ANNUAL FINANCIAL REPORT

AS AT 31 DECEMBER 2020

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 2020 (1 January – 31 December 2020). 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 SINGLE MEMBER S.A. (hereinafter referred to for the purpose of brevity as "Company" or "FITCO") for the year 2020, 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 2020, global economy has been negatively affected by the pandemic although the positive signs at start of the year the restrictions in movement imposed by the governments in order to contained the spread of the virus resulted to slow down the economic activity. These restrictions in movement driven to downward of global GDP during the first half of 2020, with a gradual recovery during the third quarter of the year. However, recent measures in place in response to the spread of the new virus variants resulted to new downward of the economic activity during the last quarter of the year. The extended lockdowns and the closure of the industrial production, specifically ship to related markets of the Company, as Italy resulted to drop in volumes that for the first half of 2020, however the uninterrupted operations of its production facilities during the pandemic create an advantage for the Company compared to its rivals.

The increased economic uncertainty affected negatively the demand for metal commodities, that decreased during 2020 compared to previous year. As a result, the average copper's price was Euro 5,396 per ton for the financial year of 2020, compared to the financial year of 2019, which was Euro 5,356 per ton. The average price of zinc dropped to Euro 1,979 per ton, compared to financial year of 2019, which was Euro 2,272 per ton.

For the financial year 2020, turnover amounted to Euro 62.2 million decreased by 15.7%, compared to Euro 73.8 million for the previous fiscal year. The decrease in turnover is attributable to the reduced sales volume by 8.7%, as a result of the downtrend in demand to destination countries that negatively affected by the pandemic. Specifically, the increased restrictions in Italy during March – May, which represented the 64% of finished products total sales of the company in 2019 compared to 54% for 2020, resulted to significant reduction of turnover. Demand from Italy, slightly recovered during the second half of 2020, following the gradual lifting of containment measures, that could not be recovered to prior year levels. Earnings before interest, taxes and depreciation and amortization (EBITDA) considered to losses of Euro 0.7 million for 2020, compared to prior year profits of Euro 0.7 million, which were mainly affected by the reduced metal prices that resulted to metal price losses of Euro 1.8 million in 2020 compared to losses of Euro 0.9 million in prior year. Specifically, 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 1.3 million for the year 2020 compared to profits of Euro 1.5 million in prior year, reduced by 19%. Earnings before interest and taxes (EBIT) considered to losses of Euro 2.1 million, compared to losses of Euro 0.6 in 2019. Finally, net results after taxes amounted to losses of Euro 3.2 million, compared to the year of 2019, which were Euro 1.6 million. It is worth to be noted that the company spent Euro 112 thousand in response to the pandemic that negatively affected the net results.

During 2020, 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 0.3 million.

On 28.12.2020 the Company proceed with the settlement of the outstanding balance of Euro 2.6 million of the syndicated bond loan issued on 20.12.2013, of a total nominal amount of Euro 13,035,000.00. In addition, on 21.09.2020, FITCO S.A signed a common bond loan of Euro 5.0 million with PIRAEUS BANK and the guarantee of the Hellenic Development Bank. Duration of the loan considered to five years and was provided in order to meet working capital needs. Total net debt of the company at 31.12.2020 reached to Euro 19.7 million, compared to Euro 19.0 million, the respective prior year.

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	1.01	0.93
Leverage Equity/ Loans & Borrowings	0.75	0.94
Return on Invested Capital Operating Profit (Loss)/ Equity + Loans & Borrowings	(5.91) %	(1.56) %
Return on Equity Net Profit (Loss)/Equity	(20.62) %	(8.29) %

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 31st of December, 2020, the Company held an amount of Euro 653 thousand 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

(α) <u>Covid-19</u>

The evolvement of the Covid-19 pandemic has had an adverse impact on global economic conditions. The Company responded swiftly to the pandemic, prioritizing the health and safety of its employees, suppliers and customers, and social distancing measures were successfully implemented without disrupting production activity with the minimum impact according to the recommendation of health committees and international protocols for pandemic response. For the additional measures and means of personal protection, according to the recommendation of health committees, the Company undertook expenses of Euro 112 thousand, which affected the profitability. However, the imposition of restrictions in movement and production in major export destination countries, as Italy, negatively affected exports mainly in March, April and May. In addition, the Company increased the allowance for “Impairment loss on receivables and contract assets” following the increased risk factors, hence impacting the financial results negatively, in order to include the new short-term conditions of the global market.

