ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2016

In accordance with article 4 of Law 3556/2007

(amounts in thousands € unless stated otherwise)

METKA INDUSTRIAL-CONSTRUCTION S.A.
ARTEMIDOS 8 MAROUSSI (ATHENS)
COMPANY'S GENERAL COMMERCIAL REG. No 6126401000 &
COMPANY'S No 10357/06/B/86/113 IN THE
REGISTER OF SOCIETES ANONYMES

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Περιεχόμενα

A. STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

(according to article 4 § 2 of law 3556/2007)

The members of the Board of Directors of METAL INDUSTRIAL-CONSTRUCTION S.A.:

1. Ioannis G. Mytilineos, Chairman and Managing Director of the Board of Directors

2. Panagiotis A. Gardelinos, Board Member, having been specifically assigned by the Board of Directors,

3. Paul M. Smith , member of the Board of Directors, appointed for this by the BoD,

As far as we know the enclosed consolidated and separate financial statements of METKA INDUSTRIAL-CONSTRUCTION S.A. for the period of 1 January 2016 to 31 December 2016, which were prepared in accordance with the current International Financial Reporting Standards (IFRS), give a true picture of the assets and liabilities, the shareholders' equity and the profit and loss account of the Group and of the Company, as well as of the companies included in the consolidation as a whole.
The annual report prepared by the Board of Directors includes a true presentation of the improvement, the financial performance and the equity of the parent company and its subsidiaries, which are included in the Consolidated Financial Statements. All the important risks and financial uncertainties are taken into consideration for these estimations.

Maroussi, the 24th of March 2017

Confirmed by

Ioannis G. Mytilineos	Panagiotis A. Gardelinos	Paul M. Smith
Chairman & Managing Director of the Board of Directors ID AE044243/2007	Deputy Managing Director ID AE602368/2007	Member of the Board of Directors ID 517749069

B. Independent Auditor’s Report

Towards the shareholders of **METKA INDUSTRIAL-CONSTRUCTION S.A.**

<u>Report on the Audit of the Separate and Consolidated Financial Statements</u>

We have audited the accompanying separate and consolidated financial statements of “METKA INDUSTRIAL - CONSTRUCTION S.A.” which comprise the separate and consolidated statement of financial position as of 31 December 2016 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing which have been transposed into Greek Law (GG/B’/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 separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated 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 the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

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

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the “METKA INDUSTRIAL - CONSTRUCTION S.A.” and its subsidiaries as of December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Board of Directors' report and Corporate Governance Statement that is included to this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

a) In the Board of Directors' Report is included the Corporate Governance Statement that contains the information that is required by article 43bb of Codified Law 2190/1920.

b) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107a and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31/12/2016.

c) Based on the knowledge we obtained from our audit for the Company "METKA INDUSTRIAL - CONSTRUCTION S.A" and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, 27th of March 2017
The Chartered Accountants

Manolis Michalios SOEL Reg. No 25131	Dimitra Pagoni SOEL Reg. No 30821

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An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Annual Report of the Board of Directors of the Company METKA S.A. On the consolidated and Company Financial Statements For the financial year 2016

Shareholders Ladies and Gentlemen,

Pursuant to the provision of L.2190/1920 article 43a paragraph 3, article 108 paragraph 3 and article 136 paragraph 2 and the provision of L.3556/2007 article 4 paragraphs 2c, 6, 7 and 8, as well as, the resolution of the Board of the Hellenic Capital Committee 7/448/11.10.2007 article 2, 1/434/03.07.2007 and the Company's Articles of Association, we present to you the Annual Report of the Board of Directors for the financial year from 01/01/2016 to 31/12/2016, which comprises of the audited consolidated and corporate financial statements, the related notes and the Report of the Auditors. This report provides summary information for the Group and the Company (METKA INDUSTRIAL-CONSTRUCTION S.A.), financial information aiming in informing the shareholders and investors for the financial position and performance, the overall developments and variations in the financial year under review (01/01/201 to 31/12/2016), significant events that took place and their impact on the financial statements. Furthermore, an analysis of potential risks and uncertainties that the Group and the Company may face in the future, the anticipated course and evolution of the group companies, the corporate governance, the dividend policy as well as, disclosure of the transactions between the Company and the related parties is provided.

This report accompanies the annual financial statements of fiscal year 2016 (01/01/2016 – 31/12/2016) and is included individually together with those statements as well as the declarations of the members of the board of directors into the annual economic report concerning the fiscal year 2016. Given that the Company also composes consolidated financial statements, this report is cohesive having as a main reference point the consolidated financial information and referring to the corporate financial information of METKA S.A. only where necessary or appropriate in order to gain a better understanding of the content.

A. Performance and Financial Position for 2016

Financial Information

In 2016 the Greek economy came close to the target of growth. During the first half of the year, recession was weaker than anticipated and in the third quarter the economy posted positive growth.

This course was driven mainly by the upward trend in domestic demand, the strengthening of business investment and the continuous rise in goods exports. The completion of the first review of the new financial assistance program and the disbursement of the associated loan tranche significantly improved the economic climate, allowing also the payment of government arrears to the private sector.

However, conditions regarding the financing of the real economy remained adverse, despite the de-escalation of pressure on the banking system, compared to 2015. Deposit inflows followed a low rate during 2016, as the standing capital controls and the slow progress in addressing NPLs maintained cautiousness among depositors. The accumulated stock of non-performing exposures (NPEs) remained high creating significant obstacles in the recovery of the banks' mediating role in the financing of the economy.

The past year was also marked by the enactment of a large number of fiscal measures, mainly related to tax and social security reforms. The increase of existing and the introduction of new taxes and levies led to an overperformance in tax revenue and contributed to the overachievement of the fiscal target for a primary surplus in 2016, causing however additional pressure on the economic activity.

The excessive tax burden combined with the extended negotiation and the delays in closing the second program review had a negative impact on the economic climate towards the end of 2016. According to data by the Greek Statistic Service, in the last quarter of the year the country's GDP fell by -1.1%, recording a marginal contraction of 0,5% in 2016 against forecasts for growth.

Throughout 2016 METKA continued its positive track. Along with the execution of its current backlog, the company pursued the expansion of its activities in the sub-Saharan Africa region and other developing markets that face increased needs for the provision of electricity.

The activity of METKA EGN contributed significantly to the company's performance, during the reference period. This reflects the advantages of METKA's strategic expansion to the renewable energy sector.

The announcement of the plan for the restructuring of Mytilinaios Group in December 2016 marked the completion of a positive year and paved the way for an even stronger growth course for METKA in the future.

The positive performance of the company is reflected in the financial results of 2016, which confirm METKA's resilience.

More specifically, the Group's turnover for 2016 reached € 445.1 million compared to last year's € 668.0 million, while the Company's turnover for the same period mounted to € 280.6 million compared to last year's € 411.9 million.

The main factors which contributed to the Group's above course are :

a) The project «turn-key engineering, procurement and construction (EPC), as well as operations and maintenance (O&M) for a solar photovoltaic power plant (solar PV) in Puerto Rico, with a capacity of 57MW and a contract value of $ 94.5 million, which in the current period recorded a turnover of € 81.94 million.

b) 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 € 65.02 million.

c) The project «Construction and commissioning of a power plant with a capacity of 724 MW» in Deir Azzour of Syria, with a contract value of € 687 million, which in the current period recorded a turnover of € 63.1 million.

d) The project «Construction of a power plant station of 701 MW» in Deir Ali, Syria, with a contractual value of € 718 million which in the period under review recorded a turnover of € 41.2 million.

e) The project «Construction of a thermal power plant station of 1250 MW» in Iraq, with a contractual value of $ 567.7 million which in the period under review recorded a turnover of € 38.03 million.

f) The project «Engineering, Procurement and Construction (EPC) of 250 MW power plant» in Ghana, with a contractual value $ 360 million, which in the period under review recorded a turnover of € 28.42 million.

g) The project for the construction and delivery of 44 semi-trailers and 34 launcher platforms for Patriot air defense systems, for the Middle East market. The contractual value is $ 38.5 million and in the period under review recorded a turnover of $ 15.5 million.

h) The implementation of the contract for the construction and delivery of 42 semi-trailers and 36 launcher platforms for Patriot air defense systems, for the Middle East market. The contractual value is $ 37.9 million and in the period under review recorded a turnover of $ 12.3 million.

The Group’s and the company’s gross profit margin reached 19.5 % and 20.8% respectively, while the EBITDA (earnings before interest, taxes depreciation and amortization) of the Group were € 74.9 million (16.8%). Accordingly the Company's EBITDA amounted to € 35.9 million (12.8%).

The Group's net earnings after taxes and non-controlling stakes amounted to € 53.3 million, and Company's amounted to € 21.9 million.

The Group’s net cash at hand at the end of FY 2016 reached € 102.9 million and remain on a high level despite the negative economic climate.

The financial position of the Group on December 31, 2016 continues to be satisfying and reflects its economic stability and its future perspectives. The total equity in December 31, 2016 amounted to € 601 million in comparison to the € 551 million of December 31 2015, demonstrating an increase by 9.1%.

It is the Group’s policy to constantly assess its results and performance on a monthly basis, aiming to detect any deviations from its objectives and to adopt the required corrective measures timely and effectively. The Group assesses its performance by using financial performance indices, in particular:

- ROCE (Return on Capital Employed) – The index divides the earnings before taxes, financial, investment results and total depreciations with the total Group capital employed, which is the sum of the equity, plus the total borrowing obligations and the long term provisions.

- ROE (Return on Equity) – The index divides the earnings after tax and minority rights by the Group Equity.

- EVA (Economic Value Added) – This index can be determined by multiplying the Capital Employed with the difference (ROCE – Cost of Capital) and is the amount by which the Group increases its economic value. The Group uses the model of WACC "Weighted Average Cost of Capital" in order to calculate the 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).

Where

E Equity Capital

D Debt

rE Return on equity

rD Return on debt

Tc Tax rate

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

*Return on Equity is calculated by utilizing the European bond index iboxx AA Corporate Overall 10+ EUR, with an average yield for the same period 1,23%, multiplied by beta coefficient that reveals the variability of the stock in relation to market fluctuations.

Index	2016	2015	2014
ROCE	**12%**	**20%**	**20%**
ROE	**9%**	**13%**	**18%**
EVA	**63.970 th.**	**104.095 th.**	**91.813 th.**

B. Significant events of the year 2016

I. Projects continued in year 2016

A) EPC Projects

1. Power Plant Station of 724 MW in Deir Azzour, Syria

The consortium ANSALDO – METKA (METKA acting as a leader) undertook in 2010 for the account of the Public Establishment of Electricity for Generation (PEEG) the works allowed by the prevailing circumstances (engineering, procurement) of the project " engineering, procurement, construction and commissioning of a natural gas power plant that generates power with natural gas (main fuel) and diesel (auxiliary fuel), with nominal capacity of 724 MW in Syria" (Deir Azzour CCPP).

The budget of the contract is € 687 million paid through a Letter of Credit which already has been opened in our company's name and confirmed in April 2012.

Most of the engineering and procurement of the main equipment have been handed to the client during the 1st trimester of 2016 but since then the construction has been suspended indefinitely.

2. Power Plant Station of 701 MW in Deir Ali, Syria

The joint venture of ANSALDO – METKA undertook in 2010 for the account of the Public Establishment of Electricity for Generation (PEEG) the engineering, procurement, construction and commissioning of a natural gas power plant that generates power with natural gas (main fuel) and diesel (auxiliary fuel), in a combined cycle with nominal capacity of 701 MW in Syria (Deir Ali II CCPP).

The execution of the project started in July 2010 following the opening of the Letter of Credit.

The contract price amounts to € 718 million, the € 48 million being contracted compensation.

The construction works have been completed except of some tests which remain because the on-site conditions do not allow it.

3. Thermal Power Plant Construction of 1250 MW in Iraq

Further to a contract signed on 23/11/2011, METKA undertook on behalf of the Ministry of Electricity Republic of Iraq, the engineering, installation and commissioning of a thermal power plant of 1250MW, with General Electric turbine technology, in open cycle, natural gas and LDO fueled, in the area Basra of South Iraq.
Following the client's request and in order to optimize the unit's flexibility, METKA undertook through an agreement on 12/6/2014, the engineering, installation and commissioning of equipment feeding the unit with HFO (Heavy Fuel Oil).

The total contract budget is $ 567,7 million and the project's completion (end of 2016) is approx. 97%.

4. Construction (EPC) of a 250 MW Power Plant in Ghana

Power Projects, has signed in 2015 a major contract to provide a fast-track EPC as well as Operation and Maintenance support for a 250 MW Power Plant in Ghana.

The total contract budget for Power Projects is $ 360 million. The EPC contract was completed within 2016 and now the project is in the 5-year operation phase.

5. Construction and commissioning of a 590.726 MW open-cycle, three turbine, dual fuel (natural gas/diesel) power plant in Hassi 'Rmel, Algeria

On 19/11/2013 METKA announced a new contract with Société Algérienne de Production de l'Electricité (SPE Spa which belongs to Sonelgaz Group, the biggest power supplier in Algeria), in a consortium with General Electric. It is the fourth major project undertaken by METKA in Algeria, and highlights the company's commitment towards establishing a strong presence in regional growth markets. The project concerns the engineering, procurement, installation and commissioning of a dual fuel (natural gas/ diesel) open cycle power plant, with three gas turbines and a total output of 590,726 MW at site conditions. The total contractual value for METKA is € 154 million plus DZD 2.311 million and the project's time schedule was 16.5 months.

Further to an agreement with the client, an extension of the contract was signed in 24/2/2015 with a new completion period of 30 months.

The electromechanical works are in an advanced state, the three units have already been connected to the Algerian network, thus completing Phase I & II of the project.

Phase III, which is expected to be completed within 2017, includes the initiation of the Units with diesel fuel and infrastructure works (roads, fences, administrative buildings, tanks, etc.)

The project's completion (end of 2016) is approx. 95%.

6. Construction and commissioning of a natural gas fired, open-cycle power plant, with two gas turbines, of 368.152 MW in Hassi 'Rmel, Algeria

On 14/05/2013 METKA announced a new contract with Société Algérienne de Production de l'Electricité (SPE Spa which belongs to Sonelgaz Group, the biggest power supplier in Algeria), in a joint venture with General Electric. It is the third major project undertaken by METKA in Algeria, and highlights the company's commitment towards establishing a strong presence in regional growth markets. The project concerns the engineering, procurement, installation and commissioning of a natural gas fired, open cycle power plant, with two gas turbines and a total output of 368,152 MW at site conditions. The total contractual value for METKA is € 72 million plus DZD 2.127 million (approx.. € 90.3 million in total) and the time schedule is 29.5 months.

On 22/09/2015 a contract supplement was signed which extended the time schedule to 44.5 months.

Due to delayed civil engineering works by the Client, there are discussions among the parties for a new extension of the time schedule as well as the increase of the original contractual value.

The project's completion (end of 2016) is approx. 84%.

7. SES Aliveri V, PPC project

Construction was completed within 2012 but commissioning was postponed due to lack of a natural gas supply. This was arranged in November 2012 and the works re-started. The project was completed in the first half of 2013. Its semi-commercial and commercial operation was completed within the second half of 2013.

Final acceptance by the PPC was effected early 2017.

8. HES Ilarion Hydroelectric Project, Small Ilarion and small Papadia

The project's time schedule was modified so that its progress is aligned with the activities of the civil works performed by another contractor and PPC's reservoir filling program. The electromechanical erection has been completed.

The station has entered into commercial operation in 2014. Final acceptance is expected within 2017.

9. Construction and commissioning of an Open-Type High-Voltage Substation (AIS) 220/60, 2x120MVA.

On 29/10/2015 METKA signed a new contract with SPA, Société Algérienne de Gestion du Réseau de Transport de l'Electricité GRTE (GRTE Spa, member of the Sonelgaz Group, the biggest supplier of electric power in Algeria) in consortium with its subsidiary POWER PROJECTS, for the engineering, procurement, construction and commissioning of an open-type High-Voltage Substation AIS 220/60, 2x120MVA at site conditions. It is the first High-Voltage Substation and the sixth project of METKA in Algeria, and highlights the company's commitment towards establishing a strong presence in regional fast growing markets. The total budget for METKA S.A. is € 14.4 plus DZD 571.6 million (total approx. € 19.3 million) and the time schedule is 24 months.

The project's completion (end of 2016) is approx. 2%.

10. Boiler upgrade in Units I and II of SES Agios Dimitrios for NOx emission reduction with primary measures and conformity to the requirements of the European Directive 2010/75/EC

On 23/11/2015 METKA signed a new contract with the Public Electricity Company S.A. for the design and engineering, manufacturing, tests on site, procurement, transportation and storage of the equipment at the project's facilities, the erection, construction, assembly, installation, tests on site and commissioning of the Boilers further to the upgrade with primary measures (Boilers incorporating the new equipment and modified existing equipment) for NOx emission reduction at Units I and II of SES Agios Dimitrios. The total contract budget for METKA S.A. is € 13.75 million and the time schedule 22 months including the final Performance Tests. The unforeseen presence of asbestos in the Project resulted to an extension of the time schedule by 8 months in order to study, manage and dispose of it before the commencement of the Units' upgrade.

The project's completion (end of 2016) is approx. 30%.

Summarizing

The turnover from EPC projects reached € 190.8 million and represents a 42.9% of the Group's turnover in 2016.

B. Industrial Projects

1. Patriot production

The production of air defense systems Patriot PAC-3 for Raytheon Company is being continued.

Completed within 2016 was the production and delivery of defense systems for the Middle East market. The contracting party is INTRACOM Defense Electronics under an agreement with the Raytheon Company/IDS (Integrated Defense Systems) and the project's main features were the manufacture of 86 semi-trailers and 70 launcher platforms. The project is expected to be completed in the second half of 2018.

Moreover, PATRIOT systems exporting is anticipated to be continued successfully in the following years.

2. Defined metal structures of the hull and turret for 62 LEOPARD 2A7 main battle tanks for the Middle East market

On 26/11/2013 METKA signed an industrial coproduction agreement with Krauss-Maffei Wegmann GmbH & Co. KG (KMW), Europe's leading manufacturer of highly protected wheeled and tracked military vehicles. KMW chose METKA to supply defined metal structures of the hull and turret for 62 LEOPARD 2A7 main battle tanks for the Middle East market. The value of the agreement adds up to 56.5 million euro and deliveries were completed in January 2017. Up to December 2016, 62 turrets and 59 hulls have been delivered.

METKA and KMW have been business partners in producing LEOPARD 2HEL tanks for the Greek Army since 2003 when the two companies set the basis of their co-operation that included extensive know how transfer and substantial investments on highly sophisticated machinery in METKA's two factories in Volos. This new agreement is the result of the successful execution of the Greek program that qualified METKA as one of the very few companies that can perform such demanding fabrication works worldwide and, certainly, sets a milestone in their long-term cooperation, particularly with regard to preservation of jobs and know-how in Greece's Defense Industry.

METKA is about to sign a new big contract for the construction and exporting of battle tanks.

At the same time, based on the above programs, METKA made substantial investment in heavy-duty mechanical equipment of value over € 6 million.

Summarizing

The 2016 turnover from Defense projects amounted to € 35.5 million corresponding to a 7.98% of the Group's 2016 turnover.

C) Various Projects -Infrastructure

1. «Construction of remaining infrastructure, permanent way, signaling-telecommanding, telecommunications and electrical engineering works for the tunnel facilities for the new railway line Kiato-Rododafni»

METKA announced on 11.9.2014 the contract for 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». The total budget of the project is € 273 million and is co-funded by the European Regional Development Fund (ERDF), under Priority Axis 2 of the Operational Programme "Accessibility Improvement" of the Greek NSRF 2007-2013.

The Kiato-Rododafni railway line is part of the larger construction project for the new double railway line from Athens (SKA) to Patras and is considered an infrastructure project of significant importance, since upon its implementation it will be possible to connect the Peloponnese with the modern railway network of Athens. The New Double High-Speed Railway Line KIATO-PATRAS is the extension of the new ATHENS - KORINTHOS - KIATO Double High-Speed Railway Line, which will link the Greek Capital to Patras, the third largest economic centre of the country.

For the implementation of the project METKA will collaborate with the international company THALES, a global leader in the field of signaling and telecommanding, as well as with XANTHAKIS S.A., a Greek company specialized in railway superstructure works

The Implementation of the project started immediately with the signing of the contract. According to the 23rd account of works (until December 2016) a 52% of the project has been certified as already executed, amounting to € 119.5 million, whereas the amount received so far is € 119.5 million, which corresponds to the 23rd account of the works completed within 2016. Completion according to the time-table will be at the end of 2017.

2. Construction and maintenance of the electricity networks in the areas of Ioannina-Kefalonia-Komotini & Florina

On 09/06/2015 METKA undertook from the Hellenic Electricity Network Administrator S.A. the construction and maintenance of the network in the areas of Ioannina-Kefalonia-Komotini & Florina, starting on 01/07/2015 and for three years with a total contractual budget of € 13.6 million.

The project's completion (end of 2016) is approx. 56%.

Summarizing

Infrastructure projects participated with € 76.1 million in the 2016 turnover, representing a 17.1% of the total turnover.

D. Solar PV projects (EPC)

1. Construction (EPC) of a Solar Power Plant of 57MW in Puerto Rico

METKA EGN, a 50,1% subsidiary of METKA, has initiated the engineering, procurement and construction (EPC) of a Solar PV power station of 57MW in Puerto Rico. The client is Oriana Energy, LLC, a subsidiary of the Sonnedix Group (collectively, "Sonnedix"), a leading solar energy Independent Power Producer (IPP), for a large scale 57MW project in Puerto Rico. Together with the EPC for the solar plant, which were completed in mid 2016, METKA EGN will also provide operation and maintenance services.

Summarizing

Solar EPC projects participated with € 121.8 million to the turnover representing a 27.4% of the total Group's turnover for 2016.

E. Other Projects - Sales

In addition to the aforementioned projects, during 2016 the Group completed various projects (infrastructure, maintenance, machining, etc.)

Summarizing

Various Projects and other sales participated with € 20.9 million in the 2016 turnover representing a 4.7% of the total turnover.

II. New projects awarded to the Company in 2016

Construction of a 192MW Power Plant in Ghana.

On 11/03/2016 METKA signed a contract with Amandi Energy Limited, for the Engineering, Procurement and Construction (EPC) of a new power plant in Ghana.

The project owner, Amandi Energy Limited, is jointly owned by A. Energy Development Limited and Aldwych International Limited, a leading developer and investor in energy projects in sub-Saharan Africa.

The project will be executed by METKA in consortium with General Electric, and includes the engineering, procurement, construction and commissioning of a 192MW combined cycle power plant in Takoradi**.** The plant will be implemented with capability to operate on both natural gas and light crude oil, and will utilize the latest advanced version of General Electric's well proven 9E gas turbine. The project will be constructed in 27.5 months.

The contract value for METKA Group is approximately $ 174.5 million.

Implementation of the project commenced December 8, 2016, upon completion of financing.

This is METKA's second major project in Ghana, and emphasizes the company's commitment to become a leading player in the sub-Saharan Africa power market.

III. Other significant events for 2016

- **Decisions of the Regular General Assembly of 11/5/2016**

The annual Regular General Assembly of the company's shareholders took place on May 11 2016, and the following decisions, among others, were taken:

a) Approval of the company name change to "METKA INDUSTRIAL-CONSTRUCTION S.A." and short title "METKA", through an amendment of article 1 of the company's statutes.
b) Approval of the company and consolidated financial statements for the period 01/01-31/12/2015.
c) Distribution of a dividend € 0,1200 per share. After a tax deduction of 10%, the net payable dividend per share shall be € 0,1080.
d) Approval of a fee of € 3,6 million out of the 2015 profit and according to article 24 of law 2190/1920, for the members of the Board of Directors for their services.
e) The General Assembly discharged the Board of Directors and the Auditors from any liability regarding the activities carried out and the management in general in connection with the financial year 2015.

- **Group Restructure Announcement**

On 14.12.2016, the Boards of Directors of the companies "MYTILINEOS HOLDINGS S.A." ("MYTILINEOS"),"METKA INDUSTRIAL – CONSTRUCTION SOCIETE ANONYME" ("METKA"), "ALUMINIUM OF GREECE INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME" ("AoG"), "PROTERGIA POWER GENERATION AND SUPPLIES SOCIETE ANONYME" ("Protergia") and "PROTERGIA AGIOS NIKOLAOS POWER SOCIETE ANONYME OF GENERATION AND SUPPLY OF ELECTRICITY"("Protergia Thermo") announced that they have decided to commence the process of the merger into a single entity by absorption of METKA, AoG, Protergia and Protergia Thermo by MYTILINEOS.

The contemplated restructuring will simplify the Group's structure and will result in synergies from both an operational and financial standpoint. The new, flexible structure will benefit from a significant reduction of financial cost, economies of scale, optimization of procurement, homogenization and improved management of human capital and the sharing of expertise, knowledge and best practice across the various divisions of the new entity. The new, flexible and simplified structure will grant greater financial flexibility, allowing the diversification of the new merged company's cash flow and the strengthening of its balance sheet. This will enable the optimal allocation of capital towards investments offering the highest returns, enhanced by the robust financial strength of the new entity.

The intended corporate restructuring is expected to be completed by no later than 30/08/2017 and to be accretive to near term earnings as well as create value for all shareholders.

In accordance with the provisions of Regulation (EU) 596/2014, the assessment of the Boards of Directors of MYTILINEOS and METKA regarding the exchange ratio, which remains subject to the approval by the General Meeting of shareholders of each of the merging companies, is hereby announced. Specifically, it is proposed that METKA's shareholders will receive 1 common listed MYTILINEOS share with voting rights, each with a nominal value of €0.97, for each METKA share, with voting rights and nominal value of €0.32, they hold.

Pursuant to article 4.1.4.1.3 of the Athens Exchange Rulebook, as applicable, the Absorbing Company MYTILINEOS and the Absorbed Company METKA engaged Nomura International Plc and Barclays Bank Plc respectively, the latter acting through its Investment Bank, for an opinion as to the fairness and reasonableness of the proposed share exchange ratio. Further, the Merging Companies jointly engaged certified public accountants Messrs. Antonios A. Prokopidis, a member of the Institute of Certified Public Accountants (SOEL) under Reg. No. 14511, and Dimos N. Pitelis, a SOEL member under Reg. No. 14481, both of "PKF Euroauditing S.A.", a Certified Public Accountants Firm having its registered office in Athens, at 124 Kifissias Avenue, Postal Code 11526, such firm being entered in the Special Registry provided for in para. 5 of article 13 of Presidential Decree 226/1992 under SOEL Reg. No. 132, to prepare a report on the appraisal of the value of assets of the Merging Companies and to provide an opinion as to the fairness and reasonableness of the proposed share exchange ratio, pursuant to the provisions of article 9, para. 4, and article 71 of Codified Law 2190/1920.

