ANNUAL FINANCIAL REPORT

AS AT 31 DECEMBER 2020

ACCORDING TO INTERNATIONIAL FINANCIAL AND REPORTING STANDARDS

CABLEL WIRES S. A
G.C. REGISTRY: 5302401000
Athens Tower, Building B, 2-4 Mesogeion Avenue

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 CABLEL WIRES S.A. (hereinafter referred to for the purpose of brevity as "Company" or "CABLEL WIRES") for the year 2020, as well as 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, 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 metal prices which the Company processes fluctuated at lower levels during 2020, with the average price of aluminium at around Euro 1,490 per ton versus Euro 1,600 per ton for 2019, meanwhile the average price of copper maintained its levels at Euro 5,395 per ton versus Euro 5,358 per ton for the fiscal year 2019.

On 31.10.2019, the corporate transformation was completed by the spin-off of production, distribution and trade segment for all forms of enamelled wires of copper and aluminium, from the company “HELLENIC CABLES SA HELLENIC CABLES INDUSTRY SINGLE MEMBER SOCIETE ANONYME” and contribution of its assets to the company under the trade name “B.E.MET S.A.” following all the appropriate regulatory approvals. Then, the company was renamed to “CABLEL WIRES S.A. Hellenic Wire Industry Single Member Societe Anonyme”. In this light, the financials of the Company considerably increased following the absorption of the said sector. For more information regarding the comparative pro-forma figures of the Company for a full year 2019, refer to note 24.

Revenue amounted to Euro 28,580 thousand in 2020 compared to Euro 4,053 in 2019, with the gross profit considered to loss of Euro 304 thousand compared to Euro 98 thousand mainly affected by the metal result losses that considered to Euro 520 thousands. The earnings before interest, taxes, depreciation and amortization (EBITDA) recorded losses of Euro 983 thousand in 2020 compared to losses of Euro 430 thousand in prior year. It is worth to be noted that the adjusted earnings before interest, taxes, depreciation and amortization (a-EBITDA) which isolate the effect from the metal prices and present in a better way the operational profitability of the Company amounted to Euro 294 thousand. Earnings before interest and taxes (EBIT) was losses of Euro 1,442 in 2020 versus Euro 520 thousand in prior year. Finally, the net result for the period (losses) after tax considered to Euro 1,545 thousand versus losses of Euro 502 thousand in 2019.

B. Financial standing

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

Ratios	31/12/2020	31/12/2019
Liquidity Current Assets/Current Liabilities	0.89	1.03
Leverage Equity/ Loans & Borrowings	0.55	1.05
Return on Invested Capital Operating Profit (Loss)/ Equity + Loans & Borrowings	(16.10) %	(5.13) %
Return on Equity Net Profit (Loss)/Equity	(41.12) %	(9.48) %

C. Corporate Social Responsibility and Sustainable Development

Reference to non-Financial Information

CABLEL WIRES S.A was committed as a 100% subsidiary of ELVALHALCOR S.A. on 24.12.2019, the date which was acquired by the affiliated company HELLENIC CABLES S.A.. The non-Financial Information Report of ELVALHALCOR S.A includes information of the consolidated entity CABLEL WIRES S.A. for the period ending 2020. Also, Company's information is presented in the Sustainability Report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI-Standards). For more information visit the website https://www.elvalhalcor.com/el/investor-relations/reports-presentations/annual-reports/

Environment

CABLEL WIRES, given the 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 the Company 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.

Company'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.

CABLEL WIRES, in the context of its responsible operation, has established a code of values and behavior 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, CABLEL WIRES seeks and ensures jobs and recruitment from the wider society of Ioannina, supporting the employment in the region.

Health and Safety
CABLEL WIRES 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.

During the fiscal year, further steps were taken to improve the security culture while the training of employees to create a safe working environment was intensified. CABLEL WIRES virtue is the recording and reporting of “near misses” something that is the 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. During 2020, a significant proportion of sales of the company realized to affiliate companies and mainly to the company Hellenic Cables, while no customer got it over the 10% of the total sales. As a result, credit risk is allocated to a great number of customers which considers that no significant risk of default exists.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before standard 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 based on 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) in order 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.

