



**KLEEMANN™**

**KLEEMANN HELLAS  
MECHANICAL CONSTRUCTIONS SOCIETE ANONYME  
INDUSTRIAL TRADING COMPANY S.A.**

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2017  
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING  
STANDARDS (IFRS) AS ADOPTED BY THE EUROPEAN UNION**

KLEEMANN HELLAS S.A.  
Registration No 10920/06/B/86/40  
G.E.MI. No 14486435000  
Head Offices: Industrial Area of Stavrochori, Kilkis

## **CONTENTS**

<b>DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS .....</b>	<b>3</b>
<b>ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD .....</b>	<b>4</b>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>24</b>
<b>ANNUAL FINANCIAL STATEMENTS .....</b>	<b>27</b>
<b>STATEMENT OF FINANCIAL POSITION 31 DECEMBER.....</b>	<b>28</b>
<b>STATEMENT OF INCOME FOR THE PERIOD 1 JANUARY TO 31 DECEMBER .....</b>	<b>29</b>
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME .....</b>	<b>30</b>
<b>STATEMENT OF CHANGES IN EQUITY GROUP .....</b>	<b>31</b>
<b>STATEMENT OF CHANGES IN EQUITY COMPANY.....</b>	<b>32</b>
<b>STATEMENT OF CASH FLOWS 31 DECEMBER.....</b>	<b>33</b>
<b>NOTES ON FINANCIAL STATEMENTS.....</b>	<b>34</b>
<b>FINANCIAL FIGURES AND INFORMATION FROM 1ST JANUARY TO 31ST DECEMBER 2017.....</b>	<b>80</b>
<b>WEBSITE WHERE THE FINANCIAL STATEMENTS ARE DISCLOSED .....</b>	<b>85</b>

## **DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The following undersigned, with the present Report, we responsibly declare that as far as we know:

- the attached annual Financial Statements Separate and Consolidated of KLEEMANN HELLAS S.A., for the period of 1 January to 31 December 2017, which have been prepared according to the International Financial Reporting Standards as they have been adopted by the European Union, depict in a truthful way the figures of the assets, equity and liabilities as well as the Statement of Income of "KLEEMANN HELLAS S.A.", and also of the companies which are included in the consolidation taken as total,
- The Annual Report of the Board of Directors depicts in a truthful way the progress, the performance and the financial position of "KLEEMANN HELLAS S.A.", as well as of the companies which are included in the consolidation taken as total. Furthermore, it includes a description of the main risks and uncertainties that they confront.
- The attached annual Financial Statements are those approved by the Board of Directors of KLEEMANN HELLAS - "KLEEMANN HELLAS MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL TRADING COMPANY S.A." on 29/06/2018 and will be fully disclosed on the internet, at <https://kleemannlifts.com>.

**Kilkis 29 June 2018**

THE CHAIRMAN  
OF THE BOARD  
OF DIRECTORS

THE VICE  
PRESIDENT OF  
THE BOARD OF  
DIRECTORS

THE MANAGING  
DIRECTOR

Nikolaos K.  
Koukountzos  
I.D.No: AB 454713

Menelaos K.  
Koukountzos  
I.D.No: AB 454710

Konstantinos N.  
Koukountzos  
I.D.No: AE 171629

# ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2017

## TO THE ANNUAL ORDINARY GENERAL MEETING OF SHAREHOLDERS

The present annual Report of the Board of Directors (the "Report") of "KLEEMANN HELLAS MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL TRADING COMPANY S.A." and also of the Group, concerns the fiscal year 2017 (1 January to 31 December 2017), has been edited and harmonized according to the relevant provisions of the L.2190/1920.

The Report represents truly and includes all the information that is necessary according to the above mentioned legislation, in order for someone to have a substantial and thorough understanding of the activity of the Company «KLEEMANN HELLAS S.A.», and of the Group of KLEEMANN as well, during the specific fiscal year, together with the annual Financial Statements and the declarations of the B.o.D.'s members.

The readers, who are interested in more information, can visit the website of the Parent Company <https://kleemannlifts.com> or contact during the working days and hours the head offices of the Company.

### General Information

"KLEEMANN HELLAS MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL TRADING COMPANY S.A." with distinctive title "KLEEMANN HELLAS S.A." (the "Parent" or the "Company") was lawfully established in June 1983 (Government Paper 2308/27.7.1983) and its S.A. registration number is 10920/06/B/86/40. Its operating duration has been defined until 31.12.2050 and its head offices are located in the Industrial area of Stavrochori, Kilkis.

### Group Structure

The subsidiaries, which are consolidated according to the method of the total consolidation, are the following:

COMPANY	HEAD OFFICES	Participation	
		31.12.2017	31.12.2016
KLEFER A.E. <sup>(2)</sup>	Industr. area of Kilkis, Greece	50%	50%
KLEEMANN ASANSOR San. Ve Tic. A.S. <sup>(2)</sup>	Istanbul, Turkey	70%	70%
KLEEMANN LIFTOVI D.O.O <sup>(1)</sup>	Belgrade, Serbia	100%	100%
KLEEMANN LIFT RO S.R.L. <sup>(1)</sup>	Bucharest, Romania	100%	100%
HONG KONG ELEVATOR SYSTEMS LIMITED <sup>(1)</sup>	Hong-Kong	100%	100%
KLEEMANN LIFTS U.K. LTD <sup>(2)</sup>	Oxford, UK	100%	100%
KLEEMANN SERVICES LTD <sup>(1)</sup>	Nicosia, Cyprus	100%	100%
KLEEMANN LIFTS (CHINA) CO. LTD <sup>(3)</sup>	Kunshan, China	100%	100%
KUNSHAN KLEEMANN LIFTS TRADING CO., LTD <sup>(3)</sup>	Kunshan, China	100%	100%
KLEEMANN LIFTS RUS <sup>(1)</sup>	Moscow, Russia	99,5%	99,5%
KLEEMANN DIZALA D.o.o. <sup>(1)</sup>	Zagreb, Croatia	100%	100%
KLEEMANN ELEVATORS AUSTRALIA PTY <sup>(1)</sup>	Sydney, Australia	80,09%	80,09%
KLEEMANN AUFZUGE GmbH <sup>(1)</sup>	Dusseldorf, Germany	100%	100%
KLEEMANN ASCENSEURS SARL <sup>(1)</sup>	Paris, France	100%	-

(1) It is a subsidiary company of KLEEMANN LIFTS UK LTD

(2) It is a subsidiary company of KLEEMANN HELLAS A.E.

(3) It is a subsidiary company of HONG KONG ELEVATOR SYSTEMS LIMITED

### Description of Activity

The main activity of the Group is the manufacturing and trading of elevator systems, such as: hydraulic elevating mechanisms (piston, power unit, car frame), electromechanical elevating mechanisms (machine, car frame, counterweights), cabins (passenger, cargo, panoramic), electronic controllers, electronic systems and compact type elevators for elevating cargos. The urge for immediate adaptation to customer needs and market trends, has led the Group to create a new business activity, which is the "complete elevator package".

The new products cover all possible requirements of every construction such as: hydraulic elevator without machine room (ARION Hydro MRL), electromechanical elevator without machine room (APOLLO Traction MRL, ATLAS Traction MRL), hydraulic elevator Maison Lift, elevator for smaller cargos DUMBWAITER and antiseismic elevator.

The main trading components that the Group and the Company uses for elevators of houses and offices, panoramic elevators of malls and hotels and elevators of cargos of industrial places are the following: electromechanical motors guide rails, oils, wires, buffers, ropes and other mechanical components.

The products and commodities are meant for elevators of houses, offices, malls, hotels, industrial areas, airports etc. The objective of KLEEMANN is to satisfy the particular needs of each client while simultaneously increasing its market share and its international brand awareness.

## Tangible Fixed Assets of the Group

Land	Buildings
<b>KLEEMANN HELLAS S.A.</b>	
Sites in the Industrial area of Kilkis, of 53.632 m <sup>2</sup> total surface.	Manufacturing and storage building, of 21.242 m <sup>2</sup> total coverage.
	Testing tower building for high speed elevators with offices of 5.274 m <sup>2</sup> total coverage.
	Manufacturing building (Electronics) and offices, opposite the main facilities of the Company, 2.301 m <sup>2</sup> .
	Manufacturing and storage building (Cabins) close to the main Group of buildings, of 9.329 m <sup>2</sup> total surface, together with an administration building, with a surface of 1.000 m <sup>2</sup> .
Plots of 99.840 m <sup>2</sup> total surface, abutted on the border of the industrial area of Kilkis and the Land owned by the Company.	Logistics building and offices, with a surface of 15.511 m <sup>2</sup> .
	Manufacturing and storage building, of 3.952 m <sup>2</sup> total coverage.
	Storage building for recycling purposes, of 485,05 m <sup>2</sup> total surface.
	Manufacturing and storage building, of 3.431 m <sup>2</sup> total coverage.
Plots of 12.882 m <sup>2</sup> total surface in Aspropyrgos, Attica, next to Attica Highway.	Logistics centre, of 3.642 m <sup>2</sup> total surface in the plot.
Site-Plot in Polichni of 2.483 m <sup>2</sup> total surface	Buildings with offices, with a surface of 1.160 m <sup>2</sup> . (basement 435 m <sup>2</sup> , storage 435 m <sup>2</sup> , ground floor 145 m <sup>2</sup> , and 1 <sup>st</sup> floor 145 m <sup>2</sup> )
Apartments	Ground floor store of 122 m <sup>2</sup> , which remains unoccupied, in 23 Nestoros Str. and 52 Akropoleos Str., in Nikaia, Piraeus.
	Semi – underground warehouse 174 m <sup>2</sup> , in 13 Lesvou street, in Galatsi, Athens, which is currently leased.
	Apartment, in Kilkis, 19 P. Mela Str., with a surface of 81 m <sup>2</sup> , which is currently leased.
	Apartment in Kilkis in 21 Iouniou & Grevenon Str., with a surface of 93 m <sup>2</sup> , is provided to employees for accommodation
	Four storey building with office & branches in 2 Dimokratias Street (formerly Likovrisis), Athens, of 1.015,05 m <sup>2</sup> (262,60 m <sup>2</sup> basement, ground floor 197,54 m <sup>2</sup> , first floor 197,54 m <sup>2</sup> , 2nd floor 181,09 m <sup>2</sup> , 3rd floor 153,52 m <sup>2</sup> , loft & auxiliary 22,76 m <sup>2</sup> ). From the whole building, its basement and ground floor are leased while the rest remains empty.

<b>KLEFER S.A.</b>	
Plots in the Industrial area of Kilis, of 19.561 m <sup>2</sup> total surface.	Manufacturing and storage building (Doors), with a total surface of 11.731 m <sup>2</sup> (1.736 m <sup>2</sup> of which include administration buildings).
<b>KLEEMANN LIFTOVI D.o.o.</b>	
A plot in Simanovci of Pecinci Municipality, in Belgrade, Serbia, with a total surface of 30.859 m <sup>2</sup> .	Manufacturing, warehouse and office buildings, with a total surface of 8.282 m <sup>2</sup>

### ***Machinery equipment***

Companies of the Group are equipped with machinery of latest technology, with high grade of automation and production capacity.

### ***Means of transportation***

The privately owned transportation fleet of the Group, consists of seventy one trucks for transportation of cargo, and professional cars – vans used at service operation, six buses, twenty one privately owned cars, twelve motorcycles for personnel transportation and eighty four internal transportation forklift trucks (automatically or manually operated) and two open carriages for the transportation of visitors within the premises.

### ***Furniture & other equipment***

Furniture & other equipment include the equipment with all the necessary furniture, office devices and machines, computers and computer systems, telecommunication systems equipment and all manufactured showroom exhibits located both in Company and third parties-customers' premises.

## **Insurance Contracts – Guarantees**

The Group Companies have contracted a range of insurance contracts, such as for fire protection, profit-loss, credit policy, civil responsibility on products and transferred freights. Also, the Parent Company has given guaranties amounting to 3.000.000 euros, for loans taken by its subsidiary "KLEEMANN ASANSOR S.A.", of which it has made use of the amounts 2.500.000 euros.

## **Personnel**

The Group executives are highly educated and qualified. More specifically, the Company insists on continuous training of its personnel, in order to successfully meet with the increasing market requirements. Moreover, the Management makes efforts and has managed to retain intact relations with its personnel, a fact that contributes to the harmonic operation of the Group. The evolution of the average personnel of the Group and of the total number of personnel of the Company and the Group respectively is presented in the following table:

<b>Average</b>	<b>2017</b>	<b>2016</b>	<b>Total No at the end of the year</b>	<b>2017</b>	<b>2016</b>
Salaried	599	836	Parent Company	854	806
Laborers	448	412	Group	1.382	1.249
<b>TOTAL</b>	<b>1.382</b>	<b>1.248</b>			

## **INFORMATION ABOUT THE ELEVATOR MARKET**

### ***General Information About The Market***

The Group is activated in the industrial field that is referred to manufacturing and trading lift components. The demand of these products is related directly with the building activity, as well as the number and the type of buildings that are constructed. The market is also influenced by general trends as the saving of energy, new technologies, need for better services and more severe safety regulations.

Based on their business operation, companies of the field may be separated in four categories:

- Companies producing components. This category refers to a number of small companies, which produce lift components.
- Companies of lift installation and maintenance. These Companies supply the building contractor with the elevator and they undertake its installation as well as its maintenance.
- Commercial companies of lift components. These companies are activated between companies that produce lift components and those that do the installation of the lift systems.
- Companies-Suppliers of complete lift systems. This is an advanced type of companies that trade components. They can supply the installation companies with a complete package of components.

The limits among the above mentioned categories are not well defined, as a consequence there are companies that combine some of the above activities. For example in the elevator sector in Europe, there are many multinational companies active which apart from production of elevator parts they proceed to the installation and maintenance. The specific companies have given during the last years great emphasis in the market of maintenance, where Kleemann Group is not activated. Finally there are companies that produce and trade all elevator parts, providing complete lift solutions and one of them is the Parent Company KLEEMANN HELLAS S.A.. The competition against Kleemann Group is coming mainly from small-medium production companies of lift compartments, from similar companies and from other competitors who are able to produce the main lift compartments and additionally they involve in installation and maintenance of the elevators. These kind of companies a lot of times are functioning as customers to Kleemann Group when there is no potentiality to be provided through their Group for their own various reasons all the lift compartments.

### ***Prospects of the global market***

The growth prospects presented in the elevator international market seem promising. An increase in sales is expected for the industry, which is based on the recovery of developing countries such as India and China. It should be noted that China is expected to create approximately half of the global demand, due to its urban and economic development.

In addition it is estimated that by 2030 the 2/3 of the Earth's population will live in cities, a remarkable percentage and promising for the lift sector. But even in the markets of Europe, the United States and Japan where a significant increase in demand for new products isn't expected, it is estimated that an increase in demand for renovation products will be strong because of the need to comply to the new safety regulations. Also, it is worth noting that currently, there is a trend in the global market for products that are energy-efficient, environmentally friendly and have enhanced security, comfort and efficiency features, which is estimated that it will increase their demand.

Based on the above, the lift trade is determined by an upward trend and taking into consideration earlier measurements, the increase in sales is guaranteed.

## **Significant events of the fiscal year 2017**

The most significant events which have took place during the fiscal year 2017, as well as their impact to the Financial Report are the following:

### ***ESTABLISHMENT OF NEW SUBSIDIARY IN FRANCE***

In May 2017, KLEEMANN LIFTS UK Ltd proceeded in establishing a subsidiary company in Paris, named KLEEMANN ASCENSEURS SARL., aiming to further strengthen its presence in the market of France. The initial share capital of the new subsidiary amounts to Euros 100 thous. and the shareholder by 100% is KLEEMANN LIFTS UK Ltd. The purpose of the new company is the trading of complete elevator systems in the domestic market.



**SHARE CAPITAL INCREASE IN THE SUBSIDIARY IN HONG KONG**

On July 19, 2017, Kleemann Lifts UK decided to proceed to a capital increase, amounting to 2.0 mln euros, in the subsidiary company of Hong Kong, HONG KONG ELEVATOR SYSTEMS LIMITED, to be used in the future for a share capital increase in order to fund new investments in China.

**SHARE CAPITAL INCREASE IN THE SUBSIDIARY IN CHINA**

In December 2017, Hong Kong Elevator Systems Limited decided to proceed to a capital increase, amounting to 2.5 mln euros, in the subsidiary company of China, KLEEMANN LIFTS (CHINA) Co. Ltd, to be used in the future for a share capital increase in order to fund new investments.

**TENDER OFFER**

On the 19th of September 2016, the shareholderes Mr. Nikolaos Koukoutzos son of Konstantinos, Konstantinos Koukoutzos son of Nikolaos, Nikolaos Koukoutzos son of Nikolaos, Aikaterini Koukountzou daughter of Nikolaos, Menelaos Koukoutzos son of Konstantinos, Aikaterini Koukountzou daughter of Menelaos and Konstantinos Koukoutzos son of Menelaos orally agreed pursuant to Article 2 (e) of the Law 3461/2006 to act in concert for the joint control of the Company.

In this context, the shareholders exchanged their shares for shares issued by MCA ORBITAL GLOBAL HOLDINGS LTD (MCA or the Offeror), for the implementation of the share exchange agreement signed the same day. Consequently, the Offeror acquired a total of 15.896.582 Shares and voting rights of the Company, which correspond to the sum of the issued shares of the Company held by the aforementioned shareholders, i.e. to a percentage of 67.22% of the total voting rights of the Company. As a result of the above, the obligation for the submission of the present mandatory tender offer, pursuant to article 7 of the Law 3461/2006, was triggered.

On September 21, 2016, MCA proceeded with the submission of the mandatory tender offer with an offer price of 2,02€ per share, submitted the draft information memorandum to the Hellenic Capital Market Commission and informed the Board of Directors of the Company.

On November 22, 2016, the Board of Directors of the Hellenic Capital Market Commission approved the information Memorandum of the Tender Offer. The acceptance period of the Tender Offer began on the 25h of November 2016 and ended successfully on January 9<sup>th</sup> 2017.

On February 2, 2017, MCA submitted to the Hellenic Capital Market Commission a request for the exercise of the squeeze-out right for the remaining ordinary shares of the Company in accordance with the provisions of Article 27 of Law 3461/2006 for a price in cash equal to the Offer Price of the Tender Offer.

The Board of Directors of the Hellenic Capital Market Commission, pursuant to its decision on the 4<sup>th</sup> of April 2017, approved MCA's request for the exercise of the squeeze-out right and set the 21<sup>st</sup> of April 2017 as the date that trading of the shares of the Company ceased.

On April 27, 2017 the procedure of exercising the squeeze-out right was completed with the registration of MCA in the Dematerialized Securities System, as the new owner of 846.745 ordinary registered shares. Consequently, MCA holds, directly, 23.648.700 shares in total, representing 100% of the total paid up capital and voting rights in the Company.

Subsequently, pursuant to a relevant decision of the General Meeting of the Shareholders of the Company, a request will be submitted by the Company for the deletion of its shares from the Stock Exchange, in accordance with Article 17, par. 5 of the L.3371/2005.

On May 4, 2017, after the successful completion of the exercise of the right to acquire the Company's shares pursuant to article 27 of Law 3461/2006, the Cypriot company "MCA ORBITAL GLOBAL HOLDINGS LTD", as the sole shareholder, met at the Company's offices at an extraordinary unqualified General Meeting, with the sole issue of the agenda being the delisting of the Company's shares from the Athens Stock Exchange according to the provisions of article 17 of Law 3371/2005

On June 8, 2017, the Board of Directors of the Hellenic Capital Market Commission approved the delisting of the shares of the Company from the Athens Stock Exchange pursuant to article 17 of Law 3371/2005

**EVENTS AFTER 31 DECEMBER 2017**



There are no significant events that took place after the end of the financial year 2017 and up to the date of writing of the report which deserve special notice.

### **PROGRESS AND PERFORMANCE**

Sales of Kleemann Group in 2017 were increased compared to last year. More specifically, total revenue of the Group amounted to 134,7 million euros compared to 115,9 million euros in the respective period of 2016, a total increase of 16,2%,.

The profit before tax for 2017 amounted to 13,0 million euros from 5,3 million euros in 2016, while EBITDA amounted to 17,0 million euros compared to 8.3 million euros. The profit before tax margin amounted to 9.7% from 4.6%, while the EBITDA margin of the Group amounted to 12.6% from 7.2%.

Finally, earnings after tax and non-controlling interest amounted to 9.9 million euros from 4.0 million euros in the corresponding previous period, while the respective margin is 7.4% from 3.4% in 2016.

Despite the continuing challenges in significant international markets such as Turkey, the management expects for the Group to maintain its healthy liquidity in 2017, while it continues penetrating markets that show growth potential.

### **Comment on figures**

The positive progress of the Group, considering the new facts which arise from the financial crisis that affects the whole world, is imprinted on the financial results of the fiscal year.

**Turnover:** The Group's turnover amounted to 134.7 million euros (an increase of 16.2%), while for the Company to 92.8 million euros (increase of 14.4%) compared with the same period of last year. The Group's internationalization strategy and extraversion enabled it to enter new markets and thus be present in more than 100 countries, while it also increased its international sales to 91% of the total turnover as last year.

**Gross profit:** Gross margin of the Group (34.6% versus 33.0% in 2016) appears increased, while the gross margin of the Company (30.2% versus 26.0% in 2016) has increased.

**Earnings Before Interest Tax Depreciation and Amortization (EBITDA):** The Group's earnings before interest and tax depreciation and amortization was 17.0 million euros (2016: 8.3 million euros) and the EBITDA margin for the Group was 12.6% (2016: 7.2%), while for the Company was 8.5 million euros (2016: 3.0 million euros) and margin EBITDA was 9.2% (2015: 3.7%).

**Net Earnings after tax:** The result after tax of the Group amounted to 9.9 million euros (2016: 4.0 million euros), while for the Company to 5.7 million euros (2016: 2.0 million euros).

**Cash flow:** Net cash flows from operating activities amounted for the Group to an inflow of 20.6 million (2016: inflow of 6.1 million euros) and for the Company to an inflow of 11.0 million euros (2016: inflow of 11.7 million euros).

**Inventories:** The Group's inventory amounted to 28.6 million euros or 20.2% of total assets (2016: 27.6 million or 18.8% of total assets) and for the Company to 17.4 million euros against 19.2 million euros in 2016 (or 16.1% and 16.4% of the total assets respectively).

**Receivables from customers:** Receivables from customers for the Group amounted to 30.4 million euros (2016: 29.7 million euros) or 21.5% of total assets (2016: 20.2%) and for the Company to 25.0 million euros (2016: 23.6 million euros) or 23.1% of total assets (2016: 20.2%).

**Suppliers:** The rest of the suppliers of the Group amounted to 15.7 million euros (2016: 12.3 million euros) or 24.3% (2016: 21.9%) of total liabilities, while for the Company to 16.2 million euros (2016: 15.1 million euros) or 31.8% (2016: 33.6%) of all obligations.

**Long-term bank liabilities:** Long-term loans for the Group amounted to 18.8 million euros (2016: 7.1 million ) and for the Company to 18.7 million euros (2016: 6.8 million euros).

**Short-term bank liabilities:** Short-term loans for the Group amounted to 7.2 million euros (2016: 16.6 million euros) and for the Company to 4.6 million euros (2016: 13.7 million).

The following tables provide information on changes in percentage terms of the accounts of the situation result and financial position.

#### **Assets**

<b>Group</b>		<b>Company</b>	
<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>

Tangible assets for own use	6,3%	1,1%	(1,2%)	(3,3%)
Inventory	3,7%	7,2%	(9,0%)	4,2%
Receivables	2,2%	(4,2%)	6,2%	(10,0%)
Participations in Subsidiaries	-	-	0,0%	56,9%
Other long-term Receivables	10,5%	(17,4%)	11,5%	(20,1%)
Deferred tax Receivables	11,5%	28,3%	9,4%	29,1%
Cash and cash equivalents	(31,5%)	24,5%	(55,3%)	132,8%
<b>Capital and Liabilities</b>				
Suppliers	27,4%	(2,6%)	7,4%	(1,8%)
Bank Liabilities	9,9%	21,0%	13,4%	24,9%
Deferred tax Liabilities	62,6%	(30,1%)	-	-
Equity Capital	(15,4%)	2,3%	(20,7%)	2,9%

For the Income Statement, it is presented the following table (amounts in mln. euros).

<i>(Amounts in mln. euros)</i>	<b>Group</b>			<b>Company</b>		
	<b>From 1 January until</b>			<b>From 1 January until</b>		
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>%</b>	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>%</b>
<b>Sales</b>	<b>134,65</b>	<b>115,86</b>	<b>16,2%</b>	<b>92,76</b>	<b>81,11</b>	<b>14,4%</b>
Cost of sales	(88,01)	(77,67)	13,3%	(64,74)	(60,02)	7,9%
<b>Gross Profit</b>	<b>46,64</b>	<b>38,19</b>	<b>22,1%</b>	<b>28,02</b>	<b>21,09</b>	<b>32,9%</b>
Other operating income	2,49	0,39	538,5%	3,15	1,66	89,8%
Administrative expenses	(14,44)	(12,35)	16,9%	(9,97)	(7,81)	27,7%
Research & development expenses	(1,44)	(1,51)	(4,6%)	(1,26)	(1,33)	(5,3%)
Selling expenses	(18,51)	(18,62)	(0,6%)	(12,96)	(12,21)	6,1%
Income from Dividends	-	-	-	2,00	1,43	39,9%
Income from securities and participations	0,04	0,02	100,0%	0,04	0,02	100,0%
Interests and relevant expenses	(1,74)	(0,80)	117,5%	(1,50)	(0,87)	72,4%
<b>Profit/(loss) before tax</b>	<b>13,04</b>	<b>5,32</b>	<b>145,1%</b>	<b>7,52</b>	<b>1,98</b>	<b>279,8%</b>
Income tax	(3,09)	(1,33)	132,3%	(1,78)	0,06	(3.066,7%)
<b>Profit /(loss) after tax</b>	<b>9,95</b>	<b>3,99</b>	<b>149,4%</b>	<b>5,74</b>	<b>2,04</b>	<b>181,4%</b>

For the better comprehension of the Financial Statements, are presented the following financial ratios for the Group and the Company.

## RATIOS

### DEVELOPMENT (%)

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Changes in Sales	16,22%	8,23%	14,35%	(3,07%)
Changes in Net Profit after Tax	149,34%	10,12%	182,00%	3,87%
Changes in Fixed Assets	8,45%	2,07%	(1,36%)	(1,36%)
Changes in total Equity	(15,42%)	2,30%	(20,74%)	2,87%

### PROFITABILITY (in thous. Euros)

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Earnings after Tax (EAT)	9.945	3.989	5.740	2.035
Earnings before Tax (EBT)	13.043	5.322	7.524	1.976
Earnings before Interest, Tax, Depreciation and Amortization(EBITDA)	16.997	8.318	8.521	2.984

### WORKING CAPITAL (days)

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Receivables turnover Ratio (Clients+Notes+Checks)	80	94	93	109
Liabilities turnover Ratio (Suppliers+ Notes + Checks.)	55	58	81	91
Inventory turnover Ratio	116	125	103	114
Operating turnover average duration	196	219	196	223
Commercial turnover average duration	142	161	114	132

### CAPITAL STRUCTURE

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Ratio of Equity Capital to Total Capital	0,54	0,62	0,53	0,62

Equity to total liabilities Ratio	1,19	1,62	1,12	1,60
Bank Loans to Equity	0,34	0,26	0,41	0,28
<b>LIQUIDITY</b>				
Total Liquidity	2,22	2,39	1,88	1,81
Short-term Liabilities to Net Profit after tax	4,61	11,82	4,99	17,10
Short-term Liabilities to Equity	0,53	0,46	0,50	0,48

As in previous years, both the Parent Company and its subsidiaries did not proceed to a purchase of own shares during 2017.