Lazard & Co. Limited ("Lazard") has been appointed as sole financial advisor to MYTILINEOS, while Eurobank Ergasias SA will act as Process Advisor with regard to the issue of the new shares. Finally, McKinsey & Company has been appointed to support the operational migration of the merged entities.

The merger, as decided in principle by the Boards of Directors of the merging companies, will bear the transformation balance sheet date of 31.12.2016 and will be executed in accordance with the provisions and exemptions of Law 4172/2013, article 61 of Law 4438/2016, Articles 69-78 et seq. of Law 2190/1920 and Greek corporate law in general.

In implementation of the internationally accepted valuation methods: namely, in respect of the report delivered by Nomura International Plc to the Absorbing Company, valuation based on (a) discounted cash flow, (b) broker target share prices, (c) financial multiples - trading comparables, (d) financial multiples – transaction comparables, and (e) technical multiples – trading and transaction comparables; in respect of the report delivered by Barclays Bank Plc to Absorbed Company A, valuation based on (a) the unlevered discounted cash flow "UDCF", and (b) financial multiples – trading comparables; and, in respect of the report delivered by Certified Public

Accountants Messrs. Antonios A. Prokopidis and Dimos N. Pitelis, both of “PKF Euroauditing S.A.”, valuation based on (a) discounted cash flow, and (b) financial multiples – trading comparables, and on the basis of the respective reports by Nomura, Barclays and PKF, the proposed share exchange ratio of 1 to 1 for METKA shares to MYTILINEOS shares was considered to be fair and reasonable. Therefore, the ratio for the exchange of METKA shares to MYTILINEOS shares, which METKA shareholders shall receive as a result of the merger, is agreed as follows: for every one (1) common registered voting share of a nominal value of thirty two eurocents (€0.32) in METKA its holder shall receive one (1) common, registered voting share of a nominal value of ninety seven eurocents (€0.97) in the share capital of MYTILINEOS.

- **Strategic Partnership in the Off-Grid Power Sector**

METKA has entered into a strategic partnership with International Power Supply (IPS), the manufacturer of the award-winning Exeron off-grid power system.
Off-grid applications represent a quickly growing segment of the global power solutions market, driven by the continually improving economics of solar PV and battery storage technology. Important end-use markets include off-grid telecommunications infrastructure, remote power solutions for oil & gas production and pipelines, and electrification of off-grid communities.
Under the agreement METKA will become a strategic investor in IPS with a 10% stake by means of capital increase by euro10mio, enabling the company to fund a significant expansion of its production capacity, and to further develop its market leading position in off-grid power applications globally.
Additionally, METKA has undertaken exclusive rights for the Exeron system in several of its existing key markets as well as an option for acquiring a further 10% stake with the same mechanism and cash contribution, while IPS and METKA will jointly pursue major off-grid power opportunities around the world.

C. Subsequent Events

On January 23 2017, METKA announced that its 50.1% owned subsidiary company, METKA EGN, has recently signed contracts to provide turn-key engineering, procurement and construction (EPC) for projects with a total capacity of 75MW and contract value exceeding Euro 60 million.
The largest of the new contracts is with Noriker Power Limited to provide an innovative 20MW power plant, including a large battery storage installation, which will provide fast frequency response services for the UK’s electricity network. This builds on the experience gained through the successful implementation of the Oriana project in Puerto Rico for Sonnedix, representing one of the world’s largest solar PV power plants with battery storage integration.
The majority of the other projects concern solar photovoltaic (PV) power plants in the United Kingdom, six of which are with Lightsource and Canadian Solar, both existing clients.

On January 27 2017, METKA announced that it has concluded an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out the engineering, procurement and construction (EPC) contract for a new power plant in Tobruk, Libya.
The project, with total output of more than 500MW, includes the supply and installation of 3 General Electric GT13E2 gas turbines in open cycle configuration, together with all associated balance of

plant equipment and a 220/66kV substation. The contract value for METKA amounts to $380 million.
The contract is subject to final approval from the responsible state authorities in Libya, and will
Only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. The project will be carried out on a fast-track schedule so that the first gas turbine will be ready to connect to the grid within 9 months from commencement, and the second and third gas turbines will be ready for connection within 10 and 11 months respectively.
This is METKA's first major project in Libya and emphasizes the company's commitment towards supporting markets with critical needs for power.

Apart from those mentioned, there are no other subsequent events of major significance taking place after 2016 for the Group or the Company which should be announced for the purposes of the International Financial Recording Standards (IFRS).

D. Prospects for 2017

In 2017 the Greek economy is expected to follow a recovery course, which however remains subject to significant risks. According to forecasts by the Bank of Greece and international organisations, the GDP growth could reach a rate of 2,5%. A critical condition for the realization of these estimates is the immediate completion of the second program review, which will secure the financing of government borrowing needs and pave the way – in combination with the completion of the public debt sustainability analysis – for the inclusion of Greek government bonds in the ECB's quantitative easing program. Such a development will bring about a decline in borrowing costs for the real economy and facilitate the access of Greek business to international capital markets.

A positive impact on the economic climate is also expected by the receding of NPLs, which will improve the quality of banks' assets, lower their funding costs and liberate resources for the financing on new productive investments. The upward trend of critical indexes such as private consumption, investment and exports can also enhance the economy's growth prospects.

However, the expectations of a positive and robust growth rate in 2017 are subject to a number of risks and uncertainties, both external and domestic.

External risk factors include the imminent elections in EU member-states, in combination with the strengthening with the rise of Euroscepticism across Europe, uncertainties regarding the US foreign and economic policy under the new administration, the geopolitical instability in the broader South-Eastern Mediterranean region, as well as a possible adverse turn in the management of the refugee – migrant crisis. The plans about a new European economic architecture, that are emerging along the negotiations regarding the relationship between the EU and the UK, are also expected to have a significant impact on the political and economic climate.

On the domestic front, the main risks are associated with the slow progress in the implementation of the current program and the conclusion of the second review. It is evident that any further delays will severely impede the recovery course of the Greek economy. If Greek bonds eventually remain excluded from the ECB's quantitative easing program, uncertainty will escalate with immediate negative consequences in the economic climate.

Finally, excessive taxation of businesses and households will continue to create obstacles in the economic activity, weighing on growth and job creation while contributing to the increase of private sector arrears to the government.

For METKA 2017 will be a year of evolution and new opportunities. The company will pursue the timely execution of contracts and the signing of new projects in targeted markets, maintaining its strategic focus on becoming a leading player in the power market of Sub-Saharan Africa. In this context, at the beginning of 2017 METKA started the execution of its second major project in Ghana, for the construction of a new 200MW combined cycle power plant in Takoradi.

At the same time, METKA will focus on the further enhancement of its portfolio in the solar energy market, through its subsidiary company METKA-EGN, which announced at the beginning of 2017 the signing of new contracts for the engineering, procurement and construction of projects with a total capacity of 75MW and contract value exceeding 60 million Euro.

Important advantages and opportunities are expected for METKA through the merger with Mytilinaios Group, which is expected to be completed by the middle of 2017. The business synergies that will be created, from both an operational and financial standpoint, will allow METKA to successfully meet the requirements of the global market.

Tapping on the increased size and the possibilities of Mytilinaios Group, METKA will gain enhanced financial flexibility, securing lower costs and improved access to capital, which will be allocated in projects with high returns. Moreover, the company will benefit by significant economies of scale, optimization of procurement, improved management of human capital and sharing of expertise, knowledge and best practices across the new entity’s divisions.

Through its restructuring, METKA is taking one further step of evolution to adapt to the requirements of an ever-changing global business environment, keeping as its main goal the increase of value for shareholders, employees and customers, society and the national economy.

E. Risks and Uncertainties

The activities of the Group are subject to various risks and uncertainties, related mainly to the technical and timely completion of the projects and their performance according to the guaranteed values.

The Group is active in the Greek territory as well as in Middle East, Syria, North Africa, Turkey and countries of the European Union. Therefore, it is subject to currency exchange risk which may arise from the exchange rate of euros against other currencies (mainly USD). This kind of risk may arise from transactions in foreign currency or valuation of foreign currency reserves. In order to manage this kind of risk, the Group’s Treasury takes care to safeguard the Group’s reserves from changes in exchange rates. Concerning the company’s transactions with foreign institutions, these are mainly with European Group of Companies transacting in euros, so there is no such risk.

Additionally, in order to control the currency risk in trade transactions, the Group’s policy is to invoice in the same currency with its clients/suppliers.

The Group is not subject to significant market risks (fluctuations in the exchange rates, interest rates, market prices etc.), credit risk, foreign currency risk and liquidity risk. This is achieved through cooperation with reliable clients, recourse to short-term bank borrowing only when funding is deemed necessary.

According to Group's risk management policy, an evaluation of the risks related to its activities and operations, the planning of methodology, the selection of the suitable financial products for the reduction of risks and their implementation is performed in accordance with the process approved by the Management.

It should be noted however that the systems and risk management policies by default offer potential but not absolute safety, since although they are designed to limit the possibility of the relevant risks and their consequences, they cannot fully exclude them.

A potential major change in the global circumstances could create risks even with trustworthy clients.

Subsequently, the factors of the basic risks and uncertainties are analysed, as well as the policies for their management and their impact on the activities of the Group.

I. Credit Risk

The credit risk occurs when the inability of the contracting parties to settle their obligations could decrease the amount of the future cash inflows from financial assets at the date of the balance sheet. The Group is regarded as not having any significant concentrations of credit risk.

The Group implements procedures so as to ensure that its receivables result from customers with acceptable credibility and reviews regularly the aging of its receivables.

The fact that the Company is not exposed to significant credit risk from commercial receivables is due to the nature of the activities of the Group as well as its policy, which is directed towards the collaboration with big corporations of the Public Sector and reliable foreign corporations with high credit ratings.

The slowdown of the Greek economy is expected not to adversely affect the receivables of the Group, since there is no significant exposure to receivables from Greek government agencies and the customers are primarily creditworthy international customers.

The credit risk also exists in relation to the cash and cash equivalents, the investments and financial derivatives. The risk can result from weakness of the contracting party to meet its obligations towards the Group. The bank balances are retained in bank institutions with high credit ratings and the Company implements processes which minimize its exposure to credit risk in relation to each financial corporation.

II. Exchange Rate Risk

The exchange rate risk results from future commercial transactions and recognized assets and liabilities that are denominated in currency which is not the functional currency of the Company.

The Group operates in the areas of Greece, Middle East, Syria, North Africa, Turkey and the European Union countries and therefore may be exposed to currency risks that may arise, mainly with American dollars (USD). This type of risk can arise primarily from existing or expected cash flows in foreign currency from trading other than Euro.

The Group is exposed to exchange rate risk due to transactions with customers and suppliers in foreign currency, the majority of which are in USD. Contracts in USD are the Iraq project as well as the project in Ghana.

To manage currency risk, financial section of the Group management minimizes the risk by changes in exchange rates. Regarding the Company's transactions with foreign companies, these are normally with European groups where the settlement currency is in Euro and therefore no such risk arises.

In order to reduce the currency risk from commercial transactions, the Group applies pricing primarily in the same currency with customers / suppliers. Furthermore, for trade with countries outside the European Union (mainly currency United States dollars - US $) Group Treasury Department enters into forward currency contracts for and on behalf of the individual companies of the group if necessary.

The financial assets as well as the corresponding liabilities of the Group in foreign currency converted into Euros with the closing exchange rate are analysed as follows:

Amounts in thousands €	2016							2015						
Nominal Amounts	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	TRL	DZD	JOD	IQD
Financial Assets	346,699	377	9,928	10,993	11,592	883	-	138,119	382	5,111	8,290	13,123	198	-
Financial Liabilities	(161,774)	(950)	(4,761)	(82)	(10,171)	(11)	(67)	(155,369)	(651)	(5,573)	(1,386)	(9,472)	(553)	(67)
Total	**184,925**	**(573)**	**5,167**	**10,911**	**1,421**	**872**	**(67)**	**(17,250)**	**(269)**	**(462)**	**6,905**	**3,652**	**(355)**	**(67)**
Short-term exposure	47,675	(573)	5,167	10,911	1,421	872	(67)	14,905	(269)	(462)	6,905	3,652	(355)	(67)

The table below shows the sensitivity analysis of the financial year's result and equity in combination with the financial assets and the financial liabilities at the exchange rate EUR/USD, EUR/GBP,EUR/RON, EUR/TRL, EUR/SYP, EUR/DZD , EUR/JOD end EUR/IQD. The table was prepared based on the scenario that there is a fluctuation at 31 December 2016 of the above exchange rates by 5% (2015: 5%). The effect on result and equity is as follows:

Increase 5% :

Amounts in thousands €	2016							2015						
	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	TRL	DZD	JOD	IQD
Earnings before tax	9,246	(29)	258	546	72	44	(3)	(863)	(13)	(23)	345	184	(18)	(3)
Equity	8,949	(20)	207	546	56	35	(2)	(1,323)	(10)	(18)	345	149	(15)	(2)

Decrease 5% :

Amounts in thousands €	2016							2015						
	USD	SYP	GBP	TRL	DZD	JOD	IQD	USD	SYP	GBP	TRL	DZD	JOD	IQD
Earnings before tax	(9,246)	29	(258)	(546)	(72)	-44	3	863	13	23	(345)	(184)	18	3
Equity	(8,949)	20	(207)	(546)	(56)	(35)	2	1,323	10	18	(345)	(149)	15	2

In order to control the exchange rate risk resulting from transactions with non-EU countries (mainly in US $), the group treasury department signs currency pre-purchase contracts on behalf of the separate Group companies when this is deemed necessary.

III. Interest Rate Risk

It is the risk from the fluctuations in the financial assets and liabilities value due to changes of the interest rates. The Group is not exposed to significant interest rate risk, since its short-term borrowing on 31/12/2016 was on a quite low level.

The total assets of the Group that are exposed to interest rate fluctuations relate mainly to cash and cash equivalents.

The Group finances the projects using own funds in order to minimize the level of bank borrowing. At 31 December 2016 the total borrowing of the Group was € 3.8 million, the € 2.3 million being short-term borrowing. The following table shows the sensitivity of result and equity given a reasonable change of interest at a rate + 3% or – 3%.

Amounts in thousands €	31/12/2016		31/12/2015	
	3%	-3%	3%	-3%
Earnings before tax	(118)	118	(128)	128
Equity	(84)	84	(91)	91

IV. Market Price Risk

The Group is exposed in fluctuations in the value of raw and other materials purchased as well as changes in the value of portfolio investments due to uncertainty of their future prices.
The risk of fluctuations of the value of raw and other materials is limited as in major contracts that the Group enters into price readjustment clauses are included.
The market price risk regarding the portfolio of investments of the Group is considered limited, as the investments of the Group are mainly in Government bonds and they represent a very small portion of financial assets of Group.

V. Liquidity Risk

Liquidity risk is the risk that arises when the cash and cash equivalent assets are not adequate to meet the liabilities at their maturity date.
Liquidity risks is held at low level by maintaining adequate level of cash & cash equivalent and positive working capital, while there are also unused credit lines from banks to meet any cash requirements.
The Group manages its liquidity requirement by close monitoring of the level of liabilities, obligations and payments on a daily basis.
Liquidity risk is closely linked to the project performance and procurement risk, given the financial negative impact that may arise in case of failure to execute the project under the terms of the contract.

In addition, the Group´s credit standing allows the efficient utilization of the international capital markets for both financing purposes and for the granting of credit lines (letters of guarantee).

The table below analyses the Group's and Company's financial liabilities, based on the remaining period at the balance sheet date until the expiry of payables. The expiration of liabilities on 31/12/2016 and 31/12/2015 for the Group and the Company is analysed as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	**Group METKA**				
	up to 6 months	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	-	-	1,251	214	1,465
Short Term Loans	2,185	156	-	-	2,341
Trade and other payables	189,485	14,341	32,733	-	236,559
Other payables	28,630	24,177	-	-	52,807
Total	220,300	38,674	33,984	214	293,172

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	**Group METKA**				
	up to 6 months	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	-	-	1,251	526	1,777
Short Term Loans	2,189	156	-	-	2,345
Leasing liabilities	-	-	-	-	-
Trade and other payables	144,064	15,257	49,026	-	208,347
Other payables	13,180	49,424	-	-	62,604
Current portion of non-current liabilities	-	-	-	-	-
Total	159,433	64,837	50,277	526	275,168

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	**METKA S.A.**				
	up to 6 months	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	86,223	6,529	19,847	-	112,598
Other payables	2,900	-	-	-	2,900
Current portion of non-current liabilities	-	-	-	-	-
Total	89,123	6,529	19,847	-	115,498

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	**METKA S.A.**				
	up to 6 months	**6 to 12 months**	**1 to 5 years**	**after 5 years**	**Total**
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	97,918	7,873	19,490	-	125,281
Other payables	9,091	19,424	-	-	28,514
Current portion of non-current liabilities	-	-	-	-	-
Total	107,009	27,297	19,490	-	153,796

Not included in the above are liabilities from construction contracts, acknowledged according to IAS 11.

VI. Other risks and uncertainties

a) Project's performance and procurement risk

Possible risks which may arise from commercial transactions of Group is the delay in procurement of plant and equipment and the delay by subcontractors in the completion of construction work which may result in overall delay of the completion of the projects undertaken and therefore the imposition of penalties for breaching the contractual terms.
Due to the nature of its projects, the Group is exposed to risks related to the design, procurement, and commissioning of power plants. The risks are due to:

- Mechanical damages to equipment
- Unforeseen construction circumstances
- Delays due to bad weather
- Unforeseen cost increases of material and equipment

Due to the Group's long – standing experience, the strict selection of sub-contractors and suppliers, the Audit Division and the quality assurance of these, is not exposed to major risks regarding the proper implementation of works and supplies that assigns. In addition, guarantees are required from co-suppliers, in the form of bank assurance (performance, supply materials, etc.).

b) Insurance Risk

The insurance risk arises from the Group's activities and is associated with various events, including accidents, injuries, damage in equipment and force majeure events. All of the above events are most likely to cause delays and in worst-case cease of work. Any such developments would hinder the financial position and results of the Group.

In order to address the above risks, the Group proceeds to the 100% insurance against such risks to cover the total value of projects and activities with all-risk insurance policies (Erection All Risks & Construction All Risks), including civil liability, employer liability, machinery, vehicles etc to renowned international insurance firms.

However, the existing insurance policies cannot always fully cover possible damages from unexpected events such as natural disaster, war or terrorist attacks.

c) Risks arising from geopolitical factors

Apart from the Group's activity in Syria, there is no foreseeable risk for the Company due to geopolitical factors. Concerning the activity in Syria, it should be clear that METKA is not subjected into investor's risks but to the risks of a manufacturer with assured funding and confirmed credit. Nevertheless, the postponement of works for a certain period, the necessity for extremely high safety measures, our extended presence in the Project, the increased freight and insurance charges, and the extraordinary, in general, conditions under which the Project continues today, have increased significantly the cost although not to a degree which hinders its continuation, expecting of course a compensation from the client for all proven over-expenses which are imposed to us for reasons outside our responsibility.

d) Dividend Policy

Regarding the distribution of dividends, the Company's management, after taking into account, inter alia, the uncertain market conditions, the tight financing policy of businesses by the banks, and aiming to enforce the Group's available cash in order to self-finance the planned growth in 2016, proposes the distribution of a dividend equal to € 0,1500/share, as against € 0,1200/share in 2015. The proposed distribution is subject to the approval of the Regular General Assembly of the Shareholders.

e) Group’s structure and consolidation method

Apart from the parent Company, Group subsidiaries that are included in the consolidated financial statements with the method of full consolidation are:

Company	Main Operation Activity	Headquarters	Participation Percentage	Participation Type	Consolidation Method
GREEK STEEL INDUSTRY S.A. (SERVISTEEL	Metal Constructions	Greece	99.98	Direct	Full
ELEMKA	Constructions - Supervision	Greece	83.5	Direct	Full
DROSCO HOLDINGS LIMITED	Constructions- Supervision	Cyprus	83.5	Indirect	Full
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS TKT A.E.	Constructions - Supervision	Greece	62.625	Indirect	Full
METKA BRAZI SRL	EPC Contractor	Romania	100	Direct	Full
POWER PROJECTS	EPC Contractor	Turkey	100	Direct 99% Indirect 1%	Full
METKA POWER WEST AFRICA LIMITED	EPC Contractor	Nigeria	100	Direct 60% Indirect 40%	Full
METKA INTERNATIONAL LTD	EPC Contractor	UAE	100	Direct	Full
METKA RENEWABLES LIMITED	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
METKA POWER INVESTMENTS	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
RIVERA DEL RIO	EPC Contractor of Solar Technologies	Panama	50	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	Cyprus	50.1	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	England	50.1	Indirect	Full
METKA - EGN SpA	EPC Contractor of Solar Technologies	Chile	50.1	Indirect	Full
METKA EGN USA LLC	EPC Contractor of Solar Technologies	Puerto Rico	50.1	Indirect	Full
HIGH POINT SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
GREEN LANE SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
NORTH TENEMENT SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
SEL PV 09 LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
MYTILINEOS FINANCIAL PARTNERS SA	Investments	Luxembourg	25	Direct	Equity-Affiliate Company
Joint Venture METKA – TERNA	Constructions	Greece	10	Direct	Equity-Joint Venture
INTERNATIONAL POWER SUPPLY AD	Industrial	Bulgary	10	Direct	Equity-Joint Venture

It is noted that Group’s consolidated financial statements are consolidated in the consolidated financial statements of ultimate parent company MYTILINEOS S.A., located in Greece and possesses the 50,0% of the Group.

f) Own Shares

As in the previous years, the Company and its subsidiaries did not purchase any of its own shares during the financial year of 2016. There are no parent company shares at the end of the period under review which are possessed by the parent or its subsidiaries.

g) Transactions with related parties

According to IAS 24 related parties are subsidiaries, companies with common ownership and /or administration of the company, relatives of company as well as the parent company and subsidiaries of the parent company, in addition the members of the Board and Administrative executive members of the company. The company receives goods and services by the related parties, while also it supplies the same goods and services to them.
The most important transactions and balances of fiscal year 2016 are as follows:

Amounts of closing period 2016				
Amounts in thousands euro				
	Sales of goods and services	**Purchases of goods and services**	**Receivables**	**Payables**
Subsidiary				
POWER PROJECT	612	-	3,855	3,372
ELEMKA S.A.	-	8,010	725	2,710
SERVISTEEL S.A.	-	6,281	57	2,363
AFFILIATED				
PROTERGIA S.A.	155	599	61,922	-
MYTILINEOΣ HOLDINGS	-	6,034	-	-
KORINTHOΣ POWER	-	-	31,549	22
ALOUMINIO SA	2,241	-	626	-
MYTILINEOS FINANCIAL PARTNERS	3,540	-	122,128	-

Clarifications concerning the above transactions:

Transactions with the above companies are on a strictly commercial basis. The Group is not involved in any transaction or unusual nature of content that is substantial for the Group or companies and individuals closely associated with it and it is not intended to engage in such transactions in future.

None of the transactions include special terms and conditions.

h) Non-financial statement

In accordance with articles 1 and 3 of Law 4403/2016, the Group's Management Report includes a non-financial statement with information to the extent necessary for understanding the company's course with respect to environmental, social and labour issues, respect for human rights, combating corruption and bribery-related issues, which will include key non-financial indicators related to this business sector. As a subsidiary of MYTILINEOS S.A., METKA is included in the consolidated management report drafted and published by its parent, with the contents of art. 3 of L. 4403/2016 and is therefore exempt from the independent requirement to submit a non-financial statement, as expressly stipulated in art. 3(7) of said law.

H) Information of para.7 and explanatory report of para. 8 to the Regular General Shareholders' Assembly of METKA S.A. pursuant to article 4 of Law 3556/2007

According to article 4 para.7 of law 3556/2007, the Company is obliged to publish in the present BoD report detailed information pertaining to the issues below as well as an explanatory report on the additional information of article 4 para.7 of law 3556/2007, according to the stipulations of para.8 of article 4 of law 3556/2007. The explanatory report concerns the developments related to the information of para.7 of law 3556/2007, for the fiscal year under review.

I. Structure of the Company's share capital

The share capital of the Company amounts to € 16,624,192 divided into 51,950,600 common shares with par value of €0.3200 per share and one voting right each. The shares of the Company are listed on the Securities Market of the Athens Exchange.

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

- The right to dividend on the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory 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 dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Regular General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) working days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions for 2017. The payment date and the payment method of the dividend are released through the Press. 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 years from the end of the year during which the General Meeting approved the distribution of the aforementioned dividend. It is noted that from the above mentioned amount, a tax is applicable and it is withheld in the favour of the Greek Tax Authorities.

- The right to reclaim the amount of someone's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved by the General Meeting.
- The right of pre-emption at every increase of the Company's share capital via cash payment and the issuance of new shares.
- The right to request a copy of the annual financial statements, the report of the Board of Directors and the report of the Company's Auditors.
- The right to participate in the Company's General Meeting which is analysed to the following rights: legitimacy, presence, 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 during the winding up (according to paragraph 4 of article 38 of the Articles of Association).

The shareholders' liability is limited to the nominal value of the shares held.

II. Restrictions on transfer of Company shares

The transfer of Company shares is performed as provided by the Law and the Athens Exchange's regulation. The Articles of Association sets no restriction on the transfer of shares.

III. Significant Direct / Indirect holdings according to Law 3556/2007

The Shareholders (individuals or legal entities) that hold directly or indirectly more than 5% of Company's shares on December 31, 2016, are presented in the table below.

COMPANY	**%**
MYTILINEOS S.A. – GROUP OF COMPANIES	50,00% plus one stock
FMR LLC	8,23%

IV. Shares conferring special control rights

None of the Company's shares provide special rights of control 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 among Company's shareholders

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

VII. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association.

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendments of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/1920 as amended by Law 3604/2007.

VIII. Responsibility of the Board of Directors for the issuance of new shares or acquisition of own shares

A) According to the provisions of article 13 par. 1 item b) and c) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, 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 lease 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.

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, the 1/10 of the existed shares, if the beneficiaries exercise their stock option right, the price, and the terms of share distribution to beneficiaries.

The Board of Directors regulates by resolution any other detail not otherwise regulated by the General Meeting, issues stock options certificates and shares for the entitled persons, who exercise their options, increasing the share capital accordingly and certifying such increase in December of every year.

