ANNUAL FINANCIAL REPORT

AS AT 31 DECEMBER 2019

According to the International Financial Reporting Standards

FITCO S. A
G.C. REGISTRY: 6489301000
Athens Tower, Building B, 2-4Mesogeion Avenue, 11527

Contents

Board of Directors Annual Financial Report

This Annual Financial Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2019 (1 January – 31 December 2019). This report was prepared in line with the relevant provisions of Law 4548/2018.

This report presents detailed financial information of the company FITCO METAL WORKS S.A. (hereinafter referred to for the purpose of brevity as "Company" or "FITCO") for the year 2019, important events that took place during the said year and their effect on the annual financial statements. It also points out the main risks and uncertainties were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The Company has no branches.

A. Financials - Business report - Major events

During the year 2019, recovery in the euro area was slightly increased. The average copper's price was Euro 5,358 per ton for the financial year of 2019, compared to the financial year of 2018, which was Euro 5,519 per ton. The average price of zinc dropped to Euro 2,273 per ton, compared to financial year of 2018, which was Euro 2,467 per ton.

For the financial year 2019, turnover amounted to Euro 73.8 million decreased by 9.6%, compared to Euro 81.7 million for the previous fiscal year. The decrease in turnover is attributable to the reduced sales volume by 4.6% and the metal result losses amounted to Euro 0.9 million for 2019 compared to losses of Euro 1.1 million in 2018. The earnings before interest, taxes and depreciation and amortization (EBITDA) considered to profits of Euro 0.6 million for 2019, compared to prior year profits of Euro 1.1 million, declined by approximately 40%, that were mainly affected by the reduced metal prices. Specifically, the adjusted earnings before interest, taxes and depreciation and amortization (a-EBITDA), which isolate the effect of the metal prices and reflect better the operating profitability of the Company, recorded profits of Euro 1.5 million for the year 2019 compared to profits of Euro 2.2 million in prior year, reduced by 28%. The earnings before interest and taxes (EBIT) considered to losses of Euro 0.6 million, compared to losses of Euro 0.1 in 2018. Finally, net results (losses) after taxes amounted to Euro 1.5 million, compared to the year of 2018, which were Euro 0.3 million.

During 2019, the cost saving initiatives were continued as well as production restructuring programs through optimization and reorganization of production processes. For these purposes, the Company proceeded to limited investments, which included mainly some necessary improvements – upgrades to existing machinery, with total cost of Euro 0.6 million.

Also, the net debt for the fiscal year was Euro 19.0 million, compared to prior year, which amounted to Euro 17.1 million.

On 01.03.2020 the General Assembly of the Company decided the share capital increase by Euro 5 million, with cash, that was completed with the num: 1534150/01-04-2019 decision of the business registry (ΓΕΜΗ).

B. Financial standing

The ratios, which express the Company's financial position, had the following evolution:

Ratios	31/12/2019	31/12/2018
Liquidity Current Assets/Current Liabilities	0.93	0.97
Leverage Equity/ Loans & Borrowings	0.94	0.86
Return on Invested Capital Operating Profit (Loss)/ Equity + Loans & Borrowings	(1.6)%	(0.4)%
Return on Equity Net Profit (Loss)/Equity	(8.29)%	(2.15)%

C. Corporate Social Responsibility and Sustainable Development

Reference to non-Financial Information

FITCO is 100% subsidiary of ELVALHALCOR S.A.. The non-Financial Information Report of ELVALHALCOR includes information about the major production subsidiaries that are consolidated, including FITCO S.A. The subsidiaries which represent more than 1% of the consolidated turnover of ELVALHALCOR, are the most important and are also presented in the Sustainability Report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI-Standards). For more information visit the websites www.elvalhalcor.com/sustainability/reporting/overview/, and www.fitco.gr .

Environment

FITCO, considering the big environmental issues that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and by minimizing its environmental footprint.

The protection of the environment is implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques) that have been established by the European Union. In the context of adoption of the Best Available Techniques, the production processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, and not only in terms of waste produced.

Human resources

One of the main advantages of Fitco is the quality of human capital that is credited a large share of its hitherto successful course. For this reason, the company gives great consideration to the selection, evaluation and rewarding of its staff.

Fitco's policy is to attract highly quality individuals which optimaly and timely meet its needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment through transparent procedures.

Fitco, in the context of its responsible operation, has established a code of values and behaviour of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Internal Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of the equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is higher.

Moreover, FITCO seeks and ensures jobs and recruitment from the wider society, Viotia and Evia, supporting the employment in the region.

Health and Safety

FITCO cares of creating and maintaining a modern and safe working environment, which is continuously improved, reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work.

In 2019, further steps were taken to improve the security culture while the training of employees to create a safe working environment was intensified. FITCO's virtue is the recording and reporting of "near misses", something that is key element for improving and advancing worker safety.

D. Main Risks and Uncertainties

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

Credit Risk

The Company's exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. No client exceeds 10% of total sales and, consequently, commercial risk is spread over many clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) to secure its receivables, if possible.

The Company makes allowances which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Investments

Investments are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition and reviews such classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

Guarantees

The Company's policy consists in not providing any financial guarantees unless the Board of Directors decides so on an exceptional basis. The guarantees that the Group has given are in low level and do not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Noted that on the 31^{st} of December, 2019, the Company held an amount of Euro 0.826 thousands of cash and the necessary approved (but unused) credit lines, so it can easily serve short and medium term obligations.

In order to avoid liquidity risk the Company makes a cash flow projection for one year when preparing the annual budget as well as a monthly rolling projection for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not consider the impact of extreme conditions which cannot be foreseen.

Market Risk

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

The Company enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

Fluctuation risk of metal prices (Copper, Zinc, other metals)

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

Exchange rate risk

The Company is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of the Company, which is mainly Euro. The currencies in which these transactions are held are mainly Euro, USD and GBP.

Over time, the Company hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Company enters mainly into currency forward contracts with external counterparties to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Company's operating activities and is mostly Euro.

Interest rate risk

The Company finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Company rise.

The interest rate risk can be reduced because a share of the Company's loans has fixed interest rates.

Capital management

The Company's policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Company and to allow Company activities to expand in the future. The Board of Directors monitors the return on capital employed which is defined by the Company as net results divided by total equity. Also, the Board of Directors observes the level of dividends to ordinary shareholders.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

There were no changes in the approach adopted by the Company in how capital was managed during the year.

Macro-economic environment
In the context of the said analysis, the Company have evaluated any impacts that may be realized in the management of financial risks due to macroeconomic conditions in the markets that they operate.

Considering, however, the following:

1. The nature of the Company's operations, as exporting,
2. The financial standing of the Company,
3. The production capacity of the units

It is obvious that there are adequate cash flows to cover the imports of raw material which are necessary for the production. The availability and the prices of the basic material follow the international market and are not affected by the domestic situation in Greece or in another country.

Nevertheless, the Management constantly evaluates the situation and its possible implications, in order to secure that all necessary and possible measures and actions have been taken for the minimization of any negative impact to the Company's activities.

Finally, the parent company's support is certain, as proved during the fiscal year.

E. Goals and Prospects

For the year 2020, the Company will continue to have as its main strategic goal to increase its market share in industrial products and to strengthen its activity in new markets that have not been affected by the economic downturn. In addition, for this current year, the optimal management of working capital and the reduction of net borrowing are our main priorities. The Company monitors the developments regarding the spread of the corona virus and is prepared to react in any transient fluctuations in demand. As the macro trends remain positive for the products for Company, the long-term plan remains firm.

F. Subsequent events

1. As the Covid-19 pandemic continues to evolve, it remains difficult to predict the full extent of its financial and business impact. Although, it should be noted that the Company's figures have not been substantially affected until the publication of this report. The Company responded immediately, prioritising health and safety of its human resources, suppliers and partners as implemented measures that secured the smooth operation of its production, with the minimum possible impact in response to the COVID-19 dispersal. As the imposition of restrictions of movement and the production in significant export destinations negatively affected March - April the shipments, the Company return, taking advantage of the opportunities occurred.

   The Management has taken all the necessary measures to ensure the uninterrupted operation of the Company. The Company is ready to respond to changes in demand, and as a result, there are no uncertainties regarding its ability to continue its activities smoothly, at any level of its supply chain. Its investment plan remains the same, as its exposure to credit risk is limited, while maintaining all the appropriate approved credit lines for its smooth operation.