During the year, both the Company and the subsidiaries which are included in the consolidation did not hold shares of the listed Parent Company.

After the date of the Statement of Financial Position and until the date of the submission of this Report, there are no events that took place, to affect the financial statement of the Company and the Group Kleemann or to require their disclosure at the Financial Statements of the period. During this fiscal year, the activity of the Company was according the current legislation and its targets, as they are defined at its memorandum.

Regarding the distribution of dividend, the Management of the Company refers that its dividend policy is directly connected with its capital structure, its efficiency, its earnings and self-financing of its investments, with main target the long-term benefit of the Company and of its shareholders.

### Expected progress and development

The penetration into even more new markets abroad will continue to be a key objective for the Group for 2018, as well. In this context, the strategic plan contains promotional activities, such as the establishment of new representative offices abroad as well as the development of new products and services. Particular emphasis is given to projects that are based on finding and implementing further cost reduction actions to adapt to the new economic environment and on improving the efficiency of processes, particularly in production and administration. The management, judging by the Group's growth ability, which in a few years managed to successfully change its field of activity from the local to the global market, expects a continuation of its successful course in 2018, as well.

At the same time, liquidity is expected to continue to be kept at high levels and gives the Group the required flexibility and the ability to move ahead with new investments. The Group is able to meet its operating needs and additionally to finance its geographical and product development.

It is noted that estimates for the development of activities are based on parameters whose positive or negative changes cannot be forecasted with accuracy by the management, such as the development of the market of raw materials, energy costs, , the trend in the construction activity, the interest rate levels, credit expansion of banks, the current state of the Greek economy, inflation and the purchasing power of consumers.

### Major Risks and uncertainties – Management of Financial Risk

The Company and the Group proceed to the required actions in order to limit the negative influence to their financial results, which is derived by the fluctuations of cost and sales variables as well as by the inherent disability to predict the financial markets. Specifically, the Company and the Group face the following risks:

#### **Credit Risk**

The financial risk results when the weakness of the contracting parties to pay off their obligations could decrease the amount of the future cash flows from financial assets, based upon the reference date of the Financial Reports. There is no significant credit risk concentration for the Group. Sales mainly are realized to low-credit risk clients, there is credit insurance for the overseas sales and there is a great dispersion of balances, as there is no client of the Group with a percentage higher than 5% of total sales. Moreover, geographically there is no concentration of credit risk, with the exception of Greece due which has created provisions for doubtful receivables.

The provision for bad debt presents the estimation of the Company for losses in relation to its customers and is composed of impairment losses of specific receivables of significant risk as well as of collective losses for groups of similar receivables that they are estimated to have been incurred but not yet identified. There is a continuous

control of the creditworthiness of large customers and in this way the exposure to risk is limited, with sufficient secure limits concerning the large customers.

At the end of the fiscal year it is estimated that there is no essential credit risk, which is not covered by an insurance as a credit guarantee or by a provision for uncertain receivables.

### ***Liquidity Risk***

The liquidity risk is the risk that results when the directly cashable financial assets are not enough to cover the obligations on their expiration date.

The approach of the Group about the liquidity management is to secure that in any case it will retain enough liquidity in order to meet its liabilities when they end, under ordinary or difficult conditions, without incurring non-acceptable losses or putting in danger its reputation. Prudent liquidity management is achieved by the appropriate combination of liquid assets and approved bank credits, while the unused approved bank credits, are adequate to encounter any potential shortage in cash.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days at least, including the servicing of financial obligations. This policy excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. For the minimization of risk in cash and cash equivalents, the Group transacts only with established financial institutes, of high credit level.

In addition, on December 31, 2017 the Group maintains approved bank credit limits up to 53.3 million euros. The Group's target is to have approved credit limit significantly greater than the size of its borrowing, a condition that is currently achieved. Concerning its investment policy, the Group limits its exposure to risks, by investing, at the time, only in directly cashable securities.

On December 31, 2017 it is estimated that there is no material liquidity risk which is not covered either by the Group's cash or by approved bank credits.

### ***Market risk***

Market risk is defined as the risk associated with changes in the rate of growth of construction activities as well as with changes in market prices of materials, in foreign exchange rates, interest rates and equity prices, to affect the Group's financial results or the value of its financial assets. It also includes the price of steel which is the main raw material (commodity). Its price is affected by the supply, the demand and the level of reserves in a global perspective. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return. The exposure of economic results of the Group to the above risks is low.

### ***Foreign exchange risk***

#### **A) Risk of diminishing gross profitability due to revaluation of foreign currencies**

The exposure of the Group in foreign exchange risks mainly derives from existing or expected cash flows in foreign currency (imports/exports), as well as investments abroad. This risk is confronted in the framework of approved policies. The Group operates mainly in Europe and, therefore, the majority of its transactions is based on Euros, while the operation that takes place apart from Europe is based on Euro clause, and therefore the exchange rate risk is minimized. The majority of the Group's foreign exchange differences originated in Turkey, England and Russia due to the strong activity of the Group and the volatility of the exchange rate of these countries. To further decrease the currency risk, the Group signed hedging contracts (hedging currency) with forward contracts, thus ensuring a stable exchange rate.

#### **B) Risk from the conversion of financial statements denominated in a foreign currency**

The Group has invested in foreign enterprises whose operating currency is not the Euro, thus their Financial Reports are not conducted into Euro. Due to that fact, the Group is being exposed into risk from the conversion of those Financial Reports into Euro in order to be consolidated to the Financial Reports of the Group.

### ***Interest rate risk***

The interest rate risk is the risk that the value of financial instruments may fluctuate due to changes in market interest rates. The Group is not exposed to a significant interest rate risk, since short term borrowings at 31/12/2017 are significant low.

The loan liabilities of the Group are based on pre-agreed and pre-set margins of interest, which according to the market conditions, may be changed into fixed. Group's policy is to observe the trends of the interests and the

duration of the financial needs and according to the existing conditions, the Group determines the relation between long-term and short-term bank loans.

The group does not enter into contracts for goods (commodity contracts), other than those required to cover the estimated usage and sales needs.

The Company is activated in a corporate environment which is characterized by variability at interest rates, prices of raw materials and energy. The sensitivity analysis of the above, indicates the following:

Amounts in thous euros	Earnings before tax	Change to Income Statement (thous €)	Change to Equity (thous €)
Published Earnings for 2017	7.524	(1.222)	(1.222)
+5% interest rates	6.303	122	122
+0,5% interest rates	7.647	(2.597)	(2.597)
Increase 5% in prices of raw materials	4.927	2.597	2.597
Decrease 5% in prices of raw materials	10.122	(413)	(413)
Increase 10% in prices of energy	7.111	413	413
Decrease 10% in prices of energy	7.938	(1.222)	(1.222)

## Vision and long-term targets

The vision of the Management is for Kleemann to be the Company of first choice for the international elevator market, due to the fact that it constitutes a modern industry, with strong capital structure, close co-operation with its clients, great reputation and strong market position. To achieve the Group vision, specific strategic objectives have been set which are:

- **High quality:** The Group's objective is the quality to be the key feature of its products and services. Product quality must exceed customer expectations, while at the same time the existing processes must ensure its continuous improvement.
- **Consistency - helpfulness:** The consistency and helpfulness towards the customer is one of the key strategic objectives of the Group. Delivery time of products and customer service constitute critical success factors of the objectives of the Group.
- **Economy - Efficiency:** Maximum results must be achieved by using the least possible resources. The benefits may be significant and disseminate both within the Group (shareholders, management, employees, etc.) and outside (customers, suppliers, community, etc.)
- **Development:** The continuous growth in business activity primarily ensures the viability of the Company and then ensures its leading market position. Conversely, stagnation in a rapidly evolving business environment ultimately leads to shrinkage of operations and the Group's figures.

For the realization of this vision and strategic objectives, the comparative advantages of the Group are the following:

- **Reliability** – The Group has succeeded to connect its name with the reliability, as its main target is to react directly at the expectations and the requirements of the clients, concerning the product, the quality, the speediness and the price. The presence of the Group at important international exhibitions and the records at international branch papers, contribute the brand "KLEEMANN" to be very known and recognizable to the global elevator market. The negotiating power, concerning the suppliers, and the vertical structure of the Group, result the complete control of the quality and cost of production of the final product.

- **Technology** – The Group constitutes a capital intensive industry and one of the most technologically modern in Europe. With the edge of investment in mechanical equipment, the strategy is based on the pillars of quality, innovation, speed and flexibility.

- **Complete elevator system** – Holding the position of «leader», the Group is the only one in Greece which has the capability to offer complete solutions of elevators which assure compatibility of all the materials,



absolute secure to the final user and maintainer, cover of specialized solutions (e.g. innovation), complete and continuous technical customer support.

- **Know-how** – the Group has the requisite know-how for the development of innovating and diversified products which is based on the 20-year presence in the international market, on the long-term co-operations with clients-installers, on the 1.382 employees (506 with University education, of which 311 are mechanical engineers) and on its people-centered culture. The Research and Development department support the development of new products of high technology, which they meet the trends of the global market as well as the new legal requirements, while in addition they are designed and imported in the market innovative products, such as the antiseismic elevator, the hydraulic elevator without engine-room, innovative solutions for the refurbishment of elevators, elevation systems, regulations of reduction of energy consumption etc, for which the Group has recorded 23 applications, both in Greece and internationally, for the safeguard of the industrial literary property and it has received the corresponding patents.

The strategic targets of the management are the enforcement of the leading position of the Group, both in the Greek and European market, as well as its further expansion and the improvement of products and services offered. The strategy to accomplish these targets is defined by the cooperation agreements both in the home country and abroad, the update of the information systems of the Company and the restructuring of its organization, the expansion of its international presence aiming at taking advantage of opportunities that arise abroad, the improvement of the training systems of both the personnel and the Company's co-operators, the evolution of new executives, the fulfilment of its significant investment plan and the extensive investment program in Research and Development and the corresponding continuous development of the know-how.

The direct targets of Group's management include:

- **Evolution in home market.** The Group always aims at the expansion of the market share of the domestic market, which is based on the strategy of penetration in the Greek elevator market and the promotion of the complete elevator package, the strengthening of the network of collaborators, the promotion of new proposals such as "Kleemann Design", the communication with the public, engineers and architects and finally in the development of new markets such as parking system, stair lifts and escalators.

- **Increase in exports.** Having the above mentioned comparative advantages, the Group develops its strategy with the enlarge of its client base and the expansion to new demanding markets, as for instance the technologically developing countries of Europe with the strictest specifications in the quality, materials and services. At the same time, it achieves the decrease of dependence from existing markets. In addition, the Group tries to promote its new products and apply a more competitive pricing policy in order to strengthen its presence in the international market.

- **Penetration in the market of upgrading of old elevator systems.** In Greece today there are approximately 300.000 elevators, more than 30 years old, a significant part of which requires partial or total replacement. Although the official Ministry decision, which refers to security of elevators and published at the end of 2008, transferring replacement at the next years, this specific postponement neither improves the operation of the Group, nor it affects significantly the financial figures. The daily reality indicates that there is a sufficient mobility regarding the repair and maintenance services because of the fact that existing elevators become older and need to be modernized.

## Important transactions with Affiliated Entities

The most important transactions of the Company with affiliated entities, according the IFRS 24, concern transactions with its subsidiaries, with affiliated entities and with members of the Board of Directors and highest officials.

The transactions with the affiliated entities are summarily presented at the following table.

2017	Group		Company	
	Revenues / Sales	Expenses / Purchases	Revenues / Sales	Expenses / Purchases
Consolidated subsidiary companies	-	-	27.847.673,78	12.893.494,98
Affiliated Companies	848.583,29	3.945.481,90	697.938,00	266.259,26
B.o.D. Members and highest officials	6.937,59	1.043.201,97	6.937,59	474.312,60
<b>Total</b>	<b>855.520,88</b>	<b>4.988.683,87</b>	<b>28.552.549,37</b>	<b>13.634.066,84</b>
	Receivables	Liabilities	Receivables	Liabilities
Consolidated subsidiary companies	-	-	7.690.023,48	6.945.642,16

Affiliated Companies	425.924,13	950.063,45	156.334,08	76.940,45
B.o.D. Members and highest officials	89,68	4.688,38	89,68	4.688,38
<b>Total</b>	<b>426.013,81</b>	<b>954.751,83</b>	<b>7.846.447,24</b>	<b>7.027.270,99</b>

**2016**

	<b>Group</b>		<b>Company</b>	
	<b>Revenues / Sales</b>	<b>Expenses / Purchases</b>	<b>Revenues / Sales</b>	<b>Expenses / Purchases</b>
Consolidated subsidiary companies	-	-	25.195.859,33	11.413.420,45
Affiliated Companies	868.382,11	3.922.164,98	554.243,96	636.852,41
B.o.D. Members and highest officials	(4.672,95)	1.522.300,98	(4.672,95)	754.954,85
<b>Total</b>	<b>863.709,16</b>	<b>5.444.465,96</b>	<b>25.745.430,34</b>	<b>12.805.227,71</b>

	<b>Receivables</b>	<b>Liabilities</b>	<b>Receivables</b>	<b>Liabilities</b>
Consolidated subsidiary companies	-	-	9.091.349,61	6.965.956,94
Affiliated Companies	402.205,16	110.228,78	253.052,27	(114.117,29)
B.o.D. Members and highest officials	5.366,28	-	5.366,28	-
<b>Total</b>	<b>407.571,44</b>	<b>110.228,78</b>	<b>9.349.768,16</b>	<b>6.851.839,65</b>

Analytically, the sales of the Company to the subsidiary companies, for the fiscal years 2016 and 2015 respectively, are analysed as follows:

**Sales 1 January to 31 December**

	<b>Commodities</b>	<b>Products</b>	<b>Other inventory and useless material</b>	<b>Services</b>	<b>Other</b>	<b>Total</b>
<b>2017</b>						
KLEFER A.E.	6.480,00	664,49	7.343,63	9.763,00	60.328,01	<b>84.579,13</b>
KLEEMANN ASANSOR S.A.	-	3.424.172,82	233.578,78	1.012,00	12.243,35	<b>3.671.006,95</b>
KLEEMANN LIFTOVI D.o.o.	94.844,66	2.324.946,47	42.890,27	2.287,22	8.039,78	<b>2.473.008,40</b>
KLEEMANN LIFT RO SRL	65.680,20	2.173.533,86	49.036,53	2.108,98	84.911,76	<b>2.375.271,33</b>
KLEEMANN LIFTS (CHINA) CO. LTD	19.464,88	426.045,98	144.335,26	-	33.317,09	<b>623.163,21</b>
KLEEMANN LIFTS U.K. LTD	539,03	5.233.397,43	107.477,32	29.256,56	376.879,34	<b>5.747.549,68</b>
KLEEMANN LIFT RUS	645.572,46	3.802.897,10	56.639,47	1.804,52	14.917,36	<b>4.521.830,91</b>
KLEEMANN DIZALA	-	54.536,85	4.958,92	-	3.325,47	<b>62.821,24</b>
KLEEMANN ELEVATORS AUSTRALIA PTY	115.488,90	5.474.390,29	136.857,54	11.110,62	220.896,61	<b>5.958.743,96</b>
KLEEMANN SERVICES LTD	-	-	-	-	4.075,83	<b>4.075,83</b>
KLEEMANN AUFGUGE	645,60	2.139.353,75	20.744,98	37.165,76	90.440,42	<b>2.288.350,51</b>
KLEEMANN LIFTS TRADING CO., LTD	-	30.969,43	1.044,14	-	5.259,06	<b>37.272,63</b>
<b>Total</b>	<b>948.715,73</b>	<b>25.084.908,47</b>	<b>804.906,84</b>	<b>94.508,66</b>	<b>914.634,08</b>	<b>27.847.673,78</b>

**Sales 1 January to 31 December**



<b>2016</b>	<b>Commodities</b>	<b>Products</b>	<b>Other inventory and useless material</b>	<b>Services</b>	<b>Other</b>	<b>Total</b>
KLEFER A.E.	90,00	4.321,86	6.621,67	5.032,37	39.149,84	<b>55.215,74</b>
KLEEMANN ASANSOR S.A.	470.291,85	4.866.514,37	326.544,07	802,62	33.371,64	<b>5.697.524,55</b>
KLEEMANN LIFTOVI D.o.o.	483.751,54	1.705.986,10	52.047,03	103,47	2.319,88	<b>2.244.208,02</b>
KLEEMANN LIFT RO SRL	54.192,41	2.045.274,27	36.766,38	612,92	66.278,39	<b>2.203.124,37</b>
KLEEMANN LIFTS (CHINA) CO. LTD	(2.444,03)	328.718,88	104.619,91	-	36.964,39	<b>467.859,15</b>
KLEEMANN LIFTS U.K. LTD	12.095,88	4.844.923,32	260.499,63	62.566,88	294.535,15	<b>5.474.620,86</b>
KLEEMANN LIFT RUS	840.503,00	2.246.643,64	37.100,32	-	-	<b>3.124.246,96</b>
KLEEMANN DIZALA	99,34	147.650,45	5.939,91	767,00	6.161,25	<b>160.617,95</b>
KLEEMANN ELEVATORS AUSTRALIA PTY	212.310,04	3.919.763,45	60.376,24	137,50	173.515,83	<b>4.366.103,06</b>
KLEEMANN SERVICES LTD	126.636,74	1.195.521,03	-	8.188,79	48.380,32	<b>1.378.726,88</b>
KLEEMANN AUFZUGE	1.222,42	4.956,88	16.404,49	-	1.028,00	<b>23.611,79</b>
<b>Total</b>	<b>2.198.749,19</b>	<b>21.310.274,25</b>	<b>906.919,65</b>	<b>78.211,55</b>	<b>701.704,69</b>	<b>25.195.859,33</b>

**Purchases 1 January to 31 December**

<b>2017</b>	<b>Commodities</b>	<b>Products</b>	<b>Other inventory and useless material</b>	<b>Services</b>	<b>Other</b>	<b>Total</b>
KLEFER A.E.	74.894,76	9.501.910,74	597.935,39	105.243,29	7.829,10	<b>10.287.813,28</b>
KLEEMANN ASANSOR S.A.	178.000,00	-	5.512,90	30.190,07	-	<b>213.702,97</b>
KLEEMANN LIFTOVI D.o.o.	42.894,39	268.980,00	-	15.030,00	4.530,22	<b>331.434,61</b>
KLEEMANN LIFT RO SRL	-	-	-	-	309.317,54	<b>309.317,54</b>
KLEEMANN LIFTS (CHINA) CO. LTD	387.205,79	271.936,91	20,22	212.281,16	29.911,73	<b>901.355,81</b>
KLEEMANN LIFTS U.K. LTD	-	-	-	-	5.299,32	<b>5.299,32</b>
KLEEMANN SERVICES LTD	-	-	-	-	3.980,00	<b>3.980,00</b>
KLEEMANN AUFZUGE	-	-	-	73.290,24	-	<b>73.290,24</b>
KLEEMANN LIFTS TRADING CO.,LTD	767.301,21	-	-	-	-	<b>767.301,21</b>
<b>Total</b>	<b>1.450.296,15</b>	<b>10.042.827,65</b>	<b>603.468,51</b>	<b>436.034,76</b>	<b>360.867,91</b>	<b>12.893.494,98</b>

**Purchases 1 January to 31 December**

<b>2016</b>	<b>Commodities</b>	<b>Products</b>	<b>Other inventory and useless material</b>	<b>Services</b>	<b>Other</b>	<b>Total</b>
KLEFER A.E.	91.895,40	8.144.322,93	416.631,93	105.787,12	8.743,79	<b>8.767.381,17</b>
KLEEMANN ASANSOR S.A.	98.245,21	56.114,03	2.100,00	-	-	<b>156.459,24</b>
KLEEMANN LIFTOVI D.o.o.	350.760,06	38.401,43	-	-	60.682,69	<b>449.844,18</b>
KLEEMANN LIFT RO SRL	-	-	-	-	293.575,00	<b>293.575,00</b>
KLEEMANN LIFTS (CHINA) CO. LTD	428.125,56	457.582,68	-	-	200.764,79	<b>1.086.473,03</b>
KLEEMANN LIFTS U.K.LTD	-	-	-	1.671,63	-	<b>1.671,63</b>
KLEEMANN SERVICES LTD	650,00	-	-	-	-	<b>650,00</b>
KLEEMANN AUFZUGE	-	-	-	304.740,89	-	<b>304.740,89</b>
KLEEMANN LIFTS TRADING CO, LTD	352.625,31	-	-	-	-	<b>352.625,31</b>
<b>Total</b>	<b>1.322.301,54</b>	<b>8.696.421,07</b>	<b>418.731,93</b>	<b>412.199,64</b>	<b>563.766,27</b>	<b>11.413.420,45</b>

Excluding the above, there are no other transactions between the Company and its subsidiaries. Concerning the Receivables and Liabilities of the Company against its subsidiaries, the information is as follows:

	Liabilities		Receivables	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
KLEFER S.A.	6.255.654,65	6.182.660,63	14.857,77	12.774,03
KLEEMANN ASANSOR S.A.	30.000,00	-	165.757,88	2.515.289,92
KLEEMANN LIFTOVI D.o.o.	37.279,86	370.097,49	650.733,11	453.899,28
KLEEMANN LIFT RO SRL	309.317,54	139.090,00	993.147,45	741.857,66
KLEEMANN LIFTS (CHINA) CO. LTD	302.444,13	249.035,94	130.476,02	238.939,82
KLEEMANN LIFTS U.K. LTD	6.324,32	1.671,63	1.867.161,88	3.248.559,20
KLEEMANN SERVICES LTD	4.630,66	650,00	2.375,04	16.641,68
KLEEMANN LIFTS RUS	-	-	1.080.668,61	369.022,90
KLEEMANN DIZALA	-	-	58.588,50	285.707,01
KLEEMANN ELEVATORS AUSTRALIA PTY	-	-	2.528.996,83	1.185.046,32
KLEEMANN AUFZUGE	(9,00)	11.934,53	114.836,51	23.611,79
KLEEMANN LIFTS TRADING CO., LTD	-	10.816,72	82.423,88	-
<b>Total</b>	<b>6.945.642,16</b>	<b>6.965.956,94</b>	<b>7.690.023,48</b>	<b>9.091.349,61</b>

The other affiliated companies, which are not consolidated in order to accrue the financial results, are the following: AMETAL ASANSÖR SAN.VE TİC.A.Ş.(Turkey), AMETALLIFT DIŞ TİCARET A.Ş.(Turkey), TECHNOLAMA (Spain), SKYLIFT (Greece), CITYLIFT (Greece) and MCA ORBITAL GLOBAL HOLDINGS LTD (Cyprus). The receivables and liabilities of the Company and the Group with these companies are analyzed as follows:

Company	Liabilities		Receivables	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
AMETALLIFT DIŞ TİCARET A.Ş.	3.769,93	(116.717,29)	-	-
MCA ORBITAL GLOBAL HOLDINGS LTD	5.000,00	-	-	-
TECHNOLAMA	65.570,52	-	-	-
CITYLIFT	-	-	405,56	213,38
SKYLIFT	2.600,00	2.600,00	155.928,52	252.838,89
<b>Total</b>	<b>76.940</b>	<b>(114.117)</b>	<b>156.334</b>	<b>253.052</b>

Group	Liabilities		Receivables	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
AMETAL ASANSÖR SAN.VE TİC.A.Ş.	-	-	1.323,32	41.405,99
AMETALLIFT DIŞ TİCARET A.Ş.	3.769,93	(116.717,29)	-	62.941,79
MCA ORBITAL GLOBAL HOLDINGS LTD	45.000,00	-	200.000,00	-
TECHNOLAMA	898.288,44	224.346,07	170,33	170,33
CITYLIFT	-	-	405,56	213,38
SKYLIFT	3.005,08	2.600,00	224.025,22	297.473,67
<b>Total</b>	<b>950.063,45</b>	<b>110.228,78</b>	<b>425.924,13</b>	<b>402.205,16</b>

## 1. The Corporate Social Responsibility in KLEEMANN

The KLEEMANN seeks to grow through its continuous effort to expand and improve responsibly its products and services, contributing to the welfare of its employees, taking care of the environment and supporting the local society, in which it operates. The principles of sustainable development play a significant role in the structure of the business strategy of the Group, which is based upon four axes:

- Economic development
- Welfare of employees
- Environmental responsibility
- Social awareness

KLEEMANN's values reflect the characteristics of the corporate culture:

### Safety

We take care of all necessary measures to ensure the health and safety of our personnel, our customers and our products' end users, as well as the safety of our premises.

### Trust

We do what we say and we say what we do. We place trust in our people and their abilities, we are connected with our purpose and that is why we can be aligned. We are integral and responsible to make our own decisions, we cooperate with transparency and fairness and we foster team work and cooperation.

### Passion for People

The well-being of our colleagues, customers and fellow people is of the utmost importance to us. We invest in the strength of the bond between the company and its personnel. We are truly passionate about what we do and we strive to create opportunities for development and growth for all.

### Breakthrough Culture

Innovation, growth, development and improvement are all vital to our business model. We set breakthrough goals, we commit to them, we take risks and we determinedly turn any opportunity into a learning experience. We are not afraid to fail.

The Group manages with issues that are part of Corporate Social Responsibility axes, taking into account the needs of the stakeholders. KLEEMANN's stakeholders or people interested are an important factor for the continuous development and improvement of the Company, as they reap the benefits from the added value, created by its business activity. The stakeholders of KLEEMANN are:

1. Stockholders
2. Employees
3. Customers
4. Suppliers
5. State or Regulatory bodies
6. Local communities
7. Media, Network communications
8. Scientific Community

The business activity of the Group KLEEMANN is connected to its mission, firstly and primarily, to associate with a sense of responsibility towards the customers, the clients, the consumers, the associates and the investors, who trust the Group, the employees and the community in which it operates and develops.

## 2. Corporate Governance and Combat of the Transparency

The primary objective of KLEEMANN Group is to generate value for its shareholders and each affiliated party, including all its stakeholders. The KLEEMANN Group, through its business activity, contributes to the national

economy, while at the same time, by investing annually, it sets the foundations for achieving Sustainable Development. At the same time, the good corporate governance practices applied to KLEEMANN are a factor of stability and prospect. In order to effectively protect the assets of the Group and to safeguard the interests of concerned parties, the KLEEMANN Group provides Internal Audit Department, which refers to the Board of Directors of the Group.

The Internal Audit Department, being responsible for the Corporate Governance Statement, ensures the implementation of the policies that have been adopted by the Group, relevant to the conflict of interest and confidentiality, diversity and variety within the companies and anti-corruption policy, which is achieved through the Whistle Blower Policy. By conducting regular and emergency audits in all operations of the company, monitoring the subsidiaries of the Group with cooperation of external **chartered accountant, ensures that all the regulations and operational procedures established by the Supreme Administration.**

The KLEEMANN Group has no tolerance in any form of diligent behavior, as described in the "Code of Conduct" that has been applied and followed by all employees of the Group.

### 3. Responsibility for its Employees

KLEEMANN cares for the growth of its people, not only at a professional, but as well at a personal level. Therefore it invests in their talent and recognizes and rewards their good performances.