(β) <u>Brexit</u>

On 31.12.2020 the transitional period for the United Kingdom to leave the European Union has expired. The final deal which was formulated includes custom controls but does not include tariffs and quotas. Despite the initial custom and border difficulties risen by bureaucratic procedures, the Company did not face and does not expect significant differentiation for sales to the United Kingdom. More specific, sales to UK represented 5.1% of total sales in 2020 versus 7.7% in prior year. It is worth noting that most of our competitors operate within the Eurozone and will react to the currency fluctuation and whatever bureaucratic procedures arise in the initial implementation phase of the agreement.

E. Outlook and targets for 2021

Recent approvals and distribution of vaccines against Covid-19 as well as the additional policy measures in order to provide support to significant economies that affected by the pandemic have raised positive hopes for 2021, that disclosed in the first financial reports of both banks and credit agencies. Based on the above, our main goal remains the health and safety of our employees and our partners, which is the main lever for the uninterrupted operation of our production process. During exceptional financial uncertainty, the Company will continue to have as its main strategic goal the increase of market shares in industrial products and the strengthening of its activity in new markets, taking advantage of the uninterrupted operation of its production unit.

F. Subsequent events

There are no significant subsequent events.

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 ended on 31 December 2020

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:*	31/12/2020	31/12/2019
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	22,600,937	23,743,598
Right of use assets	*26*	83,875	132,421
Intangible assets and goodwill	*10*	95,042	47,003
Other Investments	*11*	1,995,331	1,816,067
Trade and other receivables	*14*	194,780	3,537
		24,969,965	**25,742,625**
Current Assets			
Inventories	*13*	16,615,407	18,325,855
Trade and other receivables	*14*	7,396,039	4,441,251
Derivatives	*15*	7,790	1,997
Cash and cash equivalents	*16*	652,958	826,667
		24,672,194	**23,595,769**
Total assets		**49,642,159**	**49,338,394**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	*17*	15,329,780	15,329,780
Other reserves	*17*	5,560,600	6,563,908
Retained earnings/(losses)		(5,585,654)	(3,162,561)
Total equity		**15,304,726**	**18,731,127**
LIABILITIES			
Non-current liabilities			
Loans and Borrowings	*18*	4,853,687	-
Lease liabilities	*18*	51,555	98,754
Deferred tax liabilities	*12*	4,087,255	4,164,082
Employee benefits	*19*	361,679	378,413
Grants	*20*	451,782	481,082
		9,805,958	**5,122,331**
Current liabilities			
Trade and other payables	*21*	5,117,638	4,135,636
Contract liabilities		3,391,769	1,486,869
Loans and Borrowings	*18*	15,384,548	19,733,216
Lease liabilities	*18*	36,779	37,438
Derivatives	*15*	600,741	91,778
		24,531,475	**25,484,938**
Total liabilities		**34,337,433**	**30,607,269**
Total equity and liabilities		**49,642,159**	**49,338,396**

The notes on pages 16 to 51 constitute an integral part of these Financial Statements.

II. Statement of Profit and Loss

EUR	*Note*	**2020**	**2019**
Revenue	*5*	**62,219,450**	**73,807,227**
Cost of Sales	*7*	(62,052,203)	(72,353,245)
Gross Profit		**167,247**	**1,453,982**
Other Income	*6*	190,414	453,844
Selling and Distribution expenses	*7*	(818,160)	(901,098)
Administrative expenses	*7*	(1,211,748)	(1,380,677)
Impairment loss on receivables and contract assets	*22*	(224,284)	181,503
Other Expenses	*6*	(210,599)	(409,592)
Operating profit / (loss)		**(2,107,130)**	**(602,037)**
Finance Income	*8*	690	659
Finance Costs	*8*	(1,041,556)	(1,138,757)
Net Finance income / (cost)		**(1,040,866)**	**(1,138,098)**
Profit/(Loss) before income tax		**(3,147,996)**	**(1,740,135)**
Income tax expense	*12*	(8,429)	187,820
Profit/(Loss) for the year		**(3,156,425)**	**(1,552,315)**

The notes on pages 16 to 51 constitute an integral part of these Financial Statements.

III. Statement of Other Comprehensive Income

EUR	*Note*	2020	2019
Profit / (Loss) of the period from continued operations		**(3.156.425)**	**(1,552,315)**
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	*19*	(30,327)	(47,340)
Equity investments in FVOCI - net change in fair value	*11*	178,264	-
Related tax	*12*	(35,505)	11,362
Total		**112,432**	**(35,978)**
Items that are or may be reclassified to profit or loss			
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion		(592,950)	(89,781)
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss		89,781	(213,663)
Related Tax	*12*	120,761	83,510
Total		**(382,408)**	**(219,934)**
Other comprehensive income / (expense) after tax		**(269,976)**	**(255,913)**
Total comprehensive income / (expense) after tax		**(3,426,401)**	**(1,808,227)**

The notes on pages 16 to 51 constitute an integral part of these Financial Statements.