   There are no other significant events within 2020 that affect the financial position of the Company.

THE PRESIDENT OF THE BOD	THE MEMBER OF THE BOD	THE MEMBER OF THE BOD	THE CHIEF FINANCIAL OFFICER
NIKOLAOS KOUDOUNIS	ANDREAS GONTZES	VASILEIOS GONTZES	SPYRIDON KOKKOLIS

FINANCIAL STATEMENTS

For the period 1/1/2019-31/12/2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MEMBER OF THE B.o.D.	THE MEMBER OF THE B.o.D.	THE CHIEF FINANCIAL OFFICER
NIKOLAOS KOUDOUNIS ID No. AE 012572	ANDREAS GONTZES ID No. X 170406	VASILEIOS GONTZES ID No. X 561428	SPYRIDON KOKKOLIS ID No AN 659640 Reg.Nr. A'Class 20872

I. Statement of Financial Position

EUR	*Note:*	31/12/2019	31/12/2018
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	23,743,598	24,334,145
Right of use assets	*27*	132,421	-
Intangible assets and goodwill	*10*	47,003	62,988
Investment property	*11*	-	1,711,035
Other Investments	*12*	1,816,067	-
Trade and other receivables	*15*	3,537	1,867
		25,742,625	**26,110,035**
Current Assets			
Inventories	*14*	18,325,855	14,886,271
Trade and other receivables	*15*	4,441,251	6,037,664
Derivatives	*16*	1,997	222,439
Cash and cash equivalents	*17*	826,667	950,425
		23,595,769	**22,096,799**
Total assets		**49,338,394**	**48,206,834**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	*18*	15,329,780	10,384,770
Other reserves	*18*	6,563,908	7,340,535
Retained earnings/(losses)		(3,162,561)	(2,130,961)
Total equity		**18,731,127**	**15,594,994**
LIABILITIES			
Non-current liabilities			
Loans and Borrowings	*19*	-	4,562,300
Lease liabilities	*19*	98,754	-
Deferred tax liabilities	*13*	4,164,082	4,446,772
Employee benefits	*20*	378,413	352,149
Grants	*21*	481,082	529,467
		5,122,331	**9,890,688**
Current liabilities			
Trade and other payables	*22*	4,135,636	9,199,705
Contract liabilities		1,486,869	1,542
Loans and Borrowings	*19*	19,733,216	13,511,779
Lease liabilities	*19*	37,438	-
Derivatives	*16*	91,778	8,776
		25,484,938	**22,721,802**
Total liabilities		**30,607,269**	**32,612,490**
Total equity and liabilities		**49,338,396**	**48,206,834**

The notes on pages 15 to 48 constitute an integral part of these Financial Statements.

The Company applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. (see Note 27).

II. Statement of Profit and Loss

EUR	*Note*	**2019**	**2018**
Revenue	*5*	**73,807,227**	**81,683,747**
Cost of Sales	*7*	(72,353,245)	(79,776,880)
Gross Profit		**1,453,982**	**1,906,868**
Other Income	*6*	453,844	467,735
Selling and Distribution expenses	*7*	(901,098)	(973,986)
Administrative expenses	*7*	(1,380,677)	(1,231,055)
Impairment loss on receivables and contract assets	*23*	181,503	(34,699)
Other Expenses	*6*	(409,592)	(268,131)
Operating profit / (loss)		**(602,038)**	**(133,270)**
Finance Income	*8*	659	326
Finance Costs	*8*	(1,138,756)	(1,225,690)
Net Finance income / (cost)		**(1,138,098)**	**(1,225,365)**
Profit/(Loss) before income tax		**(1,740,135)**	**(1,358,635)**
Income tax expense	*13*	187,820	1,022,998
Profit/(Loss) for the year		**(1,552,315)**	**(335,637)**

The notes on pages 15 to 48 constitute an integral part of these Financial Statements.

The Company applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated (see Note 27).

III. Statement of Other Comprehensive Income

EUR	*Note*	**2019**	**2018**
Profit / (Loss) of the period from continued operations		**(1,552,315)**	**(335,637)**
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability		(47,340)	(21,620)
Related tax	*13*	11,362	6,270
Total		**(35,978)**	**(15,350)**
Items that are or may be reclassified to profit or loss			
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion		(89,781)	599,280
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss		(213,663)	(192,809)
Related Tax	*13*	83,510	(117,877)
Total		**(219,934)**	**288,595**
Other comprehensive income / (expense) after tax		**(255,913)**	**273,245**
Total comprehensive income / (expense) after tax		**(1,808,227)**	**(62,392)**

The notes on pages 15 to 48 constitute an integral part of these Financial Statements.

The Company applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated (see Note 27).

IV. Statement of Equity Movements

EUR	Share capital	Fair Value Reserves	Other Reserves	Reserves for Revaluation of Fixed Assets to Fair Value	Results carried forward	Total Equity
Balance as at 1 January 2018	**10,384,770**	**(1,382)**	**327,284**	**7,277,439**	**(2,331,375)**	**15,656,735**
Net profit/(loss) of the period	-	-	-	-	(335,637)	**(335,637)**
Other comprehensive income, net of taxes	-	288,595	-	-	(15,350)	**273,245**
Total comprehensive income	**-**	**288,595**	**-**	**-**	**(350,986)**	**(62,392)**
<u>Transactions with owners of the company</u>						
Transfer of reserves	-	-	-	(551,400)	551,400	**-**
Total transactions with owners of the company	**-**	**-**	**-**	**(551,400)**	**551,400**	**-**
Balance as at 31 December 2018	**10,384,770**	**287,213**	**327,284**	**6,726,039**	**(2,130,960)**	**15,594,344**
Balance as at 1 January 2019	**10,384,770**	**287,213**	**327,284**	**6,726,039**	**(2,130,960)**	**15,594,344**
Net profit/(loss) of the period	-	-	-	-	(1,552,315)	**(1,552,315)**
Other comprehensive income, net of taxes	-	(219,934)	-	-	(35,978)	**(255,913)**
Total comprehensive income	**-**	**(219,934)**	**-**	**-**	**(1,588,294)**	**(1,808,228)**
<u>Transactions with owners of the company</u>						
Issuance of share capital	4,945,010	-	-	-	-	**4,945,010**
Transfer of reserves	-	-	-	(556,693)	556,693	**-**
Total transactions with owners of the company	**4,945,010**	**-**	**-**	**-**	**-**	**4,945,010**
Balance as at 31 December 2019	**15,329,780**	**67,278**	**327,284**	**6,169,346**	**(3,162,561)**	**18,731,125**

The notes on pages 15 to 48 constitute an integral part of these Financial Statements.

The Company applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated (see Note 27).

V. Statement of Cash Flows

EUR	*Note*	**31/12/2019**	**31/12/2018**
Cash flows from operating activities			
Profit / (loss) after taxes		(1,552,315)	(335,635)
Adjustments for:			
Tax	*13*	(187,820)	(1,022,998)
Depreciation and Amortization		**1,257,985**	**1,220,199**
Depreciation of tangible assets	*9*	1,230,434	1,221,586
Depreciation of right of use assets	*27*	40,198	-
Depreciation of intangible assets	*10*	15,986	20,661
Depreciation of Investment Property	*11*	19,753	26,337
Amortization of grants	*21*	(48,385)	(48,385)
Finance Income	*7*	(659)	(326)
Interest charges & related expenses	*7*	1,138,757	1,225,690
(Profit) / loss from sale of tangible assets	*6*	18,775	-
(Profit) / loss from sale of investment property	*6*	(123,783)	-
Impairment of inventories	*14*	(587,487)	587,487
Impairment/ (Reversal of Impairment) of receivables	*23*	(181,503)	34,699
		(218,051)	**1,709,117**
Decrease / (increase) in inventories		(3,439,584)	1,271,209
Decrease / (increase) in receivables		1,776,247	4,492,659
(Decrease) / Increase in liabilities (minus banks)		(4,901,420)	(8,642,587)
(Decrease) / Increase in defined benefit obligation		26,264	30,741
(Decrease) / Increase in contract liabilities		1,485,327	-
(Other provisions)/Reversal of provisions		-	280,502
		(5,053,165)	**(2,567,476)**
Interest charges & related expenses paid		(1,013,912)	(1,225,690)
Net Cash flows from operating activities		**(6,285,128)**	**(2,084,050)**
Cash flows from investing activities			
Purchase of tangible assets		(521,922)	(234,212)
Proceeds from sales of fixed assets		24,385	-
Interest received		659	326
Acquisition of other investments		(1,000)	-
Net Cash flows from investing activities		**(497,878)**	**(233,886)**
Cash flows from financing activities			
Loans received		5,132,024	6,533,113
Loans settlement		(3,364,659)	(3,848,964)
Payment of lease liabilities		(53,127)	-
Proceeds /(payment) from capital increase/(decrease)		4,945,010	-
Net cash flows from financing activities		**6,659,248**	**2,684,149**
Net (decrease)/ increase in cash and cash equivalents		**(123,758)**	**366,213**
Cash and cash equivalents at the beginning of period		950,425	584,211
Cash and cash equivalents at the end of period		**826,667**	**950,424**

The notes on pages 15 to 48 constitute an integral part of these Financial Statements.