*We invest in human capital, recognizing that our "people" are the motivating force behind KLEEMANN's successful development and success.*

The KLEEMANN Group is a major employer, who has offered 1,382 jobs during the year of 2017 and presented an increase of 9% over its employees in comparison to 2016.

Total of employees by gender				
	2016		2017	
	Men	Women	Men	Women
<b>KLEEMANN Group</b>	1033	234	1108	274

The Group has incorporated responsible work principles into the way in which it manages employment issues. The work environment is characterized by meritocracy and equal opportunities for all employees

#### **Code of Conduct**

The KLEEMANN Group has developed and implements a Code of Conduct with main objectives of promoting transparency, integrity, credibility, healthy competition within the business, and at the same time broadening the chain of corporate responsibility. The Code of Conduct of the KLEEMANN Group is addressed to all members of the Board of Directors, to its subsidiaries, to all its employees, to all interested parties (external contractors, consultants, customers, suppliers, shareholders), as well as to all those acting in representing the company, irrespective of the country where they are being employed.

Under the Group's Diversity Policy, no distinction is accepted on the basis of gender or other characteristics. Social or national backgrounds, political or religious beliefs, age, sexual preferences, physical ability and gender are not criteria for KLEEMANN's employees, but an opportunity for innovations and excellent results. Diversity is interrelated with meritocracy and the provision of equal opportunities and opportunities for development. Indicatively, we report the rate of employment of women at all levels of the hierarchy:

Year	% of women in the Company	% of women in Management	% of women in Sales
<b>2004</b>	<b>12,6%</b>	<b>32,0%</b>	<b>5,3%</b>

<b>2017</b>	<b>20,3%</b>	<b>38,5%</b>	<b>40,5%</b>
-------------	--------------	--------------	--------------

In the framework of employees' development, a Human Resources Performance Assessment is carried out, which concerns all employees, with no exceptions, and it is annual. Additionally, every year, the company applies a 360 ° evaluation for all Managers / Supervisors and employees, who hold responsible and crucial positions in the company, aiming to achieve a comprehensive and broad employee evaluation through multiple sources and also, through feedback, which will receive each evaluated employee.

Furthermore, KLEEMANN's Group employee training is a priority and an integral part of the development of its people. Each employee has an individual Development Plan, which is completed during the Annual Performance Evaluation and is renewed during the year.

The Group, ensuring the reward of its employees, offers a number of additional benefits:

- Group Insurance Policy and Life Insurance
- Infirmary
- Fitness center and playroom
- Employee discounts (HAPPY BENEFITS)
- Company restaurant: subsidised meals
- Sponsored personal development training programs
- Transit benefits
- Benefits and rewards vouchers
- Employee Service Anniversary Awards
- Innovative Ideas Awards

### ***Health and Safety at Work***

The KLEEMANN Group is committed to maintain a healthy and safe work environment and implements actions beyond the legislative requirements. In order to eliminate the conditions that could lead to an event, the Group has developed a Health and Safety Policy and implements a Health and Safety Management System in accordance with [OHSAS 18001:2007 \[OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM\]](#). However, maintaining a safe working environment requires the continuous collaboration of all employees and in this context the company invests significantly in continuous education of its employees upon health and safety issues.

A Ratio for the performance of preventive action in H & S is the AIR = Accident Incident Rate

AIR=	Number of accidents or Incidents	X1000
	Number of Employees	

The AIR accident rate for 2017 is 16,6 compared to 9,97 of 2016

The AIR incident index for 2017 is 23,5 compared to 27,43 in 2016

It is noted that the fluctuation of the index depends on the accidents - incidents and the number of employees. Good performance means a decrease in the index.

***For the Group, it is a continuous and non-negotiable goal of 0 accidents at work***

## **4. Environment**

Environmental management for the KLEEMANN Group is a key part of corporate responsibility. The Group is committed to reduce the environmental impact of its operation, as the environmental protection for the Group

is not only a necessity but also a mean of achieving the sustainable development of the organization. The protection of the environment is perfectly incident and combined to the basic values of the KLEEMANN Group.

For all the reasons mentioned above, KLEEMANN's management has decided to design and apply an Environmental Management System in accordance with the ELOT [EN ISO 14001:2004 \[ENVIRONMENTAL MANAGEMENT SYSTEM\]](#). The Environmental Management System covers design, construction, assembly, plant studies and methods of final inspection and testing of lifts and components.

KLEEMANN has also been certified according to the requirements of [EN ISO 14006:2011 \[ECO Design ISO\]](#), which has few companies in Europe. Eco product design is a very important tool that helps the Company to calculate the environmental impression of its products throughout its life cycle from production to the point of recycling. By calculating the impression, the Group is able to redesign the products in such a way as to reduce the environmental impression, both during their production and operation.

The KLEEMANN Group, aiming at limiting its effects on the natural environment and the reduction of the environmental impression, plans and implements significant investments on an annual basis.

The Group has identified and managed the most important environmental issues related to its operation and has divided them into three main categories regarding the decrease of the environmental impression:

- Energy consumption and greenhouse gas emissions
- Use of natural resources such as water, raw materials and auxiliaries
- Management of solid and aqueous waste.

Energy Consumption within the Group in MWh	2017
Electricity consumption	3.925,94
Gas consumption	4.950,62

The KLEEMANN Group recognizes the importance of its contribution to combat climate change and is therefore making every effort to reduce its emissions. The Group fully complies with the applicable legislation with respect to the limitations of gas emissions, resulting from its operations.

The Group's production process results in waste, which are being managed in a responsible manner in cooperation with licensed partners and always in accordance with the requirements of the applicable legislation.

Energy consumption within the Group in MWh	2017
Recycling	97%
Disposal to XYTA	3%

Full compliance with the applicable National and European environmental legislation is the basic principle of KLEEMANN Group. On a quarterly basis, environmental audits are carried out at factories during which compliance with legislation is checked, as well as compliance with procedures and environmental measures. The results of these environmental audits are presented to the Group's Management and, if necessary, additional measures are taken.

## 5. Market Responsibility

KLEEMANN is one of the major lift companies in the European and global market, providing **any type of residential or commercial passenger and freight lifts**, escalators, moving walks, accessibility and marine solutions, parking systems and lift components. It has production facilities in Greece, China, Serbia, as well as two assembly centers in Russia and Turkey.

Its distribution network expands to more than **100 countries**, with a **local presence in 15** of them.

### **Quality Assurance**

The KLEEMANN Group is committed to designing, producing and offering its customers high quality products and services. Thus, the Quality Assurance System, which is implemented, meets all safety and quality standards as foreseen by European and Greek law. The System is in accordance with the following:

- [Lift Directive 2014/33/EU, AnnexXI, Module H1](#)
- [EN ISO 9001: 2015 \[QUALITY MANAGEMENT SYSTEM\]](#)
- [EN 1090-1:2009+A1:2011 \[EC-CERTIFICATION Factory Production Control Structural steel and aluminium components \(kit\)\]](#)
- [EN ISO 10002:2004 \[QUALITY MANAGEMENT – CUSTOMER SATISFACTION\]](#)

The KLEEMANN Group gives great value to the quality and reliability certification of lifts and its services. For this reason, KLEEMANN was among the first in Greece to have developed a quality assurance system.

Quality control is carried out at all stages of the production process of the products, it is fully integrated into the system implemented and carried out on two levels. The first is made by the technicians of production and the second by independent auditors. Quality control is applied in three directions. Incoming materials and components, intermediate products and finished products. Suppliers are selected with strict criteria and evaluated each year. Semi-intermediate and intermediate products are sampled, while the final product is 100% tested.

### ***Customer Service and Satisfaction***

In the context of customer service, the KLEEMANN Group applies specific procedures for monitoring and evaluating their satisfaction. In particular:

- Customer satisfaction as expressed through a questionnaire and reflected in a score resulting from it.
- Customer satisfaction from product credibility and customer complaints.

The Complaint Management process details the handling of customer complaints in accordance with the requirements of ISO 10002:2004 and always in accordance with the requirements of ISO 9001: 2015.

### ***Product Research and Development***

KLEEMANN Group, remaining faithful to its commitment for continuing growth and innovation, has invested particularly in Research & Development of products and services. R & D focuses mainly on the search for new technologies and market trends in order to improve existing products and also to support the design of new, reliable and innovative features. In order to ensure the quality of KLEEMANN for all produced products, the Group uses state-of-the-art mechanical equipment and employs a team of specialized engineers and technicians. The collaboration of high-technical level engineers that crewed, brings reliable and up-to-date technology products and continuous improvements to all KLEEMANN Group products. Having gained several Diploma of Patent, KLEEMANN has patented a number of inventions, acquiring the exclusive right to implement them. R & D also cooperates with top universities and specialized research institutes to develop unique, high quality and safety lifts solutions.

## **6. Social Responsibility**

The KLEEMANN Group and its people are a business group that acts as a living part of society. The long-term goal of the Group is to be an organization that contributes to the production of added value for all, while improving the quality of life of society. In this frame, it develops programs and implements actions to support the local community either independently as a company or in cooperation with Non Profit Organizations. Indicatively during 2017 the Company performed:

- Sponsorships in NGO (eg Gynekokastro Cultural Club)
- Sponsorship at a "Make a wish" event
- Sponsorship at technology conferences (e.g. three-day robotics competition in cooperation with Eduact)
- Sponsoring events to support vulnerable social groups (e.g. THERMAIDES to support the AXEPA pediatric cardiac surgery unit and the ALMA ZOIS - Sail for Pink Association for Breast Cancer)
- Donation of bed linen to General Hospital of Kilkis
- Various donations to primary schools in Kilkis Prefecture
- Donation of clothing in a Network of Relief and Social Solidarity
- Sponsorship for workshop, organized by PETAK for news and development of lift industry



- Participation in the International Marathon of Thessaloniki through the "Make a wish" NGO
- Financial support of the National Mathematical Competition of Greece EUSO 2017.

Furthermore, with the voluntary contribution of the Group's employees, a total of 500 solidarity packages were delivered. The solidarity packages are prepared twice a year by the Group's employees and distributed to the Metropolis and Churches of both Kilkis and Thessaloniki with the aim of supporting the poor families during Christmas and Easter holidays.



Specifically, KLEEMANN's Corporate Social Responsibility actions are described in the EKE 2017 Report, which is based on the international GRI-G4 standard.  
<http://www.kleemannlifts.com>

**Kilkis, 29 June 2018**

President  
Of the Board of Directors.

Nikolaos K. Koukountzos

# **Independent Auditor's Report**

**(Translated from the original in Greek)**

To the Shareholders of the Company KLEEMANN HELLAS- MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL TRADING COMPANY S.A.

## **Opinion**

We have audited the accompanying separate and consolidated financial statements of KLEEMANN S.A. ("the Company"), which comprise the separate and consolidated statement of financial position as at December 31, 2017, separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company KLEEMANN S.A. and the Group as at 31 December 2017, their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union in compliance with the provisions of CL 2190/1920.

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

## **Other Information**

Management is responsible for the other information. The other information comprises the Board of Director's Report, the reference to which is made in the Report on Other Legal and Regulatory Requirements section of our Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance. No such issue has arisen.

## **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 that have been 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.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to proceed

with liquidating the Company and the Group or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

### **Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as an aggregate, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of entities or business activities within the Group for the purpose of expressing an opinion on the separate and consolidated financial statements to be able to draw reasonable conclusions on which to base the auditor's opinion. Our responsibility is to design, supervise and perform the audit of the Company and the Group. We remain solely responsible for our audit opinion.

We disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

- 1) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a and 107A, CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2017.
- 2) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company KLEEMANN S.A. and its environment.

Athens, 7<sup>th</sup> August, 2018  
The Chartered Accountant

Christos Vargemezis  
SOEL Reg. No. 30891



## **ANNUAL FINANCIAL STATEMENTS**

Financial Statements were approved by the Board of «KLEEMANN HELLAS S.A» on 29/06/2018 and published by posting them on the company's website <https://kleemannlifts.com> .

It is noted that the brief summary of the financial data and the information derived from the financial statements aim to provide to the reader a general overview of the financial situation and results of the company, but they do not provide a complete picture of the financial position, the financial performance and the cash flows of the Company and the Group in accordance with International Financial Reporting Standards.

The attached notes consist an inextricable part of these Financial Statements.

# STATEMENT OF FINANCIAL POSITION 31 DECEMBER

*(amounts in euros, unless it is mentioned differently)*

		GROUP		COMPANY	
	NOTE	2017	2016	2017	2016
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Tangible Assets for own use	5	36.054.235,96	33.933.177,49	23.951.175,12	24.246.742,74
Investment Property	6	1.438.440,19	1.510.763,67	1.369.344,86	1.424.912,30
Intangible Assets	7	3.048.999,34	1.938.931,25	1.886.202,86	1.910.552,42
Participations in Subsidiaries	8	-	-	19.297.626,00	19.297.626,00
Other long-term receivables	9	6.133.158,18	5.549.014,58	5.676.432,96	5.089.675,39
Deferred tax receivables	10	2.789.461,57	2.500.889,91	2.393.228,06	2.187.493,94
Goodwill	8	1.787.873,86	1.787.873,86	-	-
		<b>51.252.169,10</b>	<b>47.220.650,76</b>	<b>54.574.009,86</b>	<b>54.157.002,79</b>
<b>Current Assets</b>					
Inventory	11	28.600.116,60	27.581.192,57	17.424.763,44	19.158.069,15
Trade Receivables	12	30.383.418,33	29.741.075,48	25.060.326,06	23.590.369,97
Other receivables	13	13.330.479,16	16.635.845,22	5.603.123,57	7.837.902,00
Short-term investments and securities	14	190.456,00	145.971,00	190.456,00	145.971,00
Cash and cash equivalents	15	17.611.862,55	25.721.214,75	5.440.443,23	12.177.287,24
		<b>90.116.332,64</b>	<b>99.825.299,02</b>	<b>53.719.112,30</b>	<b>62.909.599,36</b>
<b>Total Assets</b>		<b>141.368.501,74</b>	<b>147.045.949,78</b>	<b>108.293.122,16</b>	<b>117.066.602,15</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	16	8.277.045,00	8.277.045,00	8.277.045,00	8.277.045,00
Share Premium	16	-	15.176.472,62	-	15.176.472,62
Other Reserves	16	44.174.474,54	45.020.423,66	41.198.095,17	42.034.293,70
Profit carried forward		21.415.217,36	17.381.082,62	7.690.987,57	6.635.129,36
Exchange Rate differences from consolidation of foreign Subsidiaries		(5.076.852,36)	(4.318.032,18)	-	-
<b>Equity attributable to Company Shareholders</b>		<b>68.789.884,54</b>	<b>81.536.991,72</b>	<b>57.166.127,74</b>	<b>72.122.940,68</b>
Non-controlling interest		8.056.195,47	9.318.375,	-	-
<b>Total Equity</b>		<b>76.846.080,01</b>	<b>90.855.367,34</b>	<b>57.166.127,74</b>	<b>72.122.940,68</b>
<b>Long-term Liabilities</b>					
Long-term bank liabilities	17	18.827.421,95	7.099.451,68	18.707.145,42	6.850.000,00
Liabilities from employees' termination benefits	18	3.207.569,69	2.545.483,55	2.764.602,00	2.206.651,00
Provisions	22	29.384,26	8.720,00	-	-
Other long-term liabilities	19	1.617.663,39	4.625.454,32	1.038.725,25	1.088.119,22
Deferred tax liabilities	10	176.329,22	108.452,04	-	-
		<b>23.858.368,51</b>	<b>14.387.561,95</b>	<b>22.510.472,67</b>	<b>10.144.770,22</b>
<b>Short-term Liabilities</b>					
Suppliers	20	15.653.613,14	12.286.853,31	16.233.471,97	15.121.072,19
Current tax liabilities	28	3.332.064,82	2.163.698,73	2.098.992,33	287.510,41
Other liabilities	21	12.522.195,20	9.000.824,61	4.326.493,54	4.402.350,38
Short term Bank Liabilities	17	7.212.764,95	16.604.586,20	4.602.854,58	13.700.000,00
Provisions	22	1.943.415,11	1.747.057,64	1.354.709,33	1.287.958,27
		<b>40.664.053,22</b>	<b>41.803.020,49</b>	<b>28.616.521,75</b>	<b>34.798.891,25</b>
<b>Total Liabilities</b>		<b>64.522.421,73</b>	<b>56.190.582,44</b>	<b>51.126.994,42</b>	<b>44.943.661,47</b>
<b>Total Equity And Liabilities</b>		<b>141.368.501,74</b>	<b>147.045.949,78</b>	<b>108.293.122,16</b>	<b>117.066.602,15</b>

The attached notes consist an inextricable part of these Financial Statements.

## STATEMENT OF INCOME FOR THE PERIOD 1 JANUARY TO 31 DECEMBER

*(amounts in euros, unless it is mentioned differently)*

	NOTE	GROUP		COMPANY	
		From 1 January to 31.12.2017	31.12.2016	From 1 January to 31.12.2017	31.12.2016
<b>Sales</b>	<b>23</b>	<b>134.651.623,94</b>	<b>115.858.599,37</b>	<b>92.755.779,64</b>	<b>81.112.589,16</b>
Cost of Sales	<b>24</b>	(88.016.211,58)	(77.665.650,28)	(64.732.837,15)	(60.021.866,54)
<b>Gross Profit</b>		<b>46.635.412,36</b>	<b>38.192.949,09</b>	<b>28.022.942,49</b>	<b>21.090.722,62</b>
Other income / (expenses)	<b>26</b>	2.494.169,03	390.513,46	3.154.502,76	1.664.790,10
Selling Expenses	<b>24</b>	(18.513.208,76)	(18.624.356,47)	(12.962.591,70)	(12.207.866,07)
Administrative Expenses	<b>24</b>	(14.435.025,86)	(12.347.457,52)	(9.971.561,65)	(7.807.366,65)
Research and Development Expenses	<b>24</b>	(1.441.933,38)	(1.511.130,39)	(1.261.254,07)	(1.325.700,71)
<b>Operating Income / ( loss )</b>		<b>14.739.413,39</b>	<b>6.100.518,17</b>	<b>6.982.037,83</b>	<b>1.414.579,29</b>
Financial income	<b>27</b>	369.028,29	570.701,59	208.001,93	176.997,26
Financial expenses	<b>27</b>	(2.109.552,00)	(1.367.460,29)	(1.710.026,54)	(1.060.028,95)
Income from Dividends	<b>27</b>	(242,01)	-	2.000.000,00	1.426.503,52
Increase (decrease) of investments value in participations and securities	<b>27</b>	44.485,00	18.333,43	44.485,00	18.333,43
<b>Profit / (loss) before tax</b>		<b>13.043.132,67</b>	<b>5.322.092,90</b>	<b>7.524.498,22</b>	<b>1.976.384,55</b>
Income Tax	<b>28</b>	(3.098.009,65)	(1.333.584,45)	(1.784.466,22)	59.065,43
<b>Profit / (loss) after tax</b>		<b>9.945.123,02</b>	<b>3.988.508,45</b>	<b>5.740.032,00</b>	<b>2.035.449,98</b>
Attributable to:					
-Equity holders of the Parent	<b>31</b>	8.812.987,43	3.536.596,60	5.740.032,00	2.035.449,98
-Non-controlling interest		1.132.135,59	451.911,85	-	-
		<b>9.945.123,02</b>	<b>3.988.508,45</b>	<b>5.740.032,00</b>	<b>2.035.449,98</b>
<b>Earnings / (loss) per share attributed to the shareholders of the Parent Company for the period, basic (in absolute amounts)</b>	<b>31</b>	0,3727	0,149	0,2427	0,086
<b>Earnings before Interest, Taxes, Depreciation and Amortization</b>		<b>16.997.198,80</b>	<b>8.317.781,82</b>	<b>8.520.728,46</b>	<b>2.984.468,23</b>

The attached notes consist an inextricable part of these Financial Statements.



## STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE PERIOD 1 JANUARY TO 31 DECEMBER

*(Amounts in Euros, unless it is mentioned differently)*

	GROUP		COMPANY	
	From 1 January to 31.12.2017	31.12.2016	From 1 January to 31.12.2017	31.12.2016
<b>Profit/(loss)after tax</b>	<b>9.945.123,02</b>	<b>3.988.508,45</b>	<b>5.740.032,00</b>	<b>2.035.449,98</b>
<b>Items that will not be classified in the income statement later:</b>				
Actuarial gain / (losses)	(306.001,46)	(201.938,07)	(274.064,97)	(179.178,44)
Hedging	80.406,75	153.658,11	80.406,75	153.563,61
<b>Items that might be classified in the income statement later:</b>				
Exchange rate Differences	(1.027.514,12)	(1.454.286,41)	-	-
<b>Total of other incomes</b>	<b>(1.253.108,83)</b>	<b>(1.502.566,37)</b>	<b>(193.658,22)</b>	<b>(25.614,83)</b>
<b>Other comprehensive income after tax</b>	<b>8.692.014,19</b>	<b>2.485.942,08</b>	<b>5.546.373,78</b>	<b>2.009.835,15</b>
<b>Total comprehensive income after tax</b>	<b>8.692.014,19</b>	<b>2.485.942,08</b>	<b>5.546.373,78</b>	<b>2.009.835,15</b>
Attributable to:				
-Equity holders of the Parent	7.844.173,92	2.308.397,74	5.546.373,78	2.009.835,15
-Non-controlling interest	847.840,27	177.544,34	-	-
	<b>8.692.014,19</b>	<b>2.485.942,08</b>	<b>5.546.373,78</b>	<b>2.009.835,15</b>

## STATEMENT OF CHANGES IN EQUITY GROUP

*(amounts in euros, unless it is mentioned differently)*

	GROUP							
	Share capital	Share premium	Regular Reserve	Other Reserves	Profit carried forward	Equity attributable to Company Shareholders	Non-controlling interest	Total Equity
<b>Balance 1 January 2016, as published</b>	<b>8.277.045,00</b>	<b>15.176.472,62</b>	<b>2.726.602,85</b>	<b>37.797.346,09</b>	<b>15.336.627,40</b>	<b>79.314.093,96</b>	<b>9.495.931,12</b>	<b>88.810.025,08</b>
Total comprehensive income after tax	-	-	-	(1.232.274,27)	3.536.596,61	2.304.322,34	181.619,74	2.485.942,08
Creation of dividends	-	-	-	-	-	-	(355.099,85)	(355.099,85)
Creation of Reserves and other movements	-	-	64.790,86	1.345.925,95	(1.492.141,39)	(81.424,58)	(4.075,39)	(85.499,97)
<b>Balance 31 December 2016</b>	<b>8.277.045,00</b>	<b>15.176.472,62</b>	<b>2.791.393,71</b>	<b>37.910.997,77</b>	<b>17.381.082,62</b>	<b>81.536.991,72</b>	<b>9.318.375,62</b>	<b>90.855.367,34</b>
<b>Balance 1 January 2017</b>	<b>8.277.045,00</b>	<b>15.176.472,62</b>	<b>2.791.393,71</b>	<b>37.910.997,77</b>	<b>17.381.082,62</b>	<b>81.536.991,72</b>	<b>9.318.375,62</b>	<b>90.855.367,34</b>
Total comprehensive income after tax	-	-	-	(967.804,57)	8.812.987,43	7.845.182,86	846.831,33	8.692.014,19
Creation of dividends	-	-	-	-	(3.996.630,30)	(3.996.630,30)	(2.136.835,04)	(6.133.465,34)
Share capital Increase	16.500.000,00	(15.176.472,62)	-	-	(1.323.527,38)	-	-	-
Share capital Return	(16.500.000,00)	-	-	-	-	(16.500.000,00)	-	(16.500.000,00)
Creation of Reserves and other movements	-	-	(823,25)	(636.141,48)	541.304,99	(95.659,74)	27.823,56	(67.836,18)
<b>Balance 31 December 2017</b>	<b>8.277.045,00</b>	<b>-</b>	<b>2.790.570,46</b>	<b>36.307.051,72</b>	<b>21.415.217,36</b>	<b>68.789.884,54</b>	<b>8.056.195,47</b>	<b>76.846.080,01</b>

The attached notes consist an inextricable part of these Financial Statements.

## STATEMENT OF CHANGES IN EQUITY COMPANY

*(amounts in euros, unless it is mentioned differently)*

	COMPANY					
	Share capital	Share premium	Regular Reserve	Other Reserves	Profit carried forward	Total Equity
<b>Balance 1 January 2016, as published</b>	<b>8.277.045,00</b>	<b>15.176.472,62</b>	<b>2.058.857,03</b>	<b>38.764.345,71</b>	<b>5.836.385,17</b>	<b>70.113.105,53</b>
Total comprehensive income after tax	-	-	-	(25.614,83)	2.035.449,98	2.009.835,15
Creation of Reserves and other movements	-	-	-	1.236.705,79	(1.236.705,79)	-
<b>Balance 31 December 2016</b>	<b>8.277.045,00</b>	<b>15.176.472,62</b>	<b>2.058.857,03</b>	<b>39.975.436,67</b>	<b>6.635.129,36</b>	<b>72.122.940,68</b>
<b>Balance 1 January 2017</b>	<b>8.277.045,00</b>	<b>15.176.472,62</b>	<b>2.058.857,03</b>	<b>39.975.436,67</b>	<b>6.635.129,36</b>	<b>72.122.940,68</b>
Total comprehensive income after tax	-	-	-	(193.658,22)	5.740.032,00	5.546.373,78
Creation of dividends	-	-	-	-	-	-
Share capital increase	16.500.000,00	(15.176.472,62)	-	-	(1.323.527,38)	-
Share capital return	(16.500.000,00)	-	-	-	-	(16.500.000,00)
Creation of Reserves and other movements	-	-	-	(642.540,31)	635.983,89	(6.556,42)
	<b>8.277.045,00</b>	<b>-</b>	<b>2.058.857,03</b>	<b>39.139.238,14</b>	<b>7.690.987,57</b>	<b>57.166.127,74</b>

The attached notes consist an inextricable part of these Financial Statements.

## STATEMENT OF CASH FLOWS 31 DECEMBER

*(amounts in euros, unless it is mentioned differently)*

	NOTE	GROUP		COMPANY	
		From 1 January to		From 1 January to	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
<b>Cash Flows from operating activities</b>					
Cash generated from operations	29	20.647.048,47	6.057.023,89	10.999.563,00	11.705.754,88
Interests paid		(1.162.533,13)	(1.043.389,48)	(916.196,13)	(808.751,55)
Income tax paid		(1.351.458,66)	(2.618.379,88)	(102.985,95)	(1.289.915,85)
		<b>18.133.056,68</b>		<b>9.980.380,92</b>	
<b>Net cash flows from operating activities</b>			<b>2.395.254,53</b>		<b>9.607.087,48</b>
<b>Cash Flows from investing activities</b>					
Acquisition of subsidiaries, related companies, joint ventures and other investments		-	468.000,00	-	(6.532.000,00)
Purchases of Tangible and Intangible Assets		(5.523.331,70)	(3.180.096,62)	(1.177.871,29)	(1.188.920,55)
Sales of Tangible and Intangible Assets		49.701,28	116.657,43	3.500,00	-
Interests received		208.254,07	178.389,09	208.001,93	176.997,26
Dividends received		-	-	2.000.000,00	1.080.317,09
		<b>(5.265.376,35)</b>	<b>(2.417.050,10)</b>	<b>1.033.630,64</b>	<b>(6.463.606,20)</b>
<b>Cash Flows from financing activities</b>					
Share Capital decrease		(20.496.630,30)	-	(20.496.630,30)	-
Increase of Bank Loans		28.510.000,00	21.370.000,00	28.510.000,00	19.670.000,00
Repayment of Bank Loans		(26.742.982,26)	(15.660.446,93)	(25.750.000,00)	(15.570.000,00)
Settlement (payment) of financial leasing liabilities		(27.763,58)	77.802,12	-	-
Dividends paid and rewards of B.o.D.		(2.219.656,39)	(708.256,78)	(14.225,27)	(297.560,79)
		<b>(20.977.032,53)</b>	<b>5.079.0983,41</b>	<b>(17.750.855,57)</b>	<b>3.802.439,21</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>					
		<b>(8.109.352,20)</b>	<b>5.057.302,84</b>	<b>(6.736.844,01)</b>	<b>6.945.920,49</b>
Cash and cash equivalents in the beginning of the fiscal year		25.721.214,75	20.663.911,90	12.177.287,24	5.231.366,75
<b>Cash and cash equivalents in the end of the of the fiscal year</b>		<b>17.611.862,55</b>	<b>25.721.214,74</b>	<b>5.440.443,23</b>	<b>12.177.287,24</b>

The attached notes consist an inextricable part of these Financial Statements.