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 2019	**10,384,770**	**287,213**	**327,284**	**6,726,039**	**(2,130,960)**	**15,594,346**
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	**-**	**-**	**-**	**(556,693)**	**556,693**	**4,945,010**
Balance as at 31 December 2019	**15,329,780**	**67,278**	**327,284**	**6,169,346**	**(3,162,561)**	**18,731,127**
Balance as at 1 January 2020	**15,329,780**	**67,278**	**327,284**	**6,169,346**	**(3,162,561)**	**18,731,128**
Net profit/(loss) of the period	-	-	-	-	(3,156,425)	**(3,156,425)**
Other comprehensive income, net of taxes	-	(382,408)	-	-	112,432	**(269,976)**
Total comprehensive income	**-**	**(382,408)**	**-**	**-**	**(3,043,993)**	**(3,426,401)**
<u>Transactions with owners of the company</u>						
Issuance of share capital	-	-	-	-	-	**-**
Transfer of reserves	-	-	-	(620,900)	620,900	**-**
Total transactions with owners of the company	**-**	**-**	**-**	**(620,900)**	**620,900**	**-**
Balance as at 31 December 2020	**15,329,780**	**(315,130)**	**327,284**	**5,548,447**	**(5,585,654)**	**15,304,726**

The notes on pages 16 to 51 constitute an integral part of these Financial Statements.

V. Statement of Cash Flows

EUR	**2020**	**2019**
Cash flows from operating activities		
Profit / (loss) after taxes	(3,156,425)	(1,552,315)
Adjustments for:		
Tax	8,429	(187,820)
Depreciation and Amortization	**1,409,367**	**1,257,985**
Depreciation of tangible assets	1,373,680	1,230,434
Depreciation of right of use assets	35,554	40,198
Depreciation of intangible assets	29,433	15,986
Depreciation of Investment Property	-	19,753
Amortization of grants	(29,300)	(48,385)
Finance Income	(690)	(659)
Interest charges & related expenses	1,041,556	1,138,757
(Profit) / loss from sale of tangible assets	(56)	18,775
(Profit) / loss from sale of investment property	-	(123,783)
Impairment/ (Reversal of Impairment) on intangible assets	4,029	-
(Gains)/ losses from foreign exchange differences	(9,379)	(43,598)
Impairment of inventories	-	(587,487)
Impairment/ (Reversal of Impairment) of receivables	224,284	(181,503)
	(478.885)	**(261,647)**
Decrease / (increase) in inventories	1,710,448	(3,439,584)
Decrease / (increase) in receivables	(3,360,938)	1,776,247
(Decrease) / Increase in liabilities (minus banks)	767,597	(4,857,823)
(Decrease) / Increase in defined benefit obligation	(16,734)	26,264
(Decrease) / Increase in contract liabilities	1,904,900	1,485,327
	1,005,273	**(5,009,569)**
Interest charges & related expenses paid	(1,047,186)	(1,013,912)
Income tax paid	(1,600)	-
Net Cash flows from operating activities	**(522,398)**	**(6,285,128)**
Cash flows from investing activities		
Purchase of tangible assets	(89,792)	(521,922)
Proceeds from sales of fixed assets	-	24,385
Interest received	-	659
Acquisition of other investments	(1,000)	(1,000)
Net Cash flows from investing activities	**(90,792)**	**(497,878)**
Cash flows from financing activities		
Loans received	5,041,554	5,132,024
Loans settlement	(4,562,300)	(3,364,659)
Payment of lease liabilities	(39,773)	(53,127)
Proceeds /(payment) from capital increase/(decrease)	-	4,945,010
Net cash flows from financing activities	**439,481**	**6,659,248**
Net (decrease)/ increase in cash and cash equivalents	**(173,709)**	**(123,758)**
Cash and cash equivalents at the beginning of period	826,667	950,425
Cash and cash equivalents at the end of period	**652,958**	**826,667**

The notes on pages 16 to 51 constitute an integral part of these Financial Statements.

VI. Notes to the Financial Statements

1. Information about the Company

FITCO METAL WORKS SINGLE MEMBER 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, 2020, have been approved by the Company’s Board of Directors on April 6, 2021.

(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:

Significant Assessments

- Evaluation of assets which are not measured in fair value: The Group makes assessments for impairment of assets that aren't measured in fair value (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 1.1.2020 have been issued. The Company's evaluation regarding the effect of those new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 3 (Amendments) 'Definition of a business'

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. It further clarifies that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Finally, it introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

IAS 1 and IAS 8 (Amendments) 'Definition of material'

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 IFRSs.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'

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.