IX. Significant agreement come in force is amended / terminated in the event of a change in the control of the Company following a public offer

There are no agreements which come in force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. Significant agreement between the Company and the members of the Board of Directors or of the employees

There is no agreement between the Company and the members of the Board of Directors 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. The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to € 895,298 (and € 1,002,313 at Group level).

H. Corporate Governance Declaration

This is a declaration of conformity of the Company with the provisions of article 2 of law 3873/2010 pertaining to:

1.1 Conformity of the Company with the Corporate Governance Code

Our Company complies with the policies and practices adopted by the "Hellenic Corporate Governance Code for Listed Companies" (hereinafter the Code) of the Hellenic Corporate Governance Council (HCGC) currently applied after its revision in October 2013 and posted on the relevant website of the Athens Stock Exchange www.helex.com/el/web/guest.esed and the Company's website at: http://www.metka.com/el/ependytikes-sxeseis/governance.

1.2 Deviation from the Code's special practices

The Company's practices, applied according to its Statutes, its Internal Regulation and Ethical Code, deviate from the Code's special practices at the following points:

i. The applicable Articles of Association of the Company stipulate that the BoD consists of five to eleven members, instead of seven to fifteen of the Code (article 2.1, Part A). In the context of the restructuring procedures of the corporate structure in 2017, the adoption and application of the specific practice of the Code shall be evaluated again.

ii. Given the nature of the company's activity and the duties of the BoD members of the company in the mainland, it becomes imperative to replace the Chairman and Managing Director for the full range of its duties in case of impediment by the Vice President. For that reason, the Company adopts the Code of Practice on the appointment of independent Vice President (Article 3.3, Part A).There is no committee nominated candidates for the members of the Board of Directors (article 5.5, Part A).

iii. However, there are strict criteria in the existing selection procedure of the BoD members, including, inter alia, the necessary know-how and the scientific and professional training. In the context of the restructuring procedures of the corporate structure in 2017, the adoption and application of the specific practice shall be evaluated again.

iv. The company's Statutes do not anticipate a process of electronic voting or voting through mail by the shareholders of the General Assembly (Article 2.2, Part D). The company expects the issue of relevant ministerial decisions in order to implement this procedure.

v. The Remuneration Committee had not been set up until the preparation of this document and its works had not started (article 1.6, Part C). The remuneration of the Chair and Managing Director and the executive members of the BoD are approved by the Shareholders' General Assembly and are published as a total in the financial statements. However, in the context of the restructuring procedures of the corporate structure in 2017, the adoption and application of the specific practice of the Code shall be evaluated again.

vi. There is no diversity policy with regard to the composition of the BoD and the highest officials and the representation percentage for each gender (article 2.8, Part A) although the Company has taken into account the issue of diversity based on which any higher or highest officials are hired and Bod members are appointed based only on unbiased criteria and are not associated with any form of discrimination. distinctions. However, in the context of the restructuring procedures of the corporate structure in 2017, the adoption and application of the specific practice of the Code shall be evaluated again.

vii. No specific competences of the Chair about his availability to meet shareholders to discuss governance matters of the Company (article 1.1, Part D) are stipulated by the company. However, as the Company recognizes the importance of developing the long-term relationships with the shareholders, the specific objective in practice is served via the shareholders' participation in various collaborations, such as the extraordinary and ordinary shareholders' assemblies. In the context of the restructuring procedures of the corporate structure in 2017, the adoption and application of the specific practice of the Code shall be evaluated again.

viii. No periodical meeting of the non-executive members of the Board of Directors without the presence of the executive members with the purpose of assessing the performance and determining the remuneration of the latter in the application of the BoD assessment procedure (article 7.2, Part A) is stipulated. However, in the context of the restructuring procedures of the corporate structure in 2017, the adoption and application of the specific practice of the Code shall be evaluated again.

2. The General Assembly and Shareholders' Rights

2.1 Operation of the General Assembly and its main authorities.

2.1.1 The General Assembly of the Shareholders is the highest authority of the Company which decides for any corporate issue and judges all matters subjected to it. More specifically, the General Assembly exclusively decides for:

a) modifications of the Articles of Association,

b) Auditor election,

c) approval or change of the balance sheet and the annual financial statements of the Company,

d) distribution of annual profit,

e) merging, split, modification, revival of the Company,

f) conversion of the Company’s shares to nominal,

g) extension or short cut of the Company’s duration,

h) the Company’s winding up and the appointment of liquidators,

i) BoD members’ election

2.1.2 The decisions of the General Assembly are mandatory for absent shareholders or shareholders who disagree.

2.1.3. The General Assembly of the Shareholders is summoned by the Board of Directors and meets regularly at the Company’s headquarters at least once annually and always within six months from the ending of the fiscal year. The Board of Directors may also summon an extraordinary meeting of the Shareholders when needed.

2.1.4 The General Assembly, excluding Repeated Assemblies and simulations, is summoned at least twenty (20) days before the date of the session (including non-working days). Not counting are the day of publication of the invitation and the day of the session. The invitation of the shareholders to a General Assembly should include the date, day, time, and place of the Assembly, the agenda, the shareholders who have a right to participate, as well as precise instructions about the way in which the shareholders may participate to the assembly and exercise their rights in person or through a representative or even remotely. An invitation is not required in case all shareholders are present or represented and none objects to session and take decisions.

2.1.5 The General Assembly is in quorum and valid to session on the agenda when are present or represented shareholders who comprise at least one fifth (1/5) of its share capital. If no quorum is achieved the General Assembly is repeated twenty (20) days from the cancellation date, following an invitation at least ten (10) days before. This repetitive meeting may validly session on the original agenda not taking into account the portion of the share capital represented.

2.1.6 The decisions of the General Assembly are taken with an absolute majority of the votes represented. However, in case of decision concerning a) Company nationality change b) change of Company headquarters c) change of purpose or objective of the Company d) conversion of the Company’s shares to nominal e) shareholder additional obligations f) share capital increase or imposed by law or through capitalization of reserves or share capital decrease, unless effected according to para.6 of article 16 of C.L.2190/1920, g) issuance of bond loan pursuant to the provisions of articles 3a and 3b C.L. 2190/1920 as currently valid, h) change of profit distribution, i) merging, split, modification, revival of the Company, j) extension or short cut of the Company’s duration, k) the Company’s termination, l) authority or renewal of authority to the BoD for share capital increase according to para.1 of article 6 of the Articles of Association, and m) any other case which according to law the quorum of this paragraph is required, the General Assembly is in quorum and may validly session on the agenda when are present or represented shareholders which comprise two thirds (2/3) of the share capital.

2.1.7 Temporary president in the General Assembly is the BoD's president, or its deputy, who appoints as Secretary one of the present shareholders or representatives, until the General Assembly certifies the shareholders' list who are entitled to participate and elects the chair.

2.1.8 The discussions and decisions of the General Assembly are limited to the agenda. The agenda is prepared by the BoD and includes the BoD's proposals to the Assembly as well as any proposals of auditors or shareholders who represent 1/20 of the share capital. The discussions and decisions of the General Assemblies are recorded in a special book (proceedings) and the relevant proceedings are signed by the Assembly's President and Secretary. At the beginnings of the proceedings the list of the present or represented shareholders is recorded. Following a shareholder's demand the President of the Assembly is obliged to record in the proceedings the opinion of the shareholder who made the demand.

2.2 Shareholders' rights and their exertion

2.2.1 Participation and voting right

2.2.1.1 Shareholders exert their rights towards the management of the Company, only in the General Assemblies and according to law and the Articles of Association. Each share offers the right of one vote to the General Assembly, taking into account the requirements of article 16 of C.L. 2190/1920, as is currently valid.

2.2.1.2 Right to participate in the General Assembly has any shareholder appearing in the files of the Dematerialized Securities System of the «Hellenic Stock Markets S.A.», in which the Company's shares are kept. To prove his attribute, the shareholder must bring a relevant written certificate from the aforementioned authority or, alternatively, this can be done through a direct link of the Company with the files of the authority. The shareholder's attribute should exist at the record date which is five (5) days before the General Assembly and the relevant confirmation/certificate or electronic confirmation should reach the Company latest three (3) days before the General Assembly.

2.2.1.3 Right to participate and vote to the General Assembly have only the confirmed shareholders at the record date. In case of non-conformity to the provisions of article 28a of C.L. 2190/1920, the shareholder may participate in the General Assembly only following a permission from the Company.

2.2.1.4 The exertion of the above rights (participation and vote) does not require a freezing of the beneficiary's shares neither the application of any other relevant procedure which limits the share transfer and sale in the period between the record date and the General Assembly date.

2.2.1.5 The shareholder participates in the General Assembly and votes either in person or through a legally authorized representative. Each shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Assembly through the designation of up to three (3) individuals. However, if the shareholder possesses shares appearing in more than one share account, this limitation does not prevent the shareholder to appoint different representatives for each share account in the General Assembly. A representative who represents more than one shareholders may vote differently for each shareholder. The shareholder's representative is obliged to notify the Company, before the General Assembly starts, any specific event which may be useful to the shareholders in order to assess the risk of the representative operating on behalf of other parties apart of the shareholder. In the context of this paragraph, there may be an interest conflict, especially when the representative:

a) is a shareholder who controls the Company or any other legal person or entity controlled by this shareholder,

b) is a member of the BoD or the Company's management or a shareholder controlling the Company or other legal person or entity controlled by a shareholder who controls the Company,

c) is an employee or chartered auditor of the Company or a shareholder who controls the Company or other legal person or entity controlled by a shareholder who controls the Company,

d) is a spouse or first degree relative with one of the individuals mentioned above in cases (a) to (c).

The appointment or removal of the shareholder's representative is made through a written document and notified to the Company at least three (3) days before the General Assembly.

2.2.2 Other shareholder rights

2.2.2.1 Ten (10) days prior to the Regular General Assembly, each shareholder can take from the Company copies of its annual financial statements, and the BoD and auditor reports. Those documents must be timely supplied from the BoD to the Company's office.
2.2.2.2 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors is obliged to summon a Special General Assembly, designating a session date within forty five (45) days from the date that the request reached the President of the BoD. The request should include the item of the agenda. If the Board of Directors does not summon o general assembly within twenty (20) days after the relevant request, the shareholders who asked for it conduct it on their own, with the expenses charged to the Company, and following a decision of the Court of first instance in the area of the Company's headquarters, issued during the procedure of injunction. This decision details the time and place of the session, as well as the agenda.
2.2.2.3 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors is obliged to include in the agenda of the General Assembly additional items, provided that the request reaches the BoD at least fifteen (15) days before the date of the General Assembly. It is the BoD's responsibility to publish or disclose additional agenda items, according to article 26 of C.L. 2190/1920, at least seven (7) days before the General Assembly.

2.2.2.4 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the Board of Directors supplies the shareholders, according to article 27 para. 3 of C.L. 2190/1920, at least six (6) days before the date of the General Assembly, decision drafts for items included in the original or revised agenda, provided that the request reaches the BoD at least seven (7) days before the date of the General Assembly.
2.2.2.5 Following a request by any shareholder handed to the Company at least five (5) days before the General Assembly, the Board of Directors is obliged to supply the General Assembly with all specific information for the Company's affairs, insofar as they are useful for assessing the agenda items.
2.2.2.6 Following a request by shareholder(s) representing (1/20) of the paid share capital, the President of the Assembly is obliged to postpone only once the decision-making for all or selected items of the Special or Regular General Assembly, designating another day as in the shareholders'

request, provided that it is no more than thirty (30) days from the postponement day. The new General Assembly is actually a continuation of the previous one and there is no need to publish an invitation. New shareholders can't participate to the continuation of the General Assembly according to articles 27 para.2 and 28 of C.L. 2190/1920.

2.2.2.7 Following a request by shareholder(s) representing (1/20) of the paid share capital, handed to the Company five (5) full days before the Regular General Assembly, the Board of Directors is obliged to announce at the General Assembly the amounts which were paid during the last two years by the Company for any reason to its managers or other employees, as well as any other Company contract which was made for any reason with the same persons. Also, following a request by any shareholder handed as above, the BoD is obliged to supply the specific information asked, concerning the affairs of the Company, insofar as they are useful in order to assess the agenda items. The BoD may deny the disclosure of information for any fair cause, recording the relevant rationale in the proceedings. Such a cause may be on certain occasions the representation of the requesting shareholders in the Board of Directors according to para.3 or 6 of article 18 of C.L. 2190/1920.

2.2.2.8 Following a request by shareholders representing 1/5 of the paid share capital, handed to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide the General Assembly information concerning the course of corporate affairs and the property of the Company. The BoD may refuse to disclose the requested information for a substantial cause, recording the rationale in the proceedings. Such a cause may be on certain occasions the representation of the requesting shareholders in the Board of Directors according to para.3 or 6 of article 18 of C.L. 2190/1920, provided that the BoD members have received adequate relevant information.

2.2.2.9 Following a request by shareholders representing one twentieth (1/20) of the paid share capital, the decision for any agenda item is made through roll-call vote.

2.2.2.10 Shareholders representing one twentieth (1/20) of the paid share capital, have the right to ask for a Company audit addressing the local Court of first instance which judges according to the procedure of voluntary jurisdiction. The audit is imposed if there is possibility of acts against the law or the Statutes or the decisions of the General Assembly.

2.2.2.11 Shareholders representing one twentieth (1/5) of the paid share capital, have the right to ask for a Company audit addressing the Court of the previous paragraph, if there is evidence that the corporate affairs administration does not operate in a moral and sensible way. This provision is not applied if the minority which requests the audit is represented in the Company's BoD.

3. Board of Directors and Committees

3.1 The Board of Directors is the administrative instrument of the Company. It is responsible for the management (administration and distribution) of the corporate property and its representation aiming to amplify its financial value and performance, and defend the corporate interests.

The Board of Directors meets regularly (at least once in a month), and specially depending on the urgency of the affairs and the need for decision-making. At the regular meetings, all members of the BoD are usually present. **Up to now there hasn't been a case when the BoD did not make a decision due to unreached quorum. More specifically, during 2016 sixty eight (68) meetings** of the BoD were realized. The attendance of each BoD member is shown in the following table:

NAME	TOTAL MEETINGS DURING HIS MANDATE	MEETINGS HE ATTENDED IN PERSON	MEETINGS HE ATTENDED THROUGH A REPRESENTATIVE
Ioannis Mytilineos, son of George (President and Managing director)	68	68	-
George Economou, son of Alexandros (Vice- President Executive member)	68	68	-
Panayiotis Gardelinos, son of Antonios (Deputy Manager Director - Executive member)	68	68	-
Christos Pantzikas, son of Nikolaos (Executive member)	68	68	-
Aikaterini Donta, daughter of Anastasios (Executive member)	68	68	-
Paul Smith, son of Michael (Executive member)	68	68	-
Antonios Papantoniou, son of Nikolaos (Executive member)	68	68	-
George Pallas, son of Nikolaos (Non-executive member)	68	68	-
Filippos Zotos, son of Evangelos (Non-executive member)	68	68	-
Iosif Avagianos, son of Andreas (Non-executive independent member)	68	68	-
Nikolaos Bakirtzoglou, son of Haralambos (Non-executive independent member)	68	68	-

3.2 The **Auditing Committee** meets regularly at least once every trimester or especially if the members need to be informed about an issue and make a decision. The following table shows each member's attendance in 2016:

NAME	MEETINGS DURING HIS MANDATE	MEETINGS WHICH HE ATTENDED IN PERSON	MEETINGS WHICH HE ATTENDED THROUGH A REPRESENTATIVE
Filippos Zotos (Non-executive member)	4	4	-
Nikolaos Bakirtzoglou, (Independent non-executive member)	4	4	-
Iosif Avagianos (Independent non-executive member)	4	4	-

3.3 The main authorities of the Board of Directors according to the Articles of Association and the Internal Operation Regulation of the Company are the following:

- To define strategies, including the sale of shares or their distribution in other ways, the acquisition of any company or proposal to the General Assembly for merging the Company,
- To adopt and apply a general policy based on the proposals of the General Managers and Managers of the Company,
- To manage and dispose corporate property and represent the Company in Court or extra judicially,
- To draw up the annual budget and business plan of the Company, to designate and achieve performance goals, to monitor the Company's course and control large capital expenses,
- To conduct full and effective internal control in all the activities of the Company,
- To monitor the effectiveness of the Corporate Governance principles, based on which the Company operates and, if required, make the necessary changes,
- To define a strategy and manage the Company's business risks,
- To select, utilize, and develop the managing executives of the Company and designate their fee policy,
- To appoint an internal auditor and designate his fee,
- To designate the accounting principles followed by the Company,
- To brief the General Assembly of the Shareholders,
- To draw up the annual reports which contain in detail the company's transactions with affiliates according to article 42e para. 5 of the current C.L. 2190/1920.

The rules for representing and binding the Company are designated with special decisions of the Board of Directors.

3.4 The Auditing Committee's main duty is to monitor the financial information procedure, to monitor the effective operation of the internal audit system and the risk management system, as well as to monitor the operation of the internal auditors' Management of the audited entity, to monitor the progress of the mandatory audit of the company and consolidated financial statements, to overview and follow issues pertaining to the existence and conservation of the objectivity and independence of the legal auditor or auditing office, to accept the mandatory reports of the legal Company auditors pertaining to any issue relevant to the course and results of the mandatory audit, as well as to follow the drawing up and receive a possible special report of the legal auditors with the weaknesses of the internal audit system and, especially, the weaknesses in procedures concerning the financial information and compilation of financial statements.

The matters discussed in the Auditing Committee during 2016 are shown in the following table:

MEETING DATE	**AGENDA**
10/02/2016	Briefing and filing the report for the audits during the fourth trimester of 2015
10/05/2016	Briefing and filing the report for the audits during the first trimester of 2016
10/08/2016	Briefing and filing the report for the audits during the second trimester of 2016
18/10/2016	Briefing and filing the report for the audits during the third trimester of 2016

3.5 According to the Articles of Association, the BoD consists of seven (7) executive members, and four (4) non-executive two (2) of which are independent non-executive. The BoD's composition is as follows:

NAME	**STATUS**
John Mytilineos, son of George	President and Managing Director - Executive Member
George Economou, son of Alexander	Vice-president - executive member
Panagiotis Gardelinos, son of Antonios	Deputy Managing Director - Executive Member
Christos Pantzikas, son of Nikolaos	Executive Member

Aikaterini Donta, daughter of Anastasios	Executive Member
Paul Smith, son of Michael	Executive Member
Antonios Papantoniou, son of Nikolaos	Executive Member
George Pallas, son of Nikolaos	Non-executive Member
Filippos Zotos, son of Evangelos	Non-executive Member
Nikolaos Bakirtzoglou, son of Haralambos	Non-executive Independent Member
Iosif Avagianos, son of Andreas	Non-executive Independent Member

The executive members deal with everyday administration issues of the Company and monitor the implementation of the BoD's decisions. The non-executive members are responsible for monitoring the implementation of the BoD's decisions and special Company departments appointed to them by the BoD. Independent non-executive members are the ones who do not have any business activity or other commercial relation with the Company which could affect their independent judgment. In this context, a person is not considered independent member of the BoD when: (a) has a business or other type of relation with the company or an affiliate as described in article 42e para.5 of C.L. 2190/1920, which by its nature affects substantially its business activity and especially when he is an important goods or services supplier or a main company client, (b) is the President or General Manager of the company or the same in an affiliate company (executive member) and according to article 42e para.5 of C.L.2190/ 1920, or has an employment relationship or receives a wage from the company or its affiliates, (c) has a family relationship up to the second degree or is married to an executive BoD member or manager or major shareholder of the company or its affiliates according to article 42e para.5 of C.L. 2190/1920, (d) has been appointed according to article 18 para.3 of C.L.2190/1920. The independent non-executive BoD members can file separate reports to the General Assembly. Their presence in a BOD session is not obligatory when there are other members representing and acting on behalf of the minority Shareholders.

3.6. The BoD in force has been elected by the General Assembly of 18.06.14, its service lasts for four years, and may be extended until the first General Assembly following its termination, but not surpassing the fifth year. It consists of seven executive and four non-executive members, two of which are independent non-executive members.

3.7 The executive members of the BoD apart from their work in the Company may all be professionally active in their specific areas of expertise provided that this does not create an interest conflict with the company. Otherwise, an approval is needed by the General Assembly of the shareholders.

3.8 The Company has adopted a policy and principles for formulating the remuneration of executive board members and a method of performance evaluation and calculation of the variable remuneration of the Board for the payment of their salaries.

4. Risk management and internal audit

4.1 Information regarding risk management and internal audit:

I. Main element description of the risk management and internal audit systems

a. Risk factors

The Group faces a number of risk factors in the business sectors of its activity. Its exposure in these risk factors may affect its operation, its financial situation or its operating results. The following, additionally to the risks presented in other parts of the Group's annual operation statement, are the main risks factors which could affect substantially the results and the financial situation of the Group.

Market risk

The global economic situation continues to fluctuate. The Group is exposed to risks from fluctuations in the general economic and financial environment, as well as in the purchase of raw and auxiliary material.
During 2016 and 2015, the Group took on a series of actions on order to counterbalance its exposure to market risks, improve cost structure, and safeguard its cash flow.
Those were mainly:

- Risk compensation from exposure in €/$ exchange fluctuations through the use of derivative products.
- Application of property optimal exploitation programs and cost reduce programs.
- Work-out of production improvement plans.

Non-realization of expected long-term benefits from productivity and cost reduce initiatives

The Group has taken, and continues to take, initiatives in the areas of productivity and cost reduction in order to improve performance and reduce the total production cost. There are always possibilities those actions or the calculated savings not to be realized in full, and this may be due to circumstances out of the Group's control.

Political, Legal, and Regulatory matters

The Group may be affected from unfavorable political and regulatory developments related to its activity in EPC projects in countries outside Greece.

Informatics Security

The Group's business processes are supported from various software packages and information processing systems. Nevertheless, one can never fully exclude the possibility of unavailability of the information systems or data safety hacking.

The Group lessens those risks by applying high safety standards and taking measures in order to achieve and assure the availability, reliability, confidentiality, and traceability. Additionally, and in order to control safety risks, the Group invests regularly into software and equipment upgrades, conducts periodic internal and external audits through international consultant groups, and generally applies continuous progress processes.

Risks related to EPC projects

The Group is contractually exposed to risks related to mechanical and electrical design, procurement, construction and ready-for-operation delivery of energy facilities in the agreed price. The aforementioned risks mainly relate to cost excesses concerning:

- Unforeseen cost increase of raw materials and equipment
- Equipment damages or mechanical faults
- Unforeseen conditions during construction
- Delays due to extraordinary weather conditions
- Performance faults or supplier/sub-contractor weaknesses
- Additional works required by the client or due to client’s delay to supply timely information pertaining to the design of the mechanics of the project.

In cases where additional time or extra costs are involved due to the client’s responsibility, the Group negotiates a pecuniary compensation.

The Group’s main advantage is its people. Therefore, any inability to maintain its workforce or approach and gain new, proficient employees in order to develop its know-how could affect its current or future performance.

METKA’s success in this area depends in its ability to hire, train, and maintain an adequate number of employees, including managers, engineers, and technicians who possess the necessary abilities and specialization.

Extraordinary Events

Extraordinary events, including natural disasters, war or terrorist activities, non-planned production interruptions, supply interruptions or inability of the equipment and/or processes to comply to the standards, may increase the cost and affect the Group’s financial results. Also, the Group’s current insurance terms may not offer enough protection capable to cover all damage that may arise from such circumstances.

b. Risk Assessment and Management

The Group has designated the risk as a totality of uncertain and random incidents that can have an impact on the Company’s activities, business actions and financial performance, as also on the Company’s business strategy and goal attainment.

A certain risk assessment approach has been considered for all of the Company’s activities, under the following guidelines:

(i) Identification and assessment of risk factors

(ii) Risk management policy guidelines

(iii) Implementation and evaluation of Risk management policy guidelines

The Group has not yet implemented a consolidated Risk management structure. However, all heads of the Company’s divisions are involved in risk assessment, in order to facilitate the good execution of work of all divisions and the BoD, and also, to assist all related parties involved to designate the appropriate measures and actions for Risk management.

The Group conducts regular internal audits in order to ensure the adequacy and effectiveness of the Risk Assessment and Management procedures.

c. Internal audit

Furthermore, and beyond the responsibilities of the Audit Committee, the Internal Audit Division is an independent and impartial Unit that reports the results of its work to the Board of Directors. The responsibilities of the Internal Audit Division are aiming to assist the Company in attaining its goals, by offering a systematic scientific approach to the assessment and improvement of risk management, of the internal control systems, and of the adjustment of all policies and procedures foreseen by current laws and the corporate governance framework.

Within the Internal Audit's tasks are the permanent analysis and monitoring of:

- the effectiveness of the existing mechanisms used for Financial Data provision, Auditing Control, Quality / Health & Safety / Environmental issues, and risk management
- the preparation of Financial Statements, and other important issues that are for publication
- the adequacy of qualifications and impartiality of chartered accountants
- cases of conflict of personal interests of the BoD or management members of the Company with the interests of the Company
- relations and interactions between the Company and its subsidiaries, and also, the relations of the Company with companies that BoD members or shareholders have an at least 10% capital participation
- legitimacy of fees and allotments to the management members regarding decisions taken by the adequate institutions of the Company

4.2 BoD statement concerning the annual re-examination of corporate strategy, main business risks and internal audit systems

The company re-examines regularly the corporate strategy, the main business risks and the internal audit systems.

More specifically, the Management:

a. Is regularly informed for the internal and external company environment which it analyses and evaluates.
b. Supports the Managing Director during the designation procedure of the corporate vision, the corporate mission, and the strategic goals.
c. Draws up and proposes the strategy of the Company and its subsidiaries.
d. Cooperates with the Managing Director for the designation of guidelines.
e. Draws up, proposes, and monitors the Company's business plan and its subsidiaries.
f. Monitors and coordinates, in cooperation with the company's organic units and the subsidiaries, the separate actions for the implementation of the strategy and business plan of the company and the subsidiaries.
g. Notifies the Managing Director and the respective General Managers as regards the implementation of the strategy and the business plan on a Group level.

h. Notifies the management of the subsidiaries for the guidelines and the company’s business plan.
i. Cooperates with the management of the subsidiaries in order to implement the Group’s strategy.
j. Cooperates with the appropriate organic units for the communication of the strategy of the Group.

4.3 Legal auditors do not offer non-auditing services to the company, nor participate in any way, directly or indirectly, to the decisions connected with the activity of the audited entity. There are no self-audit conditions or self-interest, advocate attribute, familiarity, intimidation, and trust disruption during their work. Therefore, taking into account Law 3693/2008, there are no cases which have affected the objectivity and effectiveness of the mandatory audit.