## **NOTES ON FINANCIAL STATEMENTS**

### **1. COMPANY ESTABLISHMENT AND ACTIVITIES**

KLEEMANN HELLAS S.A., a Mechanical Constructions Societe Anonyme Industrial Trading Company, with descriptive title KLEEMANN HELLAS S.A. («The Company») was incorporated in 1983 and is registered in the Register of Societes Anonymes under No. 10920/06/B/86/40. Its duration is set up to 31 December 2050, even though it is possible to be extended, under a General Meeting decision.

Main activity of the Company is the manufacturing and trading of complete elevator systems, maintaining a leading position in its sector. Its Head Offices and its contact address are located in the Industrial Area of Stavrochori, Kilkis, while its web site address is <https://kleemannlifts.com/>.

The Company's share has been listed on the Athens Stock Exchange since April 1999. The total number of traded shares, on 31 December 2016 comes up to 23.648.700 and they are all common registered shares.

The sole shareholder of the 100% shares is MCA ORBITAL GLOBAL HOLDINGS LTD. The total number of shares at 31 December 2017 is 23.648.700 and all are common nominal with a nominal value of € 0,35 per share.

The Board of Directors of the Company consists of:

1. Nikolaos K. Koukountzos, Chairman & Executive Member
2. Menelaos K. Koukountzos, Vice President & Executive Member
3. Konstantinos N. Koukountzos, Chief Executive Officer & Executive Member
4. Nikolaos N. Koukountzos, Deputy Chief Executive Officer & Executive Member
5. Stergios N. Georgalis, Independent Non-Executive Member
6. Maria D. Karadoglou, Non-Executive Member
7. Vassilios Th. Ziogas, Independent Non-Executive Member

### **2. FINANCIAL STATEMENTS' BASIS OF PREPARATION**

#### **2.1. NOTE OF COMPLIANCE**

The attached individual and consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) as they have been adopted by the European Union, under the rule 1606/2002 of the European parliament and Council of the European union in 19<sup>th</sup> July of 2002 and on a going concern basis.

The Group applies all International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and interpretations that apply to its operations

#### **2.2. BASIS OF VALUATION**

The Financial Statements were prepared on the basis of the historical cost principle with the exception of Land and Securities that are recorded at their fair value.

#### **2.3. OPERATING EXCHANGE RATE AND PRESENTATION**

The financial statements and all the financial information are expressed in Euros (unless it is mentioned differently), which constitutes the Company's operating currency.

#### **2.4. APPLICATION OF EVALUATIONS AND JUDGMENTS**

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

For the preparation of financial statements it is required from the management to take decisions and make judgments that affect the application of accounting policies, as well as the recorded figures regarding assets, liabilities, income and expenses. Actual results may differ from those of calculations.

The revisions of evaluations and the relative assumptions are revised on a continuous basis and recognized in the period in which they were made and in future periods if there are any. Special information, in the areas where there is uncertainty regarding the evaluations and the crucial judgments concerning the application of accounting policies, with significant impact on the figures recorded in the financial statements, is given in the following notes:

- Tangible Assets for own use (Note 5)
- Intangible Assets (Note 7)
- Inventories (Note 11)
- Trade receivables (Note 12)
- Provisions (Note 22)
- Commitments, contingent liabilities and receivables (Note 32)

The accounting policies that are presented below have been consistently applied in all the periods that are presented in these Financial Statements and have been consistently adopted by all of the Group's companies.

### **3. BASIC ACCOUNTING POLICIES**

#### **3.1 CONSOLIDATION BASIS**

##### **3.1.1 SUBSIDIARIES**

Subsidiaries are the companies controlled by the Parent Company. Control is exercised when the Parent Company has the power to reach decisions, directly or indirectly, that concern the subsidiaries' principles of financial management with the beneficiary purposes. The existence of any potential voting rights which may be exercised at the time of preparation of the financial statements is taken into account in order to ascertain whether the Parent Company controls the subsidiaries.

The subsidiaries are consolidated in full (integrated consolidation) from the date that control is acquired and cease to be consolidated from the date that such control ceases to exist. The accounting policies of subsidiaries have been changed where needed to align with the ones of the Group.

The Company records the investments in subsidiaries in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

##### **3.1.2 TRANSACTIONS ELIMINATED DURING CONSOLIDATION**

Inter-Group balances and transactions, as well as profits and losses which occurred from inter-Group transactions are written off during the preparation of the consolidated financial statements. Unrealized profits and unrealized losses from transactions between the companies of the Group, in case there is no indications of impairment of the value, they are written off by the percentage of the Group's holding in them.

#### **3.2 INFORMATION BY SECTOR**

As a business sector is defined a Group of assets and operations providing goods and services which are under various risks and yields from those of other business sectors. A geographic sector is defined as a geographical area where goods and services are under various risks and yields from other areas.

IFRS 8 "Operating Segments" set standards for the determination of distinguished activity sectors of entities, which defined according to the structure of the entity. The segments of the entity that have to be disclosed separately, are defined according to the quantitative criteria by Standard 8.

From year 2017 and onwards, the Company's and the Group's equity instruments ceased to be traded on a public market, so there is no obligation to provide information.

#### **3.3 FOREIGN CURRENCY**

### **3.3.1 TRANSACTIONS IN FOREIGN CURRENCY**

The Company keeps the accounting books in euro. Transactions in foreign currency are converted into euro under the official spot exchange rate on the transaction date. Profits and losses from exchange rate differences accrued from the settlement of such transactions, during the fiscal year and from the conversion of currency items expressed in foreign currency with the prevailing rate on the date of the balance sheet, are recorded in the Profit and Loss Statement.

### **3.3.2 TRANSACTIONS WITH FOREIGN COMPANIES**

The conversion of the financial statements of the companies of the Group that are in a different operational currency than the Group's presentation currency (none of which is operating under a status of a hyperinflationary economy), are converted as follows:

Assets and liabilities of activities that are carried out abroad, including the goodwill and readjustment of fair value, during consolidation, are converted to Euro under the base of the foreign currency's official prevailing rate on the date of the Statement of Financial Position.

Income and expenses are converted to Euro under the base of the average exchange rate during the fiscal year, which approaches the spot exchange rate.

Foreign exchange differences arising from the conversion of the net investment in a foreign business unit and of the relative offsets are recognized in statement of other Comprehensive income and in a separate line in the Equity account.

### **3.4 TANGIBLE ASSETS FOR OWN USE**

Tangible fixed assets are shown at acquisition cost, plus all the relative expenditures that are directly associated with them, less accumulated depreciation and any potential impairment of their value, except for Land which is evaluated in fair value.

Later expenditures are recorded as an increase in the accounting value of the tangible fixed assets or as a separate fixed asset only where there is a possibility that the future financial benefits shall flow into the Group and the Company and their cost could be reliably measured. Repairs and maintenance costs are recorded in the Profit and Loss Statement when they are realized.

The acquisition cost and the accumulated depreciation on tangible fixed assets which are sold or withdrew, are transferred from the specific accounts at the moment of sale or withdrawal and the difference between the selling price and the accounting value are recorded as profit or loss in the Profit & Loss account.

According to the clauses of I.F.R.S. 16, the costs that are related with the obligations for withdrawal tangible fixed assets, are recognized in the period when they appeared and in degree that it could be a logical estimation of their fair value. The aforementioned costs are capitalized as a part of the value of the acquired tangible fixed assets and depreciated respectively.

Land is not depreciated. Depreciation on the rest tangible fixed asset items is calculated by the straight line method during the estimated useful life of these assets and of their sections thereof. Useful life range is estimated as follows:

Buildings	8-50 years
Mechanical equipment	1-20 years
Transportation	5-25 years
Other equipment	1-20 years

The residual values and the useful life of tangible fixed assets are subject to review on every Statement of Financial Position date, if it is necessary, whereas the accounting values are investigated for impairment when there are such indications (see note 3.6).

In such cases the recoverable value is calculated and if the accounting value exceed them, the difference is recognized as impairment loss in the Profit & Loss account and the value of tangible fixed assets are decreased in their recoverable value that is higher among the fair value minus the required cost for sale and the value in use of them that estimated through the estimated future cash flows discounted in their present



value with a discounted rate that reflects the current estimation of the market for the perpetual value of money and the related risks associated with these tangible assets.

### **3.5 INTANGIBLE ASSETS**

Intangible Fixed Assets concern software licenses. They are evaluated at acquisition cost less accumulated depreciation, less any accumulated impairment. They are depreciated by the straight line method over their useful life, which up to 15 years.

Expenditure necessary for the development and maintenance of software is recognized as an expense in the Profit and Loss Statement for the year in which it occurs.

Costs and expenses concerning the internal creation and development of software are capitalized, in the extent that requirements of the related Standard are fulfilled.

### **3.6 IMPAIRMENT IN VALUE OF ASSETS**

The book value of the Group's assets is checked for impairment when there are indications that their book value will not be recovered. In this case, the asset's recoverable amount is determined and if the book value thereof exceeds the estimated recoverable value, an impairment loss is recognized, which is recorded directly in the Profit and Loss Statement. The recoverable value is the greater amount between an asset's fair value, less the cost that is required for the sale thereof, and the value of the use thereof. In order to estimate the use value, the estimated future cash flows are discounted to the asset's present value with the use of a discount rate that reflects the market's current estimations for the cash's temporal value and for the risks that are associated with these assets. If an asset does not bring significant independent cash flows, the recoverable amount is determined for the cash flow production unit to which the asset belongs.

If an impairment loss is recognized, on each date of the Statement of Financial Position of the Group it is examined if the conditions that led to the recognition continue to exist. In this case, the asset's recoverable value is re-determined and the impairment loss is offset restoring the asset's book value to its recoverable amount to the extent that this does not exceed its book value (net of depreciation) that would have been determined if an impairment loss had not been recorded.

### **3.7 INVESTMENTS**

Investments are classified according to the purpose for which they were acquired. Management decides on the appropriate classification of the investment when the investment is acquired and reviews the classification at every presentation date.

#### **3.7.1 FINANCIAL ASSETS AT A REASONABLE VALUE THROUGH THE PROFIT AND LOSS STATEMENT**

This category includes financial assets acquired for the purpose of being resold soon. Assets in this category are classified as Current Assets if they are held to be traded or if it is expected that they shall be sold within 12 months from the Statement of Financial Position.

#### **3.7.2 INVESTMENTS HELD TILL EXPIRY**

This category includes investments with fixed or pre-determined payments and a specific expiry date which the Group and the Company are intending as far as possible to hold onto until their expiry.

#### **3.7.3 FINANCIAL ASSETS AVAILABLE FOR SALE**

This category includes assets which are either designated for this category or cannot be classified in one of the above categories. They are included in non-Current Assets provided Management does not intent to liquidate them within 12 months from the Statement of Financial Position.

Purchases and sales of investments are recognized on the date of the transaction which is the date the Group commits itself to buy or sell the item. Investments are initially recognized at their fair value plus transaction costs. Investments are eliminated when the rights to collect cash flows from the investments expire or are transferred and the Group has materially transferred all risks and benefits inherent in their ownership.

### **3.7.4 INVESTMENTS IN EQUITY**

Investment in equity are properties which are held either for rental yields or for capital appreciation or both. As investment properties are considered only land and buildings and are initially measured at cost. Initial cost includes transaction costs: professional and legal fees, transfer taxes and other expenses.

Depreciation of investment assets is calculated using the straight-line method over the estimated useful life and their parts, which are 25 to 42 years.

### **3.8 INVENTORIES**

Inventories are evaluated at the lower, per item, price between the acquisition cost or production cost and net liquidation value. Acquisition cost is designated by the FIFO method. Net liquidation value is evaluated on the basis of current stock sale prices in the context of usual business after subtracting any cost of completion and sale where there is such a case. Cost production includes direct materials, direct labour and the corresponding General Industrial Expenses which are incurred in order to transform inventory in their present situation. Eliminations are recognized in the Profit and Loss Statement of the year in which they occur.

### **3.9 CUSTOMERS AND OTHER CURRENT RECEIVABLES**

Short-term receivables from customers are recorded initially at fair value and are controlled on an annual basis for impairment. Impairment losses are recorded when there is an objective indication that the Group is not in a position to collect all the sums owed on the basis of contractual terms. The provision figure is recorded as an expense in the Profit and Loss Statement. Possible deletions of receivables from accounts receivables are effected through the provision that has been formed. Receivables that are deemed as doubtful are deleted.

Long-term receivables from customers are recorded initially at fair value and subsequently carried at amortized cost using the effective interest rate method, less provision for value decline. In case residual value or the cost of a financial asset exceeds that value, then this item is valued in the recoverable amount, which is the present value of future flows of the assets, calculated on the basis of the average borrowing rate of the company.

### **3.10 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash balance and bank deposits.

### **3.11 BANK LOANS**

Loans are initially recorded at their fair value. Following their initial recording they are monitored at their outstanding balance. Loans are classified as Current Liabilities unless the Group has the right to postpone final settlement of the liability for at least 12 months from the date of the Statement of Financial Position. In this case they are classified as Long-term Liabilities.

### **3.12 INCOME TAX AND DEFERRED TAX**

Income tax of the fiscal year is comprised of both current and deferred tax. Income tax is recorded in the Profit and Loss Statement unless it concerns amounts that are directly recorded in Equity, in which case it is recorded in Equity.

Current income tax is the expected payable tax against taxable income of the fiscal year, based on the instituted tax rates on the Statement of Financial Position date, as well as any readjustment to the payable tax of previous fiscal years.

Deferred income tax is calculated by the balance sheet method, based on the balance sheet, which derives from the provisional differences between the accounting value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it derives from the initial recognition of an asset or liability item in a transaction, apart from a business merger, which when the transaction took place, affected neither the accounting nor the taxation profit or loss. Deferred tax is calculated using the tax rates which are expected to be in force in the period when the asset shall be liquidated or the liability settled. The usage of future tax rates is based on laws which have been passed at the date of drawing up the financial statements.

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

Deferred tax claims are recognized in the extent to which there shall be a future tax profit for the use of the provisional difference establishing the deferred tax claim. Deferred tax claims are reduced when the respective tax benefit is materialized.

Concerning additional taxes, which are possible to arise from the tax audits, the Company and its domestic subsidiaries use historical statistic figures from tax audits of previous tax audited fiscal years and through them, they make a provision of future tax differences which will arise from tax audits of the tax unaudited fiscal years.

Additional income taxes which emerge from the distribution of dividends are set in the same time with the obligatory payment of the relevant dividend.

**3.13 PERSONNEL FRINGE BENEFITS****3.13.1 DEFINED CONTRIBUTION PLAN**

The duties towards benefits in Defined Contribution Plan are registered as an expense in the profits and loss statement during their year of realization.

**3.13.2 LIABILITIES ARISING FROM THE PROVISIONS OF THE LAW 2112/1920, ACCORDING TO IAS 19.**

The liability recorded in financial statements with regard to established benefit plans is the present value of the accrued benefits, taking any adjustments for potential actuarial results (profits/losses) and the cost of previous maintenance into consideration.

The sum of the liability is calculated annually by an actuarial project, which is executed by independent actuarial company, applying the projected unit credit method.

The present value is defined by discounting the estimated future cash flows with the rate for bond credit rating AA, which is issued in the same currency as the one of the benefit and its remaining duration approaches the duration of the relevant liability.

Accumulated actuarial profits / losses that arise from the deviation between estimations and experience and from the alteration in the actuarial assumptions applied, are depreciated in a period equal to the employees' average remaining working life, to the extent that they exceed 10% of the higher between accrued liabilities and the fair value of the fixed assets of the plan.

The cost of previous maintenance is recorded directly in the Profit and Loss Statement with the exception of the case where variations in the plan depend on the remaining time of maintenance of employees. In this case the cost of previous maintenance is recorded in the Profit and Loss Statement by the straight line method over the maturity period.

**3.14 STATE SUBSIDIES**

The Group recognizes state subsidies that meet the following criteria: a) there is reasonable certainty that the company has complied or will comply with the terms of the subsidy and b) it is probable that the amount of the subsidy will be received. Subsidies are recorded at fair value and recognized systematically as revenue, based on the principle of matching subsidies, with the related costs which they subsidize.

State subsidies regarding expenses, are deferred and recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify. State subsidies related to the purchase of tangible fixed assets are included in Long-term Liabilities as deferred state subsidies and are transferred as gains to the Profit and Loss Statement by the straight line method over the expected useful life of the relative assets.

**3.15 PROVISIONS**

Provisions are recognized when the Group has a present commitment (legal or justified) for which a cash outflow may arise for its settlement. Moreover, the amount of this commitment must be able to be determined with a significant degree of reliability. Provisions are re-examined on each Statement of Financial Position date and if it is deemed that no cash outflow shall arise for the commitment's settlement, a reverse entry must be made for these provisions. Provisions are used solely for the purposes for which they were initially formed.

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

Provisions for future losses are not recognized. Possible liabilities are not recognized in the Financial Statements but are disclosed, unless the possibility of an outflow of resources generating significant economic benefit is limited. Possible receivables are not recognized in the financial statements but are disclosed when an inflow of economic benefits is possible.

Provisions for restructuring are recognized when the Group has approved a detailed and official restructuring plan, which has commenced or been announced publicly. Future operating costs are not included in the provision.

**3.16 INCOME**

Income includes the fair value of sales of goods and maintenances, net of Value Added Tax, discounts and returns. The Group's inter-Company income are fully removed. Income is recognized as follows:

**3.16.1 SALE OF GOODS**

The sale of goods is recognized when the significant risks and property benefits have been transferred to the buyer, the collection of the amount to be received is deemed reasonably ensured, the relevant expenses and possible returns of goods can be reliably evaluated and there is no continuing involvement in the management of goods.

**3.16.2 SERVICES**

Income from services is recognized in the period in which these maintenances are rendered, on the basis of the completion stage of the service provided with relation to services provided overall.

**3.16.3 INCOME FROM DIVIDENDS**

Dividends are accounted as income upon the approval of their distribution by the General Shareholders' Meeting.

**3.17 FINANCIAL INCOME-EXPENSES (NET)**

Net financial expenditures are comprised of debit interest on loans as well as foreign exchange profits/losses that arise from the companies' lending. In addition, they also include income from accrued credit interest from invested cash and interest on current accounts of customers.

**3.18 LEASES**

Criterion to designate if a lease is finance or operational is the substance of the transaction and not the type of the contract.

Specific cases where the contract consider as finance and recorded as acquisition of fixed asset and generated a liability is described as follows:

- Transfer of the property of the leased asset to the lessee at the end of the leased period
- Purchase option of the leased asset from the part of lessee at the end of the leased period in a favorable terms.
- Duration of the lease greater or equal than 75% of the accounting life of the leased asset.
- Present value of the minimum payments of the lease, greater or equal than 90% of the real value of the leased asset

In all the above cases the paid rents separate into finance expenses (interests) which are recorded directly in Profit & Loss account and into decrease of the obligation.

All the rest contracts are designated as operational. In this case the rents are recorded directly in the Profit & Loss account at the time they are realized.

**3.19 DIVIDENDS**

Dividends that are distributed to the Group's shareholders are recognized as a Liability in the Financial Statements when the distribution is approved by the General Shareholders' Meeting. According to the Greek Legislation, companies are required to distribute to their shareholders as a dividend a percentage

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

of 35% of profits that arise from the published financial statements, after the deduction of the income tax and the regular reserve or they may not distribute any dividend with the consistent opinion of the total shareholders.

Dividend which is lower than the 35% of the earnings after taxes and the regular reserve can be announced and paid with the approval of the 70% of the shareholders. However, with an unanimous approval of all the shareholders, the Company may not announce a dividend. According to the Articles of the Association of the Company the Board of Directors is responsible to decide whether to propose or not the dividends distribution to the General Meeting of the Shareholders.

The Board of Directors at the Annual Ordinary General Meeting of Shareholders does not intend to propose the dividends distribution.

Shareholders collect dividends, distributed at any time, and they have a right for one vote, per share, at Company shareholders' meeting.

**3.20 EARNINGS PER SHARE**

The basic and diluted earnings per share are estimated by dividing the net earnings, which correspond to the common shareholders, with the weighted average number of common shares that stand over during the period.

**3.21 NEW STANDARDS AND INTERPRETATIONS WHICH HAVE BEEN ADOPTED FROM 01 JANUARY 2017**

The following amendments of IFRS have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2017.

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

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group has examined the impact of the above on its Financial Statements, and found there is no impact.

- 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 has examined the impact of the above on its Financial Statements, and found there is no impact.

- Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting on or after 01/01/2016) Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017)

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issue included in this cycle and is effective for annual periods starting on or after 01/01/2017 is the following: IFRS 12: Clarification of the scope of the Standard. The Group has examined the impact of the above on its Financial Statements, and found there is no impact.

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

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

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

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

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

- 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 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.

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

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

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

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



**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

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.

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

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have 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 IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)

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

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

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

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

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the



**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

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

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

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

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

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

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

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

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

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition,

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

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

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

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

### 3.22 CONSOLIDATION PRINCIPLE

The Financial Report includes the Parent Company and the subsidiaries that it controls. Control is considered to exist, when the Parent Company has the possibility to define the decisions that deal with the financial and operational administration of the subsidiaries, aiming to gain profits through them.

The financial statements of the subsidiaries are prepared at the same date and using the same accounting policies as the Parent Company, and wherever is required, the necessary readjustments are made to secure the consistency the adopted accounting policies. The subsidiaries are consolidated from the date that control is gained and cease to be consolidated from the date that control is transferred outside of the Group. The subsidiaries that consolidated with the full method are the follow:

Name of Subsidiary	Activity	Head Offices	Participation 31.12.2017	Unaudited Fiscal Years (*)
KLEFER S.A. <sup>(2)</sup>	Company that manufactures and trades automatic elevator doors	Industrial area of Kilkis, Greece	50%	2010
KLEEMANN ASANSOR San. Ve Tic. A.S. <sup>(2)</sup>	Company that trades complete elevator systems	Istanbul, Turkey	70%	-
KLEEMANN LIFTOVI D.O.O <sup>(1)</sup>	Company that manufactures and trades complete elevator systems	Belgrade, Serbia	100%	2007-2017
KLEEMANN LIFT RO S.R.L. <sup>(1)</sup>	Company that trades complete elevator systems	Bucharest, Romania	100%	-
HONG KONG ELEVATOR SYSTEMS LIMITED <sup>(1)</sup>	Holding Company	Hong-Kong	100%	-
KLEEMANN LIFTS U.K. LTD <sup>(2)</sup>	Company that trades complete elevator systems	Oxford, UK	100%	-

<b>Name of Subsidiary</b>	<b>Activity</b>	<b>Head Offices</b>	<b>Participation 31.12.2017</b>	<b>Unaudited Fiscal Years (*)</b>
KLEEMANN SERVICES LTD <sup>(1)</sup>	Company that trades and installs complete elevator systems	Nicosia, Cyprus	100%	-
KLEEMANN LIFTS (CHINA) CO. LTD <sup>(3)</sup>	Company that manufactures and trades complete elevator systems	Kunshan, China	100%	-
KLEEMANN LIFTS TRADING CO., LTD <sup>(3)</sup>	Company that trades elevator components	Kunshan, China	100%	-
KLEEMANN LIFTS RUS <sup>(1)</sup>	Company that trades complete elevator systems	Moscow, Russia	99,5%	-
KLEEMANN DIZALA D.o.o. <sup>(1)</sup>	Company that trades complete elevator systems	Zagreb, Croatia	100%	-
KLEEMANN ELEVATORS AUSTRALIA PTY <sup>(1)</sup>	Company that trades and installs complete elevator systems	Sidney, Australia	80,09%	-
KLEEMANN AUFZUGE GmbH <sup>(1)</sup>	Company that trades complete elevator systems	Dusseldorf, Germany	100%	-
KLEEMANN ASCENSEURS SARL <sup>(1)</sup>	Company that trades complete elevator systems	Paris, France	100%	-

(\*) For the unaudited fiscal years, there is reference to 28.1 and 28.2 paragraphs below

(1) Subsidiary of KLEEMANN LIFTS UK LTD

(2) Subsidiary of KLEEMANN HELLAS S.A.

(3) Subsidiary of HONG KONG ELEVATOR SYSTEMS LIMITED

Inter-Group balances and transactions, as well as profits and losses which occurred from inter-Group transactions are written off during the preparation of the consolidated financial statements while non-realized profits from transactions between the Group and its affiliated companies, are written off by the percentage of the Group's holding in the affiliated companies.

#### 4. SUBSIDIARIES WITH A SIGNIFICANT PERCENTAGE OF NON-CONTROLLING INTERESTS

The following table summarizes the financial information of the subsidiaries in which their non-controlling interests hold a significant percentage.