The Company applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. (see Note 27).

VI. Notes to the Financial Statements

1. Information about the Company

FITCO Metal Works S.A. or "FITCO", or "the Company" was established in 2005 and it is registered in the Register of Societes Anonyme G.C.Registry. : 6489301000.

With the decision of the General Assembly on 31.07.2019 for the amendment of its Article of Association, the term of the company has been set to 50 years from the publication of this, namely until 2200 and it is a subsidiary of ElvalHalcor S.A. and member of Viohalco SA/NV.

FITCO produces extruded and rolled products of copper, zinc, brass and other copper alloys. The Company is vertically integrated and is a leader in the production of brass tubes and bars.

These financial statements of the "Company" are included in the consolidated financial statements of the parent Company ELVALHALCOR S.A..

The main activities of the Company are the production and the trading of extruded products of brass.

The Company is mainly active in Greece, Italy, Germany, United Kingdom, Bulgaria, Poland, Serbia, Portugal and Turkey.

The "Company" is seated Athens, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525. The Company's main ofices as well as the contact address are at the 53rd km. National Road Athens -Lamia, Inofyta, Pr. of Viotia, GR 320 11. For more information about the Company and its activities, please visit the Company's website (**www.fitco.gr*)*.

2. Basis of preparation of the Financial Statements

(a) Compliance Statement

The Financial Statements have been prepared in accordance with the IFRS as adopted by the European Union. These IFRS may be different from the IFRS that are issued by International Accounting Standards Board issues.

The Financial Statements have been prepared on the basis of going concern and in this context a capital increase of 5 million euros has been provided by the parent company during the fiscal year.

The Financial Statements ended on December 31, 2019, have been approved by the Company's Board of Directors on July 22, 2020.

(b) Basis of Measurement

The Financial Statements have been prepared in accordance with the historical cost basis except the financial instruments at fair value, buildings and machinery.

(c) Operating Currency and Presentation

The Financial Statements are presented in Euro, which is the operating currency of the "Company". The amounts reported in the Financial Statements are in Euro and they are rounded to the nearest unit (any differences in totals are due to rounding).

(d) Application of Estimates and Judgments

Preparing financial statements in line with the IFRS requires that Management take decisions, make assessments and assumptions which affect the implementation of accounting policies, and the book amounts of assets, liabilities, income and expenses. The actual results may finally differ from such estimates.

The previous assessments and related assumptions are reconsidered on an ongoing basis. These reconsiderations are recognized in the current and in any subsequent period.

Remarkable information about the areas where uncertainty exist about the assessments and critical decisions regarding the implementation of accounting policies, with significant impact on the figures included in the Financial Statements, are presented in the following notes:

<u>Significant Assessments</u>

- <u>Evaluation of assets which are not measured in fair value:</u> The Group makes assessments for impairment of assets that aren't measured in fair value (Investments in subsidiaries and associates, Intangible assets, Receivables from customers).

3. Changes in the Accounting Policies

Certain new standards, amendments to existing standards and interpretations that are mandatory for periods beginning on or after 1.1.2019 have been issued. The Company's evaluation regarding the effect of those new standards, amendments to standards and interpretations is as follows:

<u>Standards and Interpretations effective for the current financial year</u>

IFRS 16 'Leases'

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Regarding the accounting treatment, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect of this standard on the Group is presented in note 27 of this report.

The standards below, amendments and interpretations that issued and affect the current financial year had no significant impact in the financial statements.

IFRS 9 (Amendments) 'Prepayment Features with Negative Compensation'

The amendments allow companies 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 instead of at fair value through profit or loss.

IAS 28 (Amendments) 'Long term interests in associates and joint ventures'

The amendments 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.

IFRIC 23 'Uncertainty over income tax treatments'

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) 'Plan amendment, curtailment or settlement'

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

IFRS 3 'Business combinations'

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 'Joint arrangements'

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 'Income taxes'

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 'Borrowing costs'

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 17 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IFRS 3 (Amendments) 'Definition of a business' (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) 'Definition of material' (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

4. Significant Accounting Principles

The Company consistently applies the accounting principles for all periods when the financial statements are presented, with the exception of the application of the new standards, modifications of standards and interpretations mentioned above, the application of which is mandatory for the annual financial statements that start or after January 1, 2020.

4.1 Foreign currency

Transactions and balances that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions and from the conversion of monetary assets and liabilities from foreign to domestic currency using the current exchange rate are recorded in the profit and loss statement.

4.2 Financial assets and liabilities

a) Initial recognition and measurement

Financial assets and liabilities are recognized by the company at their acquisition date and measured at fair value, after the Management has considered the business model and the purpose for which they have been acquired.

b) Trade and Other Receivables

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

Regarding the allowances for expected credit losses, the company implement the simplified impairment model considered by IFRS 9, which are equal to the amount of the lifetime expected credit losses for all trade and other receivables. The measurement of those expected credit losses, trade and other receivables are classified based on the common credit ratings and due dates. The company used the credit ratings obtained from approved credit rating agencies for customers that evaluated individually and the country rating for each customer that could not be evaluated individually, as key drivers of the expected credit losses calculation and subsequently measures any change that affect the allowance according to those factors.

c) Cash and Cash Equivalents

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

d) Other investments

These include non-derivative financial assets that after the management has considered the business model and the purpose that have been acquired and based on the provisions of IFRS 9, are designated as at fair value through other comprehensive income (FVOCI). Purchases and sales of investments are recognized on trade date that is the date the Company commits to buy or sell the asset. Investments are initially recognized at fair value plus any transaction costs. Then, these investments are measured at FVOCI, while any subsequent fair value measurement recognized.

e) Fair Value

The fair value of financial assets, which are traded in active markets, is determined by the current market price. The fair value of non-traded assets is determined using valuation techniques, such as analysis of recent transactions, reference to comparable items traded and discounted cash flow.

f) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as “Short-term Liabilities” unless the Company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern.

g) Trade payables

Commercial liabilities are initially recognized at fair value and are subsequently measured to amortized cost using the effective interest rate.

4.3 Derivatives and Hedge Accounting

Derivatives are booked at their fair value. The method of recognizing earnings and losses depends on whether the derivatives are used as hedging instruments or as held for trading. Derivatives, at the date of the transaction, are determined as hedges of the fair value of a receivable, a liability or a commitment (fair value hedge), or as hedge of highly probable transactions (cash flow hedge).

The Company documents at the inception of the transaction the relationship between instruments of hedging and hedged items as well as the strategic management of risk. At the conclusion of the contract and on an ongoing basis later recorded assessment of the high efficiency of hedging for both fair value hedges and for cash flow hedges. To offset future transaction demonstrates the possibility of completing the transaction.

a) Fair Value Hedging

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

b) Cash Flow Hedging

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

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

4.4 Share Capital

The share capital consists of common shares. Direct expenses for the issuance of shares appear after deducting the relevant income tax, reducing the amount of growth.

