment of the CC is issued, in which case the Company estimates that the final compensation that it will receive for electricity dispatched to the system as High-Efficiency CHP will exceed the amount of €8.3m. Therefore, it is not expected that a loss will result for the Company .

Finally, in respect of the final settlement of the CHP pricing for 2013 it is noted that, on the 4th of June 2015 the Company, sent a letter to the Operator of the Electricity Market (LAGHE) asking the convene of the Dispute Settlement Committee as provided in the article 16 p. 2 of the “Supplementary Agreement for Transactions relating to Electricity from the Dispatchable High-Efficiency CHP Station” signed between the parties. The dispute in consideration concerns the imposition of a 10% special tax plus an extra 10% of one-off discount on tariffs, both regarding the financial year 2013.

Following negotiations, the parties have reached a mutually acceptable draft arbitration agreement, so as to jointly apply for the resolution of the dispute by the special arbitration of the Regulatory Authority for Energy (RAE), in accordance with article 37 of L.4001/2011. At 07.02.2018 the two parties signed an agreement to continue the dispute with the help of the arbitration of the Regulatory Authority for Energy .

According to IAS 37.14: A provision shall be recognised when:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

No provision has been made for this matter, since according to the relevant opinions of the Company's legal advisers and the management of the Company: (a) the existence of a commitment has not yet been finalized; and (b) there is no probability that there will be an outflow of financial resources.

State aid against MYTILINEOS (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME due to merger), Decision of the European Commission

According to the information provided in previous Financial Statements, the General Court of the European Union has turned down the Company's appeal with the decision dated 13.03.2018. The Company is going to institute proceedings against the above stated decision, before the competent courts of European Union which have the final judgment on the nature of the difference in the selling price of electricity as illegal or non-State aid. As a result, the Company has recognized the amount of 17.4 € mio plus 4.2 € mio of interest expenses in the profit and loss statement of 2017.

DEPA claim against the Company (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME and Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A. due to merger) and Korinthos Power S.A.

DEPA S.A. demands:

Regarding charges that arose from the retrospective revision of the contract price due to the revision of the prices charged by DEPA's supplier, the Turkish company "BOTAS PETROLEUM PIPELINE CORPORATION":

- the amount of €6.26 mio plus interest €0.87 mio by the Company (as universal successor of Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A.);
- the amount of €7.25 mio plus interest €1.58 mio by the Company (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME) and
- the amount of €4.65 mio plus interest €0.62 mio by Korinthos Power S.A.

The Company and Korinthos Power S.A. contested the existence of the said amounts.

More specifically:

The Company (as universal successor of Protergia Thermoilektriki Agiou Nikolaou Power Generation and Supply S.A. due to merger) and Korinthos Power S.A. filed arbitration lawsuits against DEPA S.A. in order to resolve the aforementioned disputes. The arbitration limited DEPA S.A.'s claims to 24 months and it was decided that the company as well as KORINTHOS POWER S.A. owe to DEPA S.A. a compensation only for the years 2012 and 2013, i.e. € 4.2 mio the Company and € 3.2 mio KORINTHOS POWER S.A., while the two companies do not owe DEPA S.A. any compensation for the years 2011, 2014 and 2015. Moreover, the Arbitration decided that the two companies do not owe DEPA S.A. the invoiced interest on the claimed amounts (for any year).

Finally, discussions are ongoing between the Company (as universal successor of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME) and DEPA S.A., with respect to the case of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME. It should be noted that the arguments of ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME are considerably stronger than those of both Protergia and Korinthos Power, not only due to the terms of the agreement that were applicable for ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME, but also due to the calculation method regarding the compensation for the CHP power, which was injected by ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME to the system, during critical period. The aforementioned calculation method did not include the additional amount which was calculated by DEPA regarding the BOTAS agreement. Consequently, the Group's financial

results experienced a negative effect of € 6.4 mio, out of which € 3.4 mio had already been recognized in previous periods, while € 3 mio have been recognized during 2018 as provisions.