Liquidity risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Company 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 1,777 thousand of cash and cash equivalents 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.

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.

Risk from the fluctuation of metal prices (aluminium, copper, other metals)

The Company bases both its purchases and sales on stock market prices/ indexes for the price of copper and aluminium used and incorporated in its products. The risk from metal prices and gas prices fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME).

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 or with the use of appropriate financial instruments.

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

Covid-19

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, according to the recommendation of health committees, while monitoring the impact and evaluates any negative impact in its operations. In order to secure the without disruption production activity with the minimum impact with the additional measures and means of personal protection, the Company undertook expenses of Euro 23 thousand, which affected the profitability.

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% of total sales in 2020. 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.

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

Considering, however, the following:

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

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

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

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

E. Goals and Prospects for 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. For the year 2021, the Company will continue to have as its main strategic goal to increase its market share for wire products and enamelled wires to strengthen its activity in new markets that have not been affected by the economic downturn. In addition, for this current year, the optimal management of working capital and the reduction of net borrowing are our main priorities. As the macro trends remain positive for the products for Company, the long-term plan remains stable.

F. Subsequent events

No subsequent events exist.

The Chairman of the Board of Directors	**The appointed Member of the BoD**
Ioannis Batsolas	**Ilias Sembos**

FINANCIAL STATEMENTS

For the year ending at 31/12/2020

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MEMBER OF THE B.o.D.	THE CHIEF FINANCIAL OFFICER
BATSOLAS IOANNIS ID No. AK 034042	ILIAS SEMBOS ID No. AK 683102	DIMITRIOS KAFOROS ID No AH 524735 Reg.Nr. A'Class 106475

I. Statement of Financial Position

EUR	***Note:***	**31/12/2020**	**31/12/2019**
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	5,441,683	5,719,913
Right of use assets	*23*	117,049	14,437
Intangible assets and goodwill	*10*	108,684	144,984
Trade and other receivables		61,770	68,640
		5,729,185	**5,947,975**
Current Assets			
Inventories	*12*	2,888,880	2,895,151
Trade and other receivables	*13*	3,549,672	6,323,342
Derivatives		10,717	-
Cash and cash equivalents	*14*	1,777,063	1,335,874
		8,226,331	**10,554,367**
Total assets		**13,955,517**	**16,502,341**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	*15*	5,155,290	5,155,290
Other reserves	*15*	3,221,499	3,213,353
Retained earnings/(losses)		(4,619,945)	(3,071,266)
Total equity		**3,756,844**	**5,297,378**
LIABILITIES			
Non-current liabilities			
Lease liabilities	*16*	87,154	6,444
Deferred tax liabilities	*11*	524,239	678,183
Employee benefits	*17*	253,565	239,475
Grants		80,297	80,297
		945,255	**1,004,399**
Current liabilities			
Trade and other payables	*19*	2,405,910	5,185,085
Contract Liabilities		128,157	
Loans and Borrowings	*16*	6,688,523	5,007,250
Lease liabilities	*16*	30,828	8,230
		9,253,418	**10,200,565**
Total liabilities		**10,198,673**	**11,204,963**
Total equity and liabilities		**13,955,517**	**16,502,341**

The notes on pages 15 to 47 constitute an integral part of these Financial Statements.

II. Statement of Profit and Loss

EUR	Note	31/12/2020	31/12/2019
Revenue	*5*	**28,579,511**	**4,053,333**
Cost of Sales	*7*	(28,883,031)	(4,151,198)
Gross Profit		**(303,520)**	**(97,865)**
Other Income	*6*	23,132	5,377
Selling and Distribution expenses	*7*	(387,897)	(46,737)
Administrative expenses	*7*	(737,572)	(113,774)
Impairment loss on receivables and contract assets	*20*	22,813	(20,767)
Other Expenses	*6*	(58,917)	(245,909)
Operating profit / (loss)		**(1,441,961)**	**(519,675)**
Finance Income	*8*	2,628	36
Finance Costs	*8*	(260,860)	(10,049)
Net Finance income / (cost)		**(258,232)**	**(10,013)**
Profit/(Loss) before income tax		**(1,700,193)**	**(529,688)**
Income tax expense	*11*	155,316	27,660
Profit/(Loss) for the year		**(1,544,877)**	**(502,028)**

The notes on pages 15 to 47 constitute an integral part of these Financial Statements.