4.5 Property, Plant and Equipment

a) Recognition and Measurement

The Company uses property, plant and equipment (PPE) in the area of production, supply of goods and services or for administrative purposes, which are presented in the Statement of Financial Position in their adjusted value, which is their fair value at the adjustment date, minus the subsequent accumulated depreciations and impairments. The revaluations take place in regular intervals, and due to this, the accounting values don't differ from the values which would be determined if fair value had been used at the maturity of every reference period. Any increase in the value of PPE is attributable to the revaluations of property, plant and equipment and is posted in the Statement of Other Comprehensive Income, which is directly transferred to equity in the fixed assets' revaluation reserve, except for the amount that inverses a previous impairment loss for the same asset, which had been posted previously to the income statement. The reduction in the fair value of property, plant and equipment is recognised in the income statement, except for the amount that inverses a previous revaluation for the same asset and this revaluation had been posted in the fixed assets' revaluation reserve.

Means of transport and other equipment are recorded at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Upon sale of tangible assets, the differences between the proceeds and the carrying value is recorded as gains or losses on the results and the item 'Other operating income' or 'Other operating expenses' as appropriate. Any revaluation recognized in the fixed assets' revaluation reserve, is transferred to income statement. When the book value of tangible assets exceeds its recoverable amount, the difference (impairment loss) is recognized immediately as an expense in the income statement.

b) Depreciation

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method during the estimated useful life of fixed assets and their segments if they have a different useful life. The estimated useful life of these categories is as follows:

➢ Buildings	25-50	years
➢ Machinery & equipment	1-40	years
➢ Transportation equipment	5-15	years
➢ Furniture and fixtures	1-8	years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date, if deemed necessary.

4.6 Intangible Assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a definite useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

Intangible assets with indefinite useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets which is 3 years.

The industrial property rights are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets.

Expenses required to develop and maintain software are posted as expenses in the income statement during the year they incur.

4.7 Investment Property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to the retained earnings.

4.8 Inventories

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

4.9 Impairment

(a) Non-Derivative Financial Assets

The carrying values of Company financial assets not recognized at fair value through profit or loss, including investments accounted for by the equity method, are examined in each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired include:

- bankruptcy of a debtor or designation as insusceptible to recovery,
- amount of debt adjustment because of changing conditions of payment,
- evidence that due to adverse economic conditions, the borrower or issuer will go into bankruptcy,
- adverse developments in the method of payment of borrowers or issuers,
- the disappearance of an active market for a share or
- observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets.

Financial Assets at Amortized Cost

The Group recognizes an indication of impairment of these assets both at independent asset and at entire. All individually significant assets reviewed individually for impairment. Whatever is not impaired individually, is collectively evaluated for impairment. Assets that are not individually significant, are collectively evaluated for impairment. Collective assessment results from the aggregation of assets with common risk characteristics.

An impairment loss is recognized as the difference between the carrying amount of the asset and the present value of expected future cash flows at the effective interest rate. The loss is recognized in the income statement as a provision. Where the Group decides that there is no realistic reason to restore the carrying amount of the asset, the provision deleted. If the amount of the impairment loss decreases and the decrease is linked to an objective event occurring after the impairment, then the original impairment loss was reversed and recognized in the Income Statement.

(b) Non-financial assets

For non-financial assets, other than investment property, inventories and deferred tax asset, the book value is examined at each balance sheet date for impairment. The assets with indefinite life are examined annually for impairments.

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

Impairment is recognized, if the accounting values are greater than the estimated recoverable amount.

Impairments is recognized in the Income Statement.

The impairment of the goodwill can't be reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount, until it doesn't exceed the asset's carrying value (net of depreciation) that would have been determined if the impairment loss hadn't been posted.

4.10 Employee Benefits

(a) Short-term Benefits

The staff's short-term benefits in cash and kind are posted as expenses when they become accrued. A liability is recognized for the amount which is expected to be paid as benefit to the Company's staff and executives, if there is a legal or contractual obligation to pay this amount as a result of employee services and if this obligation can be reliably measured.

(b) Defined-contribution Plans

The defined-contribution plans are plans for the period after the employee has ceased to work, and during this period the Company is pays a defined amount to a third legal entity without any other obligation.

(c) Defined-Benefit Plans

The defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation which is posted in the balance sheet for the defined-benefit plans is the present value of the future benefit of the employee for the services he supplied in the current period or previously, less the fair value of the program's assets. The discount rate used for the Company corresponds to the interest rate of the respective investments with low credit risk and fix rate and respective maturity.The defined benefit is calculated in annual basis by an independent actuary using the projected unit credit method.

Any changes related to the past service cost is directly posted to the Income Statement. The actuarial gains and losses and any changes attributable to actuarial assessments, are recognized directly in the Statement of Comprehensive Income.

(d) Benefits for Employment Termination

The benefits for employment termination are paid when employees depart before their retirement date. The Company books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees that will use that benefits, these will not be accounted for but will be disclosed as a contingent liability.

4.11 Provisions

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

4.12 Income

(a) Sales of goods

Revenues from sales of goods are recognized when the significant risks and rewards from the ownership have been transferred to the buyer of the good, the collection of the price is reasonably secured, the relevant expenses and the eventual returns of goods can be reliably estimated and there is no continuous involvement in goods management. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(b) Services

Revenues from services are recognized in the period which the services are rendered, based on the stage in completion of the service in relation to the services as a whole.

(c) Income from Interest

Income from interest is recognized when the interest becomes accrued (based on the effective interest rate method).

(d) Income from Dividends

Dividends are recognized as income when the right of the Company to receive payment is established.

(e) Income from rents

Rents are recognized as revenue on a straight course in the lease.

4.13 Government Grants

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

Government grants compensating the Company for expenses are recognized in the results so that these will match the expenses that they will cover.

4.14 Leases

As a lessee

From 1 January 2019, leases are recognized in the statement of financial position as a right of use of assets and the respective lease liability, on the date the leased asset is available for use. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The effect of applying the standard on 1 January 2019 is described in note 26.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term or over the useful life of the underlying asset when this considers more appropriate. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, according to the contract terms. When the lease liability is remeasured, the corresponding adjustment is made to the right of use respectively or the adjustment is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

Leasing contracts in which the Group is a lessor are classified as financial or operating. The lease contracts of the Group as at 31 December 2018 and 31 December 2019 related exclusively to operating leases.

4.15 Income Tax

The income tax of the year includes both current and deferred tax. Income tax is recognized in profit or loss except any cases concerning items directly posted to Equity, in which case it is recognized in Equity.

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

Deferred tax is calculated using the financial position method which calculates the temporary differences between the book value and taxation basis of the assets and liabilities on the reporting date.

Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled. The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

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

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

4.16 Borrowing Cost

The borrowing cost that is directly linked with the purchase, construction or production of fixed assets for which a considerable amount of time is required so they can be completed for use or sale, is added to the cost of those assets until the time when these assets will be available for use or sale. Revenue from temporary placements of committed funds to finance the above assets as well as the collection of subsidies reduce the cost of borrowing that is capitalized. In any other case the cost of borrowing is affecting the Income Statement of the fiscal year. To the extent that the consideration arises from issued general borrowing and is used for the purchase of an asset that which meets the conditions, the capitalized borrowing cost can be estimated using a capitalization rate based on the investments for this asset.

5. Revenue

Revenue according to the geographical distribution is as follows:

EUR	**2019**	**2018**
Greece	16,494,714	19,632,903
European Union	54,931,390	60,370,105
Other European Countries	583,526	925,970
Asia	1,623,502	713,016
America	97,770	-
Africa	76,325	41,753
Total	**73,807,227**	**81,683,747**

Breakdown of revenue by segment:

EUR	**2019**	**2018**
Sale of goods	63,718,887	67,790,603
Rendering of services	4,481,601	3,646,441
Other	5,606,739	10,246,704
Total	**73,807,227**	**81,683,747**

6. Other Operating Income & Expenses

EUR	**2019**	**2018**
Other Income		
Amortization of Grants	48,385	48,385
Rental income	136,611	131,066
Foreign Exchange Gains	34,160	162,981
Income from fees	31,169	-
Damage Compensation	38,602	-
Gain from sale of Fixed assets	10,140	-
Gain from sale of Investment Property	123,783	-
Other Income	30,994	125,303
Total	**453,844**	**467,735**