Other Contingent Assets & Liabilities

Litigation with UBAF

After the termination of the agreement between the Company (as universal successor of METKA S.A. due to merger) with UBAF (Bank) to keep cash of the Company amounting initially to € 59,7 mil. within a term deposit account, followed the refusal of UBAF to transfer the aforementioned balance it maintained to the Company's current account. During 2017 the amount of 32 € mio was released, while during 2018 the two parties have reached a mutual agreement for the use of the remaining amount for the operations of the Company and the granting of credit lines.

Arbitration with ENTREPOSE ALGERIE SPA

ENTREPOSE ALGERIE SPA as a subcontractor of the Company (in its capacity as a universal successor of METKA S.A. as a result of merger) on the basis of a relevant contract (No A-7449) entered into on 1 June 2014, concerning the execution of part of the works relating to the construction of Hassi R'mel II power plant in Algeria, referred to arbitration against the Company before the Court of Arbitration of the International Chamber of Commerce (ICC), claiming payment of the amount of EUR 6,968,496.39 plus interest, as compensation for damage suffered on the basis of that contract. The Company (as a universal successor of METKA SA due to merger) intends to respond to the above-mentioned application for arbitration by submitting a claim against ENTREPOSE ALGERIE SPA for the payment of damages and penalties amounting to approximately EUR 8,650,000 due to non-compliance of the contractor with its contractual obligations under the same contract. As a result of the amicable settlement of the two parties during 2018, the aforementioned claims have been abolished and there are no counterclaims.

Company's other Contingent Assets & Liabilities

There are other potential third party claims of € 4.3 mio against the Company for which no provision has been made.

According to IAS 37.14: A provision shall be recognised when:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;

(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

No provision has been made for this matter, since according to the relevant opinions of the Company's legal advisers and the management of the Company: (a) the existence of a commitment has not yet been finalized; and (b) there is no probability that there will be an outflow of financial resources.

Moreover, there are claims of the Company against third parties, which totally amount to € 12.8 mio.

3.38 Post Balance Sheet events

- On 07.01.2019 MYTILINEOS S.A. announced the signing of a contract for the construction of the Freight Center in Thriasio Plain, Western Attica, Greece, for an initial contract amount of €109mio. The contract was signed with the consortium ETVA VIPE (Industrial Areas) and Goldair (THEK S.A), who are the Project's Concession Holders for the 60-year duration of the concession contract. The Thriasio Transit Project relates to the Design and Construction of the first Logistics Park in Greece, including the development of warehouses and supporting buildings covering a total surface of 235,000m² within a land plot of 588,000m², owned by GAIAOSE. In addition to the construction of building facilities, a road and a railway network will be constructed within the park aimed at supplying the warehouses. This combination of transport will be the first in the Greek logistics market. The first phase of the construction project will begin once the concession contract has become en force, scheduled within the following quarter, and has duration of 24 months.
- On 16.01.2019, MYTILINEOS SA announced that the acquisition of all the shares (50%) that MOTOR OIL (HELLAS) CORINTH REFINERIES SA held in the company M AND M NATURAL GAS SA had been completed. Henceforth, MYTILINEOS SA is the sole shareholder (100%) of M AND M NATURAL GAS SOCIETE ANONYME. On 08.03.2019 Greek Authorities approved the amendments of articles 1 & 10 of the Articles of Association of M AND M NATURAL GAS SA. The new company's name is "MYTILINEOS GAS SUPPLY AND TRADE OF NATURAL GAS S.A." with the distinctive title "M-NG TRADING".
- On 21.02.2019, MYTILINEOS SA announced the signing of the agreement for the acquisition of 60% in ZEOLOGIC SA, a company headquartered in Thessaloniki, that provides innovative solutions in solid and liquid waste treatment. ZEOLOGIC, is a Greek start-up company set-up in 2014, to take advantage of the internationally patented technology based on the geochemical processing (Geochemical Active Clay Sedimentation - GACS) for liquid and solid waste treatment. ZEOLOGIC treats in its own facilities and supplies the waste treatment units it

executes, with the required chemical consumables to ensure their long-term operation. The strategic cooperation with MYTILINEOS will enable ZEOLOGIC to penetrate new international markets and further to develop its innovative technologies into new applications. MYTILINEOS EPC & Infrastructure Projects Business Unit will benefit from this participation by further extending its activity in the area of Environmental Projects and circular economy.