Standards and Interpretations effective for subsequent periods

IFRS 17 'Insurance contracts' and Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023)

IFRS 17 has been issued in May 2017 and, alogn with the Amendments to IFRS 17 issued in June 2020, 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 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 June 2020)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9' (effective for annual periods beginning on or after 1 January 2021)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2' (effective for annual periods beginning on or after 1 January 2021)

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2023)

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.

IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies' (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' (effective for annual periods beginning on or after 1 January 2023)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 9 'Financial instruments'

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 'Leases'

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

IAS 41 'Agriculture'

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

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 instruments

i. Initial recognition and measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition, for an item not at FVTPL.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, dividends, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss except equity investments at FVOCI that are never reclassified to profit and loss.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities are subsequently measured at amortized cost using the effective interest method except hedging instruments. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4.3 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 recognized 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 recognized 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.

4.4 Cash and Cash Equivalents

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

4.5 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.

4.6 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.

4.7 Trade payables

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

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

If the carrying amount of a CGU, including goodwill, exceeds its recoverable amount, then an impairment loss is recognized. The impairment loss recognized in the statement of profit and loss and could not be reversed.

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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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 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 2019 and 31 December 2020 related exclusively to operating leases.

4.20 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.

4.21 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	**2020**	**2019**
Greece	14,678,507	16,494,714
European Union	38,432,625	49,220,801
UK	3,150,693	5,710,589
Other European Countries	2,105,575	583,526
Asia	3,412,514	1,623,502
America	331,202	97,770
Africa	108,334	76,325
Total	**62,219,450**	**73,807,227**

Breakdown of revenue by segment:

EUR	**2020**	**2019**
Sale of goods	56,056,786	63,718,887
Rendering of services	2,961,382	4,481,601
Sales of scrap and raw materials	3,201,282	5,606,739
Total	**62,219,450**	**73,807,227**

6. Other Operating Income & Expenses

EUR	**2020**	**2019**
Other Income		
Amortization of Grants	29,300	48,385
Rental income	8,400	136,611
Foreign Exchange Gains	59,165	34,160
Income from fees	28,027	31,169
Damage Compensation	1,620	38,602
Gain from sale of Fixed assets	56	10,140
Gain from sale of Investment Property	-	123,783
Other Income	63,846	30,994
Total	**190,414**	**453,844**

Other Expense	**2020**	**2019**
Impairment of Intangible assets	(4,029)	-
Loss from sale of Fixed assets	-	(28,915)
Foreign Exchange Losses	-	(77,758)
Commissions	(139,490)	(5,622)
Other taxes	(40,814)	(3,663)
Penalties	-	(137)
Employee benefits	-	(80,489)
Depreciation and amortisation	-	(24,398)
Other Expenses	(26,266)	(188,610)
Total	**(210,599)**	**(409,592)**
Net other income-(expenses)	**(20,185)**	**44,252**

7. Expenses by Nature

EUR	**2020**	**2019**
Cost of inventories recognized as an expense	52,069,508	61,870,608
Employee benefits	3,737,314	4,528,671
Energy	432,696	567,672
Depreciation and amortisation	1,438,665	1,281,971
Taxes - duties	146,307	168,194
Credit insurance expenses	209,460	210,201
Rental fees	15,695	34,922
Transportation costs (goods and materials)	1,002,416	1,248,803
Promotion & advertising	12,086	12,032
Third party fees and benefits	3,990,165	3,225,946
Gains/(losses) from derivatives	89,765	574,112
Commissions	253,844	192,741
Maintenance expenses	288,381	137,324
Travel and personnel transport expenses	313,098	40,833
Other expenses	82,710	540,939
Total	**64,082,111**	**74,635,019**

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

EUR	**2020**	**2019**
Employee remuneration & expenses	2,653,412	3,247,929
Social security expenses	673,254	856,368
Defined benefit plan expenses	100,059	74,306
Other employee benefits	310,590	430,556
Total	**3,737,315**	**4,609,160**

The number of employees at the end of the current year was 109 (2019: 126).

8. Financial Income - Cost

EUR	**2020**	**2019**
Income		
Interest Income	690	659
Total	**690**	**659**
Expenses		
Interest expenses	(991,991)	(1,105,779)
Guarantee commissions	(49,565)	(32,977)
Total	**(1,041,556)**	**(1,138,757)**
Financial Income & Cost (Net)	**(1,040,866)**	**(1,138,097)**