Other Expense	**2019**	**2018**
Loss from sale of Fixed assets	(28,915)	-
Foreign Exchange Losses	(77,758)	(107,439)
Commissions	(5,622)	-
Other taxes	(3,663)	-
Penalties	(137)	-
Employee benefits	(80,489)	-
Depreciation and amortisation	(24,398)	-
Other Expenses	(188,610)	(160,692)
Total	**(409,592)**	**(268,131)**
Net other income-expenses	**44,252**	**199,604**

7. Expenses by Nature

EUR	2019	2018
Cost of inventories recognized as an expense	61,870,608	68,373,212
Employee benefits	4,528,671	4,054,335
Energy	567,672	530,689
Depreciation and amortisation	1,281,971	1,268,585
Taxes - duties	168,194	179,807
Credit insurance expenses	210,201	199,905
Rental fees	34,922	48,744
Transportation costs (goods and materials)	73,344	1,243,187
Promotion & advertising	12,032	19,913
Third party fees and benefits	4,401,405	4,880,669
Other provisions	-	2,945
Gains/(losses) from derivatives	574,112	560,646
Maintenance expenses	137,324	150,623
Travel and personnel transport expenses	40,833	66,916
Other expenses	733,730	401,745
Total	**74,635,019**	**81,981,921**

The cost of benefits to employees can be broken down as follows:

EUR	2019	2018
Employee remuneration & expenses	3,247,929	2,923,922
Social security expenses	856,368	786,658
Defined benefit plan expenses	74,306	30,741
Other employee benefits	430,556	313,014
Total	**4,609,160**	**4,054,335**

The number of employees at the end of the current year was 126 (2018: 121).

8. Financial Income - Cost

EUR	2019	2018
Income		
Interest Income	659	326
Total	**659**	**326**
Expenses		
Interest expenses	(1,105,779)	(1,200,458)
Guarantee commissions	(32,977)	(25,232)
Total	**(1,138,757)**	**(1,225,690)**
Financial Income & Cost (Net)	**(1,138,098)**	**(1,225,365)**

9. Fixed Assets

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2018	**2,493,159**	**7,137,128**	**19,452,315**	**238,945**	**911,199**	**108,921**	**30,341,667**
Additions	-	-	45,760	-	4,710	183,743	234,212
Other reclassifications	-	-	49,379	-	-	(49,379)	-
Balance as at 31 December 2018	**2,493,159**	**7,137,128**	**19,547,454**	**238,945**	**915,908**	**243,285**	**30,575,879**
Accumulated depreciation							
Balance as at 1 January 2018	-	(1,446,689)	(2,460,673)	(226,959)	(885,828)	-	(5,020,150)
Depreciation of the period	-	(488,417)	(718,072)	(2,342)	(12,754)	-	(1,221,586)
Balance as at 31 December 2018	**-**	**(1,935,106)**	**(3,178,746)**	**(229,301)**	**(898,582)**	**-**	**(6,241,736)**
Carrying amount as at 31 December 2018	**2,493,159**	**5,202,022**	**16,368,708**	**9,644**	**17,326**	**243,285**	**24,334,143**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2019	**2,493,159**	**7,137,128**	**19,547,454**	**238,945**	**915,908**	**243,285**	**30,575,879**
Additions	-	3,400	18,135	6,000	35,316	620,195	683,046
Disposals	-	-	(380)	-	(72,394)	(40,000)	(112,775)
Other reclassifications	-	23,819	13,623	-	-	(37,442)	-
Balance as at 31 December 2019	**2,493,159**	**7,164,347**	**19,578,832**	**244,945**	**878,830**	**786,038**	**31,146,151**
Accumulated depreciation							
Balance as at 1 January 2019	**-**	**(1,935,106)**	**(3,178,746)**	**(229,301)**	**(898,582)**	**-**	**(6,241,736)**
Depreciation of the period	-	(489,940)	(721,686)	(1,915)	(16,892)	-	(1,230,434)
Disposals	-	-	265	-	69,350	-	69,614
Balance as at 31 December 2019	**-**	**(2,425,047)**	**(3,900,167)**	**(231,217)**	**(846,124)**	**-**	**(7,402,555)**
Carrying amount as at 31 December 2019	**2,493,159**	**4,739,301**	**15,678,664**	**13,728**	**32,705**	**786,038**	**23,743,596**

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of Company (see notes 18 & 25).

(b) Assets under Construction

The account “Assets under construction” includes machinery the installation of which has not been completed as at December 31, 2019.

10. Intangible Assets

EUR	Trademarks and licenses	Software	Total
Cost			
Balance as at 1 January 2018	**99,813**	**166,595**	**266,408**
Change in accounting policy	-	-	-
Balance as at 31 December 2018	**99,813**	**166,595**	**266,408**
Accumulated amortization and impairment			
Balance as at 1 January 2018	**(40,833)**	**(141,925)**	**(182,757)**
Amortization for the period	(7,777)	(12,884)	(20,661)
Balance as at 31 December 2018	**(48,610)**	**(154,809)**	**(203,418)**
Carrying amount as at 31 December 2018	**51,203**	**11,787**	**62,989**

EUR	Trademarks and licenses	Software	Total
Cost			
Balance as at 1 January 2019	**99,813**	**166,595**	**266,408**
Balance as at 31 December 2019	**99,813**	**166,595**	**266,408**
Accumulated amortization and impairment			
Balance as at 1 January 2019	(48,610)	(154,809)	(203,418)
Amortization for the period	(7,778)	(8,208)	(15,986)
Balance as at 31 December 2019	**(56,387)**	**(163,017)**	**(219,404)**
Carrying amount as at 31 December 2019	**43,425**	**3,578**	**47,003**

11. Investment property

Investment property includes seven maisonettes in Kefalonia, which the Company leases to third parties.

Balance as at 1 January 2018	**1,737,372**
Depreciation	(26,337)
Balance as at 31 December 2018	**1,711,035**
Balance as at 1 January 2019	**1,711,035**
Depreciation	(19,753)
Disposals	(1,691,282)
Balance as at 31 December 2019	**-**

On August 5, 2019 the BoD of the Company approved the contribution of its investment property to NOVAL PROPERTY Real Estate Investment Company (R.E.I.C.) with a carrying amount about EUR 1.73 million and accumulated depreciation of EUR 0.05 million, in exchange obtained 1,812,519 shares of NOVAL PROPERTY, with a nominal amount of EUR 1.00 each.

12. Other investments

Other investments amounted to EUR 1,816,067 at 31.12.2019 (2018: -). During the fiscal year the Company acquired an investment of NOVAL PROPERTY Real Estate Investment Company (R.E.I.C.) of EUR 1,815,067. For more information regarding the transaction refer to note «11. Investment Property».

13. Income Tax

Within 2019, the special tax audit of the Company was completed by the statutory auditor in accordance with article 82, paragraph 5 of Law 2238/1994, as in force, for the year 2018 and an unqualified tax Certificate was issued.

For the year 2019, the Company has been subject to the tax audit of the Certified Auditors Accountants provided for by the provisions of Article 65A of Law 4174/2013. This audit is in progress and the relevant tax compliance report is expected to be issued after the publication of the financial statements for the year ended 31 December 2019. It is estimated that the outcome of the audit will not have a material impact on the financial statements.

Reconciliation of effective tax rate:

Amounts recognised in profit or loss

EUR	**2019**	**2018**
Deferred Tax (Expense)/Income	187,820	1,022,999
Tax Expense	**187,820**	**1,022,999**

Reconciliation of effective tax rate

Accounting Profit/loss (-) before income tax		**(1,740,135)**		**(1,358,633)**
Tax rate in Greece	24%		29%	
At statutory income tax rate		417,632		394,004
Non-deductible expenses for tax purposes		(966,046)		-
Change in tax rate or composition of new tax		736,233		
Tax-exempt income		-		628,995
	-11%	**187,819**	**-75%**	**1,022,999)**
Income tax expense reported in the statement of profit or loss		**187,819**		**1,022,999**

The movement in deferred tax can be presented as follows:

EUR	Net balance at 1 January 2018	Recognised in profit or loss	Recognised in OCI	Net Balance at 31 December 2018	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(5,803,191)	1,259,503	-	**(4,543,689)**	-	(4,543,689)
Intangible assets	22,639	(4,863)	-	**17,775**	17,775	-
Investment property	(503,838)	77,481	-	**(426,357)**	-	(426,357)
Other investments	-	(1)	-	**(1)**	-	(1)
Derivatives	84,777	(22,494)	(117,877)	**(55,594)**	-	(55,594)
Inventories	-	(6,879)	-	**(6,879)**	-	(6,879)
Employee benefits	-	110,279	6,270	**116,548**	116,548	-
Provision/ accruals	426,210	81,127	-	**507,337**	507,337	-
Other items	415,239	(471,153)	-	**(55,914)**	-	(55,914)
Tax assets/liabilities (-) before set-off	**(5,358,165)**	**1,022,999**	**(111,607)**	**(4,446,773)**	**641,661**	**(5,088,434)**
Set-off tax				-	(641,661)	641,661
Net tax assets/liabilities (-)				**(4,446,773)**	**-**	**(4,446,773)**

EUR	Net balance at 1 January 2019	Recognised in profit or loss	Recognised in OCI	Net Balance at 31 December 2019	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(4,543,689)	(54,041)	-	**(4,597,730)**	-	(4,597,730)
Intangible assets	17,775	(4,402)	-	**13,373**	13,373	-
Investment property	(426,357)	426,357	-	**-**	-	-
Other investments	(1)	1	-	**-**	-	-
Derivatives	(55,594)	(101)	83,510	**27,815**	27,815	-
Inventories	(6,879)	(32,221)	-	**(39,100)**	-	(39,100)
Loans and borrowings		21,722	-	**21,722**	21,722	-
Employee benefits	116,548	(27,082)	11,362	**100,828**	100,828	-
Provision/ accruals	507,337	(175,425)	-	**331,912**	331,912	-
Deferred income	-	(22,903)	-	**(22,903)**	-	(22,903)
Other items	(55,914)	55,914	-	**-**	-	-
Tax assets/liabilities (-) before set-off	**(4,446,773)**	**187,819**	**94,872**	**(4,164,082)**	**495,650**	**(4,659,732)**
Set-off tax				-	(495,650)	495,650
Net tax assets/liabilities (-)				**(4,164,082)**	**-**	**(4,164,082)**

In 2019 there was a change in the tax rate on profits of public limited companies from 29% to 24%. The effect of this change in the results was Euro 736 thousands.

14. Inventories

EUR	2019	2018
Merchandise	197,324	213,043
Finished goods	5,709,701	3,368,706
Semi-finished goods	8,842,383	7,438,814
By-products & scrap	232,899	183,350
Work in progress	225,677	235,256
Raw and auxiliary materials	1,486,453	2,170,077
Consumables	47,202	35,848
Packaging materials	313,531	32,887
Spare parts	1,270,686	1,208,291
Total	**18,325,855**	**14,886,271**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less expenses for sale. An amount of EUR 587 thousand affected negatively the statement of profit and loss for the prior year, related to measurement to Net Realizable Value of the Inventory, due to the fall in metal prices in LME market.

15. Trade and Other Receivables

EUR	2019	2018
Trade receivables (excluding investment property clients)	5,138,260	6,036,714
Less: Impairment losses	(1,565,630)	(1,747,133)
Receivables from related entities	421,399	984,778
Trade receivables from contracts with customers	**3,994,134**	**5,274,360**
Other down payments	4,151	335
Cheques and notes receivables & Cheques overdue	87,861	73,605
Tax assets	296,187	602,700
Other debtors	9,496	42,277
Other receivables	49,423	44,387
Total	**4,441,251**	**6,037,664**
Non-current assets		
Non-current receivables	3,537	1,867
Total	**3,537**	**1,867**
Total receivables	**4,444,787**	**6,039,531**

The impairment losses for doubtful customers are calculated based on the outstanding balances for which the Management of the Company considers as impaired less the expected remuneration from the insurance.

16. Derivatives

Total Derivatives in Statement of Financial Position

EUR	**2019**	**2018**
Current assets		
Forward foreign exchange contracts	1,997	
Future contracts	-	222,438
Total	**1,997**	**222,438**
Current liabilities		
Forward foreign exchange contracts	-	8.776
Future contracts	91,778	-
Total	**8,776**	**8,776**
Amounts recognised in P&L	**227,562**	**(306,414)**

For the Company,the results from settled financial risk management operations recorded in the Income Statement during years 2019 and 2018 are included in Revenue and Cost of Goods sold for results from metal and exchange rate derivatives and in other income-expenses for results derived from forwards contracts.

17. Cash and Cash Equivalents

EUR	**2019**	**2018**
Cash in hand and Cash in bank	1,280	591
Short-term bank deposits	825,387	949,834
Total	**826,667**	**950,425**

Bank deposits are levied according to the applicable reference rates. The duration of short-term bank deposits is less than three months.

18. Share capital and reserves

(a) Share Capital

The Company's share capital amounts to Euro 15,329,780 (2018: Euro 10,384,770) divided to 5,128,260 (2018: 3,461,590) common shares of nominal value of 3.00 Euro per share. Upon the decision of General Assembly of the Company on 01.03.2019, approved the share capital increase of EUR 5.0 million in cash, that completed with the 1534150/01-04-2019 decision of the General Electronic Commercial Registry.

(b) Reserves

EUR	2019	2018
Statutory Reserves	6,545	6,545
Hedging Reserve	67,278	287,213
Tax exempt reserves	295,422	295,422
Extraordinary reserves	25,317	25,317
Revaluation reserve	6,169,347	6,726,040
Total	**6,563,909**	**7,340,536**

Statutory Reserve

Under Greek trade law, companies must transfer at least 5% of their annual net profits to a statutory reserve until that reserve is equal to 1/3 of the paid-up share capital. Distribution of Statutory Reserve is prohibited. No statutory reserve will be set aside during this year due to losses.

Tax exempt and special reserves

Tax exempt and special reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves). Reserves from tax exempt income and reserves taxed pursuant to special laws concern income from interest held at the source. In addition to any prepaid taxes, these reserves are subject to taxation in case they are distributed. No deferred taxes have been accounted for with regards to the above tax-exempt reserves in case they are distributed.

Reserve from revaluation of fixed assets at fair value

This reserve relates to the profit that arose from the revaluation of lands and plots, buildings and machinery at their fair value. It can't be distributed to shareholders until it is transferred to retained earnings through depreciation, or through recognized profits, which will arise from sales of fixed assets.

19. Loans and Obligations

EUR	2019	2018
Non-Current		
Lease liabilities (ex. operating leases)	98,754	-
Secured bond issues	-	4,562,300
Total	**98,754**	**4,562,300**

EUR	2019	2018
Current		
Unsecured bank loans	15,168,381	10,249,603
Current portion of secured bond issues	4,564,835	3,262,176
Lease liabilities (ex. operating leases)	37,438	-
Total	**19,770,653**	**13,511,779**
Total loans and borrowings	**19,869,407**	**18,074,079**

The maturities of non-current loans are:

EUR	**2019**	**2018**
Between 1 and 2 years	42,064	4,562,300
Between 2 and 5 years	56,690	-
Total	**98,754**	**4,562,300**

In order to receive the bank loans, the Company have set up mortgages in real estate with a total value of Euro 15.6 million.

The real weighted average lending interest rate for the balance sheet date was 4.11% for the year of 2019and 4.43% for the year of 2018.

The loans of the Company, which have been provided from the Bank institutions, include change of control clauses that provide the lenders with an early redemption clause. The Company secures the consent of the lenders in case of non-compliance with the said clauses, when it is necessary.