7. Availability of Financial Statements

The Annual Financial Statements of the Group and the Company as well as the financial statements of the companies that are consolidated, the auditor’s report and the report of the Board of Directors for the year ending December 31st 2018 have been posted on the web site of the company. Shareholders and investors that are interested for further information, can address the Group’s Investor Relations Department. Finally, the present Annual Financial Report, the prior years’ Annual Reports and other significant information can be found on the web site of the company (www.mytilineos.gr).

THE PRESIDENT OF THE
BOARD & CHIEF EXECUTIVE
OFFICER

THE VICE-
CHAIRMAN A’ OF
THE BOARD

THE CHIEF
FINANCE OFFICER

THE FINANCIAL
DIRECTOR

EVANGELOS MYTILINEOS

I.D. No AN094179/2017

SPYROS KASDAS

I.D. No
AB050826/2006

**IOANNIS
KALAFATAS**

I.D. No
AZ556040/2008

SPYRIDON PETRATOS

I.D. No
AB263393/2006

APPENDIX I – SEPARATED FINANCIAL STATEMENTS OF ENERGY SEGMENT MYTILINEOS S.A. - GROUP OF COMPANIES

ENERGY SEGMENT MYTILINEOS S.A. - GROUP OF COMPANIES							
SEPARATED STATEMENT OF PROFIT AND LOSS OF THE FULLY INTEGRATED COMPANY							
1/1-31/12/2018							
	Energy Production	Energy Supply	Natural Gas Supply	RES	Other	Other Operations	Mytilineos Group
<i>(Amounts in thousands €)</i>							
Sales To Third Parties							
Sales of electricity in Energy Exchange Group & DAPEEP (ex LAGHE)	319.054	25.268	-	27.834	-	-	372.156
Sales in ADMHE	37.687	52	-	-	-	-	37.739
Sales of electricity to retail consumers	-	217.761	-	-	-	-	217.761
Exports of electricity	-	14.133	-	-	-	-	14.133
Other sales	37	1.242	-	447	2	-	1.729
Sales of Natural Gas	-	-	48.381	-	-	-	48.381
Other Income of Natural Gas	-	-	2.410	-	-	-	2.410
Intercompany Sales							
Supply of Electricity	-	795	-	-	-	-	795
Other Services	405	365	72	61	708	-	1.611
Intercompany Sales of Natural Gas	-	-	117.715	-	-	-	117.715
Income Of Other Group Operations							
Income from other group operations	-	-	-	-	-	733.293	733.293
Total Income	357.184	259.616	168.578	28.343	710	733.293	1.547.723
Expenses & Purchases							
Imports of electricity	-	(22.355)	-	-	-	-	(22.355)
Purchase of electricity from Energy Exchange Group & DAPEEP (ex LAGHE)	(550)	(95.998)	-	-	-	-	(96.548)
Purchase of electricity by 3rd parties	-	(5.307)	-	-	-	-	(5.307)
Services from ADMHE	(493)	(49.315)	-	-	-	-	(49.808)
Services from DEDDIE	(52)	(60.079)	-	-	-	-	(60.131)
Supply costs of Natural Gas	-	-	(121.962)	-	-	-	(121.962)
Other Costs of Natural Gas	-	-	(1.113)	-	-	-	(1.113)
Transmission costs of Natural Gas	-	-	(32.465)	-	-	-	(32.465)
Distribution costs of Natural Gas	-	-	(945)	-	-	-	(945)
Payroll	(6.764)	(5.177)	(771)	(536)	(1.245)	-	(14.492)
Third party fees	(4.625)	(7.268)	(761)	(1.423)	(102)	-	(14.179)
CO2 Rights	(25.492)	-	-	-	-	-	(25.492)
Natural Gas consumption	(141.408)	-	-	-	-	-	(141.408)
Third Party Maintenance & Benefits	(3.558)	(53)	(10)	(3.158)	-	-	(6.779)
Other third party benefits	(3.527)	(1.633)	(124)	(904)	(82)	-	(6.270)
Taxes - Duties	(2.531)	(1)	(8)	(1.311)	-	-	(3.850)
Other Expenses	(2.990)	(2.170)	(363)	(2.073)	(66)	-	(7.662)
Depreciation	(42.643)	(2.058)	(29)	(7.053)	(12)	-	(51.796)
Provisions	-	(939)	-	(3)	-	-	(942)
Financial Results	(6.794)	(353)	(392)	(2.529)	562	-	(9.506)
Impairment	-	-	-	-	-	-	-
Losses / (Gains) on exchange differences	43	-	826	-	-	-	869
Extraordinary (Income) / Expenses	(3.084)	(68)	(32)	330	(3)	-	(2.856)
Intercompany Expenses & Purchases							
Supply of Electricity	-	(151)	-	-	-	-	(151)
Other Services	(1.091)	(21)	(3)	(998)	-	-	(2.113)
Natural Gas consumption	(104.944)	-	(12.771)	-	-	-	(117.715)
Financial Results	(434)	-	434	-	-	-	-
Expenses Of Other Group Operations	-	-	-	-	-	(589.422)	(589.422)
Total Expenses	(350.937)	(252.946)	(170.489)	(19.658)	(948)	(589.422)	(1.384.398)
Profits/ (Loss) Before Taxes	6.248	6.670	(1.912)	8.687	(238)	143.871	163.325
Result From Discontinuing Operations	-	-	-	-	-	(3.591)	(3.591)
Profits / (Loss) Before Taxes From Continuing Operations	6.248	6.670	(1.912)	8.687	(238)	147.462	166.917