4.4 BoD members’ fees
According to the company’s Articles of Association, the compensation of the BoD members must be approved by the Annual General Assembly following a proposal by the BoD.
For the period 1.1.2016 -31.12.2016 no stock option rights have been granted and there is no share distribution program in effect.

The Company and its Subsidiaries have applied a specific policy for the remuneration of the BOD members. Said policy is an integral part of the Corporate Governance policy of the Company and its Subsidiaries, aiming to enhance its Corporate Values and its long term business objectives. With the view to maximize the Value for the Shareholders, this remuneration policy is in line with the Company’s corporate strategy that keeps aligned the business objectives with those of all stakeholders - such as employees, management, shareholders

Said policy is based on the following principles:

- Maximizing Performance
- Alignment of remuneration with profitability, risk and Capital adequacy
- Internal transparency

The alignment of the BOD remuneration policy with the Strategy of each one of the core business sectors of the Company is a continuous commitment. The procedures for the definition of the amounts of remuneration are clearly and transparently depicted. The remuneration policy is designed by the Human Resources management with the support of the Company’s Finance and Legal departments and the Internal Audit. Said policy is submitted to the Remuneration Committee of the BOD the majority of its members being independent and non – executive members of the BOD.
The structure of the remuneration for the BOD may include both a fixed and a variable part, assuring the link of remuneration with short term and long term business profitability and efficiency.

4.5 The curriculum vitae of the BoD members are as follows:

IOANNIS MYTILINEOS, SON OF GEORGE
Born in Athens in 1955. Has a degree from the Polytechnic School of the Aristotle University of Thessaloniki, Department of Civil Engineering. He is the President and Managing Director of METKA S.A., and co-founder and Vice-president of MYTILINEOS S.A.

GEORGE ECONOMOU, SON OF ALEXANDER

Born in Volos of Magnisia in 1949. He is the General Manager of the Volos factory and executive member of the BoD. Has a degree in Mechanical Engineering and works in the company since 1977.

PANAGIOTIS GARDELINOS, SON OF ANTONIOS

Born in Athens 1961. He is General Project Manager and Deputy Manager Director. Has a degree in mechanical engineering and works in the company since 2006.

CHRISTOS PANTZIKAS, SON OF NIKOLAOS

Born in Athens 1969. General Manager of Engineering & Commissioning and executive BoD member, Has a degree in mechanical engineering from the National Polytechnic School of Athens. Works in the company since 1999.

AIKATERINH DONTA, DAUGHTER OF ANASTASIOS

Born in Piraeus 1950. She is the manager of the Logistics department and executive BoD member, with a degree from the National Capodistrian University. Works in the company since 1998.

PAUL SMITH, SON OF MICHAEL

Born in York, England 1967. General Manager of Sales & Development and executive member of the company's BoD, with a degree from Nottingham University England, in mechanical engineering and specialty in chemical mechanics. Works in the company since 2006.

ANTONIOS PAPANTONIOY, SON OF NIKOLAOS

Born in Athens 1958. General Manager of Infrastructures & Projects and Bod executive member. Has a degree from the National Polytechnic of Athens in traffic management and roadworks. Works in the company since 2013.

GEORGE PALLAS, SON OF NIKOLAOS

Born in Salamina of Pireaus – Attika in 1956. Has a degree in Electrical Engineering. Member of the Helenic Technical Chamber. Works in the company since the year 2000 and is a non-executive BoD member.

FILIPPOS ZOTOS, SON OF EVANGELOS

Born in Athens in 1953. He is an non-executive member of the BoD. Holds a degree in Civil Engineering from NTUA and Economic Engineering from University of Aachen in Germany and works in the company since 1982.

NIKOLAOS BAKIRTZOGLOU, SON OF HARALAMBOS

Born in Nikaia of Attika in 1945. He is an independent non-executive member of the BoD. Has a degree in Electrical Engineering and works in the company since 1972.

IOSIF AVAGIANOS, SON OF ANDREAS

Born in Mytilini of Lesvos in 1946. He is an independent non-executive member of the BoD. Has a degree in Metallurgy Engineering. Has a 30 year experience as an Industry Manager in the design, installation and commissioning of industrial production units.

5. Additional Information

Article 10 para. 1 of Directive 2004/25/EK of the European Parliament and the Council of April 21, 2004, concerning the public acquisition offers, anticipates the following as regards the companies whose shares are fully listed in an organized market:

«1. The member-states assure that the companies mentioned in article 1 paragraph 1 publish detailed information regarding:

a) their capital structure, including titles not listed for negotiation in an organized market of a member-state and, in certain cases, indication of the share categories with the relevant rights and obligations and the percentage of the total share capital that they represent,

b) all limitations for share transfer, such as limitations in title possession or obligation to receive approval from the Company or other title owners, taking into account the article 46 of Directive 2001/34/EK,

c) the important direct or indirect participations (including indirect participations through pyramidal structures or mutual participation) as conceived by article 85 of Directive 2001/34/EK,

d) the owners of any kind of titles offering special control rights and description of the said rights,

e) the control mechanism which may be anticipated in a system of employee participation, in cases where the control rights are not exercised directly by the employees,

f) any kind of limitations in the voting right, such as limitations in voting rights to owners of a specific percentage or number of shares, the deadline for exerting voting rights, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership,

g) the agreements among shareholders which are known to the Company and may lead to limitations in title transfer and/or voting rights, as conceived in directive 2001/34/EK,

h) the rules pertaining to the appointment and replacement of BoD members as well as the ones concerning the modification of the Statutes,

i) the authorities of BoD members, and mainly those linked to the issue or repurchase of shares,

j) any important agreement in which the Company participates and which is valid, modified or expires in case of a change in the control of the Company following a public acquisition offer and the consequences of this agreement, unless its disclosure could cause significant damage to the Company. This exception is not valid when the Company is explicitly obliged to disclose such information based on other legal requirements,

k) any agreement that the Company has made with BoD members or employees, which anticipates a compensation in case of a resignation or dismissal with no substantial reason or if their employment is terminated due to a public acquisition offer.»

Regarding points c, d, f, h and i of para. 1 of article 10, the Company declares the following:

Company	Main Operation Activity	Headquarters	Participation Percentage	Participation Type	Consolidation Method
GREEK STEEL INDUSTRY S.A. (SERVISTEEL	Metal Constructions	Greece	99.98	Direct	Full
ELEMKA	Constructions - Supervision	Greece	83.5	Direct	Full
DROSCO HOLDINGS LIMITED	Constructions- Supervision	Cyprus	83.5	Indirect	Full
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS TKT A.E.	Constructions - Supervision	Greece	62.625	Indirect	Full
METKA BRAZI SRL	EPC Contractor	Romania	100	Direct	Full
POWER PROJECTS	EPC Contractor	Turkey	100	Direct 99% Indirect 1%	Full
METKA POWER WEST AFRICA LIMITED	EPC Contractor	Nigeria	100	Direct 60% Indirect 40%	Full
METKA INTERNATIONAL LTD	EPC Contractor	UAE	100	Direct	Full
METKA RENEWABLES LIMITED	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
METKA POWER INVESTMENTS	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
RIVERA DEL RIO	EPC Contractor of Solar Technologies	Panama	50	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	Cyprus	50.1	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	England	50.1	Indirect	Full
METKA - EGN SpA	EPC Contractor of Solar Technologies	Chile	50.1	Indirect	Full
METKA EGN USA LLC	EPC Contractor of Solar Technologies	Puerto Rico	50.1	Indirect	Full
HIGH POINT SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
GREEN LANE SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
NORTH TENEMENT SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
SEL PV 09 LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
MYTILINEOS FINANCIAL PARTNERS SA	Investments	Luxembourg	25	Direct	Equity-Affiliate Company
Joint Venture METKA – TERNA	Constructions	Greece	10	Direct	Equity-Joint Venture
INTERNATIONAL POWER SUPPLY AD	Industrial	Bulgary	10	Direct	Equity-Joint Venture

regarding point d: there are no titles of any kind, offering special control rights.

regarding point f: there are no known limitations to voting rights (such as voting right limitations to owners of a given percentage or number of votes, deadline for exerting voting right, or systems in which, through a cooperation with the Companies, the financial rights that result from titles are separated from the title ownership). Regarding the voting rights during the General Assembly, there is a detailed description in Section 3 of this Corporate Governance Declaration.

regarding point h: there are no rules concerning the appointment and replacement of BoD members or the modification of the Company's Statutes, which deviate from the provisions of C.L. 2190/1920 as is valid today. The rules are detailed in Unit 3.II of this Corporate Governance Declaration.

regarding point i: there are no special authorities of the BoD members pertaining to the issue or repurchase of shares.

The present Declaration of Corporate Governance is an integral and special part of the Annual Administration Report of the Company's Board of Directors.

Maroussi, the 24th of March 2017

The President of the Board

Ioannis Mytilineos

D. Annual Financial Statements for FY 2016

According to the International Financial Recording Standards
as adopted by the European Union

(amounts in thousands € unless stated otherwise)

The Annual Financial Statements presented both for the Group and the Parent Company, have been approved by the Board of Directors of "**METKA INDUSTRIAL-CONSTRUCTION S.A.**" on 24.03.2017 and are disclosed to the company's website www.metka.com in addition to the Athens Exchange website. The Annual Financial Statements will remain available to the investors in the company's website for at least five years from the date of their approval and publication.

It is noted that the published on press Financial Figures and Information that summarize the financial statements aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries. Therefore the above Figures don't include the full presentation of the financial, investment and cash flow statements according to the International Financial Reporting Standards.

I. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2016

Income Statement (Consolidated and Corporate)

(Amounts in thousands €)	Note	Group METKA 1/1-31/12/2016	Group METKA 1/1-31/12/2015	METKA S.A. 1/1-31/12/2016	METKA S.A. 1/1-31/12/2015
Sales	30	445,098	668,016	280,644	411,924
Cost of sales	31	(358,151)	(536,272)	(222,311)	(336,625)
Gross profit		**86,947**	**131,743**	**58,333**	**75,299**
Other operating income	33	31,588	30,339	7,368	18,703
Distribution expenses	31	(1,982)	(2,060)	(1,765)	(1,885)
Administrative expenses	31	(23,604)	(22,139)	(18,813)	(19,294)
Other operating expenses	33	(21,856)	(25,251)	(12,508)	(16,661)
Earnings before interest and income tax		**71,092**	**112,632**	**32,614**	**56,162**
Financial income	34	5,145	3,506	3,618	2,630
Financial expenses	34	(11,095)	(11,001)	(5,759)	(7,226)
Other financial results	35	(1,807)	(4,399)	(1,807)	(4,399)
Share of profit of associates		57	(217)	-	-
Profit before income tax		**63,392**	**100,521**	**28,667**	**47,167**
Income tax expense	36	(7,376)	(31,273)	(6,770)	(29,861)
Profit for the period		**56,016**	**69,248**	**21,897**	**17,306**
Profit for the period		**56,016**	**69,248**	**21,897**	**17,306**
Attributable to:					
Equity holders of the parent		*53,288*	*68,917*	*21,897*	*17,306*
Non controlling Interests		*2,728*	*331*	*-*	*-*
Basic earnings per share	*37*	*1.0257*	*1.3266*	*0.4215*	*0.3331*

The attached notes to the accounts form an integral part of the annual financial statements.

Statement of Comprehensive Income (Consolidated and Corporate)

(Amounts in thousands €)	GROUP METKA 1/1-31/12/2016	GROUP METKA 1/1-31/12/2015	METKA S.A. 1/1-31/12/2016	METKA S.A. 1/1-31/12/2015
Net Profit / (Losses) for the period after taxes (from continued and discontinued operations)	**56,016**	**69,248**	**21,897**	**17,306**
Other comprehensive income:				
Amounts not reclassified to the income statement in subsequent periods				
Revaluation of liabilities for employee benefits	(29)	(49)	(28)	(49)
Deferred tax from Actuarial Gain/(loses)	9	15	8	14
	(20)	**(34)**	**(20)**	**(35)**
Amounts reclassified to the income statement in subsequent periods				
Exchange differences of foreign operations redistributed to P & L	(243)	(15)	-	-
	(243)	**(15)**	**-**	**-**
Other comprehensive income after taxes	**(263)**	**(49)**	**(20)**	**(35)**
Total other comprehensive income after taxes	**55,753**	**69,200**	**21,877**	**17,271**
Attributable to:				
Equity holders of the parent	53,144	68,881	21,877	17,271
Non controlling interests	2,609	319	-	-

The attached notes to the accounts form an integral part of the annual financial statements.

Statement of Financial Position (Consolidated and Corporate)

(Amounts in thousands €)	Notes	Group METKA 31/12/2016	Group METKA 31/12/2015	METKA S.A. 31/12/2016	METKA S.A. 31/12/2015
Assets					
Non current assets					
Tangible Assets	8	51,915	48,163	41,969	37,849
Goodwill	9	1,831	1,831	-	-
Intangible Assets	10	2,860	1	-	-
Investments in Subsidiary Companies	11	-	-	6,797	6,793
Investments in Associate Companies	12	10,340	283	10,501	501
Deferred Tax Receivables	13	1,374	1,645	131	127
Financial Assets Available for Sale	14	8	8	-	-
Other Long-term Receivables	15	199,047	219,082	52,225	43,505
		267,375	**271,013**	**111,622**	**88,774**
Current assets					
Total Stock	16	139,424	120,825	43,069	81,040
Trade and other receivables	17	393,297	398,517	304,413	355,412
Other receivables	18	238,945	155,670	219,850	118,113
Financial assets at fair value through profit or loss	19	193	-	193	-
Cash and cash equivalents	20	106,729	154,621	56,426	140,697
		878,588	**829,634**	**623,951**	**695,262**
Assets		**1,145,963**	**1,100,647**	**735,573**	**784,036**
Liabilities & Equity					
EQUITY					
Share capital	22.1	16,624	16,624	16,624	16,624
Other reserves	22.2	24,269	23,568	21,870	21,890
Translation reserves		(694)	(570)	-	-
Retained earnings	22.3	557,168	510,836	345,487	329,824
Equity attributable to parent's shareholders		**597,367**	**550,457**	**383,982**	**368,338**
Non controlling Interests		3,166	557	-	-
EQUITY		**600,532**	**551,014**	**383,982**	**368,338**
Non-Current Liabilities					
Long-term debt	27	1,465	1,778	-	-
Deferred Tax Liability	13	35,726	28,373	34,549	26,627
Liabilities for pension plans	23	1,002	993	895	885
Other long-term liabilities	24	51,185	56,856	38,299	27,320
Provisions	29	890	934	780	780
Non-Current Liabilities		**90,268**	**88,934**	**74,524**	**55,613**
Current Liabilities					
Trade and other payables	25	399,691	395,293	273,877	331,115
Tax payable	26	4,571	28,138	1,082	27,047
Short-term debt	27	2,341	2,345	-	-
Other payables	28	48,560	34,922	2,107	1,923
Current Liabilities		**455,163**	**460,698**	**277,067**	**360,085**
LIABILITIES		**545,431**	**549,633**	**351,591**	**415,698**
Liabilities & Equity		**1,145,963**	**1,100,647**	**735,573**	**784,036**

The attached notes to the accounts form an integral part of the annual financial statements.

Consolidated Statement of Changes in Equity

(Amounts in thousands €)	Group METKA						
	Share capital	Other reserves	Translation reserves	Retained earnings	Total	Non controlling Interests	Total
Opening Balance 1st January 2015	**16,624**	**23,167**	**(567)**	**468,329**	**507,554**	**237**	**507,791**
Change In Equity							
Dividends Paid	-	-	-	(25,975)	(25,975)	-	(25,975)
Transfer To Reserves	-	435	-	(435)	0	1	0
Treasury Stock Sales/Purchases	-	-	-	-	-	-	-
Transactions With Owners	**-**	**435**	**-**	**(26,410)**	**(25,976)**	**1**	**(25,975)**
Net Profit/(Loss) For The Period	-	-	-	68,917	68,917	331	69,248
Exchange Differences On Translation Of Foreign Operations	-	-	(4)	-	(4)	(12)	(15)
Deferred Tax From Actuarial Gain / (Losses)	-	14	-	-	14	-	14
Actuarial Gain / (Losses)	-	(48)	-	-	(48)	-	(48)
Total Comprehensive Income For The Period	**-**	**(34)**	**(4)**	**68,917**	**68,879**	**319**	**69,199**
Closing Balance 31/12/2015	**16,624**	**23,568**	**(570)**	**510,836**	**550,457**	**557**	**551,014**
Opening Balance 1st January 2016	**16,624**	**23,568**	**(570)**	**510,836**	**550,457**	**557**	**551,014**
Change In Equity							
Dividends Paid	-	-	-	(6,234)	(6,234)	-	(6,234)
Transfer To Reserves	-	723	-	(723)	0	-	0
Impact From Acquisition Of Share In Subsidiaries	-	-	-	-	-	-	-
Transactions With Owners	**-**	**723**	**-**	**(6,957)**	**(6,234)**	**-**	**(6,234)**
Net Profit/(Loss) For The Period	-	-	-	53,288	53,288	2,728	56,016
Exchange Differences On Translation Of Foreign Operations	-	-	(124)	-	(124)	(120)	(243)
Deferred Tax From Actuarial Gain / (Losses)	-	9	-	-	9	0	9
Actuarial Gain / (Losses)	-	(29)	-	-	(29)	0	(29)
Total Comprehensive Income For The Period	**-**	**(21)**	**(124)**	**53,288**	**53,144**	**2,609**	**55,752**
Closing Balance 31/12/2016	**16,624**	**24,269**	**(694)**	**557,168**	**597,367**	**3,166**	**600,532**

- The attached notes to the accounts form an integral part of the annual financial statements.

Company Statement of Changes in Equity

(Amounts in thousands €)	METKA S.A. Share capital	Other reserves	Retained earnings	Total
Opening Balance 1st January 2015	**16,624**	**21,925**	**338,493**	**377,042**
Change In Equity				
Dividends Paid	-	-	(25,975)	(25,975)
Transfer To Reserves	-	0	0	-
Transactions With Owners	**-**	**0**	**(25,975)**	**(25,975)**
Net Profit/(Loss) For The Period	-	-	17,306	17,306
Deferred Tax From Actuarial Gain / (Losses)	-	14	-	14
Actuarial Gain / (Losses)	-	(49)	-	(49)
Total Comprehensive Income For The Period	**-**	**(35)**	**17,306**	**17,272**
Closing Balance 31/12/2015	**16,624**	**21,890**	**329,824**	**368,338**
Opening Balance 1st January 2016	**16,624**	**21,890**	**329,824**	**368,338**
Dividends Paid	-	-	(6,234)	(6,234)
Transfer To Reserves	-	-	0	0
Transactions With Owners	**-**	**-**	**(6,234)**	**(6,234)**
Net Profit/(Loss) For The Period	-	-	21,897	21,897
Deferred Tax From Actuarial Gain / (Losses)	-	8	-	8
Actuarial Gain / (Losses)	-	(28)	-	(28)
Total Comprehensive Income For The Period	**-**	**(20)**	**21,897**	**21,877**
Closing Balance 31/12/2016	**16,624**	**21,870**	**345,487**	**383,982**

- The attached notes to the accounts form an integral part of the annual financial statements.

Cash Flow Statement (Consolidated and Corporate) FY 2016

Amounts in thousands €	Note	GROUP METKA 12 months until 31 December 2016	GROUP METKA 12 months until 31 December 2015	METKA S.A. 12 months until 31 December 2016	METKA S.A. 12 months until 31 December 2015
Operating Activities					
Profit after Tax		**63,392**	**100,521**	**28,667**	**47,167**
Plus (Less) Adjustments:	38	(5,269)	1,950	3,043	1,348
		58,123	**102,470**	**31,711**	**48,515**
Working Capital changes					
Increase / (Decrease) in Inventories		(22,485)	(70,263)	37,971	(31,426)
Increase / (Decrease) in Trade and other Receivables		40,767	(209,448)	51,016	(22,931)
Increase / (Decrease) in other current assets		4,284	(1,645)	(588)	4,248
Increase / (Decrease) in Trade and other Payables		(204)	113,458	(58,997)	36,248
		22,363	**(167,897)**	**29,402**	**(13,861)**
Cash flow from Operating Activities		**80,486**	**(65,427)**	**61,113**	**34,654**
Cash flow from Operating Activities					
Cash flow from operating activities					
Less: Debit interest and similar expenses Paid		(1,045)	(318)	(207)	-
Less: Income Taxes Paid		(13,406)	(17,449)	(13,191)	(16,931)
Net cash flow from Operating Activities		**66,035**	**(83,194)**	**47,715**	**17,723**
Investing Activities					
Purchases of tangible assets		(7,577)	(2,584)	(7,458)	(2,441)
Purchases of intagible assets		(2,144)	(3)	-	-
Disposals from sale of tangible assets		7	54	-	2
Proceeds from dividends		-	-	2,328	200
Borrowings to affiliated companies		(83,628)	(43,000)	(67,500)	(43,000)
Purchase of finanacial assets at fair value through profit and loss		(2,000)	(4,832)	(2,000)	(4,832)
Acquisition of associates and other invenstments		(10,000)	-	(10,000)	-
Acquisition of subsidiaries (less the cash & cash equivalend of the Subsidiary)		(358)	(2)	-	(2)
Sales of financial assets available for sale		5	9	-	-
Cash Received from loans to associates		22,500	-	22,500	-
Proceeds from Bonds		-	8,303	-	-
Sales of financial assets at fair value through profit and loss		-	3,001	-	3,001
Interest received		2,010	1,685	590	809
Net cash flow from Invensting Activities		**(81,185)**	**(37,368)**	**(61,540)**	**(46,263)**
Financing Activities					
Dividends Paid		(6,227)	(26,136)	(6,227)	(26,031)
Proceeds from Borrowings of affiliated parts		12,000	30,000	-	-
Borrowings Paid		(317)	(317)	-	-
Other		(41,073)	(16,895)	(64,196)	2,163
Net cash flow from Financing Activities		**(35,616)**	**(13,348)**	**(70,423)**	**(23,868)**
Net increase / decrease in cash and cash equivalents		**(50,766)**	**(133,910)**	**(84,247)**	**(52,407)**
Cash and cash equivalents at the beginning of the period		154,621	288,314	140,697	192,866
Foreign currency differences in cash and cash equivelants		2,873	218	(23)	238
Cash and cash equivalents at the end of the period		**106,728**	**154,622**	**56,427**	**140,696**

The Group's/Company's statement of "Cash flow from financing activities" in the line "Other" includes the change in blocked deposits which have been blocked to issue good performance bonds. It should be noted that up to the previous fiscal year, the Group and the Company included this in the statement "Cash flow from operational activities" in the line "(Increase)/ Decrease in receivables”. The company’s management believes that the reclassification of the blocked accounts (i.e., their change from blocked to non-available cash and vice-versa) does not constitute a change in working capital and therefore it should be presented separately from the “Cash flow from operational activities”. In this context, in the Cash Flow Statement for 2015, an amount of € 16.895 th. (Group) and € 2.163 (Company) was transferred from the “Cash flow from operational activities” to the “Cash flow from financing activities” for a clearer comparative presentation.

- The attached notes to the accounts form an integral part of the annual financial statements.

II. NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/12/2016

1. General Information for the Company

The Company was founded in 1962 by the Industrial Development Organization and was involved in the manufacturing of metal constructions, while its plant in Volos started operating in 1964. Following its privatization in 1971, the Company rapidly developed.

METKA belongs to the Sector of Metallurgical Companies and specifically to the Sector of Industrial Production, Process and Conversion of Ferrous Metals. In January 1999, the Company was acquired by MYTILINEOS GROUP S.A. Today, the acquired company is the largest metal constructions complex in Greece, with an essential presence lasting for many decades in Greece and abroad.

In 1980, METKA S. A. acquired the strong and experienced erection company TECHNOM S. A.

During its 54-year course, the company continued to grow at a steady pace and acquired a higher technological level, by constructing innovative works of high-technological demand and of significant added value.

In 1973, the Company's shares were listed on the Athens Stock Exchange. The Company's headquarters are in Attika, Maroussi, 8 Artemidos street, 15125.

The annual financial statements of 2016 (which contain comparative data with FY 2015) were approved by the Board of Directors, on the 24th of March 2017. The above statements are to be approved by the General Shareholders Meeting.

It is noted that METKA S.A. is included in the consolidated financial statements of MYTILINEOS S.A., the domicile of which is in Greece, possessed a 50,00 % plus 1 share of METKA on 31/12/2016 and applies the full consolidation method on its consolidated financial statements.

2. Nature of operations

The strategic sectors of the Company's successful activity today are listed below:

- Energy Projects (Deregulation/Renewable Energy Sources/Co-production)
- Infrastructure Projects (Petrochemicals – Refineries, Mining Equipment, Bridge Supporting Systems, Building Infrastructures and Sports Complexes, Cranes and other Harbour Equipment)
- Defense Projects

The company is especially competitive in the Energy sector (construction of Thermoelectric and Hydroelectric Power Stations as EPC Contractor), in the Infrastructure sector and the Co-manufacturing defense sector.

The company's long experience in energy issues has given the opportunity to move forward in this area.

In the defense sector, METKA is dynamically active in the co-manufacture of tanks, other vehicles, frigates, submarines, and PATRIOT missile systems. The Company is based on its fully-equipped plants (two factories in Volos).

METKA's two factories in Volos are amongst the best in the sector of high-tech metal constructions, exporting their total production in the recent years to the most demanding markets globally.

3. Basis for preparation of the financial statements

3.1 Declaration of Conformity

The attached consolidated financial statements of METKA S.A. for the year ended December 31, 2016 are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as ins Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until the 31st of December 2016. Also, the Financial Statements have been prepared based on the going concern principle.

The Group applies all International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the Interpretations which apply to its activities. The relevant accounting policies, a summary of which is presented below in note 4, have been applied consistently in all presented periods.

3.2 Presentation Currency

The currency of the presentation is Euro (currency of the country in which the parent company is based) and all amounts are in thousands of Euro, unless stated otherwise.

3.3 Measurement Base

The consolidated Financial Statements of METKA have been prepared according to the historical cost as modified for the revaluation at fair value of financial assets at fair value through profit or loss.

3.4 Reclassifications

The Group's/Company's statement of "Cash flow from financing activities" in the line "Other" includes the change in blocked deposits which have been blocked to issue good performance bonds. It should be noted that up to the previous fiscal year, the Group and the Company included this in the statement "Cash flow from operational activities" in the line "(Increase)/ Decrease in receivables". The company's management believes that the reclassification of the blocked accounts (i.e., their change from blocked to non-available cash and vice-versa) does not constitute a change in working capital and therefore it should be presented separately from the "Cash flow from operational activities". In this context, in the Cash Flow Statement for 2015, an amount of € 16.895

th. (Group) and € 2.163 (Company) was transferred from the “Cash flow from operational activities” to the “Cash flow from financing activities” for a clearer comparative presentation.