9. Fixed Assets

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**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2020	**2,493,159**	**7,164,347**	**19,578,382**	**244,945**	**878,830**	**786,038**	**31,146,151**
Additions	-	-	6,345	-	21,180	274,096	301,621
Disposals	-	-	-	-	(755)	-	(755)
Other reclassifications	-	20,624	570,684	-	-	(661,908)	(70,600)
Balance as at 31 December 2020	**2,493,159**	**7,184,971**	**20,155,861**	**244,945**	**899,255**	**398,226**	**31,376,417**
Accumulated depreciation							
Balance as at 1 January 2020	**-**	**(1,935,106)**	**(3,900,167)**	**(231,217)**	**(846,124)**	**-**	**(7,402,555)**
Depreciation of the period	-	(489,940)	(854,110)	(2,290)	(25,612)	-	(1,373,678)
Disposals	-	-	-	-	755	-	755
Balance as at 31 December 2020	**-**	**(2,916,713)**	**(4,754,278)**	**(233,508)**	**(870,981)**	**-**	**(8,775,478)**
Carrying amount as at 31 December 2020	**2,493,159**	**4,268,258**	**15,401,583**	**11,438**	**28,274**	**398,226**	**22,600,937**

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of Company (see notes 18 & 24).

(b) Assets under Construction

The account “Assets under construction” includes machinery the installation of which has not been completed as at December 31, 2020.

10. Intangible Assets

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	**(56,388)**	**(163,017)**	**(219,404)**
Carrying amount as at 31 December 2019	**43,425**	**3,578**	**47,003**

EUR	Trademarks and licenses	Software	Total
Cost			
Balance as at 1 January 2020	**99,813**	**166,595**	**266,408**
Additions	-	10,901	**10,901**
Reclassifications	-	70,600	**70,600**
Balance as at 31 December 2020	**99,813**	**248,097**	**347,909**
Accumulated amortization and impairment			
Balance as at 1 January 2020	**(56,388)**	**(163,017)**	**(219,404)**
Amortization for the period	(7,778)	(21,655)	**(29,433)**
Impairment loss	-	(4,029)	**(4,029)**
Balance as at 31 December 2020	**(64,166)**	**(188,701)**	**(252,867)**
Carrying amount as at 31 December 2020	**35,647**	**59,395**	**95,042**

11. Other investments

	2020	2019
Balance as at 1 January	1,816,067	-
Additions	1,000	1,816,067
Change in fair value through equity	178,264	
Balance as at 31 December	**1,995,331**	**1,816,067**

The investment in NOVAL PROPERTY Real Estate Investment Company (R.E.I.C.) was approved by the decision of the BoD of the Company on August 5, 2019 with the contribution of FITCO's investment property with a carrying amount about EUR 1.7 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.

During the fiscal year the Company revalued its investment in NOVAL PROPERTY Real Estate Investment Company (R.E.I.C.) by EUR 178,264.

Other investments measured at fair value through OCI (FVOCI).

12. Income Tax

Within 2020, 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 2019 and an unqualified tax Certificate was issued.

For the year 2020, 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 2020. 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	**2020**	**2019**
Deferred Tax (Expense)/Income	(8,429)	187,820
Tax Expense	**(8,429)**	**187,820**

Reconciliation of effective tax rate

		2020		2019
Accounting Profit/loss (-) before income tax		**(3,147,996)**		**(1,740,135)**
Tax rate in Greece	24%		24%	
At statutory income tax rate		755,519		417.632
Non-deductible expenses for tax purposes		(64,545)		(93.448)
Current-year losses for which no deferred tax asset is recognised		(699,403)		(872,598)
Change in tax rate or composition of new tax		-		736.233
	0%	**(8,429)**	**(11%)**	**187,819**
Income tax expense reported in the statement of profit or loss		**(8,429)**		**187,819**

The movement in deferred tax can be presented as follows:

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	**0**	21,722	-	**21,722**	21,722	-
Employee benefits	**116,548**	(27,082)	11,364	**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)**	**(548,414)**	**113,303**	**(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)**

EUR	**Net balance at 1 January 2020**	**Recognised in profit or loss**	**Recognised in OCI**	**Net Balance at 31 December 2020**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	**(4,597,730)**	222,615	-	**(4,375,115)**	-	(4,375,115)
Intangible assets	**13,373**	(2,452)	-	**10,921**	10,921	-
Investment property	**-**	-	-	**-**	-	-
Other investments	**-**	-	(42,783)	**(42,783)**	-	(42,783)
Derivatives	**27,815**	(290,884)	120,761	**(142,308)**	-	(142,308)
Inventories	**(39,100)**	49,127	-	**10,027**	10,027	-
Loans and borrowings	**21,722**	(56,837)	-	**21,722**	-	(35,115)
Employee benefits	**100,828**	(21,578)	7,278	**86,529**	86,529	-
Provision/ accruals	**331,912**	103,192	-	**435,103**	435,103	-
Deferred income	**(22,903)**	(11,612)	-	**(22,903)**	-	(34,515)
Tax assets/liabilities (-) before set-off	**(4,164,082)**	**(8,429)**	**85,256**	**(4,087,256)**	**542,581**	**(4,629,836)**
Set-off tax					(542,581)	(542,581)
Net tax assets/liabilities (-)				**(4,087,256)**	**-**	**(4,087,256)**