ENERGY SEGMENT MYTILINEOS S.A. - GROUP OF COMPANIES							Other Operations	Mytilineos Group
SEPARATED BALANCE SHEET OF THE FULLY INTEGRATED COMPANY								
31/12/2018								
(Amounts in thousands €)	Energy Production	Energy Supply	Natural Gas Supply	RES	Other			
Assets								
Non current assets								
Tangible Assets	626.256	385	3	183.642	552	330.950	1.141.786	
Goodwill	-	-	-	14.212	-	195.101	209.313	
Intangible Assets	81.709	3.221	-	20.977	25	129.345	235.277	
Investments in Subsidiary Companies	-	-	-	139.934	206.616	(346.550)	-	
Investments in Associate Companies	-	-	-	604	7.212	15.956	23.773	
Deferred Tax Receivables	25.212	-	17	811	74	116.915	143.030	
Other Financial Assets	-	-	-	-	-	159	159	
Other Long-term Receivables	239	454	3.116	12	92	101.106	105.019	
Total Non Current Assets	733.415	4.060	3.136	360.193	214.571	542.982	1.858.357	
Current assets								
Total Stock	26.935	-	-	417	-	157.025	184.377	
Trade and other receivables	49.928	31.745	21.355	9.986	1.538	684.755	799.307	
Other receivables	27.087	21.001	29.669	59.069	65.575	56.793	259.193	
Financial assets at fair value through profit or loss	-	-	-	-	-	63	63	
Derivatives	-	-	-	-	-	31.605	31.605	
Cash and cash equivalents	11.907	4.038	1.273	11.743	-	179.129	208.090	
Total Current Assets	115.858	56.784	52.297	81.215	67.113	1.109.370	1.482.637	
Total Assets	849.273	60.844	55.433	441.408	281.684	1.652.352	3.340.994	
Equity & Liabilities								
Equity								
Components of Equity	424.211	4.513	546	178.647	254.686	647.462	1.510.065	
Equity attribute to parent's shareholders	424.211	4.513	546	178.647	254.686	647.462	1.510.065	
Non controlling Interests	-	-	-	-	-	52.671	52.671	
Total Equity	424.211	4.513	546	178.646	254.686	700.133	1.562.736	
Capital allocation between Business Units	45.894	(1.373)	9.829	24.260	17.266	(97.564)	(1.687)	
Non-Current Liabilities								
Long-term debt	105.016	-	-	59.689	-	369.323	534.028	
Derivatives	-	-	-	-	-	2.787	2.787	
Deferred Tax Liability	61.958	-	-	5.465	9.016	135.677	212.116	
Liabilities for pension plans	641	-	42	41	-	15.550	16.273	
Other long-term liabilities	24.817	9.174	-	33.801	-	61.873	129.666	
Provisions	-	-	-	-	-	14.130	14.130	
Non-Current Liabilities	192.432	9.174	42	98.996	9.016	599.339	908.999	
Current Liabilities								
Trade and other payables	21.840	20.734	2.332	671	211	562.558	608.346	
Tax payable	1.068	15.231	175	1.692	36	33.803	52.005	
Short-term debt	168	-	-	27.947	-	797	28.912	
Current portion of non-current liabilities	10.000	-	-	8.219	-	17.332	35.551	
Derivatives	-	-	-	396	-	2.826	3.222	
Other payables	153.660	12.564	42.508	100.580	469	(166.878)	142.903	
Provisions	-	-	-	-	-	7	7	
Current Liabilities	186.736	48.529	45.015	139.506	716	450.444	870.946	
Liabilities	379.168	57.703	45.057	238.502	9.732	1.049.783	1.779.945	
Equity & Liabilities	849.273	60.844	55.433	441.408	281.684	1.652.352	3.340.994	