3.5 Use of Estimates

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company’s accounting principles. Important assumptions made by the management for the application of the company’s accounting methods have been appropriately highlighted whenever this has been deemed necessary.

Estimates and judgments are continually evaluated and are based on historical experience and otherfactors, including expectations of future events that are believed to be reasonable under the circumstances. Since the estimates and judgments concern the future, real results may deviate from accounting estimates.

3.6 Changes in Accounting Policies

The financial statements of 2016 were prepared using the same accounting policies of the 2015 financial statements, and taking into account any new Standards and Standard Amendments of the IFRS (see par. 3.5.1 and 3.5.2).

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

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- Amendments to IAS 19: “Defined Benefit Plans: Employee Contributions” (effective for annual periods starting on or after 01/02/2015)

In November 2013, the IASB published narrow scope amendments to IAS 19 “Employee Benefits” entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Group examined the impact of the above on its Financial Statements, and didn’t find any impact.

- Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 2:** Definition of 'vesting condition', **IFRS 3:** Accounting for contingent consideration in a business combination, **IFRS 8:** Aggregation of operating segments, **IFRS**

8: Reconciliation of the total of the reportable segments' assets to the entity's assets, **IFRS 13:** Short-term receivables and payables, **IAS 16 /IAS 38:** Revaluation method—proportionate restatement of accumulated depreciation and **IAS 24:** Key management personnel services. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods starting on or after 01/01/2016)

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods starting on or after 01/01/2016)

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 5**: Changes in methods of disposal, **IFRS 7**: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, **IAS 19**: Discount rate: regional market issue, and **IAS 34**: Disclosure of information "elsewhere in the interim financial report". The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidation Exception" (effective for annual periods starting on or after 01/01/2016)

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 12 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The Group examined the impact of the above on its Financial Statements, and didn't find any impact.

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods starting on or after 01/01/2016)

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. 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, until the issuance of the final Standard.

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

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

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

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 “Construction Contracts”, IAS 18 “Revenue” and several revenue related Interpretations. The Group and Company are in the process of examining the impact of the above on its Financial Statements The above have been adopted by the European Union with effective date of 01/01/2018.

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

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- Amendments to IFRS 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (the IASB postponed the effective date of this amendment indefinitely)

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

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

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

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

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

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the “temporary exemption”) and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the “overlay approach”). The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

- Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 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 are the following: **IFRS 12:** Clarification of the scope of the Standard, **IFRS 1:** Deletion of short-term exemptions for first-time adopters, **IAS 28:** Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

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

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

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

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above have not been adopted by the European Union.

4. Summary of Important Accounting Policies

4.1 Consolidation

Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say that subsidiaries are companies in which control is exercised by the parent.

The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries.
Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.
The acquisition of a subsidiary by the Group is accounted for using the purchase method. Paragraph "5 Intangible Assets – Goodwill" describes the accounting aspect 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 booked to the results.

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

Minority transactions: For the accounting of transactions with the minority, the Group applies the accounting principle which considers those transactions as transactions with non-Group third parties. Sales to minority create profit and loss for the Group and those are registered in the Profit and Loss Statement. Purchases from the minority create a goodwill which is the difference between the amount paid and the percentage of the net accounting value of the subsidiary acquired.

Associates: Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the Group imply that a holding of 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 increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

As regards the acquisition goodwill, it reduces the stake value affecting the income statement when its value is reduced.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. 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 greater than or equal to its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized gains on transactions between the Group and its associates are eliminated according to the percentage of participations to the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates are adjusted to be consistent with those used by the Group.

Joint arrangements : Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are consolidated with the equity method of consolidation. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the joint venture are prepared for the same reporting date with the parent company. In the Company's stand-alone financial statements, the investment in joint ventures is stated at cost less impairment, if any.

4.2 Operating Segments

The Board of Directors is the main body of business decisions and monitors the internal financial information reports in order to evaluate the Company's and Group's performance and decide for the distribution of resources. The Management has designated the activity segments based on these internal reports. The Board of Directors uses various criteria in order to assess the Group's activities, depending on the nature of each segment and taking into account the risks involved and the existing needs in cash.

Operating segments are those in which the Group is activated and in which its internal information system is based. The Group of METKA is active in the sector of complicated electromechanical metal constructions. Every contract that is executed has its own characteristics according to the customer's need (custom made products). The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.

The basic principles are summarized as follows:

1. The Group is active in the construction of complex electromechanical metal constructions. Each contract realized by the Group has its own special technical characteristics which differ to a greater or lesser extent from the other contracts. The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.
2. The results of each segment are based on the operating results of each individual country in which the company is active (geographical segment). Not included in the segment results are the results of possible discontinued operations. There are asymmetric distributions to the presented segments since the depreciations of the geographic segment are separated based on the direct work-hours of the fixed assets used in each project. It should be noted that the tangible fixed assets of each segment include the fixed assets installed in each segment.
3. The additions of the non-current assets include fixed asset and intangibles, as well as stakes to affiliates and joint-ventures.

If the total income from external sources presented by geographical segments comprises less than the 75% of the Group's income, then more geographical segments are selected for presentation in order to reach the 75% of the Group's income.

Operating segments which have not achieved any of the quantitative limits defined by IFRS 8, are not considered eligible for presentation and are not disclosed separately since the Administration believes that this wouldn't be of any use to the users of its financial statements.

Each one of the geographical segments is separately managed. Inter-segment transactions are effected with the same terms as transactions at arm's length basis.

The accounting principles used by the Group for the segment presentation according to IFRS 8 are the same used for the preparation of its financial statements.

There are no changes compared to the previous period as regards the valuation methods used to designate the profit/loss of the geographic segment.

4.3 Foreign currency conversion

a) Operating 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 account 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 goodwill 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) Affiliated Companies

Profit from operating activities and own equity of each firm of the Group (apart from the ones that operate in hyper-inflating economies), in the cases when the functional currency differs from the presentation currency of the Group, are converted to the currency of the Group as follows:

(i) The Assets and the Liabilities of the Balance Sheets are presented and converted to euro using the exchange rates that are in effect as at the balance sheet date.

(ii) Incomes and expenses of the income statement of each company are translated at the closing rate at the date of the balance sheet.

(iii) All exchange differences, are recognized as a "Foreign currency translation reserve" in Equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity, are treated as assets and liabilities of the foreign entity and are converted to euro using the exchange rates that are in effect as at the balance sheet date.

4.4 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was 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 measured. The repair and maintenance cost is booked in the results when such is realized.

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

Land	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic lives 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 results.

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. Finally, when the tangible assets are measured at fair value, any existing revaluation reserve in equity during the sale, is transferred to retained earnings. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

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.

4.5 Intangible assets

The intangible assets include the Goodwill, the rights of use of Property, plant and equipment, as well as software licenses.

Goodwill: is the difference between the acquisition cost and the asset/liabilities fair value of the subsidiary/affiliated company on the date of acquisition. The company considers the acquisition goodwill as asset and presents it in the cost. This cost is equal to the amount that the consolidation cost surpasses the company stake in the assets, liabilities and contingent liabilities of the acquired company.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer tests goodwill for impairment annually, according to IAS 36, if events or changes in circumstances indicate that it might be impaired.

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 organize 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 recognized. Impairment losses relating to goodwill cannot be reserved in future periods. The Group performs its annual impairment test of goodwill as at 31 December each year.

In case the fair value of the Group's interest in the fair value of the acquired entity exceeds the cost of acquisition , the company proceeds to the Group proceeds to a revaluation of the cost of acquisition, the acquired assets, liabilities and contingent liabilities and any remaining difference after the revaluation is recognized directly to the income statement as profit.

Software: The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years.

4.6 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 of 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 flow generating unit) 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.

4.7 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another. The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise of assets that satisfy any of the following conditions:
Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.
The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):
a) Receivables from down payments for the purchase of goods or services,
b) receivables relating to tax transactions, which have been legislatively imposed by the state,

c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.
d) The loans and receivables are recognized in the net book value based on the real interest rate method.

iii) Investments held to maturity

These include non-derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity. The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories.
Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired. During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.
The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.
The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.
At each reporting date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

4.8 Inventories

The cost of the inventories compromises direct labor, other direct costs and related production overheads (based on normal operating capacity) but excludes financial expenses.

At the balance sheet date , inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses.

4.9 Trade receivables

Receivables from customers are initially booked at their nominal value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment.

The Group has established criteria for granting credit to customers, which is generally based on the size of the customer's operations and consideration of relevant financial information. At each reporting date all potentially uncollectible accounts are assessed to determine the appropriate allowance for doubtful accounts. The balance of such allowance for doubtful accounts is appropriately adjusted at each reporting date to reflect the possible risks. Each deletion charged other customers in the existing provision for contingent receivables.

4.10 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. Money market products are financial assets which are valued at fair value through the profit and loss account.

4.11 Non current segment assets held for sale

The segment assets held for sale include the other segment assets (including the capital gains) and the tangible assets that the Group intends to sell within a year after their registration date as “held for sale”.
The segment assets registered as “held for sale” are priced at the minimum value between the book value just before their registration as held for sale, and their fair value minus the cost of sale. The segment assets that are registered as “held for sale” are not subject to amortization. The profit or damage from the sale and reevaluation of the “held for sale” segment assets are included in the “other revenue” and “other expenditure”, respectively, at the list of the use results
At 31/12/2016 the Group has not registered non-current segment assets as held for sale.

4.12 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.

When acquiring own shares, the paid amount, including the relevant expenses, is shown as a reduction of share capital (premium reserves).

The shares of the Group’s subsidiaries (excluding shares of the parent company) are considered as assets available for sale.
At 31.12.2016, the Group did not hold any treasury shares.

4.13 Income tax & deferred tax

The period charge for income tax comprises current 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 which case it 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 in effect 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.

4.14 Employee benefits

a) Short-term benefits

Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. 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.

b) Post-employment benefits

Post-employment benefits include pensions or other benefits (insurances and medical care) which the company offers after the termination of employment to the employees as acknowledgement of their services. Thus, they include both defined contribution schemes as well as defined benefits schemes. The accrued cost of the defined contributions scheme is registered as an expense in the relative period. Post-employment benefits are partly funded through payments to insurance companies or state social insurance institutions.

- Defined contribution scheme

Defined benefits plans are relating to contributions to Insurance Carriers (eg Social Security), so the Group doesn't have any legal obligation in the event that the State Fund is unable to pay a pension to the insured. The employer's obligation is limited to the payment of employer contributions to the insurance companies or state social insurance institutions. The payable contribution from the company to a defined contribution scheme, is recognized either as liability, after deduction of the paid contribution, or as an expense.

- Defined benefits scheme

According to L.2112/20 and 4093/2012 the company is obliged to compensate it's employees in case of retirement or dismissal. The amount of the compensation paid depends on the years of service, the level of wages and the removal from service (dismissal or retirement). The entitlement to participate in these programs is usually based on years of service of the employee until 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 depending on the accrued right of the employee and the period to be rendered. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For the fiscal year 2016 as a discount rate is used the yield of iBoxx AA Corporate Overall 10 + EUR indices , which is considered consistent with the principles of IAS 19 since is based on bonds corresponding to the currency and term estimation in relation to employee benefits and appropriate for long-term forecasts.

The obligations for benefits payable of an employee benefit scheme are based on various parameters , such as age , years of service and salary. The provisions for the period are included in personnel cost (consolidated and company's financial statements) and consist of current and past service cost , the relative financial cost , actuarial gains or losses and any possible additional charges . Regarding unrecognized actuarial gains or losses the revised IAS 19R is followed, which includes a number of changes in accounting for defined benefit plans, including :

- The recognition of actuarial gains / losses in other comprehensive income and permanent exclusion from the year's income statement,

- The expected returns on investment of the program of each period is not recognized according to the expected returns but it is recognized the interest on net liability / (asset) according to the discount rate used to measure the defined benefit obligation,

- Other changes include new disclosures as quantitative sensitivity analysis

4.15 Grants

The Group recognizes the 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. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

4.16 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 reference date 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.

4.17 Recognition of income

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 Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage.
- **Sale of goods**: Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Rendering of services**: Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **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.

4.18 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 finance charges, are reported as liabilities. The part of the finance charge 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 lives 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: Fixed assets that are leased through operating leases are included in the balance sheet'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. The Group does not act as a lessor through financial leasing.

4.19 Construction 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 such are realized.

In the case where the result of one construction contract may not by reliably valuated, and especially in the case where the project is at a premature stage, then the income must be recognized only to the extent that the contractual cost may be recovered, and the contractual cost must be recognized in the expenses of the period in which it was undertaken. Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valuated reliably, the contract's income and expenses are recognized throughout the contract's duration, respectively as income and expense.

The Group uses the percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period.

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 invoicing until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoicing 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".

4.20 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.

4.21 Earnings per share

Basic earnings per share (Basic EPS) are calculated by dividing the profit after tax that is attributable to the shareholders of the parent company with the weighted average number of ordinary shares outstanding during the period.
Diluted earnings per share are calculated by dividing the profit after tax that is attributable to the shareholders of the parent company after adjusting for the post tax interest expense of the convertible securities with the weighted average number of ordinary shares adjusted by the number of ordinary shares converted from the convertible bond issue.
The weighted average number of ordinary shares outstanding during the accounting period as well as during all presented accounting periods is adjusted in relation to the events that have altered the number of outstanding ordinary shares without the corresponding alteration of the resources.

5. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Judgments

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the management that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

- **Classification of investments**

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through income statement, or available for sale. For those deemed to be held to maturity management ensures that the requirements of IAS 39 are met and in particular the Group has the intention and ability to hold these to maturity. The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit. Classification of investments as fair value through income statement depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through income statement. All other investments are classified as available for sale.

5.2 Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A ''critical accounting estimate'' is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future.

Recoverability of accounts receivable

Trade receivables initially, are recognized at fair value and subsequently are measured at amortized cost, using the method of effective interest method less provision for impairment. When the Company has the objective evidence that the Group will not be able to collect all of the due amounts, according to the terms of each agreement, makes provision for impairment of trade receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate . The amount of the provision is recognized in other expenses in the Income Statement.

Obsolescence in inventory

Appropriate provisions are made for damage, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in cost of sales in the period in which the write-downs or losses occur.

Goodwill Impairment test and Intangible Assets with Indefinite useful life

The Group carries out the relevant impairment test on goodwill and intangible assets with indefinite useful life derived from subsidiaries and associates, at least on an annual basis or in case of an indication for impairment, according to IAS 36. In order to determine whether there is evidence leading to impairment, the value in use as well as the fair value of the cash generating unit less the sale cost should be calculated. Usually, methods such as net present value of estimated cash flows are used along with valuations based on similar transactions trading in active markets and stock quotation in case the subject item is traded on an organized market. For the application of these methods, Management is required to use information such as the subsidiary's forecasted future profitability, business plans as well as market data such as interest rates etc.

Budget of construction contracts

The handling of the earnings and the expenses of a construction contract, depends whether the final result, at the completion of contractual project can be estimated with credibility (and is expected to bring gain or loss). When the result of a contractual project can be estimated with credibility, then the earnings and the expenses of the contract are recognised, through the duration of the project, correspondingly as earning and expense. The Group uses the method of percentage of completion, to determine the appropriate amount of income and expense that will be recognised in a specific period. The percentage of completion is measured, according to the contractual expenses that have been realised until the date of the financial statements of the total expected contractual cost of every project.

As a result, the management is required to estimate the gross profit of every construction contract (estimated cost of completion).

Income taxes

The Group and the Company are subjects to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. 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 recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provisions

Doubtful accounts are reported at the amounts likely to be recoverable. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible.

Contingent assets and contingent liabilities

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2016. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

6. Group Structure and consolidation method

Group companies that are included in the consolidated financial statements with the method of full consolidation (unless stated otherwise below) are:

Company	Main Operation Activity	Headquarters	Participation Percentage	Participation Type	Consolidation Method
GREEK STEEL INDUSTRY S.A. (SERVISTEEL	Metal Constructions	Greece	99.98	Direct	Full
ELEMKA	Constructions - Supervision	Greece	83.5	Direct	Full
DROSCO HOLDINGS LIMITED	Constructions- Supervision	Cyprus	83.5	Indirect	Full
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS TKT A.E.	Constructions - Supervision	Greece	62.625	Indirect	Full
METKA BRAZI SRL	EPC Contractor	Romania	100	Direct	Full
POWER PROJECTS	EPC Contractor	Turkey	100	Direct 99% Indirect 1%	Full
METKA POWER WEST AFRICA LIMITED	EPC Contractor	Nigeria	100	Direct 60% Indirect 40%	Full
METKA INTERNATIONAL LTD	EPC Contractor	UAE	100	Direct	Full
METKA RENEWABLES LIMITED	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
METKA POWER INVESTMENTS	EPC Contractor of Solar Technologies	Cyprus	100	Direct	Full
RIVERA DEL RIO	EPC Contractor of Solar Technologies	Panama	50	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	Cyprus	50.1	Direct	Full
METKA-EGN LTD	EPC Contractor of Solar Technologies	England	50.1	Indirect	Full
METKA - EGN SpA	EPC Contractor of Solar Technologies	Chile	50.1	Indirect	Full
METKA EGN USA LLC	EPC Contractor of Solar Technologies	Puerto Rico	50.1	Indirect	Full
HIGH POINT SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
GREEN LANE SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
NORTH TENEMENT SOLAR LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
SEL PV 09 LIMITED	SPV SOLAR PARK	England	50.1	Indirect	Full
MYTILINEOS FINANCIAL PARTNERS SA	Investments	Luxembourg	25	Direct	Equity-Affiliate Company
Joint Venture METKA – TERNA	Constructions	Greece	10	Direct	Equity-Joint Venture
INTERNATIONAL POWER SUPPLY AD	Industrial	Bulgary	10	Direct	Equity-Joint Venture

The unaudited fiscal years of the above mentioned companies are mentioned in detail in note 40.3 of the Financial Statements.

The consolidated financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 50,00% plus 1 share of METKA Group as of 31/12/2016.

6.1 Changes in Group Structure

in the consolidated financial statements of the annual financial period ended 31/12/2016 and compared to the respective period of 2015 the following companies are included under the Full Consolidation method : (i) METKA POWER WEST AFRICA LIMITED, a newly founded company fully consolidated since 07/06/2016, (ii) METKA INTERNATIONAL LTD, a newly founded company fully consolidated since 04/09/2016, (iii) METKA POWER INVESTMENTS, a newly founded company fully consolidated since 16/11/2016, (iv) HIGH POINT SOLAR LIMITED a newly acquired company fully consolidated since 02/12/2016, (v) GREEN LANE SOLAR LIMITED, a newly acquired company fully consolidated since 02/12/2016, (vi) SEL PV 09 LIMITED, a newly acquired company fully consolidated since 23/12/2016 (vii) NORTH TENEMENT SOLAR LIMITED, a newly acquired company fully consolidated since 29/12/2016.

Specifically for the acquisition of companies from (iv) to (vii), see analytical note 6.2.1 of the financial statements.

In addition, in the consolidated financial statements of the annual financial period ended 31/12/2016 and compared to the respective period of 2015 the company INTERNATIONAL POWER SUPPLY AD is included which is a newly acquired company and it is consolidated under the Equity Method since 15/12/2016 (for the acquisition, see note 6.2.2 of the financial statements)

The consolidation in the financial statements of METKA Group of the above newly acquired companies has not led to a total variation of more than 25% of the turnover, profit after taxes and minorities interest and of the owners' equity of the mother company.

6.*2* Company Acquisitions

6.2.1 Acquisition of Highpoint Solar Ltd, Green LaneSolar Ltd, Sel Pv09 Ltd and North Tenement Solar Ltd by METKA EGN

In December 2016, the subsidiary METKA EGN, in which METKA holds a 50.1% stake, proceeded to the acquisition of a 100% stake in four (4) companies based in England, namely HIGH POINT SOLAR LIMITED (on 02/12/2016), GREEN LANE SOLAR LIMITED (on 01/12/2016), SEL PV 09 LIMITED (on 23/12/2016) and (vii) NORTH TENEMENT SOLAR LIMITED (on 29/12/2016). The only asset held by these companies, which were fully consolidated in the consolidated financial statements, are permits for the construction of photovoltaic parks. The purpose of this acquisition is the engineering, procurement and construction of four photovoltaic parks and their subsequent resale upon completion of construction to prospective buyers, based on non-binding preliminary contracts.
When examining the requirements of IFRS 3, it was found that the acquired assets and assumed liabilities of these companies do not constitute a "company", as defined in IFRS 3, and therefore are

not within the scope of this Standard; thus, these transactions were accounted for as an acquisition of assets.
The total acquisition price of the above mentioned companies amounted to € 1,074 th. and a total of € 3,117 th. of assets and € 3,117 th. of liabilities were assumed. No capital gains emerged by these acquisitions.The net cash outflow on acquisition of these investments amounted to € 358 th. Finally, given the fact that these subsidiaries were acquired with the exclusive aim to be resold, they fulfill the definition of terminated activities of IFRS 5. The consolidation of the above mentioned companies did not affect the consolidated Income Statement of 2016, meaning that no results by terminated activities are included as these companies had no activity until the end of the financial period.

6.2.2 Strategic partnership of METKA and International Power Supply AD (IPS)

On 15/12/2016, METKA bought a percentage of 10% of the company trading under the name "International Power Supply AD", with its seat in Sofia, Bulgaria. The total amount given for the purchase of the above percentage was € 10 million wholly paid on the purchase date.
IPS develops, constructs and procures advanced electric energy electronic systems among which the awarded off–grid energy administration system, Exeron. IPS has supplied its advanced technology products to more than 50 countries worldwide with significant experience in solutions under extreme environmental conditions – from the high desert temperatures to isolated stations in the Antarctic.
Under the present investment, METKA acquired the exclusive rights of the Exeron system in many of the existent and of high importance markets where it is active as well as the option to increase its share in the company by another 10% under the same mechanism and cash contribution, while IPS and METKA will seek for significant worldwide opportunities in the area of off–grid electric energy.
Said company is included in the consolidated Financial statements of METKA Group with the net position method since 15/12/2016, as a joint venture under IFRS 11 and following a relevant agreement with the other shareholders which gives METKA the "joint control" of the company.
The value of goodwill of € 9,614 thousands as a result of the acquisition of IPS, it is incorporated in the acquisition value of the participation under the account "Investment in Affiliates" of the Group and corporate Balance Sheet.
In Group results for the presented period and specifically under the account "Profits/(Losses) by Affiliated companies, IPS result for the period 15/12/2016 – 31/12/2016 which is a profit of € 0.4 thousands has been incorporated. If IPS was consolidated since 01/01/2016 an additional profit of € 10.6 thousands would have been included.

7. Operating Segments

The Group applies IFRS 8 "Operating Segments" under the provisions of which, the identification of operating segments based on the "management approach" and requires the information disclosed externally is that based on the internal reporting. The Board of Directors is the principal business decision maker of the Group.

In order to present the operating segments, it should be noted that the Group is active in the construction of complex electromechanical metal constructions. Each contract realized by the Group has its own special technical characteristics which differ to a greater or lesser extent from the other contracts. The company's projects are mainly differentiated by the use intended by the client, while the degree of business risk and returns remain the same.

Taking into account the above as well as the construction singularity of each project, for the purpose of segment information, the Group used the geographical area in which products and services are sold and which is subject to different risks and returns compared to other areas. Geographically, the Group is active in Greece, in countries of the European Union (Germany, Romania), in Turkey, Syria, Algeria, Jordan, and Iraq.

During 2016, the sales of the company to foreign countries (Syria, USA, Iraq, Ghana, United Kingdom, Algeria, Turkey and Other countries) constitute a 71.22 % of the total sales turnover. Therefore the Group's Operating segments have been modified to Greece, Algeria, Syria, United Kingdom, Ghana, Iraq, USA and Other countries.