20. Liabilities for employee's retirement benefits

According to the Hellenic Labor Law, employees are entitled to compensation in the event of dismissal or retirement of an amount related to the employee's salary, length of service and way of leaving (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the compensation that would be payable in case of unjustified dismissal. The Company considers that this is a defined benefit plan and charges the results for accrued benefits in each period with a corresponding increase in the pension liability. Benefit payments to retirees in each period are charged against this liability. The Company's employee benefit obligation as at 31 December 2019 and 2018 is analyzed as follows:

EUR	**2019**	**2018**
Balance as at 1 January	**352,149**	**324,225**
Amounts recognized in profit or loss		
Current service cost	13,931	11,547
Settlement/curtailment/termination loss	54,765	14,431
Interest cost/income (-)	5,610	4,763
Total P&L Charge	**74,306**	**30,741**
Amounts recognized in OCI		
Remeasurement loss/gain (-):		
-Actuarial loss/gain (-) arising from:		
Financial assumptions	34,318	4,237
Experience assumptions	13,022	17,383
Total P&L Charge	**47,340**	**21,620**
Other		
Benefits paid	(95,382)	(24,436)
Total	**(95,382)**	**(24,436)**
	378,413	**352,149**

The assumptions on which the actuarial study was based for the calculation of provision are the following:

	2019	2018
Discount interest rate	0.77%	1.61%
Inflation	1.30%	1.50%
Rate of compensation increase	2.00%	2.00%

The results above depend on the assumptions (financial and demographic) of the actuarial study. Thus, if an increased discount rate by 50 basis points had been used, then the Company's employee service obligations would be lower by approximately 5.58%, while if a decreased discount rate by 50 basis points had been used, then its liabilities would have been increased by 6.16%. If an assumption of an increase in earnings equal to 50 basis points per year had been used, then the Company's employee benefit obligations would have been increased by 5.43%. Although, if an assumption of an annually decrease in earnings by 50 basis points will be used, then the defined benefit obligation of the Company will be lower by 4.96%.

21. Grants

EUR	2019	2018
Opening balance	**529,851**	**577,851**
Amortization of grants	(48,385)	(48,385)
Closing balance	**481,082**	**529,467**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account "Other income" of the statement of profit and loss.

Grants have been provided for the purchase of tangible assets.

22. Trade payables and other liabilities

EUR	2019	2018
Suppliers	975,665	797,652
Social Security funds	169,538	174,647
Amounts due to related parties	2,597,674	7,930,428
Sundry creditors	63,256	96,084
Accrued expenses	219,944	112,043
Other Taxes	109,559	88,852
Total	**4,135,636**	**9,199,705**

23. Financial assets

The Board of Directors of the Company in conjunction with the parent Group has set rules and procedures for measuring the following risks:

- Credit risk
- Liquidity risk
- Exchange rate risk
- Interest rate risk

Below there were presented analytically the evidence of the size of each risk.

(a) Credit Risk

Company exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. No client exceeds 10% of sales and, consequently, commercial risk is spread over a large number of clients.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must receive in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

The financial assets subject to credit risk are as follows:

EUR	**2019**	**2018**
Customers (Current assets)	4,444,787	6,037,664
Total	**4,444,787**	**6,039,531**
Less:		
Downpayments	(4,151)	(335)
Tax assets	(296,187)	(602,700)
Other receivables	(49,423)	(44,387)
Total	**(349,761)**	**(647,422)**
Financial assets entailing credit risk	**4,095,027**	**5,390,242**

Trade and other receivables include receivables from costumers and related companies.

EUR	**2019**	**2018**
Neither past due nor impaired	3,642,692	5,390,242
Overdue		
- Up to 6 months	391,056	-
- Over to 6 months	61,279	-
Total	**4,095,027**	**5,390,242**

The movement in the account of provision for impairment was as follows:

EUR	**2018**	**2017**
Balance as at 1 January	**1,747,133**	**1,543,680**
Impairment loss recognised	-	34,699
Impairment loss reversed	(181,504)	-
Amounts written off	-	(31,547)
Change in accounting policy	-	200,301
Total	**1,565,630**	**1,747,133**

The Company insures the greater part of its receivables in order to be secured in case of failure to collect.

(b) Liquidity Risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2019, the Company had an amount of Euro 826 thousand (2018: Euro 950 thousand) and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

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

	2018				
EUR	**Carrying amount**	**Up to 1 yr**	**1 to 2 years**	**2 to 5 years**	**Total**
Bank loans	10,249,603	10,249,603	-	-	10,249,603
Bond issues	7,824,476	3,262,176	4,705,541	-	7,967,717
Derivatives	8,776	8,776	-	-	8,776
Contract liabilities	1,542	1,542	-	-	1,542
Trade and other payables	9,199,705	9,199,705	-	-	9,199,705
Total	**27,284,103**	**22,721,802**	**4,705,541**	**-**	**27,427,344**

EUR	2019 Carrying amount	Up to 1 yr	1 to 2 years	2 to 5 years	Total
Bank loans	15,168,381	15,168,381	-	-	15,168,381
Lease liabilities	136,192	44,376	42,064	77,928	164,368
Bond issues	4,564,835	4,708,076	-	-	4,708,076
Derivatives	91,778	91,778	-	-	91,778
Contract liabilities	1,486,869	1,486,869	-	-	1,486,869
Trade and other payables	4,135,636	4,135,636	-	-	4,135,636
Total	**25,583,691**	**25,635,116**	**42,064**	**77,928**	**25,755,108**

(c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk in the area of sales and purchases it carries out and in the area of loans that have been issued in different than Company's functional currency, which is mainly the Euro. The currencies in which these transactions are made are mainly the Euro, the USD and the pound sterling.

The Company hedges the biggest part of its estimated exposure in foreign exchange risk in relation with the expected sales and purchases, and the assets and the liabilities in foreign currency, too. The Company gets into foreign exchange futures contracts with third parties to manage the risk which arises from the changes in foreign exchange rates and the futures expire in mainly less than one year from the balance sheet date. If it is necessary, these contracts are renewed upon their expiry. Also, sometimes, the foreign exchange risk can be hedged by borrowing in the respective currencies.

Interest on loans is in the same currency with this of cash flows, which comes from the operating activities of the Company, and it is mainly the Euro.

			2018		
EUR	**EUR**	**USD**	**GBP**	**Other**	**Total**
Trade and other receivables	5,277,630	-	761,901	-	**6,039,531**
Cash and cash equivalents	950,425	-	-	-	**950,425**
Loans	(18,074,079)	-	-	-	**(18,074,079)**
Trade and other payables	(9,085,299)	(94,914)	(19,439)	(54)	**(9,199,705)**
Contract liabilities	(1,542)	-	-	-	**(1,542)**
Net (Assets-Liabilities)	**(20,932,216)**	**(94,914)**	**742,462**	**(54)**	**(20,285,371)**

			2019		
EUR	**EURO**	**USD**	**GBP**	**Other**	**Total**
Trade and other receivables	3,713,086	199,668	393,752	-	**4,306,506**
Cash & cash equivalents	826,640	27	-	-	**826,667**
Loans and Borrowings	(19,869,407)	-	-	-	**(19,869,407)**
Trade and other payables	(4,046,479)	(78,739)	(10,418)	-	**(4,135,636)**
Contract liabilities	(1,486,869)				**(1,486,869)**
Net Assets - (Liabilities)	**(20,863,030)**	**120,956**	**383,334**	**-**	**(20,358,740)**

Sensitivity Analysis

	2018			
	Profit or loss		Equity, net of tax	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	9,198	(9,198)	6,530	(6,530)
GBP (10% movement)	(75,455)	75,455	(53,573)	53,573

	2019			
	Profit or loss		Equity, net of tax	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(25,922)	(1,486)	(25,922)	(1,486)
GBP (10% movement)	22,345	99,786	22,345	99,786

The foreign exchange rates that were applied for the foreign currencies conversion into Euro are the followings:

	Average rate		Spot rate	
	2018	2018	2018	2017
USD	1.1195	1.1810	1,1234	1.1450
GBP	0.8778	0.8847	0,8508	0.8945

(d) Interest Rate Risk

The Company finances its investments and its needs for working capital through bank lending and bond loans with the effect of charging its results with debit interest. The increase in interest rates has a negative effect on Company's results, because the lending costs for the Company rise.

The risk which arises from the change in interest rates is the following:

EUR	2019	2018
Variable-rate Instruments		
Financial liabilities	19,869,407	18,074,079
Total	**19,869,407**	**18,074,079**

An increase in interest rates by 0.25% would have the following effect in the Statement of Profit and Loss:

	2019		2018	
EUR	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Financial liabilities	49,674	(49,674)	(45.185)	45.185
Cash flow sensitivity (net)	**49,674**	**(49,674)**	**(45.185)**	**45.185**

The objectives, policies, risk management processes and measurement methods of risk have not changed compared to the previous year.

(e) Capital Management

The Board of Directors' policy is to maintain a strong capital base to ensure the investors', creditors' and markets trust, and to be able to expand its activities in the future. The Board of Directors monitors the return on capital, which is defined by the Company as net results divided by total equity.

The Board of Directors tries to keep a balance between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

There were no changes in the approach adopted by the Company in how capital was managed during the financial year.