ENERGY SEGMENT MYTILINEOS S.A. - GROUP OF COMPANIES							
SEPARATED STATEMENT OF PROFIT AND LOSS OF THE FULLY INTEGRATED COMPANY							
1/1-31/12/2017							
	Energy Production	Energy Supply	Natural Gas Supply	RES	Other	Other Operations	Mytilineos Group
<i>(Amounts in thousands €)</i>							
Sales To Third Parties							
Sales of electricity in Energy Exchange Group & DAPEEP (ex LAGHE)	295.960	12.552	-	24.454	-	-	332.966
Sales in ADMHE	46.085	216	-	-	-	-	46.301
Sales of electricity to retail consumers	-	189.274	-	-	-	-	189.274
Exports of electricity	-	6.264	-	-	-	-	6.264
Other sales	96	708	-	419	9	-	1.232
Sales of Natural Gas	-	-	-	-	-	-	-
Other Income of Natural Gas	-	-	-	-	-	-	-
Intercompany Sales							
Supply of Electricity	-	-	-	-	-	-	-
Other Services	38.046	-	-	-	2.851	-	40.897
Intercompany Sales of Natural Gas	-	-	-	-	-	-	-
Income Of Other Group Operations							
Income from other group operations	-	-	-	-	-	968.439	968.439
Total Income	380.186	209.013	-	24.873	2.860	968.439	1.585.371
Expenses & Purchases							
Imports of electricity	-	(12.262)	-	-	-	-	(12.262)
Purchase of electricity from Energy Exchange Group & DAPEEP (ex LAGHE)	-	(93.977)	-	-	-	-	(93.977)
Purchase of electricity by 3rd parties	-	(436)	-	-	-	-	(436)
Services from ADMHE	-	(63.761)	-	-	-	-	(63.761)
Services from DEDDIE	-	(27.349)	-	-	-	-	(27.349)
Supply costs of Natural Gas	-	-	-	-	-	-	-
Other Costs of Natural Gas	-	-	-	-	-	-	-
Transmission costs of Natural Gas	-	-	-	-	-	-	-
Distribution costs of Natural Gas	-	-	-	-	-	-	-
Payroll	(5.112)	(2.671)	-	(313)	(2.182)	-	(10.278)
Third party fees	(1.813)	(3.307)	-	(2.289)	(251)	-	(7.660)
CO2 Rights	(10.181)	-	-	-	-	-	(10.181)
Natural Gas consumption	(74.475)	-	-	-	-	-	(74.475)
Third Party Maintenance & Benefits	(3.713)	(117)	-	(2.438)	(1)	-	(6.270)
Other third party benefits	(3.587)	(1.160)	-	(994)	(718)	-	(6.459)
Taxes - Duties	(1.701)	(5)	-	(979)	-	-	(2.685)
Other Expenses	(12.512)	(3.667)	-	(1.466)	(109)	(24)	(17.778)
Depreciation	(44.331)	(777)	-	(5.939)	(20)	-	(51.068)
Provisions	-	(1.000)	-	16	-	-	(984)
Financial Results	(13.844)	57	-	(6.293)	(299)	-	(20.380)
Impairment	-	-	-	(391)	-	-	(391)
Losses / (Gains) on exchange differences	125	-	-	-	-	-	125
Extraordinary (Income) / Expenses	34	(140)	-	(193)	(4)	-	(302)
Intercompany Expenses & Purchases							
Supply of Electricity	-	-	-	-	-	-	-
Other Services	(3.581)	(3.565)	-	(18)	-	-	(7.165)
Natural Gas consumption	(175.429)	-	-	-	-	-	(175.429)
Financial Results	(1.053)	-	-	1.881	(494)	-	334
Expenses Of Other Group Operations							
Total Expenses	(351.173)	(214.137)	-	(19.416)	(4.078)	(815.195)	(815.195)
Profits/ (Loss) Before Taxes							
Profits/ (Loss) Before Taxes	29.012	(5.124)	-	5.457	(1.219)	153.220	181.347
Result From Discontinuing Operations	-	-	-	-	-	(262)	(262)
Profits / (Loss) Before Taxes From Continuing Operations	29.012	(5.124)	-	5.456	(1.219)	153.482	181.609