The result for each operating segment is as follows:

Amounts in '000 €	Greece	Syria	USA	Iraq	Ghana	United Kingdom	Algeria	Turkey	Other Countries	Total
01/01 - 31/12/2016										
Revenues from external customers	**128,097**	**104,339**	**81,940**	**38,772**	**31,540**	**31,318**	**11,767**	**86**	**17,239**	**445,098**
Intersegment revenues	8,928	2,612	100	-51	648	-	2,071	-	50	**14,358**
Total Sales	**137,025**	**106,951**	**82,040**	**38,722**	**32,188**	**31,318**	**13,838**	**86**	**17,289**	**459,457**
Gross Profit	28,476	52,840	3,318	1,615	14,612	6,221	(22,831)	(190)	2,887	**86,947**
Financial revenues	3,622	-	-	-	1,260	-	-	259	3	**5,145**
Financial expenses	(3,636)	(60)	(1,274)	(1)	(2,168)	(122)	(3,176)	(1,312)	(1,154)	**(12,902)**
Net Financial profit / loss	**(14)**	**(60)**	**(1,274)**	**(1)**	**(907)**	**(122)**	**(3,176)**	**(1,053)**	**(1,151)**	**(7,757)**
Entity's Interest in the Profit of Joint Venture	57	-	-	-	-	-	-	-	0	**57**
Profit before tax	16,508	42,671	1,366	(1,142)	28,703	3,743	(27,286)	(1,251)	81	**63,392**
Income Tax	(2,065)	(4,394)	(51)	318	(84)	(745)	(233)	158	(279)	**(7,376)**
Profit after tax	14,442	38,277	1,315	(824)	28,619	2,998	(27,519)	(1,092)	(199)	**56,016**
Depreciation / Amortization	3,106	-	-	-	-	2	677	17	15	**3,817**
31/12/2016										
Tangible assets	49,840	-	-	-	-	22	1,966	31	56	**51,915**
Other non- current assets	20,908	38,072	-	-	143,092	2,860	6,174	4,353	1	**215,460**
Other assets (less tangible assets)	371,944	120,721	10,028	58,883	54,824	11,475	54,641	166,258	29,814	**878,588**
Total assets	442,692	158,793	10,028	58,883	197,916	14,356	62,781	170,643	29,871	**1,145,963**
Total liabilities	98,937	194,595	8,808	45,791	42,022	8,808	20,048	120,225	6,196	**545,430**
Additions to non-current assets	7,405	-	-	-	-	2,160	105	-	50	**9,720**

Amounts in '000 €	Greece	Algeria	Syria	Germany	Other Countries	Ghana	Iraq	Jordan	Total
01/01 - 31/12/2015									
Revenues from external customers	**92,650**	**102,764**	**47,718**	**30,230**	**15,276**	**209,227**	**164,845**	**5,306**	**668,016**
Intersegment revenues	4,325	3,746	745	-	137	835	554	486	**10,827**
Total Sales	**96,975**	**106,510**	**48,463**	**30,230**	**15,413**	**210,062**	**165,399**	**5,791**	**678,843**
Gross Profit	12,305	26,421	26,835	10,581	17,771	42,719	9,372	(14,261)	**131,743**
Financial revenues	2,637	-	-	-	869	-	-	-	**3,506**
Financial expenses	(6,742)	(4,002)	(150)	(145)	(3,051)	(400)	-	(908)	**(15,400)**
Net Financial profit / loss	(4,105)	(4,002)	(150)	(145)	(2,182)	(400)	-	(908)	**(11,894)**
Entity's Interest in the Profit of Joint Venture	(217)	-	-	-	-	-	-	-	**(217)**
Profit before tax	2,863	18,290	24,163	8,875	14,338	44,520	2,950	(15,478)	**100,521**
Income Tax	(815)	(7,666)	(11,909)	(2,574)	(7,470)	(9)	(829)	0	**(31,273)**
Profit after tax	2,048	10,624	12,254	6,301	6,869	44,511	2,120	(15,478)	**69,248**
Depreciation / Amortization	3,050	643	-	-	31	-	-	-	**3,724**
31/12/2015									
Tangible assets	45,550	2,538	-	-	75	-	-	-	**48,163**
Other non- current assets	4,991	5,679	36,656	-	5,014	170,510	-	-	**222,851**
Other assets (less tangible assets)	452,569	69,282	22,342	28,611	107,623	60,204	81,398	7,604	**829,634**
Total assets	503,110	77,499	58,999	28,611	112,712	230,714	81,398	7,604	**1,100,647**
Total liabilities	68,739	24,109	246,963	3,865	86,824	45,080	69,705	4,347	**549,633**
Additions to non-current assets	2,330	249	-	-	8	-	-	-	**2,587**

The revenues from of the Group's external clients of the Group's for fiscal years 2016 and 2015 respectively, surpassing 10% of total income of the Group, are as follows:

01/01 - 31/12/2016

Customers	Sector	Revenue
Customer 1	Syria	104,339
Customer 2	USA	81,940
Customer 3	Greece	65,018

01/01 - 31/12/2015

Customers	Sector	Revenue
Customer 1	Ghana	209,227
Customer 2	Iraq	164,809
Customer 3	Algeria	102,764

8. Property, plant & equipment

The Group's tangible fixed assets are analyzed as follows:

	Group METKA				
(Amounts in thousands €)	**Land & Buildings**	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Gross Book Value	38,014	48,199	9,561	111	95,885
Accumulated depreciation and/or impairment	(6,869)	(32,260)	(7,356)	-	(46,485)
Net Book value as at 01/01/2015	**31,145**	**15,940**	**2,205**	**111**	**49,400**
Gross Book Value	38,476	49,614	10,054	108	98,252
Accumulated depreciation and/or impairment	(8,009)	(34,284)	(7,797)	-	(50,090)
Net Book value as at 31/12/2015	**30,467**	**15,330**	**2,257**	**108**	**48,163**
Gross Book Value	39,902	55,278	10,555	-	105,734
Accumulated depreciation and/or impairment	(9,175)	(36,330)	(8,314)	-	(53,820)
Net Book value as at 31/12/2016	**30,726**	**18,947**	**2,241**	**-**	**51,915**

(Amounts in thousands €)	**Land & Buildings**	**Vehicles & mechanical equipment**	**Furniture and other equipment**	**Tangible assets under construction**	**Total**
Net Book value as at 01/01/2015	**31,145**	**15,940**	**2,205**	**111**	**49,400**
Additions	462	1,429	616	77	2,584
Sales - Reductions	-	(5)	(9)	(79)	(93)
Depreciation	(1,140)	(2,037)	(545)	-	(3,722)
Net Foreign Exchange Differences	0	3	(10)	-	(7)
Merge Through Acquisition Of Subsidiary	-	-	-	-	-
Net Book value as at 31/12/2015	**30,467**	**15,330**	**2,257**	**108**	**48,163**
Additions	1,425	5,562	577	-	7,564
Sales - Reductions	-	0	(16)	-	(16)
Depreciation	(1,166)	(2,052)	(568)	-	(3,787)
Reclassifications	-	108	-	(108)	-
Net Foreign Exchange Differences	-	0	(9)	-	(9)
Tangible Assets From Acquisition/(Sale) Of Subsidiary	-	-	-	-	-
Merge Through Acquisition Of Subsidiary	-	-	-	-	-
Net Book value as at 31/12/2016	**30,726**	**18,947**	**2,241**	**-**	**51,915**

METKA

The Company's tangible assets are analyzed as follows:

(Amounts in thousands €)	METKA S.A. Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Gross Book Value	30,130	40,596	8,657	-	79,383
Accumulated depreciation and/or impairment	(5,304)	(28,797)	(6,602)	-	(40,702)
Net Book value as at 01/01/2015	**24,826**	**11,799**	**2,055**	**-**	**38,681**
Gross Book Value	30,592	41,969	9,242	-	81,803
Accumulated depreciation and/or impairment	(6,305)	(30,548)	(7,101)	-	(43,954)
Net Book value as at 31/12/2015	**24,287**	**11,422**	**2,140**	**-**	**37,849**
Gross Book Value	32,017	47,489	9,735	-	89,241
Accumulated depreciation and/or impairment	(7,332)	(32,310)	(7,630)	-	(47,273)
Net Book value as at 31/12/2016	**24,685**	**15,179**	**2,105**	**-**	**41,969**

(Amounts in thousands €)	Land & Buildings	Vehicles & mechanical equipment	Furniture and other equipment	Tangible assets under construction	Total
Net Book value as at 01/01/2015	**24,826**	**11,799**	**2,055**	**-**	**38,681**
Additions	462	1,384	595	-	2,441
Sales - Reductions	-	(5)	(1)	-	(6)
Depreciation	(1,001)	(1,760)	(509)	-	(3,270)
Net Foreign Exchange Differences	0	3	-	-	3
Merge Through Acquisition Of Subsidiary	-	-	-	-	-
Net Book value as at 31/12/2015	**24,287**	**11,422**	**2,140**	**-**	**37,849**
Additions	1,425	5,532	500	-	7,458
Sales - Reductions	-	0	-	-	0
Depreciation	(1,028)	(1,775)	(535)	-	(3,338)
Merge Through Acquisition Of Subsidiary	-	-	-	-	-
Net Book value as at 31/12/2016	**24,685**	**15,179**	**2,105**	**-**	**41,969**

Impairment test is effected on the fixed assets when events and conditions suggest the non-depreciated value may not be recoverable anymore. In the period under review there was no need to acknowledge impairment losses.

There are no mortgages or encumbrances on the fixed assets on 31/12/2016 both for the Group and the Company.

The Group did not hold tangible assets under finance lease on 31.12.2016 and 31.12.2015.

9. Goodwill

Goodwill balance of € 1,831 th. on 31.12.2016 is due to the acquisition of a consolidated company. This account showed no change during the current fiscal year.

The recoverable amount of the Cash Flow Generate Unit has been set out based on the value in use. The method of discounted cash flows was used. The specific methodology determining the value in use is affected by admissions which were adopted by the management to determine the future cash flows. Business plans are set up for a maximum of 5 years and based on recent budgets and assessments. Budget margins of operational profit and EBITDA are used, as well as future assessments using fair assertions.

The above work did not show any need to acknowledge impairment loss on 31/12/2016, both in the Group’s and Company’s financial statements.

10. Intangible Assets

The intangible assets (Group / Company) on 31/12/2016 and 31/12/2015 are analyzed as follows:

(Amounts in thousands €)	Group METKA			
	Software	Licenses	Other intangible assets	Total
Gross Book Value	133	-	-	133
Accumulated depreciation and/or impairment	(128)	-	-	(128)
Net Book value as at 01/01/2015	**4**	**-**	**-**	**4**
Gross Book Value	131	-	-	131
Accumulated depreciation and/or impairment	(130)	-	-	(130)
Net Book value as at 31/12/2015	**1**	**-**	**-**	**1**
Gross Book Value	131	2,858	-	2,989
Accumulated depreciation and/or impairment	(129)	-	-	(129)
Net Book value as at 31/12/2016	**2**	**2,858**	**-**	**2,860**

(Amounts in thousands €)	Group METKA			
	Software	Licenses	Other intangible assets	Total
Net Book value as at 01/01/2015	**4**	**-**	**-**	**4**
Additions From Acquisition/Consolidation Of Subsidiaries	-	-	-	-
Additions	3	-	-	3
Sale Of Subsidiary	-	-	-	-
Depreciation	(6)	-	-	(6)
Net Foreign Exchange Differences	0	-	-	0
Merge Through Acquisition Of Subsidiary	-	-	-	-
Net Book value as at 31/12/2015	**1**	**-**	**-**	**1**
Additions From Acquisition/Consolidation Of Subsidiaries	-	2,858	-	2,858
Additions	2	-	-	2
Sales - Reductions	(1)	-	-	(1)
Depreciation	0	-	-	0
Net Foreign Exchange Differences	0	-	-	0
Merge Through Acquisition Of Subsidiary	-	-	-	-
Net Book value as at 31/12/2016	**2**	**2,858**	**-**	**2,860**

11. Investments in Subsidiaries

Investments in subsidiaries were valued at acquisition cost in the company's financial statements. Investments in subsidiaries during the current and previous fiscal years have as follows:

Amounts in thousands €	31/12/2016	31/12/2015
Opening carrying amount	**6,793**	**6,792**
Acquisition of Companies	4	1
Closing carrying amount	**6,797**	**6,793**

There are no significant restrictions for capital transfer from the above businesses to the company in the form of cash dividends or loan payments or advance payments.

There are no subsidiaries with a significant minority percentage. Also, the Group has no rights into non-consolidated structured entities.

12. Investments in Associate Companies

Furthermore, the Group has also participations in affiliates which due to substantive influence are classified as associate companies and are consolidated based on the net position method in the consolidated financial statements (the scope of activity and the Group's participation percentages in said investments are analytically presented in note 6 of the financial statements).

	GROUP METKA	
Amounts in thousands €	31/12/2016	31/12/2015
The Group's participation in the Book value of the associates	340	283
The Group's participation in the Book value of the consortia	10,000	-
Total	**10,340**	**283**

Based on the contribution of the associate companies and joint ventures into profits/(losses) before taxes of the Group, the Group decided that each one of the companies seperately is insubstantial and for this reason, its percentage in these companies are shown in the following table:

	GROUP METKA	
Amounts in thousands €	31/12/2016	31/12/2015
Net Profit /(Loses) from the associates consolidated with the equity	57	(217)
Total	**57**	**-217**

The account statement of associate companies in the Group's Financial Position Statement is as follows:

	ΟΜΙΛΟΣ ΜΕΤΚΑ	
Amounts in thousands €	31/12/2016	31/12/2015
Opening Balance	**283**	**501**
Additions	10,000	-
Net Profit /(Loses) from the associates consolidated with the equity	57	(217)
Closing Balance	**10,340**	**283**

None of said associate companies is listed in any Stock Exchange and, therefore, there are no relevant market values.

13. Deferred tax receivables and liabilities

Deferred income tax results from the temporary differences between the book value and the tax base of assets or liabilities and 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.

The deferred tax for receivables and liabilities are offset then an appropriate applicable legal right exist for the offset of current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle. Tax losses are recognized as deferred tax receivables if there is a possibility to regain a relevant tax benefit through future tax profit.

The amounts offset and deferred tax for the Group and the Company are as follows:

	Group METKA					
	31/12/2016	31/12/2016	31/12/2016	31/12/2016	31/12/2016	31/12/2016
(Amounts in thousands €)	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehen	As At 31 December	Deferred Tax Asset	Deferred Tax Laibility
Non - Current Assets						
Intangible Assets	410	(39)	-	371	371	-
Tangible Assets	(5,112)	423	-	(4,690)	20	(4,710)
Current Assets						
Construction Contracts	39,861	(8,355)	-	31,502	32,497	(666)
Receivables	65	264	-	329	-	-
Reserves						
Reserves' defer tax liability	(62,188)	-	-	(62,188)	-	(62,187)
Long-term Liabilities						
Employee Benefits	290	3	9	301	301	-
Short-Term Liabilities						
Provisions	(121)	122	-	1	1	-
Other Short-Term Liabilities	60	(39)	-	21	21	-
Total	**(26,734)**	**(7,623)**	**9**	**(34,352)**	**33,211**	**(67,563)**
Offsetting	**-**	**-**	**-**	**-**	**(31,838)**	**31,838**
Deferreed tax from tax losses	**6**	**(6)**	**-**	**-**	**-**	**-**
Deferred Tax (Liability)/Receivables	**(26,729)**	**(7,629)**	**9**	**(34,352)**	**1,374**	**(35,726)**

(Amounts in thousands €)	Group METKA 31/12/2015 At 1st January	31/12/2015 Recognised In Profit Or Loss	31/12/2015 Recognised In Other Comprehensive Income	31/12/2015 As At 31 December	31/12/2015 Deferred Tax Asset	31/12/2015 Deferred Tax Laibility
Non - Current Assets						
Intangible Assets	444	(35)	-	410	410	-
Tangible Assets	(4,975)	(137)	-	(5,112)	9	(5,121)
Current Assets						
Construction Contracts	42,291	(2,430)	-	39,861	39,861	-
Receivables	(53)	118	-	65	65	-
Financial Assets at fair value	380	(380)	-	-	-	-
Reserves						
Reserves' defer tax liability	(55,754)	(6,433)	-	(62,188)	-	(62,188)
Long-term Liabilities						
Employee Benefits	249	27	14	290	290	-
Short-Term Liabilities						
Provisions	(94)	(27)	-	(121)	14	(135)
Other Short-Term Liabilities	97	(37)	-	60	60	-
Total	**(17,415)**	**(9,333)**	**14**	**(26,734)**	**40,709**	**(67,444)**
Offsetting	**-**	**-**	**-**	**-**	**(39,070)**	**39,070**
Deferreed tax from tax losses	**-**	**6**	**-**	**6**	**6**	**-**
Deferred Tax (Liability)/Receivables	**(17,415)**	**(9,328)**	**14**	**(26,729)**	**1,645**	**(28,373)**

(Amounts in thousands €)	METKA S.A. 31/12/2016 At 1st January	31/12/2016 Recognised In Profit Or Loss	31/12/2016 Recognised In Other Comprehensive Income	31/12/2016 As At 31 December	31/12/2016 Deferred Tax Asset	31/12/2016 Deferred Tax Laibility
Non - Current Assets						
Intangible Assets	406	(38)	-	369	369	-
Tangible Assets	(4,597)	368	-	(4,228)	-	(4,228)
Current Assets						
Construction Contracts	39,582	(8,253)	-	31,329	31,329	-
Reserves						
Reserves' defer tax liability	(62,156)	-	-	(62,156)	-	(62,156)
Long-term Liabilities						
Employee Benefits	253	3	8	264	264	-
Short-Term Liabilities						
Other Short-Term Liabilities	12	(7)	-	5	5	-
Total	**(26,500)**	**(7,927)**	**8**	**(34,419)**	**31,966**	**(66,385)**
Offsetting	**-**	**-**	**-**	**-**	**(31,835)**	**31,835**
Deferreed tax from tax losses	**-**	**-**	**-**	**-**	**-**	**-**
Deferred Tax (Liability)/Receivables	**(26,500)**	**(7,927)**	**8**	**(34,419)**	**131**	**(34,549)**

(Amounts in thousands €)	METKA S.A.					
	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015
	At 1st January	Recognised In Profit Or Loss	Recognised In Other Comprehensive Income	As At 31 December	Deferred Tax Asset	Deferred Tax Laibility
Non - Current Assets						
Intangible Assets	441	(34)	-	406	406	-
Tangible Assets	(4,463)	(134)	-	(4,597)	-	(4,597)
Current Assets						
Construction Contracts	41,517	(1,935)	-	39,582	39,582	-
Financial Assets at fair value	380	(380)	-	-	-	-
Reserves						
Reserves' defer tax liability	(55,726)	(6,430)	-	(62,156)	-	(62,156)
Long-term Liabilities						
Employee Benefits	208	31	14	253	253	-
Short-Term Liabilities						
Other Short-Term Liabilities	19	(7)	-	12	12	-
Total	**(17,626)**	**(8,888)**	**14**	**(26,500)**	**40,253**	**(66,753)**
Offsetting	-	-	-	-	**(40,127)**	**40,127**
Deferreed tax from tax losses	-	-	-	-	-	-
Deferred Tax (Liability)/Receivables	**(17,626)**	**(8,888)**	**14**	**(26,500)**	**127**	**(26,627)**

14. Financial Assets available for sale

The Group's and Company's Financial Assets available for sale are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Total Opening	**8**	**31**	**-**	**22**
Other Changes	-	(22)	-	(22)
Closing Balance	**8**	**8**	**-**	**-**

The above financial instruments refer to investments in non-listed companies.

15. Other long-term receivables

The Group's and Company's other long-term receivables are analyzed in the following table:

(Amounts in thousands €)	Group METKA 31/12/2016	Group METKA 31/12/2015	METKA S.A. 31/12/2016	METKA S.A. 31/12/2015
Customers - Withholding quarantees falling due after one year	187,964	213,511	44,872	43,001
Given Guarantees	573	561	515	504
Other long term receivables	10,509	5,011	6,155	-
Long - term receivables from related parties	-	-	682	-
Other Long-term Receivables	**199,047**	**219,082**	**52,225**	**43,505**

Other long-term receivables for the Group concern receivables of subsidiary POWER PROJECTS from the Turkish public sector.

16. Inventories

The Group's and Company's inventories are analyzed as follows:

(Amounts in thousands €)	Group METKA 31/12/2016	Group METKA 31/12/2015	METKA S.A. 31/12/2016	METKA S.A. 31/12/2015
Raw materials	136,789	113,301	41,138	79,359
Semi-finished products	31	31	31	31
Finished products	-	23	-	-
Work in Progress	1,178	996	1,098	925
Merchandise	501	5,635	-	-
Others	1,924	1,839	1,801	1,725
Total	**140,424**	**121,825**	**44,069**	**82,040**
(Less)Provisions for scrap,slow moving and/or destroyed inventories:	(1,000)	(1,000)	(1,000)	(1,000)
Total Stock	**139,424**	**120,825**	**43,069**	**81,040**

The value of the Inventories that were acknowledged as expense in the income statement of the Group and the Company is € 206,153 th. and € 128,635 th.accordingly (2015: € 410,792 th. and € 219,768 th.accordingly).

The Group had no pledged inventories on 31/12/2016 and 31/12/2015.

17. Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Customers	373,979	369,966	291,019	330,117
Checks receivable	2,002	1,922	-	-
Less:Impairment Provisions	(2,320)	(2,053)	-	-
Net trade Receivables	**373,661**	**369,836**	**291,019**	**330,117**
Advances to trade creditors	19,636	28,680	13,394	25,295
Total	**393,297**	**398,517**	**304,413**	**355,412**

Non-invoiced receivables, amounted to € 93,465 th. for the Group and € 79,178 th. for the company (2015 € 100,196 th. for the Group and € 66,646 th. for the company) are included to the account customers respectively which have been recognized as receivables according to IAS 11.

All of these receivables are considered to be short-term maturities. The fair value of short-term financial assets is not determined separately as the book value is considered to approximate their fair value.

The following table shows the change of provisions for doubtful trade receivables of the Group during the years ended 31/12/2016 and 31/12/2015. The Company has not made any provisioning for impairment of receivables.

(amounts in thousands €)	METKA GROUP Provisions for impairment losses
Balance at 1st January 2015	**2,019**
Additional provisions for the period 01/01/2015 - 31/12/2015	49
Provisions used during the year	(16)
Reduction of provisions due to disposal of a subsidiary	-
Balance at 31 December 2015	**2,053**
Additional provisions for the period 01/01/2016 - 31/12/2016	267
Provisions used during the year	-
Balance at 31 December 2016	**2,320**

In addition some of the receivables are past due nor impaired. The management on a continuous basis reviews the commercial receivables with strict criteria and in this context it's not necessary to create any additional impairment provision. The following table shows the Group's and Company's trade receivables which on 31/12/2016 were past due but not impaired:

	Group METKA			
	Past due but not impaired			
Liquidity Risk Analysis - Trade Receivables (Amounts in thousands €)	0-3 months	3-6 months	6-12 months	> 1 year
2016	8,121	4,247	813	1,750
2015	1,586	215	605	1,848

	METKA S.A.			
	Past due but not impaired			
Liquidity Risk Analysis - Trade Receivables (Amounts in thousands €)	0-3 months	3-6 months	6-12 months	> 1 year
2016	6,987	3,967	783	645
2015	169	-	421	341

18. Other receivables – other current assets

The Group's and Company's other receivables and other current assets on 31/12/2016 and on 31/12/2015 are analyzed as follows:

	Group METKA		METKA S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other Debtors	85,569	51,798	81,307	15,859
Receivables from the State	11,798	21,632	11,362	20,988
Receivables from Subsidiaries	138,362	74,100	124,184	78,857
Accrued income - Prepaid expenses	3,216	8,141	2,997	2,409
Total	**238,945**	**155,670**	**219,850**	**118,113**

The category “Other Debtors” includes pledged deposits of the Group and of the Company, amount € 76,000 th. respectively (31/12/2015: € 34.928 th. and € 11.804 th.) as a security for letters of guarantee.

For the pledge amount of € 59.700 thous. there is further in information in note 40.4 of the Financial Statements.

The receivables from connected parties concern investments through the affiliate MYTILINEOS FINANCIAL PARTNERS SA

As of 31/12/2016 no provisions were made for doubtful debtors.

19. Financial assets at fair value through profit and loss

The analysis of the investments in financial assets is analyzed as follows:

	Group METKA		METKA S.A.	
Amounts in thousands €	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Bank bonds	-	-	-	-
Stocks	193	-	193	-
Total Financial assets	**193**	**-**	**193**	**-**

The change in the allocation for the Group and the Company is as follows:

	Group METKA		METKA S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Total Opening	**-**	**2,500**	**-**	**2,500**
Additions	2,000	4,832	2,000	4,832
Sales	-	(7,331)	-	(7,331)
Fair Value Adjustments	(1,807)	-	(1,807)	-
Closing Balance	**193**	**-**	**193**	**-**

The change in fair value of the above financial assets is included in the account “Other Financial results” of the income statement.

20. Cash and cash equivalents

Group and company cash and cash equivalents are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash	712	1,382	660	1,182
Bank deposits	85,070	76,807	41,066	66,364
Time deposits & Repos	20,947	76,432	14,700	73,150
Total	**106,729**	**154,621**	**56,426**	**140,696**
Cash and cash equivalents in Euro	55,643	139,522	47,677	128,229
Cash and cash equivalents in foreign currency	51,086	15,099	8,749	12,467

Cash equivalents represent cash balances in Group and Company and time deposits available at first demand. There were no overdrafts in the bank accounts on the above mentioned dates.
The effective interest rate of short term investments is 0,1%- 0,3% (2015: 0,3%-1,2%).

21. Construction contracts

Income of € 424,188 th. for the Group and € 276,229 th. for the Company (2015: € 647,434 th. and € 395,688 th. respectively), which is included in the «Sales» account of the consolidated and corporate Profit and Loss Statement (see note 30), concern construction contracts in the period under review. The amounts of construction contracts included in the Statement of Financial Position concern works in progress at the end of the period under review. The amounts are derived as the net cost realized plus acknowledged profit less acknowledged loss and cumulative invoicing effected.

The accounting value of the Group's receivables and liabilities as regards the construction contracts, is analyzed as follows:

Construction Contracts	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Realised Contractual Cost & Profits (minus realised losses)	3,458,460	3,085,950	3,076,050	2,799,599
Less: Progress Billings	(3,523,113)	(3,016,865)	(3,151,048)	(2,932,633)
	(64,653)	69,085	(74,998)	(133,033)
Receivables for construction contracts according to the percentage of completion	93,465	270,706	79,178	66,646
Liabilities related to construction contracts according to percent. of completio	(158,118)	(201,621)	(154,176)	(199,679)
Advances received	56,198	42,182	45,403	33,475
Clients holdings for good performance	126,479	104,641	125,791	104,395

METKA

The amounts 18,453 th. euros and 7,830 th. euros , relative to long term liability for 2016 and 2015 respectively , have been incorporated in the "advances received" for the Group and the company and concern a long-term liability.
In addition, the amounts 44,720 th euros and 42,336 th euros, relative to long term receivable for 2016 and 2015 respectively , have been incorporated in the "Client holdings for good performance".

22. Total equity

22.1 Share capital

The Company's share capital consists of 51.950.600 nominal shares, of a nominal value of €0,32 per share. The total share capital amounts to €16.624.192. Each share corresponds to one vote. The company's shares are listed in the Athens Stock Exchange.

There are no shares of the company owned by the company itself or any other subsidiary or affiliate company. MYTILINEOS S.A. possessed a 50% plus 1 share of METKA on 31/12/2016 and applies the full consolidation method on its consolidated financial statements.

There were no changes in the above accounts in 2016.

22.2 Other reserves

Other reserves for the Group are as follows:

	Group METKA				
(Amounts in thousands €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	Total
Opening Balance 1st January 2015,according to IFRS -as published-	**5,935**	**1,767**	**15,511**	**(44)**	**23,167**
Transfer To Reserves	18	-	417	-	435
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	14	14
Actuarial Gain / (Losses)	-	-	-	(48)	(48)
Closing Balance 31/12/2015	**5,953**	**1,767**	**15,928**	**(78)**	**23,568**

	Group METKA				
(Amounts in thousands €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	Total
Opening Balance 1st January 2016,according to IFRS -as published-	**5,953**	**1,767**	**15,928**	**(78)**	**23,568**
Transfer To Reserves	28	-	695	-	722
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	9	9
Actuarial Gain / (Losses)	-	-	-	(29)	(29)
Closing Balance 31/12/2016	**5,980**	**1,767**	**16,622**	**(99)**	**24,269**

Other reserves for the Company are as follows:

(Amounts in thousands €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	Total
	METKA S.A.				
Opening Balance 1st January 2015,according to IFRS -as published-	**5,542**	**827**	**15,436**	**120**	**21,925**
Transfer To Reserves	-	-	0	-	0
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	14	14
Actuarial Gain / (Losses)	-	-	-	(49)	(49)
Closing Balance 31/12/2015	**5,542**	**827**	**15,436**	**86**	**21,890**

(Amounts in thousands €)	Regular Reserve	Special & Extraordinary Reserves	Tax-free and Specially taxed Reserves	Actuarial Gain/Losses Reserve	Total
	METKA S.A.				
Opening Balance 1st January 2016,according to IFRS -as published-	**5,542**	**827**	**15,436**	**86**	**21,890**
Deferred Tax From Actuarial Gain / (Losses)	-	-	-	8	8
Actuarial Gain / (Losses)	-	-	-	(28)	(28)
Closing Balance 31/12/2016	**5,542**	**827**	**15,436**	**66**	**21,870**

The ordinary reserve was formed according to the Commercial Law 2190/1920.