13. Inventories

EUR	2020	2019
Merchandise	122,703	197,324
Finished goods	3,925,800	5,709,701
Semi-finished goods	7,597,467	8,842,383
By-products & scrap	272,050	232,899
Work in progress	667,410	225,677
Raw and auxiliary materials	2,355,150	1,486,453
Consumables	44,422	47,202
Packaging materials	272,991	313,531
Spare parts	1,357,414	1,270,686
Total	**16,615,407**	**18,325,855**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less cost for sale.

14. Trade and Other Receivables

EUR	2020	2019
Trade receivables (excluding investment property clients)	7,511,559	5,138,260
Less: Impairment losses	(1,789,914)	(1,565,630)
Receivables from related entities	786,667	421,399
Trade receivables from contracts with customers	**6,508,312**	**3,994,133**
Other down payments	-	4,151
Cheques and notes receivables & Cheques overdue	65,259	87,861
Tax assets	247,789	296,187
Other debtors	543,549	9,496
Other receivables	31,130	49,423
Total	**7,396,039**	**4,441,251**
Non-current assets		
Non-current receivables	194,780	3,537
Total	**194,780**	**3,537**
Total receivables	**7,590,819**	**4,444,787**

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. More information regarding the exposure of the Company to credit risk and the impairment losses for doubtful customers refer to note 22.

15. Derivatives

Total Derivatives in Statement of Financial Position

EUR	**2020**	**2018**
Current assets		
Forward foreign exchange contracts	7,790	1,997
Total	**1,997**	**222,438**
Current liabilities		
Future contracts	600,741	91,778
Total	**600,741**	**91,778**
Amounts recognised in P&L	**(89.765)**	**227,562**

For the Company, the results from settled financial risk management operations recorded in the Income Statement during years 2020 and 2019 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.

16. Cash and Cash Equivalents

EUR	**2020**	**2019**
Cash in hand	834	1,280
Short-term bank deposits	652,124	825,387
Total	**652,958**	**826,667**

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

17. Share capital and reserves

(a) Share Capital

The Company's share capital amounts to Euro 15,329,780 (2019: Euro 15,329,780) divided to 5,128,260 (2019: 5,128,260) 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	2020	2019
Statutory Reserves	6,545	6,545
Hedging Reserve	(315,130)	67,278
Tax exempt reserves	295,422	295,422
Extraordinary reserves	25,317	25,317
Revaluation reserve	5,548,446	6,169,346
Total	**5,560,600**	**6,563,908**

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.

18. Loans and Obligations

EUR	2020	2019
Non-Current		
Lease liabilities	51.555	98,754
Secured bond issues	4.853.687	-
Total	**4,905,242**	**98,754**

EUR	2020	2019
Current		
Unsecured bank loans	15,354,909	15,168,381
Current portion of secured bond issues	29,639	4,564,835
Lease liabilities (ex. operating leases)	36,779	37,438
Total	**15,421,327**	**19,770,653**
Total loans and borrowings	**20,326,569**	**19,869,407**

The maturities of non-current loans are:

EUR	**2020**	**2019**
Between 1 and 2 years	21,479	42,064
Between 2 and 5 years	4,883,763	56,690
Total	**4,905,242**	**98,754**

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 aforementioned loan was fully settled in 2020 and the Company obtained the waiver from the bank.

The real weighted average lending interest rate for the balance sheet date was 3.3% for the year of 2020 and 4.1% for the year of 2019.

19. 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 2020 and 2019 is analyzed as follows:

EUR	**2020**	**2019**
Balance as at 1 January	**378,413**	**352,149**
Amounts recognized in profit or loss		
Current service cost	17,628	13,931
Settlement/curtailment/termination loss	79,737	54,765
Interest cost/income (-)	2,693	5,610
Total P&L Charge	**100,059**	**74,306**
Amounts recognized in OCI		
Remeasurement loss/gain (-):		
-Actuarial loss/gain (-) arising from:		
Financial assumptions	22,170	34,318
Experience assumptions	8,157	13,022
Total P&L Charge	**30,327**	**47,340**
Other		
Benefits paid	(147,120)	(95,382)
Total	**(147,120)**	**(95,382)**
	361,679	**378,413**

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

	2020	2019
Discount interest rate	0.30%	0.77%
Inflation	1.25%	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 7.05%, while if a decreased discount rate by 50 basis points had been used, then its liabilities would have been increased by 6.52%. 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 6.38%. 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 5.82%.