ENERGY SEGMENT MYTILINEOS S.A. - GROUP OF COMPANIES								
SEPARATED BALANCE SHEET OF THE FULLY INTEGRATED COMPANY								
31/12/2017							Other Operations	Mytilineos Group
(Amounts in thousands €)	Energy Production	Energy Supply	Natural Gas Supply	RES	Other			
Assets								
Non current assets								
Tangible Assets	424.429	140	-	164.336	554	547.317	1.136.779	
Goodwill	-	-	-	14.212	-	195.101	209.313	
Intangible Assets	85.324	1.819	-	18.853	67	129.452	235.515	
Investments in Subsidiary Companies	-	-	-	139.934	206.136	(346.070)	-	
Investments in Associate Companies	-	-	-	604	7.212	15.555	23.372	
Deferred Tax Receivables	26.151	-	-	800	74	97.154	124.178	
Other Financial Assets	-	-	-	-	-	162	162	
Other Long-term Receivables	254	204	-	13	92	134.040	134.603	
Total Non Current Assets	536.158	2.163	-	338.753	214.135	772.711	1.863.927	
Current assets								
Total Stock	18.445	-	-	278	-	140.167	158.890	
Trade and other receivables	24.900	23.268	-	14.403	1.586	681.699	745.857	
Other receivables	119.338	24.166	-	37.224	59.329	32.567	272.625	
Financial assets at fair value through profit or loss	-	-	-	-	-	814	814	
Derivatives	-	-	-	-	-	15.168	15.168	
Cash and cash equivalents	856	50.287	-	14.642	11.606	83.549	160.941	
Total Current Assets	163.539	97.722	-	66.547	72.522	953.964	1.354.290	
Total Assets	699.697	99.885	-	405.300	286.656	1.726.675	3.218.219	
Equity & Liabilities								
Equity								
Components of Equity	295.039	7.379	-	170.391	257.195	646.865	1.376.866	
Equity attribute to parent's shareholders	295.039	7.379	-	170.391	257.195	646.865	1.376.866	
Non controlling Interests	-	-	-	-	-	54.122	54.122	
Total Equity	295.039	7.379	-	170.391	257.195	700.987	1.430.991	
Capital allocation between Business Units	40.247	3.310	-	22.928	(12.735)	(53.750)	-	
Non-Current Liabilities								
Long-term debt	193.439	-	-	67.583	-	337.733	598.755	
Derivatives	-	-	-	-	-	4.227	4.227	
Deferred Tax Liability	62.084	-	-	4.888	9.016	105.108	181.096	
Liabilities for pension plans	373	-	-	26	118	16.765	17.283	
Other long-term liabilities	-	8.004	-	18.931	-	55.337	82.271	
Provisions	-	-	-	-	-	13.564	13.564	
Non-Current Liabilities	255.896	8.004	-	91.428	9.135	532.734	897.197	
Current Liabilities								
Trade and other payables	2.429	9.997	-	598	95	562.213	575.332	
Tax payable	980	12.512	-	1.560	89	28.372	43.513	
Short-term debt	14.008	-	-	20.179	4.975	56.835	95.998	
Current portion of non-current liabilities	-	-	-	-	-	-	-	
Derivatives	-	-	-	566	-	57.965	58.531	
Other payables	86.098	58.684	-	90.524	27.902	(180.884)	82.324	
Provisions	-	-	-	-	-	-	-	
Current Liabilities	108.515	81.193	-	120.553	33.062	546.704	890.026	
Liabilities	364.411	89.197	-	211.981	42.197	1.079.438	1.787.223	
Equity & Liabilities	699.697	99.885	-	405.300	286.656	1.726.675	3.218.219	