22.3 Retained Earnings

	Group METKA		METKA SA	
Amounts in thousands €	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Intended Divident	7,793	6,234	7,793	6,234
Remaining Earnings	549,375	504,602	337,694	323,590
Total	**557,168**	**510,836**	**345,487**	**329,824**

The General Shareholders Meeting unanimously approved at 11/5/2016 the appropriation account for the fiscal year 2015 and the distribution of €6,234,072 out of the profit for the year 2015, which represents a dividend of €0.1200 per share. It is noted that according to the tax law, a 10% withholding tax is applicable to the distributed dividend. Therefore, the net dividend was €0.1080 per share.

It is suggested to distribute € 7,792,590 as a dividend (€0,1500 gross dividend per share), out of the net profit € 21,897,052 of the year 2016.

The distribution of dividend has to be approved by the General Shareholders Meeting.

23. Liabilities for pension plans

According to the labor law, employees are entitled to compensation in case of dismissal or retirement , the amount of which varies depending on salary , years of service and the manner of termination (dismissal or retirement) . Employees who resign are not entitled to compensation . In Greece , employees who retire are entitled to 40 % of such compensation under N.2112/1920 . These programs are not funded and according to IAS 19 are considered as defined benefit programs. The Group's obligations, according to IAS 19, were calculated by independent actuaries companies.

The change of this net liability is as follows :

	Group METKA		METKA SA	
(Amounts in thousands €)	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Liability for pension plans	1,002	993	896	885
Total	**1,002**	**993**	**896**	**885**
Recognized as:				
Long Term Liability	**1,002**	**993**	**896**	**885**
Short Term Liability	**-**	**-**	**-**	**-**

The amounts recognized in the Profit and Loss statement for the Group and the Company are as follows:

	Group METKA		METKA SA	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
(Amounts in thousands €)	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Cost of current period employment	51	47	49	41
Interest on benefit obligation	20	23	18	20
Past employment cost	-	-	-	-
Total expenses recognized in the Income Statement	**71**	**71**	**67**	**61**

The amounts recognized in the Comprehensive Income statement of the Group and the Company are as follows:

	Group METKA		METKA SA	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans	Defined Contributions Plans
Actuarial gains / (losses) from changes in demographic assupmtions	28	64	25	58
Actuarial gains / (losses) from changes in financial assupmtions	2	(16)	3	(9)
Total income / (expense) recognized in other comprehensive income	**30**	**48**	**28**	**49**

Changes in the present value of the defined benefit plans are as follows:

	Group METKA		METKA SA	
(Amounts in thousands €)	1/1-31/12/2016 Defined Contributions Plans	1/1-31/12/2016 Defined Contributions Plans	1/1-31/12/2016 Defined Contributions Plans	1/1-31/12/2015 Defined Contributions Plans
Total Opening	**993**	**932**	**885**	**801**
Current Employment Cost	51	47	49	41
Financial Cost	20	23	18	20
Reassessment - actuarial losses/(gains) on changes in demographic assumptions	28	64	25	58
Reassessment - actuarial losses/(gains) on changes in financial assumptions	2	(16)	3	(9)
Settlment	330	168	289	120
Contributions Paid	(422)	(226)	(373)	(146)
Changes from the disposal of subsidiaries	-	-	-	-
Closing Balance	**1,002**	**993**	**896**	**885**

The details and underlying assumptions of the actuarial valuation for the years ended 31/12/2016 and 31/12/2015 are as follows:

	31/12/2016	31/12/2015
Discount Rate	1.80%	2.00%
Future Wage increases	2.00%	2.00%
Percentage of retirement	2.00%	2.00%
Inflation	2.00%	2.00%

The above assumptions were developed by management in collaboration with an independent actuary who prepared the actuarial study. The following table shows a quantitative sensitivity analysis for key assumptions of 31/12/2016:

	Discount rate	
	0.5%	**-0.5%**
Increase / (decrease) in defined benefit obligation	(67)	74

	Future salary increases	
	0.5%	**-0.5%**
Increase / (decrease) in defined benefit obligation	73	(66)

These sensitivity analyzes have been determined based on a method that shows the effect on the defined benefit plan as a result of reasonable changes in key assumptions at the end of the period of the financial statements.

24. Other long-term liabilities

The analysis of the Group's and Company's other long-term liabilities is as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Advances of customers				
Total Opening	**7,830**	**24,413**	**7,830**	**24,413**
Additions	36,177	10,836	36,177	10,836
Transfer From / (To) Short - Term	(4,059)	(2,690)	(4,059)	(2,690)
Depreciation For The Period	(21,496)	(24,729)	(21,496)	(24,729)
Closing Balance	**18,453**	**7,830**	**18,453**	**7,830**
Suppliers holdings for good performance				
Total Opening	**49,026**	**13,773**	**19,490**	**13,773**
Additions	1,929	40,002	1,929	10,466
Transfer From / (To) Short - Term	1,308	(1,199)	817	(1,199)
Depreciation For The Period	(19,531)	(3,551)	(2,390)	(3,551)
Exchange Rate Differences	-	-	-	-
Closing Balance	**32,733**	**49,026**	**19,847**	**19,490**
Total	**51,185**	**56,856**	**38,299**	**27,320**

25. Suppliers and other liabilities

The balance of suppliers and relevant liabilities for the Group and the Company are as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Suppliers	203,826	159,321	92,751	105,791
Customers' Advances	37,746	34,352	26,950	25,645
Liabilities to customers for project implementation	158,118	201,621	154,176	199,679
Total	**399,691**	**395,293**	**273,877**	**331,115**

All trade transactions have no interest and are regularly settled.

26. Tax Payable

Tax payable of the Group and the Company are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Tax expense for the period	3	21,630	-	20,972
Tax liabilities	4,568	6,508	1,082	6,075
Total	**4,571**	**28,138**	**1,082**	**27,047**

For the unaudited fiscal years of the companies of the Group, please revert to Note 40.3 Contingent Liabilities – Receivables".

27. Debt

The Group and the Company's debt on 31/12/2016 and 31/12/2015 are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Long-term debt				
Bank loans	1,465	1,778	-	-
Total	**1,465**	**1,778**	**-**	**-**
Short-term debt				
Bank loans	2,341	2,345	-	-
Total	**2,341**	**2,345**	**-**	**-**
	3,806	**4,123**	**-**	**-**

The company liabilities refer to short term debt denominated in euros. The weighted average interest rate at the end of year amounts to 7,00% (in 2015: 7,70%). There are no mortgages relating to the group's fixed assets as of 31/12/2016. There are no liabilities from financial leases for the Group and the Company.

The account «Financial Expenses» in the consolidated and corporate Income Statement includes the total financial cost of long- and short-term borrowing for the period ended 31/12/2016 (see note 34).

28. Other short-term liabilities

The other short-term liabilities are analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Liabilities to Related Parties	44,261	30,709	126	126
Accrued expense	324	456	290	456
Social security insurance	657	684	592	624
Dividends payable	198	370	198	190
Others Liabilities	3,121	2,703	903	527
Total	**48,560**	**34,922**	**2,107**	**1,923**

The Group's liabilities to related parties concern liabilities of a subsidiary towards the related company MYTILINEOS FINANCIAL PARTNERS S.A. ON 31/12/2016.

29. Provisions

(Amounts in thousands €)	Group METKA		
	Tax liabilities	**Other**	**Total**
01/01/2015	**890**	**-**	**890**
Additional Provisions For The Period	-	44	44
Realised Provisions For The Period	-	-	-
31/12/2015	**890**	**44**	**934**
Long -Term	890	44	934
Short - Term	-	-	-
Realised Provisions For The Period	-	(44)	(44)
31/12/2016	**890**	**-**	**890**
Long -Term	890	-	890
Short - Term	-	-	-

(Amounts in thousands €)	METKA S.A.	
	Tax liabilities	**Total**
01/01/2015	**780**	**780**
Realised Provisions For The Period	-	-
31/12/2015	**780**	**780**
Long -Term	780	780
Short - Term	-	-
Realised Provisions For The Period	-	-
31/12/2016	**780**	**780**
Long -Term	780	780
Short - Term	-	-

The provision for tax unaudited fiscal years relates to future obligations that may result from tax audits. Long-term forecasts do not appear in discounted amounts, as there is no accurate estimate of the time of payment.

30. Sales

The sales turnover analysis for the Company and the Group of the year 2016 and 2015 is as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	Total			
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Sale of commodities	3,108	2,531	-	-
Sales of goods produced	1,306	1,597	314	323
Sales of other inventory	197	15,288	183	14,830
Services	16,299	1,165	3,919	1,083
Constructions	424,188	647,434	276,229	395,688
Sales	**445,098**	**668,016**	**280,644**	**411,924**

31. Analysis of expenses by their nature

The expenses analysis by the nature of expense of the year 2016 and 2015 are as follows:

Cost of sales

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Retirement benefits	38	48	38	31
Other employee benefits	11,084	10,341	9,586	9,525
Cost of materials & inventories	206,152	410,791	128,634	219,767
Third party expenses	110,216	78,690	61,485	74,620
Third party benefits	3,872	5,282	2,895	4,220
Assets repair and maintenance cost	754	766	640	672
Operating leases rent	2,054	3,209	974	2,930
Taxes & Duties	1,143	1,204	1,042	1,165
Advertisement	23	25	23	25
Other expenses	19,513	22,853	14,317	21,043
Depreciation - Tangible Assets	3,302	3,065	2,677	2,629
Total	**358,151**	**536,272**	**222,311**	**336,625**

(Amounts in thousands €)	Group METKA		METKA S.A.	
Distribution expenses	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other emploee benefits	265	316	201	244
Inventory cost	1	1	1	1
Third party expenses	723	673	618	622
Third party benefits	29	52	28	47
Assets repair and maintenance cost	6	7	3	5
Operating leases rent	36	68	30	57
Taxes & Duties	64	61	63	59
Advertisement	107	117	104	117
Other expenses	741	754	708	722
Depreciation - Tangible Assets	11	11	11	11
Total	**1,982**	**2,060**	**1,765**	**1,885**

(Amounts in thousands €)	Group METKA		METKA S.A.	
Administrative expenses	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Retirement benefits	11	73	11	10
Other emploee benefits	4,970	4,939	3,741	3,549
Third party expenses	8,293	8,116	6,861	7,307
Third party benefits	2,971	2,834	2,762	2,794
Assets repair and maintenance cost	445	510	389	469
Operating leases rent	1,591	1,470	1,337	1,268
Taxes & Duties	111	211	86	199
Advertisement	367	648	345	648
Other expenses	4,177	2,702	2,631	2,421
Depreciation - Tangible Assets	668	636	650	628
Total	**23,604**	**22,139**	**18,813**	**19,294**

32. Number of Employees

The number of employees for the Company and the Group as of 31/12/2016 and 31/12/2015 is analysed in the following table:

	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Full time employees	326	317	262	274
Part time employees	145	75	122	63
Total	**471**	**392**	**384**	**337**

33. Other operating income and expense

The operating income and expense of the Group is analysed as follows:

	Group METKA		METKA S.A.	
(Amounts in thousands €)	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other operating income				
Income from Subsidies	37	12	33	12
Compensations	45	21	44	17
Profit from foreign exchange differences	31,181	30,095	6,884	18,520
Rent income	110	83	110	83
Profit from sale of fixed assets	5	-	-	-
Other	210	128	297	71
Total	**31,588**	**30,339**	**7,368**	**18,703**
Other operating expenses				
Losses from foreign exchange differences	15,173	18,802	6,189	10,464
Provision for bad debts	267	13	-	-
Loss from sale of fixed assets	-	45	-	4
Operating expenses from services	6,325	6,215	6,233	6,020
Other taxes	91	176	87	172
Total	**21,856**	**25,251**	**12,508**	**16,661**

34. Financial income / expenses

The financial income and expenses of the Group and the Company is analysed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Financial income				
Bank deposits	196	1,461	40	596
Customers	38	-	38	-
Other	3,649	2,045	3,540	2,033
Receivables' Discount Interest	1,260	-	-	-
Total	**5,145**	**3,506**	**3,618**	**2,630**
Financial expenses				
Discounts of Employees' benefits liability due to service termination	21	20	18	20
Bank Loans	296	331	-	-
Interest charges due to customer downpayments	189	-	189	-
Loans to related parties	1,552	584	-	-
Letter of Credit commissions	7,173	7,716	4,491	5,732
Other Banking Expenses	1,263	2,351	1,061	1,474
Liabilities' Discount Interest	601	-	-	-
Total	**11,095**	**11,001**	**5,759**	**7,226**

The account «Other» in Financial Income concerns mainly interest from bonds. (Details in note 18).

35. Other financial results

The financial results of the Group and the Company is analyzed as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Other financial results				
Profit / (loss) from fair value of other financial instrument through profit/los	(1,807)	(68)	(1,807)	(68)
Profit / (loss) from the sale of financial instruments	-	(4,330)	-	(4,330)
Total	**(1,807)**	**(4,399)**	**(1,807)**	**(4,399)**

36. Income tax expense

The Income tax expense for the Group and the Company is analyzed as follows:

	Group METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Income Tax	(254)	21,498	(1,156)	20,972
Income Tax provision	-	448	-	-
Deferred taxation	7,629	9,328	7,927	8,888
Total	**7,376**	**31,273**	**6,770**	**29,861**
Earnings before tax	**63,392**	**100,521**	**28,667**	**47,167**
Tax calculated at the statutory tax rate	**18,384**	**29,151**	**8,314**	**13,678**
Nominal Tax Rate Adjustments - Change in Greek Tax Rate	-	2,831	-	2,848
Nominal Tax Rate Difference in foreign Subsidiary Companies	(3,201)	(4,428)	-	-
Non taxable income	(10,243)	(10,817)	(4,725)	-
Non tax deductible expenses	10,846	13,125	10,830	12,418
Other taxes	93	68	38	14
Income tax coming from previous years	(8,504)	1,344	(7,686)	902
Effective Tax Charge	**7,376**	**31,273**	**6,770**	**29,861**

According to the tax legislation, the tax rate applicable to the Greek corporates for the year 2016 is 29%.

37. Earnings per share

Basic earnings per share (in euro / share) of the Group/Company are as follows:

	Group METKA		METKA S.A.	
(Amounts in thousands €)	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Equity holders of the parent	53,288	68,917	21,897	17,306
Weighted average number of shares	51,951	51,951	51,951	51,951
Basic earnings per share	**1.0257**	**1.3266**	**0.4215**	**0.3331**

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

There are no diluted earnings per share for the fiscal years 2016 and 2015.

38. Analysis of Cash Flow Adjustments

Analysis of Cash Flow Adjustments for the Group and the Company is analysed as follows:

	GROUP METKA		METKA SA	
Amounts in thousands €	12 months until 31 December 2016	12 months until 31 December 2015	12 months until 31 December 2016	12 months until 31 December 2015
Adjustments to Profit after Tax for:				
Depreciation of tangible assets	3,816	3,722	3,338	3,270
Depreciation of intangible assets	1	2	-	1
Provisions	270	147	49	61
Income from reverse of provisions	(84)	(58)	(84)	(26)
Profit / Loss from the Disposal of tangible assets	(4)	44	-	4
Losses from the fair value recognition of financial assets through profit and loss	1,807	4,376	1,807	4,376
Gains from sale of financial assets available for sale	-	22	-	22
Credit interest and similar income	(5,145)	(3,506)	(3,618)	(2,630)
Debit interest and similar expenses	2,657	966	207	20
Unrealised foreign currency gains / (losses)	(8,586)	(3,767)	1,346	(3,751)
Total Adjustments to Profit after Tax	**(5,269)**	**1,950**	**3,043**	**1,348**

39. Related party transactions

Transactions with affiliated companies are carried out on an arm's length basis. The Group was not party to any transaction of an unusual nature or structure that was material to it or to companies or persons closely associated with it, nor does it intend to be party to such transactions in the future. None of the transactions incorporate special terms and conditions and no guarantee was given or received.

(Amounts in thousands €)	Group METKA		METKA S.A.	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Income frome execution of projects and other income				
Subsidiaries	-	-	563	760
Other Parent company's subsidiaries	6,545	18,041	2,674	15,101
Total	**6,545**	**18,041**	**3,237**	**15,861**
Other income	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Subsidiaries	-	-	150	-
Other Parent company's subsidiaries	167	154	167	154
Total	**167**	**154**	**317**	**154**
Financial income	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Other Parent company's subsidiaries	3,646	2,054	3,540	2,033
Total	**3,646**	**2,054**	**3,540**	**2,033**
Purchases and compensations from the supply of services	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Subsidiaries	-	-	14,270	10,006
Other Parent company's subsidiaries	10,013	9,686	9,652	9,294
Directors and key management of the Company	3,951	4,118	3,855	3,930
Total	**13,964**	**13,805**	**27,776**	**23,230**
Financial expenses	**1/1-31/12/2016**	**1/1-31/12/2015**	**1/1-31/12/2016**	**1/1-31/12/2015**
Other Parent company's subsidiaries	1,552	584	-	-
Total	**1,552**	**584**	**-**	**-**
Demands from customers and project under progress	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Subsidiaries	-	-	5,295	3,167
Other Parent company's subsidiaries	95,045	130,877	94,537	129,436
Directors and key management of the Company	57	1	53	1
Total	**95,102**	**130,878**	**99,885**	**132,604**
Other Demands	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Subsidiaries	-	-	2,738	4,757
Other Parent company's subsidiaries	138,829	74,598	122,595	74,553
Total	**138,829**	**74,598**	**125,333**	**79,310**
Obligation to suppliers and other liabilities	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Subsidiaries	-	-	8,463	6,159
Other Parent company's subsidiaries	44,428	30,797	280	204
Directors and key management of the Company	11	50	8	40
Total	**44,439**	**30,848**	**8,751**	**6,403**
Obligation to customers and project under progress	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Other Parent company's subsidiaries	403	501	-	77
Total	**403**	**501**	**-**	**77**

Transactions with other associated companies (income, receivables, and liabilities) mostly concern the construction of a power station on behalf of PROTERGIA S.A. and KORINTHOS POWER (subsidiaries of MYTILINEOS S.A). There are no conditions or terms in the contract which are out of the ordinary trade practice.

39.1 Transactions with key management personnel

The remuneration of the key management personnel was as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Short term employee benefits				
- Wages and Salaries and BOD Fees	3,951	4,118	3,855	3,930
	3,951	**4,118**	**3,855**	**3,930**
Total	**3,951**	**4,118**	**3,855**	**3,930**

There are no loans given to Directors or other key management personnel (including their families).

40. Contingent liabilities and receivables

40.1 Encumbrances

There are no mortgages, pledges or any other encumbrances on the fixed assets due to borrowing.

40.2 Commitments

Group and Company's commitments are as follows:

(Amounts in thousands €)	Group METKA		METKA S.A.	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Commitments from construction contracts				
Value of pending construction contracts	1,040,347	1,190,714	811,036	1,017,046
Granted guarantees of good performance	302,214	351,041	300,914	303,179
Total	**1,342,561**	**1,541,755**	**1,111,950**	**1,320,224**

Leasings (the Group as lessee)

The Group leases motor vehicles, properties and other equipment under non-cancelable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights as follows:

	Group METKA		METKA S.A.	
(Amounts in thousands €)	**31/12/2016**	**31/12/2015**	**31/12/2016**	**31/12/2015**
Until 1 year	1,726	1,774	1,521	1,263
1 to 5 years	4,934	4,613	4,552	4,137
> 5 years	1,271	1,813	1,171	1,634
Total Operating Lease	**7,930**	**8,200**	**7,244**	**7,034**

40.3 Anaudited fiscal years

The unaudited fiscal years for the companies of the Group are as follows:

Company	**Anaudited fiscal years**
METKA SA	2009-2010 (1)
SERVISTEEL SA	2010 (1)
ELEMKA SA	2010 (1)
DROSCO HOLDINGS LIMITED	2003-2016
RODAX ATEE	2010-30/06/2011
BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS	2010,2014,2015,2016 (1)
METKA BRAZI SRL	2008-2016
POWER PROJECTS	2010-2016
METKA POWER WEST AFRICA LIMITED	2016
METKA INTERNATIONAL LTD	2016
METKA POWER INVESTMENTS	2016
METKA RENEWABLES LIMITED	2015-2016
RIVERA DEL RIO	2015-2016
METKA-EGN LTD	2015-2016
METKA-EGN LTD	2015-2016
METKA - EGN SpA	2015-2016
METKA EGN USA LLC	2015-2016
K/Ξ METKA - TEPNA	2009-2016
HIGH POINT SOLAR LIMITED	2016
GREEN LANE SOLAR LIMITED	2016
NORTH TENEMENT SOLAR LIMITED	2016
SEL PV 09 LIMITED	2016

Notes:

1)Tax authorities haven't yet audited the Financial Statements and therefore tax obligations for those FY are not yet definitive. Starting 2011, the Group's companies which are based in Greece have been audited by a legal auditor and have received tax certificates without any differences until the FY ended 2015. The tax certificates for 2016 shall be issued in the second trimester of 2017.

For the fiscal years 2011 until 2015, the Company (and the Group's companies which are based in Greece) were submitted to a special tax audit conducted by Sworn Auditors, in addition to the financial management audit, in order to assure the company's compliance to article 82 of law 2238/1994 and article 65A of law 4174/2013 and received a Tax Compliace Report without any reservations. It should be noted that according to circular 1006/2016 the companies subjected to the above special tax audit are not excluded from the regular tax audit by the tax authorities. The company's management judges that, in case of regular tax audits, there will be no additional tax differences affecting significantly the financial statements.

For fiscal year 2016, the tax audit is already being performed by the legal auditors and is not expected to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements. According to the relevant recent law, the audit and issuance of tax certificates are also valid for the fiscal years starting from 2016 onwards on an optional basis.

It is noted that a tax audit started in 2016 by the competent authorities of the Ministry of Finance of the parent company METKA SA for fiscal years 2009-2010 and is expected to be concluded during this year. The Group's Management estimates that the additional tax liabilities to be paid will not be more than the already ormed forecast.

40.4 Court claims & arbitration proceedings

The Company and its subsidiaries are involved in (as a defendant or plaintiff) in various lawsuits and arbitration proceedings in their operation. Management and its legal advisors believe that the lawsuits will not have a material adverse effect on the financial position of the Group or the Company, and the results of operations.

METKA's court claim against supplier

There is a pending litigation of the parent company from a supplier of € 28,1 million which relates to compensation for poor execution. For the above case, the defendant company has also requested arbitration against the absorbed company RODAX S.A., the cases of which are automatically taken over by METKA. Following the above request the Arbitration Court of International Chamber of Commerce (ICC) issued a final judgment in which it held the defendant company RODAX SA equally responsible (ie 50%) for the harmful event from which the aforementioned legal claims of METKA arise. The aforesaid litigation has been scheduled to be heard before the Court of Livadia on 20th of April, 2017.

Litigation with UBAF

Within the current year, and after the termination of the agreement between METKA (Company) with UBAF (Bank) to keep cash of the Company amounting 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. The reason of the above was the invocation of the need to use the specific amount as collateral, by way of collateral account, in case that any demands be raised, from counter guarantees that the Bank has provided, on the Company's request, in order to issue good performance guarantee letters. Following the above, the Company proceeded with the commencement of proceedings before the courts of France. The litigation addresses the legal and substantial merits of the claim by UBAF to keep that amount to a pledge account for the sake of its own assurance, without in any case UBAF questioning that METKA is the proprietor of that amount.

41. Risk management objectives and policies.

The following Risk management policy is being applied :

- evaluating the risks related to the Group's activities and operations,
- design the methodology and choose the appropriate financial products to mitigate the risks and,
- execute/implement, according to the approved procedure by the management, the risk management strategy.

41.1 Financial Risk Factors

Based on its activities, our Group is exposed to a limited range of financial risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks, liquidity risks and cash flow risks.
The Group's general risk management primary deals with the good execution of works, the credibility and the good execution of procurement and afterwards comes the credit risk and the market risk.
The risks exposure is managed through the Group's two main Divisions: Financial & Administrative Division, and Projects Division.
Prior to their commitment, such transactions are approved by the executives entitled to do so.

41.2 Market Risk

Foreign Currency Risk
The Group's functional currency is Euro. Exchange rate risk arising from transactions with customers and suppliers in foreign currency

The Group is exposed to foreign currency risk due to transactions with customers and suppliers in foreign currency, the majority of which are in USD. Contracts in USD are the Iraq project as well as the new project in Ghana.

Foreign Currency financial assets and liabilities are translated into Euros, at the closing rate, as follows:

Amounts in thousands €	2016							2015						
Nominal Amounts	**USD**	**SYP**	**GBP**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**TRL**	**DZD**	**JOD**	**IQD**
Financial Assets	346,699	377	9,928	10,993	11,592	883	-	138,119	382	5,111	8,290	13,123	198	-
Financilal Liabilities	(161,774)	(950)	(4,761)	(82)	(10,171)	(11)	(67)	(155,369)	(651)	(5,573)	(1,386)	(9,472)	(553)	(67)
Total	**184,925**	**(573)**	**5,167**	**10,911**	**1,421**	**872**	**(67)**	**(17,250)**	**(269)**	**(462)**	**6,905**	**3,652**	**(355)**	**(67)**
Short-term exposure	47,675	(573)	5,167	10,911	1,421	872	(67)	14,905	(269)	(462)	6,905	3,652	(355)	(67)

The table below represents the sensitivity of the result and equity in relation to assets and liabilities at the exchange rate

EUR/USD, EUR/GBP, EUR/RON, EUR/TRL, EUR/SYP, EUR/DZD , EUR/JOD , EUR/IQD.