Summary of the Financial Position	KLEFER S.A.		KLEEMANN ASANSOR San. Ve Tic. A.S.		KLEEMANN ELEVATORS AUSTRALIA PTY	
	2017	2016	2017	2016	2017	2016
<i>Amounts in €</i>						
Non Current Assets	3.280.959,50	3.274.368,35	552.900,39	554.845,04	557.793,04	406.976,92
Current Assets	14.365.004,70	15.222.676,65	7.611.747,61	10.560.790,83	7.724.391,71	6.934.576,33
<b>Total Assets</b>	<b>17.645.964,20</b>	<b>18.497.045,00</b>	<b>8.164.648,00</b>	<b>11.115.635,87</b>	<b>8.282.184,75</b>	<b>7.341.553,25</b>
Long term Liabilities	777.225,12	734.184,15	73.889,49	46.339,79	1.142.404,89	1.225.547,16
Short Term Liabilities	3.657.547,19	2.416.054,70	4.178.151,90	6.593.849,44	5.318.857,37	4.155.436,30
<b>Total Liabilities</b>	<b>4.434.772,31</b>	<b>3.150.238,85</b>	<b>4.252.041,39</b>	<b>6.640.189,23</b>	<b>6.461.262,26</b>	<b>5.380.983,46</b>
<b>Equity</b>	<b>13.211.191,89</b>	<b>15.346.806,15</b>	<b>3.912.606,61</b>	<b>4.475.446,64</b>	<b>1.820.922,49</b>	<b>1.960.569,79</b>
<b>Equity attributable to:</b>						
Shareholders of the company	6.605.595,95	7.673.403,08	2.738.824,63	3.132.812,65	1.458.376,82	1.570.220,34
Non Controlling Interest	6.605.595,95	7.673.403,08	1.173.781,98	1.342.633,99	362.545,67	390.349,45
<b>Summary of Comprehensive Income</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Turnvoer	19.431.987,97	16.321.769,25	9.231.500,00	12.518.200,00	12.553.525,53	11.024.753,45
Profit / Losses after Tax	1.894.724,04	1.222.711,67	169.635,04	(1.175.557,81)	647.920,02	946.932,42
Total Other Income after Taxes	(30.338,30)	(28.343,20)	(833.453,34)	(894.822,00)	(94.190,85)	37.539,40
<b>Aggregated Total Income</b>	<b>1.864.385,74</b>	<b>1.194.368,47</b>	<b>(663.818,30)</b>	<b>(2.070.379,81)</b>	<b>553.729,17</b>	<b>984.471,82</b>
<b>Attributable to:</b>						
Shareholders of the Company	932.192,87	597.184,24	(464.672,81)	(1.449.265,87)	443.481,69	788.463,48
Non Controlling Interest	932.192,87	597.184,24	(199.145,49)	(621.113,94)	110.247,48	196.008,34
<b>Summary of Cash Flow Statement</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Cash Flows from Operating Activities	4.414.523,80	1.020.591,23	231.180,93	(174.628,79)	1.010.840,80	481.734,98
Cash Flows from Investing Activities	(309.120,56)	(105.453,29)	(18.663,08)	(102.926,96)	(232.083,15)	(140.783,04)
Cash Flows from Financing Activities	(4.000.000,00)	(656.240,00)	(300.000,00)	(28.943,01)	(701.964,01)	(117.297,70)
<b>Net Increase / Decrease in Cash and Cash Equivalent</b>	<b>105.403,24</b>	<b>258.897,94</b>	<b>(87.482,15)</b>	<b>(306.498,76)</b>	<b>76.793,64</b>	<b>223.654,24</b>
Cash and Cash Equivalents in the beginning of the year	1.542.388,17	1.283.490,00	1.125.615,24	1.432.113,25	1.352.483,34	1.128.829,10
<b>Cash and Cash Equivalents in the closing of the year</b>	<b>1.647.791,41</b>	<b>1.542.387,94</b>	<b>1.038.133,09</b>	<b>1.125.614,49</b>	<b>1.429.276,98</b>	<b>1.352.483,34</b>

(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)

## 5. TANGIBLE ASSETS FOR OWN USE

Land and plots of the Group were valued at the date of transition to IFRS (01/01/2004) at fair value (fair value). The group periodically makes reassessments of the value of land and building plots. The latest revaluation is done on the 31<sup>st</sup> of December 2017.

The valuation at fair value resulted in upward revaluation of land and plots of (11.803,37) Euros. Other property, land and plots of the Group are measured at historical cost.

Tangible assets for own use are as follow:

GROUP	Land	Buildings	Mechanical equipment	Means of transportation	Furniture and Fixtures	Fixed Assets in course of construction	TOTAL
<b>Acquisition cost 1 January 2016</b>	<b>4.951.056,09</b>	<b>24.742.275,35</b>	<b>16.682.761,19</b>	<b>3.196.106,81</b>	<b>6.113.586,50</b>	<b>2.311.243,93</b>	<b>57.997.029,87</b>
Additions	-	23.763,62	200.165,72	236.554,75	291.477,56	2.200.929,45	<b>2.952.891,10</b>
Revaluation	94,50	-	-	-	-	-	<b>94,50</b>
Transfers	156.682,12	1.488.260,35	163.355,84	21.618,12	198.568,24	(2.586.449,76)	<b>(557.965,09)</b>
Sales	-	-	-	-	(1.662,01)	-	<b>(1.662,01)</b>
Disposals	-	-	(13.871,67)	(28.986,55)	(160.620,74)	-	<b>(203.478,96)</b>
Exchange Rate differences	(4.146,53)	(22.233,58)	(19.350,05)	2.940,69	(71.306,87)	(29.480,47)	<b>(143.576,81)</b>
<b>Acquisition cost 31 December 2016</b>	<b>5.103.686,18</b>	<b>26.232.065,74</b>	<b>17.013.061,03</b>	<b>3.428.233,82</b>	<b>6.370.042,68</b>	<b>1.896.243,15</b>	<b>60.043.332,60</b>
<b>Accumulated Depreciation 1 January 2016</b>	-	<b>5.617.428,87</b>	<b>12.112.289,58</b>	<b>1.872.898,34</b>	<b>4.816.735,99</b>	-	<b>24.419.352,78</b>
Depreciation of the year	-	574.394,47	733.029,41	230.141,53	376.909,88	-	<b>1.914.475,29</b>
Depreciation of Sales	-	-	-	-	(1.661,01)	-	<b>(1.661,01)</b>
Depreciation of Disposals	-	-	(12.563,36)	(8.858,92)	(160.369,94)	-	<b>(181.792,22)</b>
Exchange Rate differences	-	(1.854,70)	(8.742,42)	(1.049,87)	(28.572,74)	-	<b>(40.219,73)</b>
<b>Accumulated Depreciation 31 December 2016</b>	-	<b>6.189.968,64</b>	<b>12.824.013,21</b>	<b>2.093.131,08</b>	<b>5.003.042,18</b>	-	<b>26.110.155,11</b>
<b>Net Book Value as of 31 December 2016</b>	<b>5.103.686,18</b>	<b>20.042.097,10</b>	<b>4.189.047,82</b>	<b>1.335.102,74</b>	<b>1.367.000,50</b>	<b>1.896.243,15</b>	<b>33.933.177,49</b>
<b>Acquisition cost 1 January 2017</b>	<b>5.103.686,18</b>	<b>26.232.065,74</b>	<b>17.013.061,03</b>	<b>3.428.233,82</b>	<b>6.370.042,68</b>	<b>1.896.243,15</b>	<b>60.043.332,60</b>
Additions	-	93.863,28	445.982,22	350.869,93	667.987,58	2.863.599,30	<b>4.422.302,31</b>
Revaluation	(11.803,37)	-	-	-	-	-	<b>(11.803,37)</b>
Transfers	-	180.970,64	16.420,63	13.323,82	17.438,53	(595.737,88)	<b>(367.584,26)</b>
Sales	-	-	-	(72.518,86)	(13.222,63)	-	<b>(85.741,49)</b>
Disposals	-	-	(532,48)	(25.901,99)	(28.801,37)	-	<b>(55.235,84)</b>
Exchange Rate differences	16.988,90	113.428,86	(18.030,26)	(23.730,29)	(67.948,61)	(68.418,30)	<b>(47.709,70)</b>
<b>Acquisition cost 31 December 2017</b>	<b>5.108.871,71</b>	<b>26.620.328,52</b>	<b>17.456.901,14</b>	<b>3.670.276,43</b>	<b>6.945.496,18</b>	<b>4.095.686,27</b>	<b>63.897.560,25</b>
<b>Accumulated Depreciation 1 January 2017</b>	-	<b>6.189.968,64</b>	<b>12.824.013,21</b>	<b>2.093.131,08</b>	<b>5.003.042,18</b>	-	<b>26.110.155,11</b>
Depreciation of the period	-	583.577,88	680.578,04	251.396,67	377.645,03	-	<b>1.893.197,62</b>
Depreciation of Sales	-	-	-	(55.775,69)	(4.182,68)	-	<b>(59.958,37)</b>
Depreciation of Disposals	-	-	(69,44)	(14.949,81)	(28.457,15)	-	<b>(43.476,40)</b>
Exchange Rate differences	-	7.492,14	(10.662,47)	(9.229,59)	(44.193,75)	-	<b>(56.593,67)</b>
<b>Accumulated Depreciation 31 December 2017</b>	-	<b>6.781.038,66</b>	<b>13.493.859,34</b>	<b>2.264.572,66</b>	<b>5.303.853,63</b>	-	<b>27.843.324,29</b>

(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)

<b>Net Book Value as of 31 December 2016</b>	<b>5.108.871,71</b>	<b>19.839.289,86</b>	<b>3.963.041,80</b>	<b>1.405.703,77</b>	<b>1.641.642,55</b>	<b>4.095.686,27</b>	<b>36.054.235,96</b>
<b>COMPANY</b>	<b>Land</b>	<b>Buildings</b>	<b>Mechanical equipment</b>	<b>Means of transportation</b>	<b>Furniture and Fixtures</b>	<b>Fixed Assets in course of construction</b>	<b>TOTAL</b>
<b>Acquisition cost 1 January 2016</b>	<b>4.172.962,73</b>	<b>21.012.798,36</b>	<b>12.085.309,11</b>	<b>2.441.558,35</b>	<b>4.566.876,32</b>	<b>10.975,53</b>	<b>44.290.480,40</b>
Additions	-	23.763,62	126.503,72	21.664,00	190.180,79	667.943,96	<b>1.030.056,09</b>
Readjustments	-	-	-	-	-	-	-
Transfers	-	-	22.799,95	-	3.441,00	(584.206,04)	<b>(557.965,09)</b>
Sales	-	-	-	-	(1.662,01)	-	<b>(1.662,01)</b>
Disposals	-	-	-	-	(146.320,12)	-	<b>(146.320,12)</b>
Foreign Exchange Differences	-	-	-	-	-	-	-
<b>Acquisition cost 31 December 2016</b>	<b>4.172.962,73</b>	<b>21.036.561,98</b>	<b>12.234.612,78</b>	<b>2.463.222,35</b>	<b>4.612.515,98</b>	<b>94.713,45</b>	<b>44.614.589,27</b>
<b>Accumulated Depreciation 1 January 2016</b>	-	<b>4.823.801,79</b>	<b>9.118.873,48</b>	<b>1.507.436,97</b>	<b>3.772.324,63</b>	-	<b>19.222.436,87</b>
Depreciation of the year	-	489.217,06	443.535,43	133.835,99	226.799,24	-	<b>1.293.387,72</b>
Depreciation of Sales	-	-	-	-	(1.661,01)	-	<b>(1.661,01)</b>
Depreciation of sales of Disposals	-	-	-	-	(146.317,05)	-	<b>(146.317,05)</b>
<b>Accumulated Depreciation 31 December 2016</b>	-	<b>5.313.018,85</b>	<b>9.562.408,91</b>	<b>1.641.272,96</b>	<b>3.851.145,81</b>	-	<b>20.367.846,53</b>
<b>Net Book Value as of 31 December 2016</b>	<b>4.172.962,73</b>	<b>15.723.543,13</b>	<b>2.672.203,87</b>	<b>821.949,39</b>	<b>761.370,17</b>	<b>94.713,45</b>	<b>24.246.742,74</b>
<b>Acquisition cost 1 January 2017</b>	<b>4.172.962,73</b>	<b>21.036.561,98</b>	<b>12.234.612,78</b>	<b>2.463.222,35</b>	<b>4.612.515,98</b>	<b>94.713,45</b>	<b>44.614.589,27</b>
Additions	-	55.368,05	118.023,81	209.391,26	360.195,47	375.446,63	<b>1.118.425,22</b>
Readjustments	(11.803,37)	-	-	-	-	-	<b>(11.803,37)</b>
Transfers	-	180.970,64	477,06	-	-	(380.145,45)	<b>(198.697,75)</b>
Sales	-	-	-	-	(4.451,83)	-	<b>(4.451,83)</b>
Disposals	-	-	(532,48)	-	(5.928,63)	-	<b>(6.461,11)</b>
<b>Acquisition cost 31 December 2017</b>	<b>4.161.159,36</b>	<b>21.272.900,67</b>	<b>12.352.581,17</b>	<b>2.672.613,61</b>	<b>4.962.330,99</b>	<b>90.014,63</b>	<b>45.511.600,43</b>
<b>Accumulated Depreciation 1 January 2017</b>	-	<b>5.313.018,85</b>	<b>9.562.408,91</b>	<b>1.641.272,96</b>	<b>3.851.145,81</b>	-	<b>20.367.846,53</b>
Depreciation of the year	-	477.723,66	380.826,35	135.809,41	208.002,04	-	<b>1.202.361,46</b>
Depreciation of Sales	-	-	-	-	(3.784,71)	-	<b>(3.784,71)</b>
Disposals	-	-	(69,44)	-	(5.928,53)	-	<b>(5.997,97)</b>
<b>Accumulated Depreciation 31 December 2017</b>	-	<b>5.790.742,51</b>	<b>9.943.165,82</b>	<b>1.777.082,37</b>	<b>4.049.434,61</b>	-	<b>21.560.425,31</b>
<b>Net Book Value as of 31 December 2017</b>	<b>4.161.159,36</b>	<b>15.482.158,16</b>	<b>2.409.415,35</b>	<b>895.531,24</b>	<b>912.896,38</b>	<b>90.014,63</b>	<b>23.951.175,12</b>

Land and buildings are not subject to mortgages and encumbrances on 31.12.2017 for both the Group and the Company.

## 6. INVESTMENT PROPERTY

The Group's investment property is analysed as follows:

	<b>GROUP</b>	<b>COMPANY</b>
<b>Acquisition cost 1 January 2016</b>	<b>1.738.612,23</b>	<b>1.620.726,55</b>
Additions	87.603,44	-
Sales	(116.300,57)	-
Exchange Rate differences	(1.585,11)	-
<b>Acquisition cost 31 December 2016</b>	<b>1.708.329,99</b>	<b>1.620.726,55</b>
<b>Accumulated Depreciation 1 January 2016</b>	<b>144.055,22</b>	<b>140.246,81</b>
Depreciation of the year	58.945,34	55.567,44
Depreciation of sales	(5.380,47)	-
Exchange Rate differences	(53,77)	-
<b>Accumulated Depreciation 31 December 2016</b>	<b>197.566,32</b>	<b>195.814,25</b>
<b>Net Book Value as of 31 December 2016</b>	<b>1.510.763,67</b>	<b>1.424.912,30</b>
<b>Acquisition cost 1 January 2017</b>	<b>1.708.329,99</b>	<b>1.620.726,55</b>
Exchange Rate differences	15.629,13)	-
	<b>1.692.700,86</b>	<b>1.620.726,55</b>
<b>Acquisition cost 31 December 2017</b>	<b>197.566,32</b>	<b>195.814,25</b>
Depreciation of the year	57.006,93	55.567,44
Depreciation of Sales	-	-
Exchange Rate differences	(312,58)	-
<b>Accumulated Depreciation 31 December 2017</b>	<b>254.260,67</b>	<b>251.381,69</b>
<b>Net Book Value as of 31 December 2017</b>	<b>1.438.440,19</b>	<b>1.369.344,86</b>

The Group applies the cost model for the measurement of the investment property. It concerns property that it owns and doesn't use them in their traditional line of business, but leases them to third parties. Rental income derived from investment properties for the year is 62.272 Euros (2015: 60.979 euros).

The above properties are not pledged. Also, during the year there were expenses for investment properties and there are no other liabilities arising from rental contracts.

The fair value of investment property of the parent company on 31/12/2017 is not significantly refrained from their fair value. The determination of the value held by an independent external auditor, a member of the body of chartered appraisers and certified TEGoVA (The European Group of Valuers' Associations)..

Depreciation on investment property is calculated using the straight line method during the estimated useful lives of these assets, which is estimated to last between 20 to 50 years.

## 7. INTANGIBLE ASSETS

They concern licenses of software programs and costs and expenses concerning the in-house creation and development of software.

	<b>GROUP</b>	<b>COMPANY</b>
<b>Acquisition cost 1 January 2016</b>	<b>3.159.810,41</b>	<b>2.551.299,54</b>
Additions	176.486,96	159.706,04
Transfers	557.965,09	557.965,09
Exchange Rate differences	(23.241,29)	-
<b>Acquisition cost 31 December 2016</b>	<b>3.871.021,17</b>	<b>3.268.970,67</b>
<b>Accumulated Depreciation 1 January 2016</b>	<b>1.706.396,93</b>	<b>1.138.527,14</b>
Depreciation of the year	246.940,26	219.891,11
Depreciation of the year Absorption MODA LIFT	(2,88)	-



(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)

Depreciation of Destroyed Items	(21.244,39)	-
Exchange Rate differences	<b>1.932.089,92</b>	<b>1.358.418,25</b>
<b>Accumulated Depreciation 31 December 2016</b>	<b>1.938.931,25</b>	<b>1.910.552,42</b>
<b>Net Book Value as of 31 December 2016</b>		
	<b>3.871.021,17</b>	<b>3.268.970,67</b>
<b>Acquisition cost 1 January 2017</b>	1.231.114,41	58.362,80
Additions	198.696,30	198.696,30
Transfers	(34.962,53)	-
Exchange Rate differences	<b>5.265.869,35</b>	<b>3.526.029,77</b>
<b>Acquisition cost 31 December 2017</b>	<b>1.932.089,92</b>	<b>1.358.418,25</b>
<b>Accumulated Depreciation 1 January 2017</b>	319.505,11	281.408,66
Depreciation of the year	-	-
Exchange Rate differences	(34.725,02)	-
<b>Accumulated Depreciation 31 December 2017</b>	<b>2.216.870,01</b>	<b>1.639.826,91</b>
<b>Net Book Value as of 31 December 2017</b>	<b>3.048.999,34</b>	<b>1.886.202,86</b>

Internally generated assets that are included in the table above only exist in the parent, and for the development of the software DIAS. The data for the fixed asset that is listed below:

	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2016</b>	<b>410.788,59</b>	<b>410.788,59</b>
Additions	-	-
<b>Balance at December 31, 2016</b>	<b>410.788,59</b>	<b>410.788,59</b>
<b>Accumulated depreciation January 1, 2016</b>	<b>166.619,89</b>	<b>166.619,89</b>
Depreciation	<b>27.086,76</b>	<b>27.086,76</b>
<b>Balance at December 31, 2016</b>	<b>193.706,65</b>	<b>193.706,65</b>
<b>Net book value 31 December 2016</b>	<b>217.081,94</b>	<b>217.081,94</b>
<b>Balance at 1 January 2017</b>	<b>410.788,59</b>	<b>410.788,59</b>
Additions	-	-
<b>Balance at December 31, 2017</b>	<b>410.788,59</b>	<b>410.788,59</b>
<b>Accumulated depreciation January 1, 2017</b>	<b>193.706,65</b>	<b>193.706,65</b>
Depreciation	<b>19.385,00</b>	<b>19.385,00</b>
<b>Balance at December 31, 2017</b>	<b>213.091,00</b>	<b>213.091,00</b>
<b>Net book value 31 December 2017</b>	<b>197.697,00</b>	<b>197.697,00</b>

## 8. PARTICIPATIONS

The Company registers the participations in subsidiaries at its individual Financial Statements at their acquisition cost reduced by potential impairment of their value. Participations are analysed as following:

<b>Corporate Name</b>	<b>Country</b>	<b>Value at 01.01.16</b>	<b>Additions</b>	<b>Value at 31.12.16</b>	<b>Direct Holding %</b>
KLEFER A.E	GREECE	1.173.881,21	-	1.173.881,21	50%
KLEEMANN ASANSOR San. Ve Tic As	TURKEY	232.206,36	-	232.206,36	70%
KLEEMANN LIFTS U.K. LTD	UK	10.891.538,43	7.000.000,00	17.891.538,43	100%
		<b>12.297.626,00</b>	<b>7.000.000,00</b>	<b>19.297.626,00</b>	

<b>Corporate Name</b>	<b>Country</b>	<b>Value at 01.01.17</b>	<b>Additions</b>	<b>Value at 31.12.17</b>	<b>Direct Holding %</b>
-----------------------	----------------	------------------------------	------------------	------------------------------	-----------------------------

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

KLEFER A.E	GREECE	1.173.881,21	-	1.173.881,21	50%
KLEEMANN ASANSOR San.					
Ve Tic As	TURKEY	232.206,36	-	232.206,36	70%
KLEEMANN LIFTS U.K. LTD	UK	17.891.538,43	-	17.891.538,43	100%
		<b>19.297.626,00</b>	-	<b>19.297.626,00</b>	

KLEEMANN SERVICES LTD registers the participations in subsidiaries at its individual Financial Statements at their acquisition cost reduced by potential impairment of their value. Participations are analysed as following:

Corporate Name	Country	Value at 01.01.16	Additions	Value at 31.12.16	Direct Holding %
KLEEMANN LIFTS DMCC	Dubai	52.507,00	-	52.507,00	100%
		<b>52.507,00</b>	-	<b>52.507,00</b>	

Corporate Name	Country	Value at 01.01.17	Additions	Value at 31.12.17	Direct Holding %
KLEEMANN LIFTS DMCC	Dubai	52.507,00	(52.507,00)	-	100%
		<b>52.507,00</b>	<b>(52.507,00)</b>	-	

HONG KONG ELEVATOR SYSTEMS LIMITED registers the participations in subsidiaries at its individual Financial Statements at their acquisition cost reduced by potential impairment of their value. Participations are analysed as following:

Corporate Name	Country	Value at 01.01.16	Additions	Value at 31.12.16	Direct Holding %
KLEEMANN LIFTS (CHINA) CO. LTD					
	China	5.800.038,78	-	5.800.038,78	100%
KLEEMANN LIFTS TRADING CO., LTD	China	90.670,00	-	90.670,00	100%
		<b>5.890.708,78</b>	-	<b>5.890.708,78</b>	

Corporate Name	Country	Value at 01.01.17	Additions	Value at 31.12.17	Direct Holding %
KLEEMANN LIFTS (CHINA) CO. LTD					
	China	5.800.038,78	2.537.063,20	8.337.101,98	100%
KLEEMANN LIFTS TRADING CO., LTD	China	90.670,00	-	90.670,00	100%
		<b>5.890.708,78</b>	-	<b>8.427.771,98</b>	

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

KLEEMANN LIFTS UK LTD registers the participations in subsidiaries at its individual Financial Statements at their acquisition cost reduced by potential impairment of their value. Participations are analysed as following:

Corporate Name	Country	Value at 01.01.2016	Additions	Value at 31.12.2016	Direct Holding %
KLEEMANN LIFTS RUS	Russia	242.780,00	-	242.780,00	99,5%
KLEEMANN ELEVATORS AUSTRALIA PTY	Australia	2.520.598,07	-	2.520.598,07	80,1%
KLEEMANN AUFZUGE	Germany	500.000,00	-	500.000,00	100,0%
KLEEMANN LIFTOVI D.O.O	Serbia	3.776.162,00	-	3.776.162,00	100,0%
KLEEMANN LIFT RO S.R.L.	Romania	300.000,00	3,87	300.003,87	100,0%
HONG KONG ELEVATOR SYSTEMS LIMITED	Hong-Kong	6.095.376,50	1.500.000,00	7.595.376,50	
KLEEMANN SERVICES LTD	Cyprus	77.218,00	-	77.218,00	100,0%
KLEEMANN DIZALA	Croatia	200.000,00	-	200.000,00	100,0%
		<b>13.712.134,57</b>	<b>1.500.003,87</b>	<b>15.212.138,44</b>	

Επωνυμία	Χώρα Εγκατάστασης	Αξία κτήσης 01.01.2017	Μεταβολές	Αξία κτήσης 31.12.2017	% Συμμετοχής
KLEEMANN LIFTS RUS	Ρωσία	242.780,00	-	242.780,00	99,5%
KLEEMANN ELEVATORS AUSTRALIA PTY	Αυστραλία	2.520.598,07	-	2.520.598,07	80,1%
KLEEMANN AUFZUGE	Γερμανία	500.000,00	-	500.000,00	100,0%
KLEEMANN LIFTOVI D.O.O	Σερβία	3.776.162,00	-	3.776.162,00	100,0%
KLEEMANN LIFT RO S.R.L.	Ρουμανία	300.003,87	-	300.003,87	100,0%
HONG KONG ELEVATOR SYSTEMS LIMITED	Χονγκ-Κονγκ	7.595.376,50	2.000.000,00	9.595.376,50	
KLEEMANN SERVICES LTD	Κύπρος	77.218,00	-	77.218,00	100,0%
KLEEMANN DIZALA	Κροατία	200.000,00	-	200.000,00	100,0%
KLEEMANN ASCENSEURS SARL	France	-	100.000,00	100.000,00	
		<b>15.212.138,44</b>	<b>2.100.000,00</b>	<b>17.312.138,44</b>	

The Management of the Company considers that there are no impairment reasons of the investments' values.

There are no significant restrictions on the ability of these companies to transfer capital to the Company in the form of cash dividends or repayments of loans or in advance payments.

There are no subsidiaries with a significant holding of non-controlling interests. In addition, the Group has no participation in non-consolidated entities.

Changes in the composition of the Group

On July 19, 2017, KLEEMANN LIFTS UK Ltd decided to increase the share capital of Euro 2,0 million to the Hong Kong subsidiary HONG KONG ELEVATOR SYSTEMS LIMITED, which will be used to finance new investments in China.

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

HONG KONG ELEVATOR SYSTEMS LIMITED proceeded in December 2017 to a share capital increase of Euros 2,5 million to its subsidiary company in China, KLEEMANN LIFTS (CHINA) Co. Ltd, which will be used to fund new investments

**Goodwill**

The change in the item of goodwill is presented in the table below:

	<b>2017</b>	<b>2016</b>
<b>Book Value 1/1</b>	1.787.873,86	1.787.873,86
Additions	-	-
Impairments	-	-
<b>Book Value 31/12</b>	<b>1.787.873,86</b>	<b>1.787.873,86</b>

As mentioned above, in June 2015 the Group acquired 80.09% of the company KLEEMANN ELEVATORS AUSTRALIA PTY, for the amount of Euros 2,520,598.07 fee. The acquisition cost of this company was higher than the acquired share of the group in the equity and therefore the group recognized a goodwill, indicated in the following table:

<b>Total price of acquisition of shares</b>	<b>2.520.598,07</b>
Less:	
Fair value of assets and liabilities of the company	914.876,03
X Participation Share	80,09% 732.724,21
<b>Goodwill</b>	<b>1.787.873,86</b>

The group assets and liabilities, which were taken up from the acquisition of the company, were the following:

<b>Total Assets and Liabilities</b>	<b>Book Value</b>	<b>Fair Value</b>
Tangible Assets	231.011,45	231.011,45
Customers and other Trade Receivables	1.689.525,69	1.689.525,69
Other Receivables	62.604,45	62.604,45
Cash and cash equivalents	2.030.480,96	2.030.480,96
Other Long-term Liabilities	-1.053.433,79	-1.053.433,79
Suppliers and Other Liabilities	-1.638.188,13	-1.638.188,13
Current Tax Liabilities	-261.082,85	-261.082,85
Other Short-term Liabilities	-146.041,74	-146.041,74
Total Equity	914.876,03	914.876,03
Investment Rate acquired by the company		80,09%
<b>Fair Value of Assets and Liabilities</b>		<b>732.724,21</b>

The fair value of assets, liabilities and contingent liabilities and the resulting goodwill will be finalized within the first semester of 2017 (provided by the relevant provisions of IFRS 3). The fair value of the assets and liabilities, which were taken up from the acquisition, were determined on temporary values and were the same with the carrying values as pending the final valuation of intangible assets.

**Goodwill impairment testing in the consolidated financial statements**

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

On December 31, 2017 impairment testing of goodwill was performed, in accordance with the requirements of IAS 36. After this test, no impairment issue was raised on December 31, 2017.

The recoverable amount was approached by means of use value (value in use). The use-value is measured as the present value of expected future cash flows of the companies discounted at a rate reflecting the time value of money and the risk related to the companies. These calculations use cash flow projections approved by management covering a four-year period with reduction in perpetuity. The calculation of the value of use based on the following key assumptions.

For the calculation of discounted cash flows, the Management uses assumptions that is deemed reasonable and based on the best information available and valid on the reference date of the financial statements.

**Impairment testing in the company financial statements**

Impairment testing was also performed in the company financial statements for the acquisition value of subsidiaries. Again no impairment arose.