20. Grants

EUR	2020	2019
Opening balance	**481,082**	**529,851**
Amortization of grants	(29,300)	(48,385)
Closing balance	**451,782**	**481,082**

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.

21. Trade payables and other liabilities

EUR	2020	2019
Suppliers	1,380,611	975,665
Social Security funds	150,859	169,538
Amounts due to related parties	3,220,971	2,597,674
Sundry creditors	67,898	63,256
Accrued expenses	209,721	219,944
Other Taxes	87,578	109,559
Total	**5,117,638**	**4,135,636**

22. 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
- Fluctuation of LME prices

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	**2020**	**2019**
Customers (Current assets)	7,590,819	4,444,788
Total	**7,590,819**	**4,444,788**
Less:		
Downpayments	-	(4,151)
Tax assets	(247,789)	(296,187)
Other receivables	(31,130)	(49,423)
Total	**(278,919)**	**(349,761)**
Financial assets entailing credit risk	**7,311,900**	**4,095,027**

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

EUR	**2020**	**2019**
Neither past due nor impaired	3,919,163	3,642,692
Overdue		
- Up to 6 months	3,165,116	391,056
- Over to 6 months	227,621	61,279
Total	**7,311,900**	**4,095,027**

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

EUR	**2020**	**2019**
Balance as at 1 January	**1,565,630**	**1,747,133**
Impairment loss recognised	229,321	-
Impairment loss reversed	(5,037)	(181,503)
Total	**1,789,914**	**1,565,630**

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 2020, the Company had an amount of Euro 653 thousand (2019: Euro 826 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.

	2019				
EUR	**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**

EUR	2020 Carrying amount	Up to 1 yr	1 to 2 years	2 to 5 years	Total
Bank loans	15,354,909	15,394,838	-	-	**15,394,838**
Lease liabilities	88,334	39,510	21,478	36,395	**97,383**
Bond issues	4,883,326	111,528	861,528	4,423,082	**5,396,138**
Derivatives	600,741	600,741	-	-	**600,741**
Contract liabilities	3,391,769	3,391,769	-	-	**3,391,769**
Trade and other payables	5,117,639	5,117,639	-	-	**5,117,639**
Total	**29,436,718**	**24,656,023**	**883,006**	**4,459,476**	**29,998,506**

(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.

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

		2020	
EUR	**EURO**	**USD**	**GBP**
Trade and other receivables	6,647,170	928,649	15,000
Cash & cash equivalents	652,264	694	-
Loans and Borrowings	(20,326,568)	-	-
Trade and other payables	(4,626,464)	(468,476)	(28,863)
Contract liabilities	(3,391,769)	-	-
Derivatives	-	660,462	762,652
Net Assets - (Liabilities)	**(21,045,039)**	**1,121,328**	**748,789**

Sensitivity Analysis

	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

	2020			
	Profit or loss		Equity, net of tax	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(101,939)	124,592	(101,939)	124,592
GBP (10% movement)	(68,072)	83,199	(68,072)	83,199

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

	Average rate		Spot rate	
	2020	**2019**	**2020**	**2019**
USD	1.1422	1.1195	1.2271	1.1234
GBP	0.8897	0.8778	0.89903	0.8508

(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	**2020**	**2019**
Variable-rate Instruments		
Financial liabilities	20,326,568	19,869,407
Total	**20,326,568**	**19,869,407**

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

	2020		2019	
EUR	**0.25% increase**	**0.25% decrease**	**0.25% increase**	**0.25% decrease**
Financial liabilities	(50,816)	50,816	(49,674)	49,674
Cash flow sensitivity (net)	**(50,816)**	**50,816**	**(49,674)**	**49,674**

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

(e) 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).

(f) 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.

Macro-economic environment

a. <u>Covid-19</u>

The evolvement of the Covid-19 pandemic has had an adverse impact on global economic conditions. The Company responded swiftly to the pandemic, prioritizing the health and safety of its employees, suppliers and customers, and social distancing measures were successfully implemented without disrupting production activity with the minimum impact according to the recommendation of health committees and international protocols for pandemic response. For the additional measures and means of personal protection, according to the recommendation of health committees, the Company undertook expenses of Euro 112 thousand, which affected the profitability. However, the imposition of restrictions in movement and production in major export destination countries, as Italy, negatively affected exports mainly in March, April and May. In addition, the Company increased the allowance for "Impairment loss on receivables and contract assets" following the increased risk factors, hence impacting the financial results negatively, in order to include the new short-term conditions of the global market.

b. Brexit

On 31.12.2020 the transitional period for the United Kingdom to leave the European Union has expired. The final deal which was formulated includes custom controls but does not include tariffs and quotas. Despite the initial custom and border difficulties risen by bureaucratic procedures, the Company did not face and does not expect significant differentiation for sales to the United Kingdom. More specific, sales to UK represented 5.1% of total sales in 2020 versus 7.7% in prior year. It is worth noting that most of our competitors operate within the Eurozone and will react to the currency fluctuation and whatever bureaucratic procedures arise in the initial implementation phase of the agreement.