Assuming that the said exchange rates deviate by 5% on 31/12/2016 (in 2015:5%), the effect in result and equity is as follows:

Increase by 5% :

Amounts in thousands €	2016							2015						
	USD	**SYP**	**GBP**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**TRL**	**DZD**	**JOD**	**IQD**
Earnings before tax	9,246	(29)	258	546	72	44	(3)	(863)	(13)	(23)	345	184	(18)	(3)
Equity	8,949	(20)	207	546	56	35	(2)	(1,323)	(10)	(18)	345	149	(15)	(2)

Decrease 5% :

Amounts in thousands €	2016							2015						
	USD	**SYP**	**GBP**	**TRL**	**DZD**	**JOD**	**IQD**	**USD**	**SYP**	**GBP**	**TRL**	**DZD**	**JOD**	**IQD**
Earnings before tax	(9,246)	29	(258)	(546)	(72)	-44	3	863	13	23	(345)	(184)	18	3
Equity	(8,949)	20	(207)	(546)	(56)	(35)	2	1,323	10	18	(345)	(149)	15	2

In order to minimize the exchange currency risk that occurs mainly by trading with countries outside the European union (mostly US $), the treasury department of the Group enters into currency swaps on the behalf of each company, when is necessary.

Price Risk

The Group is exposed to the price fluctuation of raw materials and the stocks belonging to its portfolio as a financial instrument available for sale. Price risk regarding financial instruments available for sale is considered limited since the stocks represent a minimal part of the total Group Assets.

41.3 Credit Risk

The credit risk of the Group mainly consists from the customer's inability to pay in time partially or in total his liabilities.

The assets exposed to credit risk on the statement of Financial Position reporting date analyzed as follows:

(Amounts in thousands €)	GROUP METKA 1/1-31/12/2016	GROUP METKA 1/1-31/12/2015	METKA S.A. 1/1-31/12/2016	METKA S.A. 1/1-31/12/2015
Trade and other receivables	280,513	269,770	211,841	263,471
Cash and cash equivalents	106,729	154,621	56,426	140,697
	387,242	**424,391**	**268,267**	**404,168**

The Group's turnover mainly comes from transactions with public institutions and also with foreign companies of low risk rating. As a result, the credit risk is minimal. According to the above the Credit risk of the Group is estimated to be minimum. Receivables which are not impaired and are delayed, are not considered doubtful. The amounts included in the table above do not include non-invoiced receivables from construction contracts under IAS 11.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group.

Group management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality. None of Group's financial assets are secured by collateral or other credit enhancements.

There is a concentration of credit risk from clients, since a significant percentage of the consolidated turnover is formed by only a few clients. This credit risk is counterbalanced by the high credit ratings of those clients and the advance payments received by them.

41.4 Liquidity Risk

Liquidity risk is the risk that arises when illiquid assets are insufficient to meet the liabilities at the date of expiry.

The liquidity risk is kept at a low level, having sufficient cash equivalents and negotiable securities.
The Group is managing its cash requirements, due to close overview of its borrowings and daily payments.

A potential cash flow risk lies with the good execution and procurement of the projects, since there might be a cash elimination due to non-conformity to the terms and conditions of the contracts.

The table below analyzes the financial liabilities of the Company and of the Group into relevant maturity groupings based on the remaining period at the reporting date of the financial statements until the date of expiry of current liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant and does not include liabilities from construction contracts under the scope of IAS 11.

The maturity of the financial liabilities as of 31/12/2016 and as of 31/12/2015, for the Group and Company, are as follows:

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	Group METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	1,251	214	1,465
Short Term Loans	2,185	156	-	-	2,341
Trade and other payables	189,485	14,341	32,733	-	236,559
Other payables	28,630	24,177	-	-	52,807
Total	220,300	38,674	33,984	214	293,172

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	Group METKA				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	1,251	526	1,777
Short Term Loans	2,189	156	-	-	2,345
Leasing liabilities	-	-	-	-	-
Trade and other payables	144,064	15,257	49,026	-	208,347
Other payables	13,180	49,424	-	-	62,604
Current portion of non-current liabilities	-	-	-	-	-
Total	159,433	64,837	50,277	526	275,168

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2016	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	86,223	6,529	19,847	-	112,598
Other payables	2,900	-	-	-	2,900
Current portion of non-current liabilities	-	-	-	-	-
Total	89,123	6,529	19,847	-	115,498

Liquidity Risk Analysis - Liabilities (Amounts in thousands €) 2015	METKA S.A.				
	up to 6 months	6 to 12 months	1 to 5 years	after 5 years	Total
Long Term Loans	-	-	-	-	-
Short Term Loans	-	-	-	-	-
Leasing liabilities	-	-	-	-	-
Trade and other payables	97,918	7,873	19,490	-	125,281
Other payables	9,091	19,424	-	-	28,514
Current portion of non-current liabilities	-	-	-	-	-
Total	107,009	27,297	19,490	-	153,796

41.5 Cash Flow Risk and fair value risk due to changes in Interest Rate

The operating income and cash flow of Group is essentially independent from changes at prices of interest rate. The Group's short-term and long term debt are not considered particularly high.

Group's borrowing in 31 December 2016 is € 3.806 th. and concerns short-term borrowing. (See note 27, for further information).

Group's policy is to continuously monitor interest rate trends and it's financing needs

The following table illustrates the sensitivity of net result for the year and Group's equity to a reasonable possible change in interest rate by + 3% or – 3% (2015: +/- 3%). These changes are considered to be reasonably possible based on observation of current market conditions.

Amounts in thousands €	31/12/2016		31/12/2015	
	3%	**-3%**	**3%**	**-3%**
Earnings before tax	(118)	118	(128)	128
Equity	(84)	84	(91)	91

41.6 Market Risk

The Group's risk from changes in Group securities is considered immaterial.

41.7 Other risks and uncertainties

a) Project's performance and procurement risk

Possible risks which may arise from commercial transactions of Group is the delay in procurement of plant and equipment and the delay by subcontractors in the completion of construction work which may result in overall delay of the completion of the projects undertaken and therefore the imposition of penalties for breaching the contractual terms.

Due to the nature of its projects, the Group is exposed to risks related to the design, procurement, and commissioning of power plants. The risks are due to:

- Mechanical damages to equipment
- Unforeseen construction circumstances
- Delays due to bad weather
- Unforeseen cost increases of material and equipment

Due to the Group's long – standing experience, the strict selection of sub-contractors and suppliers, the Audit Division and the quality assurance of these, is not exposed to major risks regarding the proper implementation of works and supplies that assigns. In addition, guarantees are required from co-suppliers, in the form of bank assurance (performance, supply materials, etc.).

b) Insurance Risk

The insurance risk arises from the Company's activities and is associated with various events, including accidents, injuries, damage in equipment and force majeure events. All of the above events are most likely to cause delays and in worst-case cease of work. Any such developments would hinder the financial position and results of the Group.

In order to address the above risks, the Group proceeds to the 100% insurance against such risks to cover the total value of projects and activities with all-risk insurance policies (Erection All Risks & Construction All Risks), including civil liability, employer liability, machinery, vehicles etc to renowned international insurance firms.

However, the existing insurance policies cannot always fully cover possible damages from unexpected events such as natural disaster, war or terrorist attacks.

c) Risks arising from geopolitical factors

Apart from the Group's activity in Syria, there is no foreseeable risk for the Company due to geopolitical factors. Concerning the activity in Syria, it should be clear that METKA is not subjected into investor's risks but to the risks of a manufacturer with assured funding and confirmed credit. Nevertheless, the postponement of works for a certain period, the necessity for extremely high safety measures, our extended presence in the Project, the increased freight and insurance charges, and the extraordinary, in general, conditions under which the Project continues today, have increased significantly the cost although not to a degree which hinders its continuation, expecting of course a compensation from the client for all proven over-expenses which are imposed to us for reasons outside our responsibility.

42. Fair value of financial instruments

Analysis of financial assets and financial liabilities is as follows:

	Group METKA		METKA S.A.	
	2016	2015	2016	2015
(Amounts in thousands €)				
Non current assets				
Financial Assets Available for Sale	8	8	-	-
Other Long-term Receivables	199,047	219,082	52,225	43,505
Total	**199,055**	**219,090**	**52,225**	**43,505**
Current assets				
Financial assets at fair value through profit or loss	193	-	193	-
Trade and other receivables	629,026	546,046	521,265	471,116
Cash and cash equivalents	106,729	154,621	56,426	140,697
Total	**735,948**	**700,667**	**577,885**	**611,813**
Non-Current Liabilities				
Long-term debt	1,465	1,778	-	-
Other long-term liabilities	51,185	56,856	38,299	27,320
Total	**52,650**	**58,634**	**38,299**	**27,320**
Current Liabilities				
Short-term debt	2,341	2,345	-	-
Trade and other payables	448,251	430,215	275,985	333,038
Total	**450,592**	**432,561**	**275,985**	**333,038**

Fair Value Chain

The funds of each type of financial instruments of the balance sheet, valued at the fair value, for disclosure reasons, should be registered at the following three levels, depending on their data quality used for the evaluation of the fair value:

Level 1: Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments that are valued at fair value, using valuation techniques for which all inputs, which have a significant fair value, are based (either directly or indirectly) on observable market data.

Level 3: Investments that are valued at fair value, using valuation techniques, in which the data, significantly affecting the fair value, are not based on observable market data.

The financial instruments of the Group and the Company, valued at the fair value on a recurring basis, are registered at the following three levels:

(Amounts in thousands €)	31/12/ 2016	GROUP METKA Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss				
Stock Shares	193	193	-	-
Financial Assets Available For Sale	9	-	9	-
Total	**202**	**193**	**9**	**-**

(Amounts in thousands €)	31/12/ 2015	GROUP METKA Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss				
Stock Shares	-	-	-	-
Financial Assets Available For Sale	9	-	9	-
Total	**9**	**-**	**9**	**-**

(Amounts in thousands €)	30/06/ 2016	METKA S.A. Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss				
Stock Shares	193	193	-	-
Financial Assets Available For Sale	-	-	-	-
Total	**193**	**193**	**-**	**-**

In 2016 and 2015 there were no transfers between level 1 and 2. The Group and Company have not classified financial instruments in level 3.

The book value of the following financial data of assets and liabilities is considered to be a logical approach to their fair value:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities.
- Borrowing

43. Capital management policies and procedures

Group's capital management objectives are to ensure its ability to continue as a going –concern. This is achieved through the assuring of preserving borrowing ability. Furthermore, other objective is to provide an adequate return to the shareholders and the achievement of its contractual obligations.
The Group monitors capital on a basis of net debt to equity. The ratio for the years 2016 and 2015 is as follows:

	Group METKA		METKA S.A.	
amounts in thousands €	2016	2015	2016	2015
Total Equity	600,532	551,014	383,982	368,338
Minus : Cash and cash equivelants	106,729	-154,621	56,426	-140,697
Net Debt	**707,261**	**396,393**	**440,408**	**227,641**
Total Equity	600,532	551,014	383,982	368,338
Plus : Bank Dept	3,806	4,123	-	-
Total Ocuppied Capital	**604,338**	**555,137**	**383,982**	**368,338**
Net Debt over Total Equity	**1 2/10**	**7/10**	**1 1/10**	**6/10**

Group policy is to keep borrowing at a low level. Furthermore, Group policy is to borrow only when it is necessary and for short-term. The above ratio analysis shows the achievement of management goals as far as the capital management is concerned.

44. Subsequent events

i) On January 23 2017, METKA announced that its 50.1% owned subsidiary company, METKA EGN,has recently signed contracts to provide turn-key engineering, procurement and construction (EPC) for projects with a total capacity of 75MW and contract value exceeding Euro 60 million.
The largest of the new contracts is with Noriker Power Limited to provide an innovative 20MW power plant, including a large battery storage installation, which will provide fast frequency response services for the UK's electricity network. This builds on the experience gained through the successful implementation of the Oriana project in Puerto Rico for Sonnedix, representing one of the world's largest solar PV power plants with battery storage integration.
The majority of the other projects concern solar photovoltaic (PV) power plants in the United Kingdom, six of which are with Lightsource and Canadian Solar, both existing clients.

ii) On January 27 2017, METKA announced that it has concluded an agreement with the General Authority for Electricity and Renewable Energy of Libya (GAEREL) to carry out the engineering, procurement and construction (EPC) contract for a new power plant in Tobruk, Libya.
The project, with total output of more than 500MW, includes the supply and installation of 3 General Electric GT13E2 gas turbines in open cycle configuration, together with all associated balance of plant equipment and a 220/66kV substation. The contract value for METKA amounts to $380 million.
The contract is subject to final approval from the responsible state authorities in Libya, and will Only become effective upon opening of an irrevocable letter of credit confirmed by 1st class international bank. The project will be carried out on a fast-track schedule so that the first gas turbine will be ready to connect to the grid within 9 months from commencement, and the second and third gas turbines will be ready for connection within 10 and 11 months respectively.
This is METKA's first major project in Libya and emphasizes the company's commitment towards supporting markets with critical needs for power.

Apart from those mentioned, there are no other subsequent events of major significance taking place after 2016 for the Group or the Company which should be announced for the purposes of the International Financial Recording Standards (IFRS).

Athens, the 24th of March 2017

CHAIRMAN AND MANAGING DIRECTOR of the Board of Directors	DEPUTY MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
IOANNIS G. MYTILINEOS	PANAGIOTIS A. GARDELINOS	SPYRIDON S. PETRATOS	STYLIANOS A. PALIKARAS
I.D. No AE044243/2007	I.D. No AE602368/2007	I.D. No AB263393/2006	I.D. No AK621204/2012

E. Figures and Information

METKA INDUSTRIAL-CONSTRUCTION SOCIETE ANONYME

Company's number in the register of Societes Anonymes: 10357/06/B/86/113
8 Artemidos Str., 151 25 Maroussi-Attika

Financial data and information for the period from 1st January 2016 until 31th December 2016

(According to Decision 4/507/28.04.2009 of the Board of Directors of the Hellenic Capital Market Commission)

The financial data and information presented below aim to give summary information about the financial position and results of METKA S.A. and its subsidiaries.
We advise the reader, before making any investment decision or other transaction concerning the company, to visit the company's web site where the financial statements according to International Financial Reporting Standards together with the Auditor's Report, are presented.

GENERAL INFORMATION FOR THE COMPANY
Competent Authority - Prefecture: Ministry of Finance
Company's web address: www.metka.com
Date of approval of the Financial Statements: 24th March 2017

Board of Directors: IOANNIS MYTILINEOS-CHAIRMAN & MANAGING DIRECTOR, GEORGE ECONOMOU - VICE PRESIDENT, PANAGIOTIS GARDELINOS - DEPUTY MANAGING DIRECTOR, CHRISTOS PANTZIKAS, EKATERINI DONTA, PAUL SMITH, ANTONIOS PAPANTONIOU, GEORGE PALLAS - NON-EXECUTIVE MEMBER, FILLIPOS ZOTOS - NON-EXECUTIVE MEMBER, NIKOLAOS BAKIRTZOGLOU MEMBER INDEPENDENT, NON EXECUTIVE, IOSIF AVAGIANOS MEMEBER INDEPENDENT, NON-EXECUTIVE

Name of the auditor: Manolis Mixalios (A.M. SOEL: 25131) - Dimitra Pagoni (A.M. SOEL: 30621)
Auditing firm: GRANT THORNTON (A.M. SOEL 127)
Report of the Auditors: Unqualified

STATEMENT OF FINANCIAL POSITION (consolidated and company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
ASSET	31/12/16	31/12/15	31/12/16	31/12/15
Self used fixed assets	51.915	48.163	41.969	37.849
Intangible assets	2.860	1	(0)	0
Other non current assets	212.601	222.850	69.653	50.925
Inventories	139.424	120.825	43.069	81.040
Trade receivables	393.297	398.517	304.413	355.412
Other current assets	345.867	310.292	276.469	258.810
TOTAL ASSETS	**1.145.963**	**1.100.647**	**735.573**	**784.036**
EQUITY & LIABILITIES				
Share Capital	16.624	16.624	16.624	16.624
Other Shareholders' Equity	580.743	533.833	367.358	351.714
Total Shareholders Equity (a)	597.367	550.457	383.982	368.338
Minority interests (b)	3.166	557	-	-
Total Equity (c)=(a)+(b)	**600.532**	**551.014**	**383.982**	**368.338**
Long-term liabilities	1.465	1.778	-	-
Provisions and other long-term liabilities	88.803	87.156	74.524	55.613
Short-term borrowings	2.341	2.345	-	-
Other short-term liabilities	452.821	458.353	277.067	360.085
Total liabilities (d)	**545.431**	**549.633**	**351.591**	**415.698**
TOTAL EQUITY AND LIABILITIES (c) +(d)	**1.145.963**	**1.100.647**	**735.573**	**784.036**

STATEMENT OF CHANGES IN EQUITY (consolidated and company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	31/12/16	31/12/15	31/12/16	31/12/15
Equity at the beginning of the period (01/01/2016 & 01/01/2015 respectively)	**551.014**	**507.791**	**368.338**	**377.042**
Total comprehensive income for the period after taxes (continued and discontinued operations)	55.752	69.199	21.877	17.272
Dividents paid	(6.234)	(25.975)	(6.234)	(25.975)
Equity at the end of the period (31.12.2016 and 31.12.2015 respectively)	**600.532**	**551.014**	**383.982**	**368.338**

ADDITIONAL DATA AND INFORMATION

1. Group Structure-Group companies that are included in the consolidated financial statements with their respective domicile and percentage of ownership as well as the consolidation method in the consolidated financial statements of 2016 are presented in note 6 of the interim financial statements. The consolidated financial statements of period which ended at 31.12.2016 and in relation of corresponding comparative period of 2015, include: (i) η METKA POWER WEST AFRICA LIMITED (which is a newly established company and fully consolidated from 7/06/2016),(ii) η METKA INTERNATIONAL LTD (which is a newly established company and fully consolidated from 04/09/2016),(iii) η METKA POWER INVESTMENTS (which is a newly established company and fully consolidated from 16/11/2016),(iv) η HIGH POINT SOLAR LIMITED (which is a newly established company and fully consolidated from 02/12/2016), (v) η GREEN LANE SOLAR LIMITED (which is a newly established company and fully consolidated from 02/12/2016) (vi) η SEL PV 09 LIMITED (which is a newly established company and fully consolidated from 23/12/2016),(vii) η NORTH TENEMENT SOLAR LIMITED (which is a newly established company and fully 29/12/2016, (viii) η INTERNATIONAL POWER SUPPLY AD (which is a newly established company and fully consolidated from 15/12/2016). The incorporation or not of the above mentioned company to the consolidated Financial Statements of the Group, has affected less than 25% the Sales Turnover, the Profit after Taxes, The Minority Interests and the Shareholder's Equity.
2. The consolidated financial statements of METKA Group are incorporated in the consolidated financial statements of Mytilineos Group, that is based in Greece and owns 50,00 % of METKA Group.
3. In the above Financial Statements, the Group adopted the basic accounting principles, which were employed for issuing the financial statements of FY 2015. There are not any adjustements in the accounting principles and forecasts compared to the previous year.
4. There are no encumbrances to the company's and Group's assets.
5. There are no outstanding ligitation or any court or arbitration decision, which could have a significant impact on the financial standing or operation of the Company and the Group. The litigation provision balance as of 31.12.2016 amounts to € 650 thou.for the Group. Other provisions balance as of 31.12.2016 amounts to € 3.672 thou. for the Group and €1.895 thou. for the Company. The tax provision balance for fiscal years unaudited by tax authorities as of 31.12.2016 amounts to € 890 thou.for the Group € 780 thou. for the Company.
6. The tax unaudited fiscal years of the Company and the Group are presented in detail in note 40.3 of the interim financial statements of the Group.
7. The number of employees at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31/12/16	31/12/15	31/12/16	31/12/15
FULL TIME EMPLOYEES	326	317	262	274
DAILY - WAGE EMPLOYEES	145	75	122	63
	471	392	384	337

8. Investements in tangible and intangible fixed assets for the period from January 1, 2016 to December 30, 2016 amounted to € 9.721 thou. for the Group and € 7.458 thou.for the Company.
9. The earnings per share were calculated according to the earnings after tax and minorities on the weighted average number of shares of the parent company.
10. Intercompany transactions for the period from January 1,2016 to September 30,2016 according to I.A.S. 24 are as follows:

Amounts in 000's Euro	THE GROUP	THE COMPANY
a) Income	10.359	7.093
b) Expenses	11.566	23.921
c) Receivables	233.874	225.165
d) Liabilities	44.832	8.743
e) Transaction and remuneration with top management and BoD members	3.951	3.855
f) Payables to top management and BoD members	57	53
g) Liabilities to management and BoD members	11	8

11. Consolidated other total income after taxes is related to foreign exchange differnces (€ 243 thou) from the consolidation of foreign firms and € 21 thou from the revision of IAS 19. Due to the revision of IAS 19 an amount of € 20 thou.conserns remeasurements of defined benefit obligationsin comprehensive income after taxes of the company.
12. At the end of the current period the mother company or subsidiary firms firms do not possess shares of the mother company.
13. There has been no discontinuance of operations of the Company or of the Group.
14. The Group's/Company's statement of "Cash flow from financing activities" in the line "Other" includes the change in blocked deposits which have been blocked to issue good performance bonds. It should be noted that up to the previous fiscal year, the Group and the Company included this in the statement "Cash flow from operational activities" in the line "(Increase)/ Decrease in receivables". The company's management believes that the reclassification of the blocked accounts (i.e., their change from blocked to non-available cash and vice-versa) does not constitute a change in working capital and therefore it should be presented separately from the "Cash flow from operational activities". In this context, in the Cash Flow Statement for 2015, an amount of € 16.895 th. (Group) and € 2.163 (Company) was transferred from the "Cash flow from operational activities" to the "Cash flow from financing activities" for a clearer comparative presentation.
15. Any differences in totals are due to rounding.

STATEMENT OF COMPREHENSIVE INCOME (consolidated & company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
	1/1-31/12/16	1/1-31/12/15	1/1-31/12/16	1/1-31/12/15
Sales Turnover	445.098	668.016	280.644	411.924
Gross Profit / (loss)	86.947	131.743	58.333	75.299
Profit before taxes, borrowings and investmets results	71.088	112.677	32.614	56.166
Profit before taxes	**63.392**	**100.521**	**28.667**	**47.167**
Less taxes	7.376	31.273	6.770	29.861
Profit after taxes (A)	**56.016**	**69.248**	**21.897**	**17.306**
Owners of the parent	53.288	68.917	21.897	17.306
Minority interests	2.728	331	-	-
Other comprehensive income after taxes (B)	**(264)**	**(49)**	**(20)**	**(35)**
Total comprehensive income for the period after taxes (A) + (B)	**55.752**	**69.199**	**21.877**	**17.271**
Owners of the parent	53.144	68.879	21.877	17.271
Minority interests	2.609	319	-	-
Earnings after taxes per share-basic (in €)	**1,0257**	**1,3266**	**0,4215**	**0,3331**
Proposed dividend	-	-	0,1500	0,1200
Profit before taxes, borrowings,investments and depreciation results	74.851	116.375	35.910	59.412

CASH FLOW STATEMENT- Indirect Method (consolidated & company)

(Amounts in 000's Euro)	THE GROUP		THE COMPANY	
Operating Activities	1/1-31/12/16	1/1-31/12/15	1/1-31/12/16	1/1-31/12/15
Profit before Taxes (Continued Operations)	63.392	100.521	28.667	47.167
Plus (Less) Adjustments for:				
Depreciations	3.817	3.724	3.338	3.271
Provisions	185	89	(35)	35
Exchange differences	(8.586)	(3.767)	1.346	(3.751)
Results (revenues, expenses, profit, loss) from Investment Activities	(3.342)	937	(1.812)	1.773
Debit Interest and similar expenses	2.658	966	207	20
Operating profit before changes in working capital	58.124	102.470	31.711	48.515
Plus/less adjustments for changes in working capital or operating activities:				
Decrease /(Increase) in Inventories	(22.485)	(70.263)	37.971	(31.426)
Decrease / (Increase) in receivables	40.767	(209.448)	51.016	(22.931)
Decrease /(Increase) in other current assets	4.284	(1.645)	(588)	4.248
(Decrease) / Increase in short term liabilities (except for the banks)	(204)	113.458	(58.997)	36.248
Less:				
Debit Interest and similar expenses paid	(1.045)	(318)	(207)	-
Taxation paid	(13.406)	(17.449)	(13.191)	(16.931)
Net cash flows from operating activities (a)	**66.035**	**(83.194)**	**47.715**	**17.723**
Investing Activities				
Purchase of subsidiary companies (less: subsidiary's cash)	(358)	(2)	-	(2)
Proceeds from the sale of tangible and intangible assets	7	54	-	2
Acquisitions of tangible and intangible assets	(9.721)	(2.587)	(7.458)	(2.441)
Acquisitions of affiliated companies, Participations to joint venture companies	(10.000)	-	(10.000)	-
Sales of financial assets available for sale	5	9	-	-
Purchase of financial assets at fair value with changes in net results	(2.000)	(4.832)	(2.000)	(4.832)
Proceeds from Borrowings to affiliated parties	22.500	-	22.500	-
Proceeds from sale of financial assets at fair value with changes in net results	-	3.001	-	3.001
Interest received	2.010	1.685	590	809
Borrowings to/from affiliated parties	(83.628)	(43.000)	(67.500)	(43.000)
Proceeds from dividents	-	-	2.328	200
Proceeds from bonds	-	8.303	-	-
Net cash flows from investing activities (b)	**(81.185)**	**(37.369)**	**(61.540)**	**(46.263)**
Financing Activities				
Proceeds from Borrowings	12.000	30.000	-	-
Payments of borrowings	(317)	(317)	-	-
Dividends paid	(6.227)	(26.136)	(6.227)	(26.031)
Other	(41.073)	(16.895)	(64.196)	2.163
Net cash flows from financing activities (c)	**(35.617)**	**(13.348)**	**(70.423)**	**(23.868)**
Net increase in cash and cash equivalents (a) + (b) + (c)	**(50.766)**	**(133.911)**	**(84.247)**	**(52.407)**
Cash and cash equivalents at the beginning of the period	**154.622**	**288.314**	**140.696**	**192.866**
Effects of exchange rate changes	**2.873**	**218**	**(23)**	**238**
Cash and cash equivalents at the end of the period	**106.729**	**154.622**	**56.426**	**140.696**

Maroussi, 24th March 2017

THE PRESIDENT OF THE BOARD & MANAGING DIRECTOR	THE DEPUTY MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
IOANNIS MYTILINEOS	**PANAGIOTIS A. GARDELINOS**	**SPYRIDON PETRATOS**	**STYLIANOS PALIKARAS**
I.D. No: AE044243/2007	I.D. No: AE602368/2007	I.D. No. AB263393/2006	I.D. No. AK621204/2012

F. Availability of Financial Statements (WEBSITE)

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 ended December 31st 2016 have been posted on the web site of the company www.metka.com