ΕΛΙΚΑ Α.Τ.Ε.Ε.

ANNUAL FINANCIAL STATEMENTS

For the period

1 January 2016 to 31 December 2016

According to Greek Accounting Standards
and authorized by the Board of Directors on July 20, 2017

Kozani, July 2017

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
"ΕΛΙΚΑ A.T.E.E."

Report on the Financial Statements

We have audited the accompanying financial statements of "ΕΛΙΚΑ A.T.E.E.", which comprise the statement of financial position as at December 31, 2016, the income statement, the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Greek Accounting Standards as well as for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements free from material misstatements, either due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control procedures. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

Basis for Qualified Opinion

From our audit, it is noted that:

1) Contrary to accounting principles, no provision has been recorded by the Company for the obligation to pay specific financial benefits for severance pay due to employees' retirement. As at December 31, 2016, the total amount of the non-raised provision for this reason concerning previous years amounts to Euro 23.516,41 and, consequently, the provisions are presented decreased by Euro 23.516,41 and the equity is presented increased by Euro 23.516,41.

2) Trade receivables, advances for stock purchases and other receivables include receivables in delay of Euro 886.292,11. Contrary to the accounting principles prescribed by the Greek Accounting Standards, no provision has been recorded for the impairment of these receivables, based on our assessment, of Euro 534.537,81. Due to this fact, trade receivables, advances for stock purchases and other receivables are presented increased by Euro 534.537,81, and the results of the current and the previous year increased by Euro 211.763,20 and 322.774,61, respectively.

3. Financial assets of Euro 240.000,00 include stocks of banks listed in stock exchange, whose carrying amount as at December 31, 2016 is Euro 107.199,87. Contrary to the accounting principles prescribed by the Greek Accounting Standards, no devaluation of these stocks has been recorded for the difference of Euro 132.800,13. Due to the non-devaluation of these stocks, Equity and the results of the current year are presented increased by Euro 132.800,13.
4. The tax position of the Company has not been examined by the tax authorities for the years ended 2008 and 2009. Consequently, the tax results for these years are not final. The Company did not estimate the additional taxes and penalties which might be assessed in a future tax examination and has not recorded a provision in this respect. From our audit, we could not obtain reasonable assurance about the amount of the provision needed in this respect.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the company "ΕΛΙΚΑ A.T.E.E." as at December 31, 2016 and its financial performance for the year then ended in accordance with the Greek Accounting Standards.

Emphasis of matter

The Company has undertaken legal action against third parties for non-recorded claims of Euro 3.173.876,00. The result of this action cannot be predicted at this stage. We do not qualify our audit opinion in this respect.

Report on Other Legal and Regulatory Requirements

Taking into consideration that, as required by the paragraph 5 of article 2 (part B) of the Law 4336/2015, the Management is responsible for the preparation of Board of Directors' Report, we point out that:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applying legal requirements of articles 43a of the Codified Law 2190/1920 and its content is consistent with the above financial statements of the year ended on December 31, 2016.
b) Based on the knowledge we acquired by our audit on the company "ΕΛΙΚΑ A.T.E.E." and its environment, we have not detected any material inconsistencies in the Board of Directors' Report.

INTERNATIONAL Certified & Registered Auditors A.E.
Patission 81 & Heyden Street, Postal Code 104 34, Athens
R.N. SOEL 111

Athens, July 28, 2017
The Certified Public Accountant – Auditor

Triantafyllos D. Kotsalas
R.N. SOEL: 21361

Statement of Financial Position
"ΕΛΙΚΑ Α.Τ.Ε.Ε."
as at 31 December 2016
(financial assets at acquisition cost)
Amounts in Euros