III. Statement of Other Comprehensive Income

EUR	**31/12/2020**	**31/12/2019**
Profit / (Loss) of the period from continued operations	**(1,544,877)**	**(502,028)**
Items that will never be reclassified to profit or loss		
Profit from Revaluation of Fixed Assets to Fair Value	-	1,114,177
Remeasurements of defined benefit liability	(5,003)	(59,864)
Related tax	1,201	(253,035)
Total	**(3,802)**	**801,278**
Items that are or may be reclassified to profit or loss		
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	10,717	
Related Tax	(2,572)	
Total	**8,145**	**801,278**
Other comprehensive income / (expense) after tax	**4,343**	**801,278**
Total comprehensive income / (expense) after tax	**(1,540,534)**	**299,250**

The notes on pages 15 to 47 constitute an integral part of these Financial Statements.

IV. Statement of Changes in Equity

EUR	Share capital	Reserves	Results carried forward	Total Equity
Balance as at 1 January 2019	**32,400**	**-**	**(25,688)**	**6,712**
Total comprehensive income				
Other comprehensive income, net of taxes	-	846,775	(45,497)	801,278
Net profit/(loss) of the period	-	-	(502,028)	(502,028)
Total comprehensive income	**-**	**846,775**	**(547,525)**	**299,250**
Transactions with owners of the company				
Mergers and absorptions	5,122,890	2,366,579	(2,498,053)	4,991,416
Total transactions with owners of the company	**5,122,890**	**2,366,579**	**(2,498,053)**	**4,991,416**
Balance as at 31 December 2019	**5,155,290**	**3,213,353**	**(3,071,266)**	**5,297,377**

EUR	Share capital	Reserves	Results carried forward	Total Equity
Balance as at 1 January 2020	**5,155,290**	**3,213,353**	**(3,071,266)**	**5,297,378**
Total comprehensive income				
Other comprehensive income, net of taxes	-	8,145	(3,802)	4,343
Net profit/(loss) of the period	-	-	(1,544,877)	(1,554,347)
Total comprehensive income	**-**	**8,145**	**(1,548,679)**	**(1,540,534)**
Balance as at 31 December 2020	**5,155,290**	**3,221,498**	**(4,619,945)**	**3,756,843**

The notes on pages 15 to 47 constitute an integral part of these Financial Statements.

V. Statement of Cash Flows

EUR	**31/12/2020**	**31/12/2019**
Cash flows from operating activities		
Profit / (loss) after taxes	**(1,544,877)**	**(502,028)**
Adjustments for:		
Tax	(155,316)	(27,660)
Depreciation and Amortization	**458,736**	**88,960**
Depreciation of tangible assets	401,697	89,384
Depreciation of right of use assets	13,404	1,861
Depreciation of intangible assets	43,635	145
Amortization of grants	-	(2,430)
Impairment/ (Reversal of Impairment) on fixed assets	-	243,191
Loss from assets and investment property write off	11,734	-
Finance Income	(2,628)	(36)
Interest charges & related expenses	260,860	10,049
(Gains)/ losses from foreign exchange differences	27,766	-
Impairment/ (Reversal of Impairment) of receivables	(22,813)	20,767
	(1,002,885)	**(166,757)**
Decrease / (increase) in inventories	6,271	81,306.74
Decrease / (increase) in receivables	2,780,541	(2,582,138)
(Decrease) / Increase in liabilities (minus banks)	(2,730,696)	(1,132,818)
(Decrease) / Increase in defined benefit obligation	9,087	1,155.04
(Decrease) / Increase in contract liabilities	128,157	
	193,360	**(3,632,494)**
Interest charges & related expenses paid	(195,161)	(2,799)
Net Cash flows from operating activities	**(1,004,685)**	**(3,802,051)**
		-
Cash flows from investing activities		
Purchase of Tangible assets	(143,093)	-
Purchase of intangible assets	-	(141,936)
Interest received	2,628	36
Cash acquired from business combinations	-	272,369
Net Cash flows from investing activities	**(140,465)**	**130,469**
		-
Cash flows from financing activities		
Loans received	1,600,000	5,000,000
Payment of lease liabilities	(13,660)	(1,896)
Net cash flows from financing activities	**1,586,340**	**4,998,104**
		-
Net (decrease)/ increase in cash and cash equivalents	**441,190**	**1,326,523**
Cash and cash equivalents at the beginning of period	1,335,874	9,350
Cash and cash equivalents at the end of period	**1,777,063**	**1,335,873**

The notes on pages 15 to 47 constitute an integral part of these Financial Statements.