**Assumptions used to determine value in use**

The recoverable value of each CGU is determined based on the calculation of value in use. The determination arises through the current value of estimated future cash flows, as these are expected to be generated from each CGU (method of discounted cash flows). This procedure for calculating value in use is affected by (is sensitive to) the following main assumptions, as adopted by the Management for determining future cash flows:

- Formulation of 5-year business plans per CGU::
  - ✓ Maximum period of 5 years. Cash flows beyond 5 years are extracted on conclusions, using estimates of the growth rates mentioned below,
  - ✓ Based on recently prepared budgets and estimates.
  - ✓ Budgetary operating profit & EBITDA margins and future estimates using reasonable assumptions.

The calculations for determining the recoverable value of CGUs were based on 5-year business plans approved by the Management. Said plans included the necessary revisions for depicting the current economic environment and reflect previous experience, provisions, sector studies and other available information from external sources.

- Growth rate in perpetuity:

Cash flows beyond years have been extracted based on conclusions, using the estimates of growth rates in perpetuity, which were taken from external sources (up to 2%, depend on the country in which the CGU operates).

**Weighted Average Capital Cost (WACC):**

The WACC method reflects the discounted interest rate of future cash flows for each the CGU, according to which the cost of equity, and the cost of long-term borrowing and any grants, are weighted so as to calculate the cost of the company's total capital. For the fiscal years 2020 and beyond, the WACC has been recalculated (WACC in perpetuity) due to the anticipated improvement of financials. The main parameters for determining the WACC include:

- Risk-free return:

Given that all business plan cash flows were determined based on the euro, the return of the 10-year Euro Swap Rate (EUS) was used as a risk-free return. On the measurement date, the 10-year German Bond. The 10-year Greek Sovereign Bond was not used as a risk-free return, since the markets recognized a significant spread in this title.

- Country risk premium:

Estimates from independent sources were taken into account for calculating the country risk premium. The risk associated with operations in each market (China, Australia, etc. ), as arising from the aforementioned country risk premium, was included in the Cost of Equity for each company.

- Equity risk premium:

Estimates from independent sources were taken into account for calculating the equity risk premium. The beta sensitivity indexes are evaluated annually based on published market data. Apart from the aforementioned estimates regarding the determination of the value in use of CGUs, the Management is not aware of any changes in the conditions which may possibly affect its other assumptions.

The discounted interest rates used in perpetuity were measured as follows:

The discount rates used in perpetuity were measured from 5% to 15% depending on the country and geographical area (Europe, Asia, Australia) activity of each CGU.

### **Sensitivity analysis of recoverable amounts:**

Currently, the Management is not aware of any other event or condition that would reasonably cause any changes to any of the main assumptions used to determine the recoverable amount of CGUs. Nevertheless, on 31/12/2017 the Group analyzed the sensitivity of the recoverable amounts per CGU in relation to a change in some of the main assumptions presented above. One such change is mentioned as an indication:

- (i) one percentage unit in the EBITDA until 2020 and half a percentage unit in the EBITDA in Perpetuity
- (ii) one percentage unit in the discounted interest rate until 2020 and half a percentage unit in the discounted interest rate in perpetuity, or
- (iii) half a percentage unit in the growth rate in perpetuity.

The relevant analysis demonstrates that even jointly, there is no need to impair goodwill or intangible assets.

## **9. OTHER LONG-TERM RECEIVABLES**

Other long-term receivables of the Group and the Company are analyzed below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Notes Receivables of long-term expiry	4.762.412,47	4.686.783,72	4.762.412,47	4.686.783,72
Checks receivables of long-term expiry	32.408,17	187.856,10	32.408,17	187.856,10
Other long-term receivables	1.338.337,53	674.374,76	881.612,32	215.035,57
	<b>6.133.158,17</b>	<b>5.549.014,58</b>	<b>5.676.432,96</b>	<b>5.089.675,39</b>

The Company has entered into an agreement with some of its customers in the Greek market, based on which the rest of their mature debts get paid on a monthly basis. In the Financial Statements these long-term receivables are amounted as amortized cost. The discount rate that has been used is the average interest rate of the Company's loans. This rate rises to approximately 3,7% for 2017 and 4,4% for 2016.

## 10. DEFERRED TAX RECEIVABLES AND LIABILITIES

The deferred taxes are calculated on the temporary differences, according the method of liability, with the use of the tax rates which are in force in the countries that the companies of the Group are active in.

The deferred taxation Receivables and Liabilities are set off when there exists an applicable legal right to set off the current taxation demands with the current taxation liabilities when the deferred income taxes concern the same tax authority.

The calculation of deferred tax of the Group is re-examined in every fiscal year, in order for the balance which is presented in the Statement of Financial Position to represent the current tax rates.

The rate at which the deferred tax is calculated, is equal to the one that is estimated to be in force at the time of reversal of temporary tax differences. The Company's deferred tax is calculated by taking into account the tax rate that will be in force on the date of retrieval of the relative values.

According to the new Tax Law 4334/2015, adopted on July 16, 2015, tax rate for calculating taxes on profits for companies operating in Greece, increased from 26% to 29% for the period starting from January 01, 2015.

The deferred tax receivables and liabilities for the Group, of the year 2017 and 2016 are mentioned below:

<b>GROUP</b>	<b>Balance 1 Jan. 2016</b>	<b>Charge in Results</b>	<b>Change in Tax Rate</b>	<b>Charge in Equity</b>	<b>Balance 31 Dec. 2016</b>
Tangible Fixed Assets	(2.134.158,30)	(25.801,31)	-	6.799,15	(2.153.160,46)
Intangible Fixed Assets	(31.643,01)	174,39	-	(4.643,26)	(36.111,88)
Provisions for devaluated inventories	396.435,78	(68.982,49)	-	(2,22)	327.451,07
Receivables from clients	2.227.782,53	803.429,76	-	(21.063,54)	3.010.148,75
Provisions for employees' termination benefits	593.979,68	62.184,83	-	71.069,66	727.234,17
Other provisions	700.129,81	(287.822,15)	-	(47.653,93)	364.653,73
Other	41.219,59	127.828,95	-	(16.826,41)	152.222,13
<b>Total deferred tax</b>	<b>1.793.746,08</b>	<b>611.011,98</b>	<b>-</b>	<b>(12.320,55)</b>	<b>2.392.437,51</b>

### Statement of Financial Position

Deferred tax receivables	1.948.803,31	2.500.889,91
Deferred tax payables	155.057,23	108.452,04
<b>Total</b>	<b>1.793.746,08</b>	<b>2.392.437,51</b>

	<b>Balance 1 Jan. 2017</b>	<b>Charge in Results</b>	<b>Change in Tax Rate</b>	<b>Charge in Equity</b>	<b>Balance 31 Dec. 2017</b>
Tangible Fixed Assets	(2.153.160,46)	(111.034,13)	-	2.967,24	(2.261.227,35)
Intangible Fixed Assets	(36.111,88)	5.997,47	-	(3.013,71)	(33.128,12)
Provisions for devaluated inventories	327.451,07	209.399,68	-	3,21	536.853,96
Receivables from clients	3.010.148,75	(349.982,02)	-	(25.863,54)	2.634.303,19
Provisions for employees' termination benefits	727.234,17	80.059,23	-	110.501,85	917.795,25
Other provisions	364.653,73	183.273,32	-	(11.573,55)	536.353,50
Other	152.222,13	178.826,19	-	(48.866,39)	282.181,92
<b>Total deferred tax</b>	<b>2.392.437,51</b>	<b>196.539,74</b>	<b>-</b>	<b>24.155,11</b>	<b>2.613.132,35</b>

### Statement of Financial Position

Deferred tax receivables	2.500.889,91	2.789.461,57
Deferred tax payables	108.452,04	176.329,22
<b>Total</b>	<b>2.392.437,51</b>	<b>2.613.132,35</b>



The respective amounts for the Company are presented at the following table.

<b>COMPANY</b>	<b>Balance 1 Jan. 2016</b>	<b>Charge in Results</b>	<b>Change in Tax Rate</b>	<b>Charge in Equity</b>	<b>Balance 31 Dec. 2016</b>
Tangible Fixed Assets	(1.878.916,64)	7.574,46	-	-	(1.871.342,18)
Intangible Fixed Assets	(61.912,85)	8.469,92	-	-	(53.442,93)
Provisions for devaluated inventories	352.465,71	(58.000,00)	-	-	294.465,71
Receivable from clients	2.080.978,83	765.896,92	-	-	2.846.875,75
Provisions for employees' termination benefits	520.607,13	46.136,10	-	73.185,56	639.928,79
Other Provisions	681.544,68	(361.313,61)	-	(62.723,17)	257.507,90
Others	-	73.500,90	-	-	73.500,90
<b>Total deferred tax</b>	<b>1.694.766,86</b>	<b>482.264,69</b>	<b>-</b>	<b>10.462,39</b>	<b>2.187.493,94</b>

<b>COMPANY</b>	<b>Balance 1 Jan. 2017</b>	<b>Charge in Results</b>	<b>Change in Tax Rate</b>	<b>Charge in Equity</b>	<b>Balance 31 Dec. 2017</b>
Tangible Fixed Assets	(1.871.342,18)	(97.388,50)	-	-	(1.968.730,68)
Intangible Fixed Assets	(53.442,93)	12.712,08	-	-	(40.730,85)
Provisions for devaluated inventories	294.465,71	233.835,90	-	-	528.301,61
Receivable from clients	2.846.875,75	(353.045,02)	-	-	2.493.830,73
Provisions for employees' termination benefits	639.928,79	49.863,76	-	111.942,03	801.734,58
Other Provisions	257.507,90	168.200,00	-	(32.842,19)	392.865,71
Others	73.500,90	112.456,08	-	-	185.956,96
<b>Total deferred tax</b>	<b>2.187.493,94</b>	<b>83.134,30</b>	<b>-</b>	<b>79.099,84</b>	<b>2.393.228,06</b>

## 11. INVENTORY

The inventories are analysed below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Finished and semi-finished products	5.929.649,62	5.122.196,81	3.067.289,76	3.241.489,35
Raw material and other production materials	23.026.744,06	21.497.756,93	16.099.110,91	16.931.978,79
Commodities	2.274.687,25	2.647.000,47	80.092,47	-
Minus: Intercompany Inventories	(779.490,56)	(556.372,20)		
Minus: Provision for devaluation of Inventories	(1.851.473,77)	(1.129.389,44)	(1.821.729,70)	(1.015.398,99)
<b>Total</b>	<b>28.600.116,60</b>	<b>27.581.192,57</b>	<b>17.424.763,44</b>	<b>19.158.069,15</b>

There are no encumbrances on the Group's total Inventories.

## 12. RECEIVABLES FROM CLIENTS

Receivables from Clients include the following :

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Clients	54.634.459,82	52.257.221,15	32.766.014,29	30.861.125,76
Post-dated Checks Receivables	3.947.583,84	4.643.518,68	3.899.288,99	4.016.015,65
Notes Receivables	12.989.908,37	14.785.571,14	9.516.300,97	9.484.506,75
Minus: provision for doubtful debts	(24.659.241,76)	(24.788.863,71)	(21.121.278,19)	(20.771.278,19)
Inter-Company Receivables	(16.529.291,94)	(17.156.371,78)	-	-
<b>TOTAL</b>	<b>30.383.418,33</b>	<b>29.741.075,48</b>	<b>25.060.326,06</b>	<b>23.590.369,97</b>

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

The Group's Management periodically reassess the adequacy of the provision of doubtful debts in accordance with the credit policy and by taking into consideration elements of its Legal Department, which arise from the process of historical data as well as the recent developments of cases that it handles.

The provision of doubtful debts has been formed the open balance of specific customers, who have exceeded the Group's credit policy, for most of which the Group has taken the case to court.

On the Company's receivables there are no encumbrances.

### 13. OTHER RECEIVABLES

Other Receivables are analysed below:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Various Debtors	5.812.850,69	5.052.807,08	3.275.253,12	5.071.718,70
Prepayments of suppliers	1.143.354,05	797.327,44	794.093,43	643.748,14
Accounts for management of prepayments & credits	68.779,32	226.412,88	51.889,23	44.558,93
Expenses of next years	442.354,63	1.486.848,11	144.766,40	1.120.952,93
Purchases under delivery	323.646,06	275.854,06	1.310.991,37	-
Short-term receivables	4.629.091,31	7.067.314,44	26.130,02	956.923,30
Others	910.403,10	1.729.281,21	-	-
<b>Total</b>	<b>13.330.479,16</b>	<b>16.635.845,22</b>	<b>5.603.123,57</b>	<b>7.837.902,00</b>

The item 'Other Debtors' of the parent company includes primarily VAT receivables (Euros 3.2 mil.).

### 14. INVESTMENTS

Other investments were attributed as below:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Financial Assets in fair values through profit and losses	190.456,00	145.971,00	190.456,00	145.971,00

Short-term investments and securities of the Company are classified in the item "Financial assets at fair value through profit or loss".

Changes from the measurement at fair value of financial assets are included in the item "Increase / (decrease) in value of investments in participations and securities" in the Statement of Comprehensive Income.

The movement of short-term investments for the Group and the Company

**Securities Timetable**

	Total Listed Shares	Total Non Listed Shares	Total
<b>2017</b>			
Balance at the start of the year	139.965,00	6.006,00	145.971,00
Purchases	-	-	-
Sales	-	-	-
Profit / (Loss) from sale or valuation	44.485,00	-	44.485,00
<b>Closing Balance</b>	<b>184.450,00</b>	<b>6.006,00</b>	<b>190.456,00</b>
<b>2016</b>			
Balance at the start of the year	684.066,57	6.006,00	690.072,57
Purchases	-	-	-
Sales	(468.000,00)	-	(468.000,00)
Profit / (Loss) from sale or valuation	(76.101,57)	-	(76.101,57)
<b>Closing Balance</b>	<b>139.965,00</b>	<b>6.006,00</b>	<b>145.971,00</b>

## 15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are mentioned below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Cash Balance	4.703.580,39	91.653,43	53.691,71	72.285,53
Bank Deposits	12.908.282,16	25.629.561,32	5.386.751,52	12.105.001,71
<b>Total</b>	<b>17.611.862,55</b>	<b>25.721.214,75</b>	<b>5.440.443,23</b>	<b>12.177.287,24</b>

Cash represents cash held by the Group and the Company and bank deposits available on demand. On the above dates there were no bank overdrafts.

## 16. SHARE CAPITAL

The share Capital of the Company amounts to Euros 8.277.045 and consists of 23.648.700 common registered shares with a nominal value of Euros 0,35 each. The shares of KLEEMANN HELLAS S.A. are listed on the Athens Stock Exchange and are being traded at its main market. There are no shares of the parent company owned either by itself or through subsidiaries and affiliated companies, in the current fiscal year.

Reserves were formed as below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
<b>Share premium</b>	<b>0,00</b>	<b>15.176.472,62</b>	<b>0,00</b>	<b>15.176.472,62</b>
<b>Other Reserves</b>				
Regular Reserve	2.790.570,47	2.791.393,71	2.058.857,03	2.058.857,03
Specially taxed Reserves	12.286.844,98	12.286.844,98	11.896.844,98	11.896.844,98
Reserve from actuarial gains	(31.190,77)	242.874,20	(27.671,43)	246.393,54
Contingency Reserve	65.856,02	65.856,02	65.856,02	65.856,02
Differences from readjustment in the value of other assets	1.607.265,25	1.621.263,98	1.288.596,28	1.288.596,28
Tax-free Reserves of developmental Laws	27.413.093,07	28.045.257,98	25.971.405,71	26.613.946,02
Hedging valuation of derivatives				
SME € / TRL	(122.919,56)	(203.326,31)	(124.043,62)	(204.450,37)
Reserves from specially taxed revenues	181.883,90	170.259,10	68.250,20	68.250,20
<b>Total</b>	<b>44.174.474,54</b>	<b>45.020.423,66</b>	<b>41.198.095,17</b>	<b>42.034.293,70</b>

### Share premium

The share premium accrued from the issue of shares to cash, of value bigger than their nominal value, at the fiscal years 1999 and 2000.

In the end of the financial year, it was capitalized and then distributed to the Company's shareholders as a share capital return.

### Regular Reserve

According to the regulations of Greek Business Legislation, at least 5% of net profits is withheld, annually, for the creation of legal reserve, which is exclusively used for equalization of possible debit balance of profit and loss account, before dividend distribution and it is only distributed at the dissolution of the Company. This withholding ceases to be compulsory, when the Legal Reserve balance reaches 1/3 of share capital.

**Specially taxed Reserves**

Specially taxed Reserves refer to undistributed earnings of which an amount of 2.410.000 euros concerns cover of owned participation in a subsidized investment plan as per 3299/04 Law, an amount of 440.000 euros concerns cover of owned participation in a subsidized investing plan of Metro 6.5, an amount of 173.859 euros concerns the proportion of undistributed earnings coming from dividend's withholding taxes of the subsidiary KLEFER SA, 822.986 euros concerns taxed reserve for distribution under the Law 4172/2013 and an amount of 8.050.000 euros which is formed in the fiscal years 2007, 2008 and 2009 concern an optional special Reserve for investment purposes.

**Reserves from Actuarial Gains**

It concerns a Reserve of actuarial differences, which has arisen after the amendment of IAS 19.

**Contingency Reserve**

Contingency Reserve concerns undistributed, untaxed earnings and it was formed according to the provisions of the Law 1892/90, for the purpose of covering owned participation in subsidized investing plans, which are included in the provisions of this Law. In the case of distribution, this amount will be taxed at the rate prevailing at the time of distribution.

**Differences from readjustment in the value of other assets**

It concerns a Reserve which has arisen from the re-estimation in the value of Real Estate (Land) at fair value, according to IAS 16 and the revaluation difference from the absorption of the subsidiary Moda Lift ABEE.

**Tax-free Reserves of developmental Laws**

Tax-free Reserves concern undistributed earnings, which, according to developmental laws, are free of taxation, for investments which have taken place, based on the provisions of the Laws 1828/89, 1892/90, 2601/98 and 3299/04 (on the condition that there are adequate earnings, for the creation of these Reserves, remaining from the earnings balance, after the dividend distribution and their proportionate taxes). In the case of distribution, this amount will be taxed at the rate prevailing at the time of distribution.

**Reserves free of income taxation**

Reserves that are free of income taxation concern revenues from bank interests. In the case of distribution, this amount will be taxed at the rate prevailing at the time of distribution.

**Reserves from specially taxed Revenues**

Reserves from specially taxed Revenues concern revenues from interests and tax withholding has been applied in source. Beyond the prepaid taxes, these Reserves are liable to taxation, according to current tax rate, in case of their distribution.

For the above untaxed Reserves, there are not any deferred taxes to be recorded, in case they are distributed.

**Other reserves**

Other reserves include the results of the valuation of futures, which were acquired by the group in order to offset the risk of fluctuations in exchange rates.

For the above tax-free reserves have not accounted deferred taxes for distribution purposes.

## 17. LOANS

The loan liabilities of the Group are based on pre-agreed and pre-set margins of interest rates, which according to the market conditions can be converted to fixed rates. As a result, the consequences of the fluctuations of the interest rates at the Income Statement and the Cash flows from operating activities of the Group are immaterial. The flexible exchange rates are calculated based on Euribor plus spread.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
<b>Long-term</b>				
Bond loans	18.827.421,95	7.099.451,68	18.707.145,42	6.850.000,00
<b>Short-term</b>				
Short-term bank loans	7.212.764,95	16.604.586,20	4.602.854,58	13.700.000,00
<b>Total</b>	<b>26.040.186,90</b>	<b>23.704.037,88</b>	<b>23.310.000,00</b>	<b>20.550.000,00</b>

The total loans, short-term and long-term, are in euro terms and the duration of bond loans is presented in the Note 34.5.

The real interest rates are as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Long-term loans	3,64%	4,29%	3,66%	4,40%
Short-term loans	2,94%	4,78%	4,55%	4,94%

The Group has approved credit limits up to 53,3 million euros as at December 31, 2017. The parent company on 31/12/17 has bond loans amounting to 18,7 million euros and short-term loans amounting to 4,6 million euros. The company's subsidiaries have loans of 3.15 million euros.

The exposure of debt liabilities of Group to interest rate fluctuations and the conventional date of re-measurement restricts to a maximum period of 180 days for the bond loans and to 30-90 days for the short-term bank loans.

The fair value of these loans approaches their accounting value at the date of Statement of Financial Position, as the impact of discount is not material. The fair value has been estimated using cash flows, which have been discounted using an interest rate relevant to current flexible interest rates.

The interest of loans that credited to Income Statement is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Long-term loans	(388.587,57)	(465.903,84)	(423.015,41)	(501.253,49)
Short-term loans	(636.235,78)	(476.124,77)	(479.567,79)	(324.936,96)
	<b>(1.024.823,35)</b>	<b>(942.028,61)</b>	<b>(902.583,20)</b>	<b>(826.190,45)</b>

## 18. LIABILITIES FROM EMPLOYEES' TERMINATION BENEFITS

According to the labor law, employees are entitled to compensation for dismissal or retirement, the amount of which varies according to 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 in accordance with L.2112/1920. These programs are not funded and are classified as defined benefit plans according to IAS 19. Estimates of the Group's defined benefit obligations according to IAS 19 were calculated by independent actuaries companies.

Liabilities that arise from employees' termination benefits are the following:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Present value of non-financed liabilities	3.133.680,20	2.499.143,76	2.764.602,00	2.206.651,00
Non-registered actuarial losses	73.889,49	46.339,79	-	-
<b>Liability in Statement of Financial Position</b>	<b>3.207.569,69</b>	<b>2.545.483,55</b>	<b>2.764.602,00</b>	<b>2.206.651,00</b>
<b>Alterations in net liability recognized in Statement of Financial Position</b>				
Net liability in the beginning of the year	2.545.483,55	2.122.030,91	2.206.651,00	1.795.197,00
Benefits paid	(299.482,25)	(342.622,13)	(55.161,00)	(46.600,00)
Total expense recognized in Results	541.869,31	463.549,48	227.105,00	205.690,00
Total actuarial (gain)/loss in other comprehensive income	419.699,08	302.525,29	386.007,00	252.364,00
<b>Present value of liability in the end of the period</b>	<b>3.207.569,69</b>	<b>2.545.483,55</b>	<b>2.764.602,00</b>	<b>2.206.651,00</b>
Cost of current employment	461.843,80	379.430,24	157.077,00	128.290,00
Interest in liability	51.033,51	54.338,87	43.913,00	46.507,00
Expenses & depreciation of actuarial loss	2.603,00	(4.472,63)	-	-
Loss of settlement/curtailment/cease	26.389,00	34.253,00	26.115,00	30.893,00
<b>Total expense recognized in Results</b>	<b>541.869,31</b>	<b>463.549,48</b>	<b>227.105,00</b>	<b>205.690,00</b>

The assumptions based on which the actuarial plan was based, for the calculation of provision, are mentioned below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Discounting Rate	2,00%	2,00%	2,00%	2,00%
Future increases of salaries	2,75%	2,00%	2,75%	2,00%
Average future duration of working life	18,52	18,52	18,52	18,52

## 19. OTHER LONG-TERM LIABILITIES

Other long-term liabilities are formed as below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Long-term Notes Payables	-	1.052.000,55	-	-
Subsidies for investments in Fixed Assets	257.041,16	268.910,36	-	-
Subsidies for financed programmes in Fixed Assets	1.038.725,25	1.088.119,22	1.038.725,25	1.088.119,22
Others	321.896,98	2.216.424,19	-	-
<b>Total</b>	<b>1.617.663,39</b>	<b>4.625.454,32</b>	<b>1.038.725,25</b>	<b>1.088.119,22</b>

## 20. SUPPLIERS

Dues to Suppliers are the following:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Suppliers	28.040.050,68	25.541.642,94	12.977.299,28	11.904.744,99
Checks payables	4.057.501,73	3.813.903,51	3.256.172,69	3.216.327,20
Notes payables	85.352,67	87.678,64	-	-
Inter-Company liabilities	(16.529.291,94)	(17.156.371,78)	-	-
<b>Total</b>	<b>15.653.613,14</b>	<b>12.286.853,31</b>	<b>16.233.471,97</b>	<b>15.121.072,19</b>

The Trade payables have no interest and are normally settled.

## 21. OTHER SHORT-TERM LIABILITIES

Other short-term liabilities are analyzed below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Various Creditors	616.193,61	172.916,71	319.729,17	141.927,75
Prepayments of customers	8.139.441,20	8.211.031,77	2.489.785,93	2.661.886,94
Dividends	-	1.789,95	-	1.789,95
Insurance Organizations	1.212.565,27	1.129.435,97	999.364,52	942.726,46
Others	2.129.303,92	1.712.964,24	-	-
Intercompany short-term liabilities	(142.787,92)	(3.174.465,57)	-	-
Accrued expenses	567.479,13	947.151,54	517.613,92	654.019,28
<b>Total</b>	<b>12.522.195,21</b>	<b>9.000.824,61</b>	<b>4.326.493,54</b>	<b>4.402.350,38</b>

## 22. PROVISIONS

The Long-term and Short-term provisions are as follow:

	<b>Short Term Provisions</b>		<b>Long Term Provisions</b>	
	<b>GROUP</b>	<b>COMPANY</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>01/01/2016</b>	<b>1.649.794,21</b>	<b>1.252.164,05</b>	-	-
Additional Provisions of the Year	1.138.616,00	1.000.000,00	8.720,00	-
Transfer of Provisions from Long-terms to Short-terms	-	-	-	-
Non Used Provisions Reversed	(223.786,78)	(216.286,78)	-	-
Used Provisions of the year	(817.565,79)	(747.919,00)	-	-
<b>31/12/2016</b>	<b>1.747.057,64</b>	<b>1.287.958,27</b>	<b>8.720,00</b>	-
Additional Provisions of the Year	1.309.606,41	1.180.000,00	20.664,26	-
Transfer of Provisions from Long-terms to Short-terms	-	-	-	-
Non Used Provisions Reversed	(513.248,94)	(513.248,94)	-	-
Used Provisions of the year	(600.000,00)	(600.000,00)	-	-
<b>31/12/2017</b>	<b>1.943.415,11</b>	<b>1.354.709,33</b>	<b>29.384,26</b>	-

Long-term provisions are not recorded in rediscounted amounts, as there is no accurate estimate of the time of payment.