1. General Principles

The Company Mytilineos S.A., as an integrated company operating as producer and supplier of electricity and supplier of natural gas, taking into account provisions of Law 4001/2011 (Government Gazette A '179) and Directive 2009/72/EC, Article 31, on specific rules on unbundling of accounts of integrated electricity and natural gas companies, maintains separate accounts, Balance Sheet and Income Statement, for Electricity Production and Supply as referred to in article 141 of Law 4001/2011 and the No. 43/2014 authorization decision of the Regulatory Authority for Energy, as well as for Natural Gas Supply, as referred to in article 89 of Law 4001/2011.

The Company also operates in non-electrical industries, for example through "Metallurgy and Mining" and "EPC and Infrastructure" sectors.

At the end of the financial year, the Company publishes according to the IFRS its separate profit and loss statements and balance sheet per electrical energy business area (Balance Sheet and Income Statement before tax), in accordance with the relevant provisions of Law 2190/1920. Income, Expenses, Assets and Liabilities relating to non-electricity sectors are allocated to the Separate Consolidated Balance Sheet and Income Statement in the "Other Operations" category.

The aforementioned statements are included in the Notes to the Company's annual financial statements, which are approved and contain a certificate issued by Chartered Accountants. The certificate makes reference in the regulations approved by the RAE, in accordance with Article 141, paragraph 4 and Article 89, paragraph 5 of Law 4001/2011.

It is mentioned, that the Company did not reform the comparative separate financial statements of the previous year.

2. Allocation Methods and Rules

Methods and Accounting Rules

The methods and accounting rules followed by the Company are dictated by the general accounting principles and the articles of the International Accounting Standards (IFRS), which must be mandatorily kept.

The Accounting Department of the Company is fully computerized with a valid and properly configured accounting plan and software (SAP), which ensure that separate accounts are maintained and that separate profit and loss statements and balance sheet are prepared for each activity.

In particular, the mandatory registration of all accounting records per business area (in SAP) is currently applied, as designated by the Company in accordance with the above General Principles, as follows:

(a) Business Areas / Activities

- Production of electricity.
- Supply of electricity.
- Supply of Natural Gas.
- Renewable Energy Sources.
- Other.

(b) Business Areas apart from electricity and natural gas

- Other Activities

Allocation Rules of Expenses and Revenue (Results)

During every document or transaction entry, as well as any other record pertaining to electricity and natural gas industries, the amounts are classified per business area. Subsequently, the corresponding accounts referring to expenses, revenues, assets and liabilities are automatically updated. The software has a security key on the basis of which, no registration is allowed without the above classification.