23. 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.

	2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Other investments	-	-	1,995,331	**1,995,331**
Derivatives financial assets	-	7,790	-	**7,790**
Derivatives financial Liabilities	(600,741)	-	-	**(600,741)**
	2019			
Other investments	-	-	1,816,067	**1,816,067**
Derivatives financial assets	-	1,997	-	**1,997**
Derivatives financial Liabilities	(91,778)	-	-	**(91,778)**

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 2020 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.

24. Contingent Liabilities / Assets

The contingent liabilities and assets of the Company which arise by its ordinary activities, includes issued mortgages against lots and buildings of Euro 15.6 million. The aforementioned loan has been settled and the waiver was obtained for mortgage removal.

The tax liabilities of the Company, for the year 2020, haven't been audited by taxation authorities and thus are not finalized yet for such years.

25. 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	**2020**	**2019**
Sale of goods		
Parent	5,570,721	5,977,079
Other	4,554,731	6,454,878
Total	**10,125,451**	**12,431,956**
Sale of services		
Parent	205,971	505,366
Other	45,938	37,424
Total	**251,909**	**542,791**
Sale of fix assets		
Other	-	1,839,580
Total	**-**	**1,839,580**
Purchase of goods		
Parent	7,251,639	15,591,663
Other	3,044,011	4,253,698
Total	**10,295,649**	**19,845,362**
Purchase of services		
Parent	3,362,712	4,128,429
Other	898,163	1,052,308
Total	**4,260,875**	**5,180,737**
Purchase of fixed assets		
Other	43,924	227,943
Total	**43,924**	**227,943**

EUR	**2020**	**2019**
Fees - benefits to the members of the Board of Directors and executives	607,886	683,835
Total	**607,886**	**683,835**

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

EUR	**2020**	**2019**
Receivables from related parties		
Parent	-	1,364
Other	786,667	420,035
Total	**786,667**	**421,399**
Liabilities to related parties		
Parent	5,631,104	2,506,897
Other	287,470	672,696
Total	**5,918,574**	**3,179,593**

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.

26. Right of Use of Assets

EUR	**Transportation equipm**
Κόστος	
Balance as at 1 January 2020	**170,191**
Additions	5,072
Terminations	(24,785)
Balance as at 31 December 2020	**150,478**
Accumulated depreciation	
Balance as at 1 January 2020	**(37,770)**
Depreciation of the period	(35,554)
Terminations	6,721
Balance as at 31 December 2020	**(66,603)**
Carrying amount as at 31 December 2020	**83,871**

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

During the fiscal year, rental costs of Euro 16 thousand were recognized in the statement of profit and loss related to low value lease contracts.

27. 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

		2020	2019
Operating profit / (loss)		**(2.107.130)**	**(602,037)**
	Adjustments for:		
	+ Depreciation of tangible assets	1.373.680	1,230,434
	+ Depreciation of right of use assets	35.554	40,198
	+ Depreciation of intangible assets	29.433	15,986
	+ Depreciation of Investment Property	-	19,753
	- Amortization of grants	(29.300)	(48,385)
EBITDA		**(697.763)**	**655,948**

		2020	2019
EBITDA		**655,948**	**655,948**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	1,843,502	905,198
	+ Covid expenses	112,282	-
a - EBITDA		**1,258,020**	**1,561,147**

	2020	2019
(A) Value of Metal in Sales	49,472,026	58,587,736
(B) Value of Metal in Cost of Sales	(51,166,996)	(60,313,606)
(C) Result of Hedging Instrunments	(148,531)	820,672
(A+B+C) Metal Result in Gross Profit	**(1,843,502)**	**(905,198)**

Regarding the expenses for the treatment of the Covid-19 pandemic, the Company adjusted expenses of Euro 112.3 thousand for the calculation of a-EBITDA. These expenses are directly linked to the pandemic and due to the special circumstances caused and are not expected to reoccur after it subsides. Without the aforementioned adjustments, a-EBITDA is amounting to Euro 1,146 thousand.

28. Subsequent events

There are no significant subsequent events.

[Translation from the original text in Greek]

Independent auditor's report

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

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of FITCO METAL WORKS SINGLE MEMBER S.A. (Company) which comprise the statement of financial position as of 31 December 2020, 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 2020, 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 Board of Directors' Report for the year ended at 31 December 2020 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 their 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 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, 7 April 2021
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