## 23. SALES

Sales, excluding intercompany amounts, consist of the following figures:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Finished and semi-finished products	87.903.071,44	73.409.851,81	82.290.407,36	71.407.479,96
Commodities	33.013.347,09	30.913.211,51	6.408.339,56	6.515.229,89
Raw materials	3.584.002,98	2.522.701,41	3.686.258,67	3.003.489,08
Services	10.151.202,43	9.012.834,64	370.774,05	186.390,23
<b>Total</b>	<b>134.651.623,94</b>	<b>115.858.599,37</b>	<b>92.755.779,64</b>	<b>81.112.589,16</b>

## 24. EXPENSES

The expenses that are included in the Financial Statements are as follows:

	Cost of Sales	Selling Expenses	Administration Expenses	Research & Development Expenses	Total
<b>GROUP 2016</b>					
Employees' Benefits	15.229.787,06	7.374.187,11	5.630.507,60	953.825,49	<b>29.188.307,26</b>
Cost of consumption of inventories	97.701.783,63	209.317,18	-	-	<b>97.911.100,81</b>
Depreciation	1.057.133,77	479.437,18	563.088,21	121.744,42	<b>2.221.403,58</b>
Other Expenses	5.845.056,18	10.561.415,00	7.435.906,94	435.560,48	<b>24.277.938,60</b>
Intercompany profit of goods remaining in stock write off	(36.121,91)	-	-	-	<b>(36.121,91)</b>
Other consolidation registrations	(42.131.988,45)	-	(1.282.045,23)	-	<b>(43.414.033,68)</b>
<b>Total</b>	<b>77.665.650,28</b>	<b>18.624.356,47</b>	<b>12.347.457,52</b>	<b>1.511.130,39</b>	<b>110.148.594,66</b>
<b>GROUP 2017</b>					
Employees' Benefits	16.511.003,76	7.675.838,16	7.699.007,74	1.007.911,00	<b>32.893.760,66</b>
Cost of consumption of inventories	112.740.165,40	-	14.395,29	-	<b>112.754.560,69</b>
Depreciation	1.053.204,20	419.828,70	689.450,04	106.122,95	<b>2.268.605,89</b>
Other Expenses	5.667.398,96	10.417.541,90	7.338.513,82	327.899,43	<b>23.751.354,11</b>
Intercompany profit of goods remaining in stock write off	223.118,37	-	-	-	<b>223.118,37</b>
Other consolidation registrations	(48.178.679,11)	-	(1.306.341,03)	-	<b>(49.485.020,14)</b>
<b>Total</b>	<b>88.016.211,58</b>	<b>18.513.208,76</b>	<b>14.435.025,86</b>	<b>1.441.933,38</b>	<b>122.406.379,58</b>
<b>COMPANY 2016</b>					
Employees' Benefits	10.053.782,39	4.699.336,14	3.020.519,52	778.866,12	<b>18.552.504,17</b>
Cost of consumption of inventories	47.861.022,05	-	-	-	<b>47.861.022,05</b>
Depreciation	631.023,87	360.277,22	457.639,67	120.948,18	<b>1.569.888,94</b>
Other Expenses	1.476.038,23	7.148.252,71	4.329.207,46	425.886,41	<b>13.379.384,81</b>
<b>Total</b>	<b>60.021.866,54</b>	<b>12.207.866,07</b>	<b>7.807.366,65</b>	<b>1.325.700,71</b>	<b>81.362.799,97</b>
<b>COMPANY 2017</b>					
Employees' Benefits	10.349.603,47	4.961.774,52	4.975.782,56	837.810,97	<b>21.124.971,52</b>
Cost of consumption of inventories	52.111.636,57	-	-	-	<b>52.111.636,57</b>
Depreciation	568.390,45	305.153,93	559.834,29	105.312,28	<b>1.538.690,95</b>
Other Expenses	1.703.206,66	7.695.663,25	4.435.944,80	318.130,82	<b>14.152.945,53</b>
<b>Total</b>	<b>64.732.837,15</b>	<b>12.962.591,70</b>	<b>9.971.561,65</b>	<b>1.261.254,07</b>	<b>88.928.244,57</b>

## 25. PERSONNEL EXPENSES

Payroll Costs included in Financial Statements is analyzed below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Wages and salaries	25.195.819,50	23.452.894,32	15.064.787,28	14.153.677,95
Employers' contributions	5.313.372,77	4.790.103,34	3.933.824,94	3.669.692,28
Other benefits granted to employees	2.328.895,20	894.365,66	2.071.198,41	682.534,25
Compensations due to dismissal	55.673,19	50.943,94	55.160,89	46.599,69
<b>Total payment cost</b>	<b>32.893.760,66</b>	<b>29.188.307,26</b>	<b>21.124.971,52</b>	<b>18.552.504,17</b>
Provision for employees' termination benefits	1.052.481,23	467.648,67	557.951,00	411.454,00
<b>Total Payment Expenses</b>	<b>33.946.241,89</b>	<b>29.655.955,93</b>	<b>21.682.922,52</b>	<b>18.963.958,17</b>

## 26. OTHER INCOME / (EXPENSES)

Other income / (expenses) are analyzed below :

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Subsidies & Revenues from various sales	255.470,83	558.872,52	168.524,50	211.362,35
Revenues from subsequent activities	3.000.378,81	2.585.750,77	2.795.596,97	2.186.432,78
Revenues from provisions of previous years	681.335,28	1.407.886,65	469.684,28	742.792,09
Exchange Rate differences	1.536.333,32	51.565,55	-	-
Insurance compensations	8.867,18	65.980,86	-	-
Other Revenues	1.656.083,37	1.186.268,67	928.639,33	756.705,86
Revenues & Expenses of previous years	(64.056,72)	(437.574,12)	(74.336,37)	(437.574,12)
<b>Total Income</b>	<b>7.074.412,07</b>	<b>5.418.750,90</b>	<b>4.288.108,71</b>	<b>3.459.718,96</b>
Other Expenses				
Exchange Rate differences	(1.325.229,73)	(1.873.372,45)	(1.133.605,95)	(1.432.612,86)
Intra-Group eliminations	(1.948.672,27)	(1.872.819,76)	-	(362.316,00)
<b>Total Expenses</b>	<b>(1.306.341,04)</b>	<b>(1.282.045,23)</b>	<b>(1.133.605,95)</b>	<b>(1.794.928,86)</b>
<b>Total Other income</b>	<b>(4.580.243,04)</b>	<b>(5.028.237,44)</b>	<b>3.154.502,76</b>	<b>1.664.790,10</b>

## 27. FINANCIAL INCOME / (EXPENSES) (NET)

Financial income / (expenses) were formed as below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Income from interests	233.561,89	321.741,91	208.001,93	176.997,26
Income from Dividends (*)	-	-	2.000.000,00	1.426.503,52
Increase (decrease) in value of investments and securities	44.485,00	18.333,43	44.485,00	18.333,43
Other financial income	135.466,40	248.959,68	-	-
Other financial expenses	(1.084.970,66)	(425.431,68)	(807.443,34)	(233.838,50)
Interest expenses	(1.024.823,35)	(942.028,61)	(902.583,20)	(826.190,45)
<b>Total</b>	<b>(1.696.280,72)</b>	<b>(778.425,27)</b>	<b>542.460,39</b>	<b>561.805,26</b>

(\*) Income from dividends of the parent company in 2016 are from subsidiaries Klefer S.A., Kleemann Asansor San. Ve Tic AS, and Kleemann Lifts UK LTD and in 2017 are from the subsidiary Klefer S.A.

## 28. INCOME TAX

### 28.1 GREEK COMPANIES

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

According to the tax Law 4334/2015, voted on 16/07/2015, the tax rate for legal entities operating in Greece amounts to 29% for the tax years starting from the 1st of January 2015 and ahead. According to the provisions of the new law 4334/2015 which was voted on July 16, 2015, the tax rate for companies operating in Greece is increased from 26% to 29% for tax years beginning on January 1, 2015 and ahead. For distributed profits in the year 2016 the tax rate is 15%.

According to the Law 3842/2010, Article 17, paragraph 3 and the Law 1159/2011, which apply to Balance Sheets that are closed from 30 June 2011 onwards, the tax audit of enterprises that are audited by Chartered Accountants or Audit Firms registered in the Public Register of Law 3693/2008 (Government Gazette 174 A) will be carried out by them. Statutory Auditors will issue a "Tax Audit Compliance Report".

According to the ministerial circular 1006/2016 of Ministry of Finance, which accepts the Statement with Number 256/2015 of the Legal State Council, the companies for which a tax certificate is issued without indications of breaches of tax legislation are not excluded from the Tax Audit for the imposition of additional taxes and penalties (five years from the end of the fiscal year that the tax return has been submitted).

For the fiscal years beginning from 01.01.2014 onwards according to the Law 4174/2013, the 5 years period from the end of the year in which the deadline for submitting a declaration expires, is defined as the general limitation period.

For the years 2011, 2012 and 2013, the parent company and its subsidiary KLEFER SA have been tax audited by Chartered Accountants or Audit Firm in accordance with L.1159/26/7/2011 and received the Tax Compliance Report Certificate with the Consent Opinion without any substantial differences to arise. The audit finalization from the Ministry of Finance is pending.

For the years 2014, 2015 and 2016 the parent company and its subsidiary KLEFER SA have been tax audited according to the Law 4174/2011 Article 65A, paragraph 1. The audit finalization from the Ministry of Finance is pending.

From the fiscal year 2016 according to a recent relevant legislation, this specific Audit has become optional. The parent Company and its subsidiary KLEFER S.A. have chosen to continue to take the Annual Certificate.

For the fiscal year 2017 tax Audit for the issue of the "Tax Compliance Report" for the parent company and its subsidiary KLEFER SA is already in progress. The Group's Management does not expect to incur significant tax liabilities, other than those recorded and reflected in the financial statements.

The Group's management believes that apart from the provisions, additional taxes which may arise will not have a material effect on the equity, results and cash flows of the Group and the Company.

## 28.2 FOREIGN COMPANIES

The corporate taxes at profits and the taxes at distributed of the subsidiary companies abroad are analyzed as follows:

	<b>Corporate Tax</b>	<b>Tax at distributed</b>
KLEEMANN ASANSOR SAN. VE TIC. A.S.	20%	15%
KLEEMANN LIFTOVI D.o.o.	15%	5%
KLEEMANN LIFT RO S.R.L.	16%	0%
HONG KONG ELEVATOR SYSTEMS	0%	0%
KLEEMANN LIFTS U.K. LTD	20%	0%
KLEEMANN SERVICES LTD	12,5%	0%
KLEEMANN LIFTS (CHINA) Co. Ltd	25%	5%
KUNSHAN KLEEMANN LIFTS TRADING CO. LTD	25%	5%
KLEEMANN LIFTS RUS	20%	15%
KLEEMANN ELEVATOR AUSTRALIA PTY LTD	30%	0%
KLEEMANN AUFZUGE GmbH	31,3%	0%

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

KLEEMANN DIZALA D.o.o.	20%	0%
KLEEMANN ASCENSEURS SARL	33%	0%

It must be noted, that Turkey and Romania respectively do not carry out regular audits by tax authorities, which have the right to audit the Company's books for a specified period, only where appropriate or at random. On this basis, KLEEMANN ASANSOR SAN. VE TIC. A.S. based in Turkey, has been audited for year 2005 randomly, but for the years 2012 up to 2015 has been included in the Law 6736 of tax closure of the Turkish Government by paying approximately 122 thousands €. Regarding the Romanian company KLEEMANN LIFT RO S.R.L., as noted above there is no regular audit. Therefore, the term "unaudited by tax authorities fiscal year" does not exist. For the Serbian subsidiary KLEEMANN LIFTOVI Doo, the unaudited by tax authorities fiscal years are from 2007 to 2017.

### 28.3 PROVISION OF INCOME TAX

The income tax burdened the financial results is as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1 January to 31.12.2017</b>	<b>31.12.2016</b>	<b>1 January to 31.12.2017</b>	<b>31.12.2016</b>
Current income Tax	3.470.518,94	1.524.844,81	1.911.100,50	3.447,64
Tax on previous years	(175.969,55)	400.000,00	-	400.000,00
Tax Provisions from tax controls	-	19.751,62	-	19.751,62
Deferred Tax	(196.539,74)	(611.011,98)	(126.634,28)	(482.264,69)
<b>Total</b>	<b>3.098.009,65</b>	<b>1.333.584,45</b>	<b>1.784.466,22</b>	<b>(59.065,43)</b>

The tax basis has been increased by the non-deducted expenses and the presumable accounting differences of tax audit. The tax of profits of the Group and the Company, differs from the notional amount that would have accrued using the weighted average tax rate, on profits. Additionally, the real tax rate for the Group, is formed based on the different tax factors applied at the countries that the Group is activated.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
<b>Agreement of Real Tax Rate</b>				
<b>Earnings before taxes</b>	13.043.132,67	5.322.092,90	7.524.498,22	1.976.384,55
Tax rate	29,00%	29,00%	29,00%	29,00%
<b>Theoretical Tax based on tax rate in force</b>	<b>3.782.508,47</b>	<b>1.543.406,94</b>	<b>2.182.104,48</b>	<b>573.151,52</b>
Plus/(Minus):				
Impact of foreign tax Rates	330.572,76	651.002,35	-	-
Tax on tax permanent differences	(940.458,33)	(715.598,67)	(798.155,81)	(790.182,18)
Tax on Loss	(149.851,98)	(13.963,72)	-	-
Tax on Tax-free Revenues	400.517,55	575.146,75	400.517,55	581.164,49
Impact of change of future tax rate and tax readjustment of fixed assets	(24.099,31)	(67.461,86)	-	-
Extraordinary tax contribution on profits	-	13.132,00	-	-
Differences of tax audit	(175.969,55)	-	-	-
Provisions of unaudited fiscal years	-	(423.199,26)	-	(423.199,26)
Tax on properties	(120.688,05)	(214.897,04)	-	-
Tax corresponding to other adjustments	(4.521,91)	(13.983,04)	-	-
<b>Real tax encumbrance</b>	<b>3.098.009,65</b>	<b>1.333.584,45</b>	<b>1.784.466,22</b>	<b>(59.065,43)</b>
Real tax encumbrance Rate	23,8%	25,1%	23,7%	-3,0%

## 28.4 CURRENT TAX LIABILITIES

Current tax liabilities are analysed as following:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1 January to</b>		<b>1 January to</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Income tax	3.193.357,63	1.426.018,40	1.923.198,31	53.923,74
Prepayment of Income tax	(277.127,59)	-	-	-
V.A.T.	648.712,63	730.379,04	-	-
Tax on personnel wages	416.371,71	380.295,37	164.978,02	228.358,50
Other taxes	(649.249,56)	(372.994,08)	10.816,00	5.228,17
<b>Total</b>	<b>3.332.064,82</b>	<b>2.179.272,60</b>	<b>2.098.992,33</b>	<b>287.510,41</b>

## 29. CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations, which is included in cash flows statement, is analyzed in the table below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>From 1 January to</b>		<b>From 1 January to</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
<b>Profit/ (loss) of the year</b>	<b>13.043.132,67</b>	<b>5.322.092,90</b>	<b>7.524.498,22</b>	<b>1.976.384,55</b>
<b>Adjustments for:</b>				
Depreciation	2.257.785,41	2.217.263,65	1.538.690,63	1.569.888,94
Impairment of tangible and intangible non-current assets	11.803,37	-	11.803,37	-
Provisions	1.015.211,62	1.636.747,07	845.256,77	315.241,56
Increase / (decrease) in the liability for employees' termination benefits	1.052.481,23	773.312,94	557.951,00	411.454,00
Exchange rate differences	(930.429,86)	(1.459.076,22)	-	-
(Profits) / Losses from sale of Fixed Assets	(8.744,26)	14.034,15	(2.368,91)	3,99
(Profits) / losses from sale of Participation & Securities	(40.995,77)	-	(44.485,00)	-
Interest Expenses	1.129.242,02	1.075.823,75	916.196,13	808.751,55
Income from Dividends and interest	(276.363,72)	699.325,24	(2.208.001,93)	(1.603.500,78)
Subsidies for Fixed Assets of the period	(11.869,20)	(16.500,97)	-	-
	<b>17.241.253,51</b>	<b>10.263.022,51</b>	<b>9.139.540,28</b>	<b>3.478.223,81</b>
<b>Changes in operating items</b>				
(Increase) / Decrease of Inventories	(1.947.215,21)	(1.494.903,67)	926.975,00	(580.106,23)
(Increase) / Decrease of Receivables	216.667,66	(2.601.114,08)	(66.868,29)	8.124.794,32
Increase / (decrease) of Liabilities	5.136.342,51	(109.980,87)	999.916,01	682.842,98
	<b>3.405.794,96</b>	<b>(4.205.998,62)</b>	<b>1.860.022,72</b>	<b>8.227.531,07</b>
<b>Cash flows from operating activities</b>	<b>20.647.048,47</b>	<b>6.057.023,89</b>	<b>10.999.563,00</b>	<b>11.705.754,88</b>

## 30. DIVIDENDS

Pursuant to Greek Legislation, companies are obligated to distribute to their shareholders a dividend equal to 35% of the profits that arise from the published financial statements after the relative income tax and statutory reserve is deducted. In spite of the above, companies may not distribute dividends following the agreement of their shareholders.

A dividend, which is lower than 35% of profit after taxes can be announced and be paid, with the approval of 70% of shareholders. According to the Company's Articles of Association, the Board of Directors is the competent body that decides whether or not to propose the distribution of dividends to the General Meeting of Shareholders.

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

The Board of Directors at the Annual Ordinary General Meeting of Shareholders does not intend to propose the distribution of dividends

### 31. EARNINGS PER SHARE

Basic Earnings per share are calculated by dividing net profit, attributable to shareholders of the Parent Company, with the weighted average number of common shares, in circulation, during the year, excluding the owned common shares that were purchased by the Company.

Earnings per share are analysed in euros as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Earnings attributed to shareholders of Parent Company	<b>8.812.987,43</b>	<b>3.536.596,60</b>	<b>5.740.032,00</b>	<b>2.035.449,98</b>
Weighted average number of shares (in thousands)	23.648.700	23.648.700	23.648.700	23.648.700
<b>Basic Earnings per share</b>	<b>0,3727</b>	<b>0,1495</b>	<b>0,2427</b>	<b>0,0861</b>

### 32. COMMITMENTS, CONTINGENT LIABILITIES AND RECEIVABLES

#### 32.1 COMMITMENTS

Operating leases concern building and automobile leases. According to the specific contracts, the Group is obliged to fulfil the duration of the lease, as this is determined by every contract. On a different occasion, it will be encumbered with the relevant clauses for premature cease.

Operating leasing is analysed as follows:

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Between 1 to 5 years	359.898,89	367.490,43	359.898,89	335.338,76
5 years +	-	-	-	-
	<b>359.898,89</b>	<b>367.490,43</b>	<b>359.898,89</b>	<b>335.338,76</b>

#### 32.2 CONTINGENT LIABILITIES / RECEIVABLES

The Group has potential liabilities in relation with banks, other guarantees and other issues that arise in the framework of its ordinary activity. The Group does not expect to be encumbered significantly by the potential liabilities, nor additional payments, after the date of drawing the specific Financial Statements.

There are no licensed securities against the bank loans that have been granted to the Company by credit institutions. The company provides financial guarantees to its subsidiaries for bank loans and sometimes for purchases of fixed assets, which on December 31, 2016 amounted to 3 million euros guarantee for KLEEMANN ASANSOR S.A. and 0,4 million € to its subsidiary KLEEMANN LIFTOVI for loan.

On December 31, 2017 the granted letters of guarantee from the Group amounted to 328,3 thous. euros to suppliers, and 599,5 thous. euros to the Greek State, whereas on December 31, 2016 was 253,0 thous. euros to supplier and 72,5 thous. euros to the Greek State.

There are no unsettled judicial and arbitral cases or contingent liabilities, which may cause significant consequences on the financial status of both the Group and Company.

Also, there are no mortgages or encumbrances on the fixed assets over borrowing.



### 33. TRANSACTIONS WITH AFFILIATED ENTITIES

The Company, its subsidiaries, its associate companies, Management with the highest Officials and their direct relatives are considered to be the affiliated parties of the Group. Affiliated parties concern companies with common ownership status and/or Management, with the Company and Companies that are related with it.

The Company purchases goods (mainly elevator doors) and services from affiliated parties, while it offers and sells services and goods (mainly traded commodities and products) to them. All the above transactions are being done on cost basis, plus profit.

The transactions with affiliated entities are presented in the following table:

COMPANY	Purchases - Expenses		Sales - Revenues	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Group Companies	12.893.494,98	11.413.420,45	27.847.673,78	25.195.859,33
B.o.D Members.	20.400,00	293.420,77	2.532,72	1.754,80
Highest Officials	453.912,60	461.534,08	4.404,87	(6.427,75)
Affiliated Companies	266.259,26	636.852,41	697.938,00	554.243,96
<b>Total</b>	<b>13.634.066,84</b>	<b>12.805.227,71</b>	<b>28.552.549,37</b>	<b>25.745.430,34</b>
GROUP	Liabilities		Receivables	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
B.o.D Members.	63.126,40	446.237,16	2.532,72	1.754,80
Highest Officials	980.075,57	1.076.063,82	4.404,87	(6.427,75)
Affiliated Companies	3.945.481,90	3.922.164,98	848.583,29	868.382,11
<b>Total</b>	<b>4.988.683,87</b>	<b>5.444.465,96</b>	<b>855.520,88</b>	<b>863.709,16</b>
COMPANY	Liabilities		Receivables	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
KLEFER S.A.	6.255.654,65	6.182.660,63	14.857,77	12.774,03
KLEEMANN ASANSOR SA	30.000,00	-	165.757,88	2.515.289,92
KLEEMANN LIFTOVI D.o.o.	37.279,86	370.097,49	650.733,11	453.899,28
KLEEMANN LIFT RO SRL	309.317,54	139.090,00	993.147,45	741.857,66
KLEEMANN ASCENSEURS SARL	-	-	-	-
KLEEMANN LIFTS (CHINA) CO. LTD	302.444,13	249.035,94	130.476,02	238.939,82
KLEEMANN LIFTS U.K. LTD	6.324,32	1.671,63	1.867.161,88	3.248.559,20
KLEEMANN SERVICES LTD	4.630,66	650,00	2.375,04	16.641,68
KLEEMANN LIFTS RUS	-	-	1.080.668,61	369.022,90
HONG KONG ELEVATOR SYSTEMS	-	-	-	-
KLEEMANN DIZALA	-	-	58.588,50	285.707,01
KLEEMANN ELEVATORS AUSTRALIA PTY	-	-	2.528.996,83	1.185.046,32
KLEEMANN AUFZUGE	(9,00)	11.934,53	114.836,51	23.611,79
KLEEMANN LIFTS TRADING CO., LTD	-	10.816,72	82.423,88	-
B.o.D Members	1.291,10	-	-	3.306,28
Highest Officials	3.397,28	-	89,68	2.060,00
Affiliated Companies:				
AMETALLIFT DIŞ TİCARET A.Ş	3.769,93	(116.717,29)	-	-
MCA ORBITAL GLOBAL HOLDINGS LTD	5.000,00	-	-	-
TECHNOLAMA	65.570,52	-	-	-
CITY LIFT	-	-	405,56	213,38
SKY LIFT	2.600,00	2.600,00	155.928,52	252.838,89
<b>Total</b>	<b>7.027.270,99</b>	<b>6.851.839,65</b>	<b>7.846.447,24</b>	<b>9.349.768,16</b>
GROUP	Liabilities		Receivables	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
B.o.D Members	1.291,10	-	-	3.306,28



**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

Highest Officials	3.397,28	-	89,68	2.060,00
Affiliated Companies:				
AMETAL ASANSÖR SAN.VE TİC.A.Ş.	-	-	1.323,02	41.405,99
AMETALLIFT DIŞ TİCARET A.Ş.	3.769,93	(116.717,29)	-	62.941,79
MCA ORBITAL GLOBAL HOLDINGS LTD	45.000,00		200.000,00	
TECHNOLAMA	898.288,44	224.346,07	170,33	170,33
CITY LIFT	-	-	405,56	213,38
SKY LIFT	3.005,08	2.600,00	224.025,22	297.473,67
<b>Total</b>	<b>954.751,83</b>	<b>110.228,78</b>	<b>426.013,81</b>	<b>407.571,44</b>

The Board of Directors of the Company is consisted of the following:

1. Nikolaos K. Koukountzos, Chairman & Executive Member
2. Menelaos K. Koukountzos, Vice President & Executive Member
3. Konstantinos N. Koukountzos, Managing Director & Executive Member
4. Nikolaos N. Koukountzos, Deputy Managing Director & Executive Member
5. Stergios N. Georgalis, independent, non executive member
6. Maria D. Karadedolgou, non executive member
7. Ziogas T. Vasilios, independent, non executive member

According to the Board of Directors' decision on 11.06.2014, which was validated at the Annual General Meeting, the members of the Board have been re-elected and their term will expire on June 30, 2019.

### 34. FINANCIAL RISK MANAGEMENT

#### 34.1 GENERAL

The Group's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Internal Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit, Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

## 34.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

### *Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. The Group has no significant credit risk concentrations, while the sales mainly occur by clients with low receiving risk, it has been contracted a security of credits for sales abroad and there is a huge dispersion of balances, since there is no customer with a percentage higher than 5% of the total revenues of the Group. In addition, geographically there is no concentration of credit risk, except from Greece, where in the current unfavourable economic reality liquidity problems are created, affecting our customers fulfilment of receivables.

The Group has an established Finance and Sales Department in order to exercise a credit policy under which each customer, both current customers and new, is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes the level of receivables and sales, as well as the investigation of bank references, when available.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, geographic location, aging profile, maturity and existence of previous financial difficulties.

The majority of traded goods (90%) are sold subject to retention of title clauses so that in the event of non-payment, the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. In any case, there is a continuous control of the creditworthiness of the big customers and by this way, the exposure to risk is limited, taking care of existing enough insurance limits at the big customers.

At December 31<sup>st</sup> 2017 it is estimated that there is not an essential credit risk, which is not already covered using insurance terms as a credit guarantee or by a provision of doubtful receivable.

For risk minimization in cash and cash equivalents, the Group transacts only with established financial institutes, of high credit level, of high credit graduation.

### *Cash*

Potential credit risk exposure arising from cash and cash equivalents. In such cases, the risk may arise from the counterparty's inability to meet its obligations to the Group. To minimize this credit risk, the Group sets limits on the amount of credit exposure to any one financial institution. Also, regarding deposit products, the Group only transacts with financial institutions of high credit standing.