This way, documents and transaction entries that concern only one of the Company's business areas or indicate a discrete amount per business area, update the separate accounts of every Business Area (a) directly. The rest of the documents and transactions are allocated to each business area, with the use of an allocation key.

Thereafter, the Company prepares the annual profit and loss statements of each financial year per business area.

Allocation Rules of Assets and Liabilities

The entries updating the Assets and Liabilities Accounts, such as fixed assets, reserves, customers, other receivables, suppliers, liabilities and loans are allocated based on the business area to which they relate.

At the end of each financial year, the total Equity is allocated based on the difference between Assets and Liabilities of each business area, which is designated as "capital allocation to business units".

Cash and cash equivalents, financial assets, tax receivables and liabilities, provisions and deferred taxes, are allocated based on the aforementioned "capital allocation to business units".

3. Content of Activities' Annual Income and Expenses

The annual separate Profit and Loss Accounts for each activity include the Company's transactions with third parties.

Specifically, each business area includes the following:

a) Production of electricity

This business area includes Income, Expenses, Assets and Liabilities, which are derived solely from the business area of power plants.

Specifically,

- Income from the operation of the plant in Agios Nikolaos, Boeotia, of Mytilineos S.A company., with a nominal power of 444,48 MW, with combustible natural gas.
- Income from the operation of the plant in Agioi Theodoroi Korinthias of Korinthos Power S.A., with a nominal power of 436,6 MW, with combustible natural gas.

- Income from the operation of the CHP plant in Agios Nikolaos, Boeotia, Mytilineos S.A. company with a nominal power of 334 MW, with combustible natural gas.
- Expenses relating to the above income, the main ones being the following: Supply of natural gas, pollutant markets, third party fees and expenses, maintenance and operational costs, consumption of spare parts, other production expenses and depreciations, as well as finance costs.

b) Supply of electricity (Trading & Retail)

This activity includes Income, Expenses, Assets and Liabilities, which are derived from the trading and retail of electricity.

Specifically,

- Income from Trading mainly originates from billings to Operator of Electricity Market (Energy Exchange Group) and to domestic and foreign companies, while retail sales from Domestic and Professional electricity consumers.
- Purchases concern the supply of Electricity from Operator of Electricity Market (Energy Exchange Group and DAPEEP) and domestic and foreign companies, the rights of electricity import and export, and the other services from Independent Power Transmission Operator (ADMHE), the network usage (DEDDHE), the cost of purchase of electricity future products (NOME).
- Expenses mainly relate to personnel remunerations and costs, third party fees, finance, depreciation and miscellaneous expenses.

c) Supply of Natural Gas (Trading & Retail)

This activity includes Income, Expenses, Assets and Liabilities, which are derived from the trading and retail of Natural Gas.

Specifically,

- Income from Trading mainly originates from billings to eligible customers and provision of other services.
- Purchases concern the supply, transmission and distribution cost of natural gas, as well as other related costs.
- Expenses mainly relate to personnel remunerations and costs, third party fees, finance, depreciation and miscellaneous expenses

d) Renewable Energy Sources

This activity includes Income, Expenses, Assets and Liabilities arising from Renewable Energy Sources in operation.

e) Other

This activity includes Administrative Income and Expenses of the Company's Energy and Natural Gas sector.

f) Other activities apart from Electricity and Natural Gas Sector

Other activities include Income and Expenses from Other Sectors, where Mytilineos S.A. operates, such as “Metallurgy and Mining Sector” and “EPC and Infrastructure Sector”..

THE PRESIDENT OF THE BOARD & CHIEF EXECUTIVE OFFICER	THE VICE- CHAIRMAN A' OF THE BOARD	THE CHIEF FINANCE OFFICER	THE FINANCIAL DIRECTOR
EVANGELOS MYTILINEOS	SPYROS KASDAS	IOANNIS KALAFATAS	SPYRIDON PETRATOS
I.D. No AN094179/2017	I.D. No AB050826/2006	I.D. No AZ 556040/2008	I.D. No AB 263393/2006