24. Fair Value of Financial Assets

The fair value has the following hierarchy levels:

- Level 1: This level includes derivatives which are based on market prices.
- Level 2: This level includes OTC derivatives that are based on prices from brokers.
- Level 3: This level includes unlisted shares, which come from Company's estimations as there are no observable market data.

	2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Other investments	-	-	1.816.067	**1.816.067**
Derivatives financial assets	-	1.997	-	**1.997**
Derivatives financial Liabilities	(91.778)	-	-	**(91.778)**
	2018			
Other investments	-	-	-	-
Derivatives financial assets	222.438	-	-	**222.438**
Derivatives financial Liabilities	-	(8.776)	-	**(8.776)**

The Company carries out a fair value test based on market rates regarding the bond loans. The loans have floating interest rates, which follow the movement of market rates. For the financial year of 2019 there was no difference between the fair and the book value of loans. The book value of Company's loans relates to loans in Euro.

25. Contingent Liabilities / Assets

The contingent liabilities and assets of the Company which arise by its ordinary activities, are as follows:

EUR	**2019**	**2018**
Liabilities		
Guarantees to secure liabilities to suppliers	670,575	667,400
Guarantees to secure the good performance of contracts with clients	-	170,662
Mortgages and statutory notices of mortgage issued against lots & buildings	15,642,000	15,642,000
Other liabilities	1,475,000	1,475,000
Total	**17,787,575**	**17,955,062s**

The tax liabilities of the Company, for the year 2019, haven't been audited by taxation authorities and thus are not finalized yet for such years.

26. Related parties

Related parties are all companies and natural persons with whom the Company has a direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter).

EUR	**2019**	**2018**
Sale of goods		
Parent	5,977,079	7,585,311
Other	6,454,878	7,333,937
Total	**12,431,956**	**14,919,249**
Sale of services		
Parent	505,366	206,629
Other	37,424	32,739
Total	**542,791**	**239,368**
Sale of services		
Other	1,839,580	-
Total	**1,839,580**	-
Purchase of goods		
Parent	15,591,663	12,419,805
Other	4,253,698	10,745,426
Total	**19,845,362**	**23,165,231**
Purchase of services		
Parent	4,128,429	404,422
Other	1,052,308	237,322
Total	**5,180,737**	**641,744**

Purchase of fixed assets		
Other	227,943	30,898
Total	**227,943**	**30,898**

EUR	**2019**	**2018**
Fees - benefits to the members of the Board of Directors and executives	683,835	670,336
Total	**683,835**	**670,336**

End-of-year balances from sale / purchase of goods, services, fixed assets, etc.

EUR	**2019**	**2018**
Receivables from related parties		
Parent	1,364	-
Other	420,035	984,778
Total	**421,399**	**984,778**
Liabilities to related parties		
Parent	2,506,897	7,500,247
Other	672,696	430,181
Total	**3,179,593**	**7,930,428**

The sales / purchases of goods and the services from and towards related parties, are realized according to the fee schedules, which apply for non-related parties.

27. Effect of IFRS 16

The mandatory adoption of IFRS 16 for the period started from 1st January 2019 resulted for Company to recognize Right of Use of assets and finance lease liabilities (ex. operating), regarding the leases that Company considered as lessor. For the leases that previously classified as operating lease under the provisions of IAS 17, followed by the mandatory adoption of IFRS 16, the Company implemented the cumulative retrospective approach. The liabilities measured to the present value of the remaining lease payments discounted by the incremental borrowing rate, approximately 4%, on 1st January 2019. The Right of Use of assets recognized to an amount equal to the Finance Lease Liabilities (ex. operating). The leases above related to machinery.

The reconciliation of the finance liabilities for the Company on 1st January 2019 for the commitments for operating leases as at 31 December 2018 presented below:

Operating lease commitments disclosed as at 31 December 2018	**107,710**
Discounted operating lease commitments at the date of initial application	103,318
Add: finance lease liabilities recognised as at 31 December 2018	-
(Less): Recognition exemption for short term leases at transition	(2,449)
Lease liability recognised as at 1 January 2019	**100,869**
Of which are:	
Current lease liabilities	37,687
Non-current lease liabilities	63,181
Lease liability recognised as at 1 January 2019	**100,869**

The company used the option to not reassess any existing lease as finance lease on the date of the initial implementation under the provisions of IFRS 16.

In addition, the company granted the above practical concessions that allowed by the standard regarding the leases that previously classified as operating, as considered in IFRS 17:

- Use of a single discount rate on a portfolio of similar leases characteristics.
- Leases with a residual duration of less than 12 months from 1 January 2019, as short-term leases.
- Exemption of initial direct costs for measuring the rights of use of assets data at the date of first application.
- Use of later knowledge to determine the duration of the lease contract that includes a term of extension or termination of the contract.

Regarding the lease for buildings, the Company did not recognize any lease liability and right of use of assets as these contracts determined as short-term. The related leases are on most of them leases with related parties and are cancellable at any time. Both the lessor and the lessee may exercise their right to terminate the agreement at any time and do not have any great financial incentive to continue implementing the contract terms.

EUR	**Transportation equipment**	**Total**
Cost		
Balance as at 1 January 2019	**-**	**-**
Additions	81,574	81,574
Terminations	(12,251)	(12,251)
Change in accounting policy	100,869	100,869
Balance as at 31 December 2019	**170,191**	**170,191**
Accumulated depreciation		
Balance as at 1 January 2019	**-**	**-**
Depreciation of the period	(40,198)	(40,198)
Terminations	2,428	2,428
Balance as at 31 December 2019	**(37,770)**	**(37,770)**
Carrying amount as at 31 December 2019	**132,421**	**132,421**

During the period, financial costs of Euro 3 th. related to finance leases were recognized.

During the fiscal year, rental costs of Euro 35 thousand were recognized in the statement of profit and loss related to low value lease contracts.

If the Company had applied IFRS 16 for the comparable period, then EBITDA and a-EBITDA would have been increased by Euro 44 thousand.

28. EBITDA and a-EBITDA

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit as this is reported in the statement of profit and loss.

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets and investments if included in the operational results
- Other impairments

		2019	2018
Operating profit / (loss)		**(602,037)**	**(133,269)**
	Adjustments for:		
	+ Depreciation of tangible assets	1,230,434	1,221,586
	+ Depreciation of right of use assets	40,198	-
	+ Depreciation of intangible assets	15,986	20,661
	+ Depreciation of Investment Property	19,753	26,337
	- Amortization of grants	(48,385)	(48,385)
EBITDA		**655,948**	**1,086,930**

		2019	2018
EBITDA		**655,948**	**1,086,930**
	Adjustments for:		
	Loss / - Profit from Metal Lag	905,198	1,087,464
a - EBITDA		**1,561,147**	**2,174,395**

	2019	2018
(A) Value of Metal in Sales	58,587,736	66,295,435
(B) Value of Metal in Cost of Sales	(60,313,606)	(66,934,463)
(C) Result of Hedging Instrunments	820,672	(448,436)
(A+B+C) Metal Result in Gross Profit	**(905,198)**	**(1,087,464)**

29. Subsequent events

1. As the Covid-19 pandemic continues to evolve, it remains difficult to predict the full extent of its financial and business impact. Although, it should be noted that the Company's figures have not been substantially affected until the publication of this report. The Company responded immediately, prioritising health and safety of its human resources, suppliers and partners as implemented measures that secured the smooth operation of its production, with the minimum possible impact in response to the COVID-19 dispersal. As the imposition of restrictions of movement and the production in significant export destinations negatively affected March - April the shipments, the Company return, taking advantage of the opportunities occurred.

   The Management has taken all the necessary measures to ensure the uninterrupted operation of the Company. The Company is ready to respond to changes in demand, and as a result, there are no uncertainties regarding its ability to continue its activities smoothly, at any level of its supply chain. Its investment plan remains the same, as its exposure to credit risk is limited, while maintaining all the appropriate approved credit lines for its smooth operation.

   There are no other significant events within 2020 that affect the financial position of the Company.

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "FITCO METAL WORKS S.A."

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of FITCO METAL WORKS S.A. (Company) which comprise the statement of financial position as of 31 December 2019, the statements of profit or loss, other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanied financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2019, the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018**.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Athens, 23 July 2020
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701