Non-current assets	**31/12/2016**	**31/12/2015**
Tangible assets		
Land and buildings	589.538,99	593.040,47
Machinery	120.297,82	102.625,37
Other equipment	112.286,53	130.554,53
Total	*822.123,34*	*826.220,37*
Intangible assets		
Other intangible assets	0,20	0,20
Total	*0,20*	*0,20*
Advances and non-current assets under construction	307.882,04	287.643,42
Financial assets		
Stocks	240.000,00	240.000,00
Investments in affiliated companies and joint ventures	1.529.556,89	1.529.556,89
Other	5.076,86	5.326,86
Total	*1.774.633,75*	*1.774.883,75*
Total non-current assets	**2.904.639,33**	**2.888.747,74**
Current assets		
Inventories		
Finished and semi-finished goods	3.741.438,40	3.120.261,00
Merchandises	19.936,29	19.936,29
Advances for stock purchases	1.584.729,32	1.021.051,48
Total	*5.346.104,01*	*4.161.248,77*
Financial assets and advances		
Trade receivables	6.557.573,47	6.164.095,65
Other receivables	3.495.533,59	3.552.766,19
Prepaid expenses	54.555,47	50.874,31
Cash and cash equivalents	256.260,98	1.772.979,55
Total	*10.363.923,51*	*11.540.715,70*
Total current assets	**15.710.027,52**	**15.701.964,47**
Total assets	**18.614.666,85**	**18.590.712,21**
Equity		
Paid-up capital		
Share capital	3.811.500,00	3.811.500,00
Total	*3.811.500,00*	*3.811.500,00*
Reserves and retained earnings		
Statutory reserves	2.229.094,24	2.222.754,38
Tax-free reserves	645.431,80	645.431,80
Retained earnings	2.106.319,92	2.029.682,40
Total	*4.980.845,96*	*4.897.868,58*
Total equity	**8.792.345,96**	**8.709.368,58**
Liabilities		
Short-term liabilities		
Loans	4.624.904,18	4.599.757,16
Trade payables	5.078.742,30	5.060.493,07
Taxes and duties	86.373,78	168.797,87
Social security contributions	19.311,41	18.302,58
Other liabilities	10.093,22	33.992,95
Accrued expenses	2.896,00	0,00
Total	*9.822.320,89*	*9.881.343,63*
Total liabilities	**9.822.320,89**	**9.881.343,63**
Total equity, provisions and liabilities	**18.614.666,85**	**18.590.712,21**

Income Statement
"ΕΛΙΚΑ A.T.E.E."
as at 31 December 2016
Amounts in Euros

	31/12/2016	31/12/2015
Sales	6.014.144,25	15.514.693,12
Cost of sales	(5.263.683,92)	(14.323.041,01)
Gross profit	750.460,33	1.191.652,11
Other operating income	10.969,50	11.648,27
	761.429,83	1.203.300,38
Administrative expenses	(394.796,89)	(353.761,68)
Distribution expenses	(249.566,26)	(243.387,46)
Other operating expenses and losses	(30.838,31)	(9.908,56)
Other income and profit	100,00	37.700,21
	86.328,37	633.942,89
Financial income	506.463,90	7.247,72
Financial expenses	(390.809,41)	(462.603,11)
Profit before income tax	201.982,86	178.587,50
Income tax	(119.005,48)	(88.235,31)
Result for the period after tax	82.977,38	90.352,19

Statement of changes in Equity
"ΕΛΙΚΑ A.T.E.E."
as at 31 December 2016

Amounts in Euros

	Share capiatl	Statutory reserves	Tax-free reserves	Retained earnings	Total
Balance 01/01/2015	3.811.500,00	2.222.754,38	645.431,80	1.939.330,21	8.619.016,39
Changes in elements during the period					
Result for the period				90.352,19	90.352,19
Balance 31/12/2015	3.811.500,00	2.222.754,38	645.431,80	2.029.682,40	8.709.368,58
Internal transfers		6.339,86		(6.339,86)	0,00
Result for the period				82.977,38	82.977,38
Balance 31/12/2016	3.811.500,00	2.229.094,24	645.431,80	2.106.319,92	8.792.345,96

Kozani, 20 July 2017

THE PRESIDENT OF THE BOARD	THE VICE-PRESIDENT OF THE BOARD	THE ACCOUNTANT
Koupatsaris Dimitrios	**Koupatsaris Nikolaos**	**Tsepouras Evangelos**
ID No: – AK- 936048	**ID No: – X 894202**	**ID No: – Ξ 637006**
		A' Class No: 101004