### *Exposure to credit risk*

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

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Financial assets at fair value through profit or loss	190.456,00	145.971,00	190.456,00	145.971,00
Receivables	30.383.418,33	29.741.075,48	25.060.326,06	23.590.369,97
Other receivables	13.330.479,16	16.635.845,22	5.603.123,57	7.837.902,00
Cash and cash equivalents	17.611.862,55	25.721.214,75	5.440.443,23	12.177.287,24
	<b>61.516.216,04</b>	<b>72.244.106,45</b>	<b>36.294.348,86</b>	<b>43.751.530,21</b>

### ***Aging of trade receivables***

The aging of trade receivables is calculated by the number of days since the invoice date at the date of the statement of Financial Position

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
0 days	1.368.132,06	1.635.932,82	-	-
1-45 days	16.236.814,02	14.046.673,73	12.038.980,99	8.667.080,36
45-90 days	6.085.507,31	7.242.962,67	6.042.828,83	6.786.124,33
91-150 days	3.261.314,51	2.754.179,66	3.496.202,30	3.765.543,24
150+ days	3.431.650,43	4.061.326,60	3.482.313,94	4.371.622,04
	<b>30.383.418,33</b>	<b>29.741.075,48</b>	<b>25.060.326,06</b>	<b>23.590.369,97</b>

The movement of the provision for doubtful debtors during the year was as follows.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Balance at 1 January	24.788.673,71	23.145.203,68	20.771.278,19	19.871.278,19
Minus: Delete of receivables	584.834,17	1.281.459,77	-	-
Add: Provision of the period	455.212,22	362.200,26	350.000,00	900.000,00
Balance at 31 December	<b>24.659.241,76</b>	<b>24.788.863,71</b>	<b>21.121.278,19</b>	<b>20.771.278,19</b>

### **34.3 LIQUIDITY RISK**

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group's approach to managing liquidity is to ensure, in any case, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity management is achieved by the appropriate combination of liquid assets and approved bank credit limits. The unused but approved bank credit limits of the Group, are adequate to confront any potential shortage in cash equivalents.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days at least, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

On 31.12.2017, it is estimated that there is not any essential liquidity risk, which is not covered by the Group's cash or approved bank credit limits. The long-term loan of the Group and the Company is presented at its fair value, because the interest rates do not differ significantly. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

#### **GROUP 2016**

#### **31 December 2016**

	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
Unsecured bank loans	7.099.451,68	15.536.950,42	2.101.274,73	2.532.255,94	6.924.867,42	3.978.552,33
Finance lease liabilities	0,00	0,00	0,00	0,00	0,00	0,00
Trade and other payables	29.443.225,09	24.987.127,29	24.987.127,29	0,00	0,00	0,00
Bank overdraft	16.604.586,20	16.592.982,26	16.604.586,20	0,00	0,00	0,00
<b>Total</b>	<b>53.147.262,97</b>	<b>57.117.059,97</b>	<b>43.692.988,22</b>	<b>2.532.255,94</b>	<b>6.924.867,42</b>	<b>3.978.552,33</b>

**GROUP 2017**
**31 December 2017**

	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
Unsecured bank loans	18.827.421,95	25.667.049,73	1.435.618,99	930.810,43	8.986.106,74	14.314.513,57
Finance lease liabilities	0,00	0,00	0,00	0,00	0,00	0,00
Trade and other payables	32.182.905,08	29.615.837,89	29.615.837,89	0,00	0,00	0,00
Bank overdraft	7.212.764,95	7.498.440,26	7.512.764,95	0,00	0,00	0,00
<b>Total</b>	<b>58.223.091,98</b>	<b>62.781.327,88</b>	<b>38.564.221,83</b>	<b>930.810,43</b>	<b>8.986.106,74</b>	<b>14.314.513,57</b>

**COMPANY 2016**
**31 December 2016**

	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
Unsecured bank loans	6.850.000,00	15.524.243,94	2.101.274,73	2.532.255,94	6.913.815,65	3.976.897,62
Finance lease liabilities	0,00	0,00	0,00	0,00	0,00	0,00
Trade and other payables	15.121.072,19	15.401.772,40	15.401.772,40	0,00	0,00	0,00
Bank overdraft	13.700.000,00	13.700.000,00	13.700.000,00	0,00	0,00	0,00
<b>Total</b>	<b>35.671.072,19</b>	<b>44.626.016,34</b>	<b>31.203.047,13</b>	<b>2.532.255,94</b>	<b>6.913.815,65</b>	<b>3.976.897,62</b>

**COMPANY 2017**
**31 December 2017**

	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
Unsecured bank loans	18.707.145,42	25.654.343,25	1.435.618,99	930.810,43	8.975.054,97	14.312.858,86
Finance lease liabilities	0,00	0,00	0,00	0,00	0,00	0,00
Trade and other payables	16.233.471,97	16.233.471,97	16.233.471,97	0,00	0,00	0,00
Bank overdraft	4.602.854,58	4.602.854,58	4.602.854,58			
<b>Total</b>	<b>39.543.471,97</b>	<b>46.490.669,80</b>	<b>22.271.945,54</b>	<b>930.810,43</b>	<b>8.975.054,97</b>	<b>14.312.858,86</b>

The Management's judgment is that there is no liquidity risk, taking into account the existing good financial liquidity.

**34.4 MARKET RISK**

Market risk is defined as the risk associated with changes in the rate of growth of construction activities as well as with changes in market prices of materials, in foreign exchange rates, interest rates and equity prices, to affect the Group's financial results or the value of its financial assets. It also includes the price of steel which is the main raw material (commodity). Its price is affected by the supply, the demand and the level of reserves in a global perspective. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return. The exposure of economic results of the Group to the above risks is low.

**Currency risk**

The exposure of the Group in foreign exchange risks mainly derives from existing or expected cash flows in foreign currency (imports/exports), as well as investments abroad. This risk is confronted in the framework of approved policies. The Group operates mainly in Europe and, therefore, the majority of its transactions is based on Euros, while the operation that takes place apart from Europe is based on Euro clause, and therefore the exchange rate risk is minimized. Most of the exchange rate differences of the Group accrue from Turkey due to the strong activity of the Group and the high volatility of the exchange rate of Euro - Turkish

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

lira. In order to have a further decrease of the currency risk, the Group has started hedging with forward contracts, ensuring a stable exchange rate between Euros and Turkish Lira, Euros and US Dollar.

The Group is exposed to currency risk from its activities in Turkey, Serbia, Romania, the United Kingdom, Russia and China and changes in these currencies against the Euro, but the other activities are carried out with a Euro clause.

The Group operates mainly in Europe and, therefore, the majority of its transactions is based on Euros. In addition, the operation that takes place apart from Europe is based on Euro clause, and therefore the exchange rate risk is minimized.

The following table shows the exchange rates between the euro and the currencies of countries operating subsidiaries.

Exchange rate Euro/	Country	Exchange rate 31.12.2017	Average exchange rate 2017
Serbian Dinar	Serbia	118,4727	121,3572
Turkish Lira	Turkey	4,5155	4,1144
Romanian Lei	Romania	4,6585	4,5738
UK Sterling	England	0,8873	0,8756
Chinese RMB	China	7,8044	7,6557
HK Dollar	Hong Kong	9,3720	8,8634
Ruble	Russia	69,3920	66,1795
Croatian Cuna	Croatia	7,4400	7,4573
Australian Dollar	Australia	1,5346	1,4795

All the Group's loans have been made in euros and therefore are not exposed to exchange rate risk.

**Interest rate risk**

The loan liabilities of the Group are based on pre-agreed and pre-set margins of interest, which according to the market conditions, may be changed into fixed, having as a result to minimize the impacts of fluctuations. Group's policy is to observe the trends of the interests and the duration of the financial needs and according to the existing conditions, the Group determines the relation between long-term and short-term bank loans.

The Group's policy is to continuously observe the tendency of the interest rates, as well as the duration of the financial needs. According to the current conditions, the Group determines the relation between long-term and short-term bank loans. The loan liabilities of Group are on a flexible rate basis, which can be maintain flexible or convert to fixed rate, according to market conditions. The flexible exchange rates are calculated based on Euribor plus spread.

The Group does not maintain commodity contracts, except from those required for the cover of needs using and selling. These contracts are not settled out by netting. Moreover, the Group has no exposure to bonds and treasury bills.

The Parent Company operates in a corporate environment characterized by volatility concerning the interest rates, prices of raw materials and energy, the sensitivity analysis of which shows the following:

Amounts in thous. €	Earnings Before Tax	Change in Profit in thous. €	Change in Equity in thous. €
Reported Earnings 2017	7.524	0	0
+5 % in interest rates	6.303	(1.222)	(1.222)
+0,5% in interest rates	7.647	122	122
5% increase in cost of raw material	4.927	(2.597)	(2.597)
5% decrease in cost of raw material	10.122	2.597	2.597
10% increase in energy prices	7.111	(413)	(413)
10% decrease in energy prices	7.938	413	413

## Fair values

### *Fair values versus carrying amounts*

The fair values of financial assets and liabilities, together with the carrying amount shown in the Statement of Financial Position, are as follows:

<b>GROUP</b>	<b>31.12.2017</b>		<b>31.12.2016</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
<b><i>Financial assets</i></b>				
Receivables	30.383.418,33	30.383.418,33	29.741.075,48	29.741.075,48
Other long term receivables	6.133.158,18	6.133.158,18	5.549.014,58	5.549.014,58
Cash and cash equivalents	17.611.862,55	17.611.862,55	25.721.214,75	25.721.214,75
<b><i>Financial liabilities</i></b>				
Long term loans	18.827.421,95	18.827.421,95	7.099.451,68	7.099.451,68
Short term loans	7.212.764,95	7.212.764,95	16.604.586,20	16.604.586,20
Other long term liabilities	1.617.663,39	1.617.663,39	4.625.454,32	4.625.454,32
Suppliers and other liabilities	15.653.613,14	15.653.613,14	12.286.853,31	12.286.853,31
<b><u>COMPANY</u></b>				
<b><i>Financial assets</i></b>				
Investments	19.297.626,00	19.297.626,00	19.297.626,00	19.297.626,00
Receivables	25.060.326,06	25.060.326,06	23.590.369,97	23.590.369,97
Other long term receivables	5.676.432,96	5.676.432,96	5.089.675,39	5.089.675,39
Cash and cash equivalents	5.440.443,23	5.440.443,23	12.177.287,24	12.177.287,24
<b><i>Financial liabilities</i></b>				
Long term loans	18.707.145,42	18.707.145,42	6.850.000,00	6.850.000,00
Short term loans	4.602.854,58	4.602.854,58	13.700.000,00	13.700.000,00
Other long term liabilities	1.038.725,25	1.038.725,25	1.088.119,22	1.088.119,22
Suppliers and other liabilities	16.233.471,97	16.233.471,97	15.121.072,19	15.121.072,19

The Group adopted the amended IFRS 7 "Financial Instruments: Disclosures". The revised text requires additional disclosures about fair value of financial instruments recorded at fair value in three level hierarchy.

### ***Fair value hierarchy***

In particular, the Group classifies its financial instruments in the following three levels, depending on the quality of the data used to estimate fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: these are data that are directly or indirectly identifiable and concern elements to be evaluated (this category excludes items of level 1)
- Level 3: data that is derived from estimates of the business itself as there are no identifiable data in the market

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

During the year there were no transfers between Level 1 and Level 2 and no transfers into and out of Level 3 for the measurement of fair value.

The amounts disclosed in the financial statements for cash, trade and other receivables, as well as trade and other payables and short term borrowings, approximate their respective fair values due to their short maturity. The fair value of long-term loans is almost the same as the accounting value, as the loans are in local currency and interest at a floating rate.

The financial instruments of the Group and of the Company that are measured at fair value are classified as follows:

***Fair Value Hierarchy***

	Level 1	Level 2	Level 3	TOTAL
<b>2017</b>				
Shares	184.450,00	-	6.006,00	190.456,00
<b>Financial Assets at FV through P&amp;L</b>	<b>184.450,00</b>	<b>-</b>	<b>6.006,00</b>	<b>190.456,00</b>
	Level 1	Level 2	Level 3	TOTAL
<b>2016</b>				
ΜΕΤΟΧΕΣ	139.965,00	-	6.006,00	145.971,00
<b>Financial Assets hold FV through P&amp;L</b>	<b>139.965,00</b>	<b>-</b>	<b>6.006,00</b>	<b>145.971,00</b>

The figures on the table above are the same for both the parent company and the group.

### 34.5 CAPITAL MANAGEMENT

Regarding the Company's capital management strategy, the Management seeks to ensure its ability to continue its activities (going - concern). This is achieved by maintaining healthy capital ratios in order to support the Group's activities and maximize shareholder value.

For the purpose of capital management, the Group monitors the ratio "Net Debt to Total Equity". As net debt, the Group defines total interest bearing borrowings minus cash and cash equivalents .

For the years 2016 and 2015, this ratio is analysed as follows:

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Long-term debt	18.827.421,95	7.099.451,68	18.707.145,42	6.850.000,00
Short-term debt	7.212.764,95	16.604.586,20	4.602.854,58	13.700.000,00
Minus: Cash and cash equivalents	17.611.862,55	25.721.214,75	5.440.443,23	12.177.287,24
<b>Net Debt</b>	<b>8.428.324,35</b>	<b>(2.017.176,87)</b>	<b>17.869.556,77</b>	<b>8.372.712,76</b>
Equity	<b>76.846.080,01</b>	<b>90.855.367,34</b>	<b>57.166.127,74</b>	<b>72.122.940,68</b>
<b>Net Debt / Equity</b>	<b>0,11</b>	<b>(0,02)</b>	<b>0,31</b>	<b>0,12</b>

### 35. BORROWING COST

The Group and the Company have adopted and applied the Amendment of IAS 23 according to which, it is mandatory to capitalize the borrowing cost that concerns directly the acquisition, construction or manufacture of a fixed asset.



**36. EXISTENT REAL ENCUMBRANCES**

There are not real or other encumbrances on the Group's Fixed Assets.

**37. EVENTS AFTER THE BALANCE SHEET DATE**

There are no other important events, which affect the financial status and results of the Group and the Company, occurring after 31 December 2016.

**Kilkis 29<sup>th</sup> of June 2018**

President of the Board of Directors	Vice President of the Board of Directors	Managing Director	Deputy Managing Director	Group Chief Financial Officer	Parent Company Chief Financial Officer
Nikolaos K. Koukountzos	Menelaos K. Koukountzos	Konstantinos N. Koukountzos	Nikolaos N. Koukountzos	Aristides N. Zervas	Christos N. Petrides

**FINANCIAL FIGURES AND INFORMATION FROM 1st JANUARY TO 31st  
DECEMBER 2017**
**KLEEMANN HELLAS S.A.**

Registration Number: 10920/06/B/86/40

Head Offices: Industrial Area Stavrochori, Kilkis

(published according to L. 2190/20, article 135 for companies that prepare annual financial statements, consolidated and non-consolidated, according to IFRS)

The financial data and information contained below is only for general information purposes regarding the financial position and results of KLEEMANN HELLAS S.A. Therefore, we recommend the users, before making any investment decision or proceeding to any transaction with the Company, to obtain the necessary information from the Company's website, where the financial statements are available in accordance with International Financial Reporting Standards, together with the auditors' report, are presented.

Observing Authority

**Ministry of Finance, Competiveness and Shipping.**
**G.G.E.,S.A., Conviction Department**

Company Web Site:

[www.kleemannlifts.com](http://www.kleemannlifts.com)

Board of Directors Composition

**President:** Nikolaos K. Koukountzos, **Vice-President:** Menelaos K. Koukountzos, **Managing Director:** Konstantinos N. Koukountzos, **Deputy Managing Director:** Nikolaos N. Koukountzos, **Non – executive member:** Maria D Karadedoglou, **Independent non – executive members:** Stergios N. Georgalis, Vasilios T. Ziogas

Date of approval of annual

Financial Statements

**29<sup>th</sup> of June 2018**

Certified Auditor Accountant:

**Vargemezis Christos (AM SOEL 30891)**

Certified Auditors' Company

**Grant Thornton (AM SOEL 127)**

Type of Auditing Report:

**Unqualified opinion**
**1.1 STATEMENT OF FINANCIAL POSITION (consolidated and non-consolidated)**
*Amounts expressed in thousands Euros*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12. 2016</b>
<b><u>ASSETS</u></b>				
Tangible Assets for own use	36.054	33.933	23.951	24.247
Investment Property	1.438	1.511	1.369	1.425
Intangible Assets	3.049	1.939	1.886	1.911
Other Non -Current Assets	8.923	8.050	27.367	26.575
Inventories	28.600	27.581	17.425	19.158
Trade Receivables	30.383	29.741	25.060	23.590
Other Current Assets	31.133	42.503	11.235	20.161
Goodwill	1.788	1.788	-	-
<b>TOTAL ASSETS</b>	<b>141.368</b>	<b>147.046</b>	<b>108.293</b>	<b>117.067</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
Share Capital	8.277	8.277	8.277	8.277
Other Equity	60.513	73.260	48.889	63.846
Equity attributable to the equity holders of the Parent (a)	68.790	81.537	57.166	72.123
Non-controlling Interest (b)	8.056	9.318	-	-
Total Equity (c) = (a) + (b)	76.846	90.855	57.166	72.123
Long-term borrowings	18.827	7.099	18.707	6.850
Provisions / Other Long – Term Liabilities	5.031	7.288	3.803	3.295
Short term liabilities	7.213	16.605	4.603	13.700
Other short - term Liabilities	33.451	25.199	24.014	21.099
Total Liabilities (d)	64.522	56.190	51.127	44.944
<b>TOTAL EQUITY &amp; LIABILITIES (c) + (d)</b>	<b>141.368</b>	<b>147.046</b>	<b>108.293</b>	<b>117.067</b>

(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)

## 1.2 STATEMENT OF TOTAL COMPREHENSIVE INCOME (consolidated and non-consolidated)

Amounts expressed in thousands Euros.

	GROUP Continuing operation		COMPANY Continuing operation	
	01.01- 31.12. 2017	01.01- 31.12. 2016	01.01-31.12. 2017	01.01- 31.12. 2016
<b>Revenues</b>	<b>134.652</b>	<b>115.859</b>	<b>92.756</b>	<b>81.113</b>
<b>Gross Profit</b>	<b>46.635</b>	<b>38.193</b>	<b>28.023</b>	<b>21.091</b>
<b>Profit before tax, financial and investing results</b>	<b>14.739</b>	<b>6.101</b>	<b>6.982</b>	<b>1.415</b>
<b>Profit (losses) before tax</b>	<b>13.043</b>	<b>5.322</b>	<b>7.524</b>	<b>1.976</b>
<b>Profit (losses) after tax (A)</b>	<b>9.945</b>	<b>3.989</b>	<b>5.740</b>	<b>2.035</b>
Equity holders of the Parent Company	8.813	3.537	-	-
Non-controlling Interest	1.132	452	-	-
<b>Other comprehensive income after tax (B)</b>	<b>(1.253)</b>	<b>(1.503)</b>	<b>(194)</b>	<b>(25)</b>
<b>Total comprehensive income after tax (A+B)</b>	<b>8.692</b>	<b>2.486</b>	<b>5.546</b>	<b>2.010</b>
Equity holders of the Parent	7.844	2.308	-	-
Non-controlling Interest	848	178	-	-
<b>Earnings (losses) per share after tax –Basic (in Euros)</b>	<b>0,3727</b>	<b>0,1495</b>	<b>0,2427</b>	<b>0,0861</b>
Proposed dividend per share (in €)	-	-	-	-
<b>Profit before interest, tax, depreciation and amortization (EBITDA)</b>	<b>16.997</b>	<b>8.318</b>	<b>8.521</b>	<b>2.984</b>

## 1.3 STATEMENT OF CHANGES IN EQUITY FIGURES OF THE YEAR (consolidated and non-consolidated)

Amounts expressed in thousands Euros

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Equity Capital in the beginning of the period (01.01.2017 and 01.01.2016, correspondingly)	90.855	88.810	72.123	70.113
Total comprehensive income, after tax (continuing and discontinued operations)	8.692	2.486	5.546	2.010
Increase of Share Capital	(16.500)	-	-	-
Distributed Dividend	(6.133)	(355)	(20.497)	-
Purchases / (sales) of own shares	-	-	-	-
Other movements	(68)	(86)	(6)	-
Equity Capital in the end of the period (31.12. 2017 and 31.12.2016 correspondingly)	<b>76.846</b>	<b>90.855</b>	<b>57.166</b>	<b>72.123</b>

**1.4 CASH FLOW STATEMENT FIGURES OF THE YEAR (consolidated and non-consolidated)** Amounts expressed in thousands Euros

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01.01- 31.12.2017</b>	<b>01.01- 31.12.2016</b>	<b>01.01- 31.12.2017</b>	<b>01.01- 31.12.2016</b>
<b><u>Operating Activities</u></b>				
Profit (loss) before Tax (continuing operations)	13.043	5.322	7.524	1.976
<b>Plus / minus adjustments for:</b>				
Depreciation	2.258	2.217	1.539	1.570
Impairment of tangible and intangible non-current assets	12	-	12	-
Provisions	2.068	2.410	1.403	727
Exchange Rate differences	(930)	(1.459)	-	-
Results (revenues, expenses, profits and losses) from Investing Activities	(338)	697	(2.255)	(1.603)
Interest charged and relevant expenses	1.129	1.076	916	809
Plus / minus adjustments for alterations in working capital accounts or related with operating activities:				
Decrease / (increase) of Inventories	(1.947)	(1.495)	927	(580)
Decrease / (increase) of Receivables	217	(2.601)	(67)	8.125
(Decrease) / increase of Liabilities (except for bank Liabilities)	5.136	(110)	1.000	683
<b>Minus:</b>				
Interest payable and relevant expenses paid	(1.163)	(1.043)	(916)	(809)
Taxes paid	(1.351)	(2.619)	(103)	(1.290)
<b>Total inflows / (outflows) from operating activities (a)</b>	<b>18.134</b>	<b>2.395</b>	<b>9.980</b>	<b>9.608</b>
<b><u>Investing activities</u></b>				
Acquisition of subsidiaries, affiliated companies, joint-ventures and other investments	-	468	-	(6.532)
Purchase of tangible and intangible fixed assets	(5.523)	(3.180)	(1.178)	(1.189)
Receipts from sales of tangible and intangible fixed assets	50	117	4	-
Interests received	208	178	208	177
Dividends received	-	-	2.000	1.080
<b>Total inflows / (outflows) from investing activities (b)</b>	<b>(5.265)</b>	<b>(2.417)</b>	<b>1.034</b>	<b>(6.464)</b>
<b><u>Financing Activities</u></b>				
Share capital increase	-	-	-	-
Share capital decrease	(20.497)	-	(20.497)	-
Receipts from loans issued / undertaken	28.510	21.370	28.510	19.670
Payment of loans	(26.743)	(15.660)	(25.750)	(15.570)
Settlement (payment) of financial leasing liabilities	(28)	78	-	-
Governments grants	-	-	-	-
Dividends paid	(2.220)	(709)	(14)	(298)
<b>Total Inflows / (outflows) from Financing Activities (c)</b>	<b>(20.978)</b>	<b>5.079</b>	<b>(17.751)</b>	<b>3.802</b>
<b>Net increase in cash and cash equivalents of the period (a) + (b) + (c)</b>	<b>(8.109)</b>	<b>5.057</b>	<b>(6.737)</b>	<b>6.946</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>25.721</b>	<b>20.664</b>	<b>12.177</b>	<b>5.231</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>17.612</b>	<b>25.721</b>	<b>5.440</b>	<b>12.177</b>

**1.** Note 3.22 of the Group Financial Statements contains the names of all subsidiary companies and their related information (locations, participation percentage and consolidation method).

**2.** The Annual Financial Statements December 31, 2017, have been prepared under the accounting policies followed in preparing the Annual Financial Statements for the year ended December 31, 2017.

**3.** The fiscal years that are unaudited by the tax authorities for the Parent Company and the Group's subsidiaries are presented in detail in note 28 in the Financial Statements.

**4.** In note 8, the following changes are mentioned which concern the company's participations. On May 2017, KLEEMANN LIFTS UK Ltd proceeded in establishing a subsidiary company in Paris, named KLEEMANN ASCENSEURS SARL., aiming to further strengthen its presence in the market of France. The initial share capital of the new subsidiary amounts to Euros 100 thous. and the shareholder by 100% is KLEEMANN LIFTS UK Ltd. The purpose of the new company is the trading of complete elevator systems in the domestic market.

On July 19, 2017, Kleemann Lifts UK Ltd. decided to proceed to a capital increase, amounting to 2.0 mln euros, in the subsidiary company of Hong Kong, HONG KONG ELEVATOR SYSTEMS LIMITED, to be used in the future for a share capital increase in order to fund new investments in China.

On December 2017, Hong Kong Elevator Systems Limited decided to proceed to a capital increase, amounting to 2.5 mln euros, in the subsidiary company of China, KLEEMANN LIFTS (CHINA) Co. Ltd, to be used in the future for a share capital increase in order to fund new investments.

**5.** There are no encumbrances on the tangible assets of both Parent Company and subsidiaries, included in the above consolidation.

**6.** There are neither any judicial or arbitral differences of both the Company and the Group, nor any decisions of judicial or arbitral authorities to cause any significant consequence on the financial position of the Company and of the Group.

**7.** The amount of cumulative provisions which have been realized until 31.12.2017 are:

(amounts in thous. euros)	<u>Group</u>	<u>Company</u>
a) for fiscal years unaudited by tax authorities	282	0
b) for other provisions (depreciation of assets, provision for retirement benefits etc.)	31.603	27.152

**8.** Number of personnel at the end of the reporting fiscal year: Parent Company 854 (31.12.2016: 806), Group 1.382 (31.12.2016: 1.249).

**9.** The amounts of revenues and expenses accumulatively from the beginning of the fiscal year and the outstanding balances of receivables and payables of the Company to and from its related parties at the end of the current period (according to the provisions of IAS 24) were as follows:

(amounts in thous. euros)	<u>Group</u>	<u>Company</u>
a) Sales of goods and services	856	28.553
b) Purchases of goods and services	4.989	13.634
c) Receivables	426	7.846
d) Liabilities	955	7.027
e) Transactions and rewards of Highest Officials and members of the Management	1.050	481
f) Receivables from Highest Officials and members of the Management	0	0

**(AMOUNTS IN EUROS UNLESS IT IS MENTIONED DIFFERENTLY)**

g) Liabilities to Highest Officials and members of the Management 5 5

**10.** There has been no discontinuance of operations or the Company. Both the Parent company and the subsidiaries and the associates do not hold shares of the Parent Company on December 31, 2017.

**11.** There has been no discontinuance of operations or the Company.

**12.** There are no changes concerning the consolidation method of the companies being consolidated at the consolidated Annual Financial Statements and also, there are no companies or/and partnerships that the Company participates in and they are not included at the consolidated Annual Financial Statements of the Group. Except from KLEEMANN ASCENSEURS SARL, there are no companies or/and partnerships that:

- a) Have been included in the consolidated Annual Financial Statements of the Group at the current fiscal year, while not being included at the previous one,
- b) Have not been included in the consolidated Annual Financial Statements of the Group at the current fiscal year, while being included at the previous one.

**13.** Other comprehensive income (after tax), which is recognized directly in Group's Equity is analyzed below (amounts in thous. Euros):

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01.01- 31.12.17</b>	<b>01.01- 31.12.16</b>	<b>01.01- 31.12.17</b>	<b>01.01- 31.12.16</b>
Exchange rate differences from the conversion of foreign subsidiaries	(1.027)	(1.454)	-	-
Actuarial gains / (losses)	(306)	(202)	(274)	(179)
Revaluation of assets	80	153	80	153
Other comprehensive income	<b>(1.253)</b>	<b>(1.503)</b>	<b>(194)</b>	<b>(26)</b>

**14.** Investments for the fiscal year 2017 for the Group amounted to Euros 5.653 thous (Euros 3. 217 thous in 2016) and Euros 1.177 thous in 2017 (Euros 1.190 thous in 2016), for the Company, respectively.

**15.** Income Tax, included in the income statement, is analyzed, as follows (amounts in thous euros):

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01.01- 31.12.17</b>	<b>01.01- 31.12.16</b>	<b>01.01- 31.12.17</b>	<b>01.01- 31.12.16</b>
Current Income Tax	3.471	1.525	1.911	3
Tax of previous fiscal years	(176)	400	-	400
Tax provisions of tax audit	-	20	-	20
Deferred Tax	(197)	(611)	(127)	(482)
<b>Total</b>	<b>3.098</b>	<b>1.334</b>	<b>1.784</b>	<b>(59)</b>

**16.** Any differences in the adding up of figures is due to rounding.

## Industrial Area of Stavrochori, Kilkis 29 June 2018

CHAIRMAN OF THE B.O.D.	VICE PRESIDENT OF THE B.O.D.	MANAGING DIRECTOR	DEPUTY MANAGING DIRECTOR	GROUP CHIEF FINANCIAL OFFICER	PARENT COMPANY CHIEF FINANCIAL OFFICER
Nikolaos K. Koukountzos	Menelaos K. Koukountzos	Konstantinos N. Koukountzos	Nikolaos N. Koukountzos	Aristides N. Zervas	Christros N. Petridis
I.D. Number: AB 454713	I.D. Number: AB 454710	I.D. Number: AE 171629	I.D. Number: T 230395	N. Of 1st Class License: 37232	N. Of 1st Class License: 20384

**WEBSITE WHERE THE FINANCIAL STATEMENTS ARE DISCLOSED**

For the continuous and timely information of its investors and shareholders, the Company has a website in the internet, at the address <https://kleemannlifts.com>.