VI. Notes to the Financial Statements

1. Information about the Company

CABLEL WIRES S.A or "CABLEL WIRES", or "the Company" is registered in the Register of Societes Anonyme G.C.Registry. : 5302401000.

With the decision of the General Assembly on 15.10.2019, the term of the company is determined to 31 December 2065. The Company is a 100% subsidiary of ElvalHalcor S.A. and member of Viohalco SA/NV.

Company's objective is to produce and trade all forms of enameled wires of copper and aluminium.

On 24.12.2019, was completed the acquisition of 100% of CABLEL WIRES's Share Capital by ELVALHALCOR S.A. from the affiliated company HELLENIC CABLEL S.A. More information of the transaction, presented in note 24 of the Financial Statements.

The "Company" is seated Athens, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525. The Company's main offices as well as the contact address are at the 9,5th km of Old National Road Livadeia – Athens, Livadeia, GR 320 10, Viotia.

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 issued by International Accounting Standards Board. The Financial Statements have been prepared on the basis of going concern.

The Financial Statements ended on December 31, 2020, have been approved by the Company's Board of Directors on September 13th, 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.

(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 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

1. 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 (Investments in subsidiaries and associates, Intangible assets, Receivables from customers).
2. Receivables from customers: The Company makes assessments regarding the impairment of the receivables from its customers.
3. Uncertainty for prior year taxes: The Company makes assessments regarding the probability of impose additional taxes from the tax authorities for prior years and the amount of these taxes. For its calculation, the Company performed its assessment based on the results of previous audits.

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 accounting policies set out below have been consistently applied in all periods presented in these Financial Statements.

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

4.1 Foreign currency

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

4.2 Financial assets and liabilities

a) Initial recognition and measurement

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

b) Trade and Other Receivables

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

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

c) Cash and Cash Equivalents

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

d) Other investments

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

e) Fair Value

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

f) Loans

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

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

g) Trade payables

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

4.3 Derivatives and Hedge Accounting

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

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

a) Fair Value Hedging

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

b) Cash Flow Hedging

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

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

4.4 Share Capital

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

4.5 Property, Plant and Equipment

a) Recognition and Measurement

The Company uses property, plant and equipment (PPE) in the area of production, supply of goods and services or for administrative purposes, which are presented in the Statement of Financial Position in their historic cost, which is their carrying amount less any subsequent accumulated depreciations and impairments. The company assesses at each reporting date if any indication for impairment exists for its PPE on that date. The impairment is calculated as the difference between the book value of the asset with its recoverable amount. The recoverable amount is considered as the higher between the FV of the asset less any selling expenses and its value in use.

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.

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 20-50 years
- Machinery & equipment 1-40 years
- Transportation equipment 5-15 years
- Furniture and fixtures 1-8 years

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

4.6 Intangible Assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited 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 unlimited useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

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

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

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

4.7 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.

4.8 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:

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

(b) 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.

(c) Non-financial assets

The book value of non-financial assets, other than goodwill and non-current assets with indefinite useful life that are reviewed for impairment at least annually, is examined when trigger events exist or their book value is not recoverable. The assets with indefinite life are not depreciated, although are examined annually for impairment when trigger events exist.

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

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

Impairments is recognized in the Income Statement.

The impairment loss (excluding goodwill) 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.

If the carrying value of a cash-generating unit, that includes goodwill, exceeds the recoverable amount then an impairment loss is recognized. The impairment loss is recognized in the statement of profit and loss and can't be reversed.

4.9 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. The defined contribution plans are recognized as an expense on the date which are incurred.

(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 discounted interest rate that determined for the Company is based on the nominal interest rate for respective risk free or fix rate investments with a respective maturity.

Changes which are related to the past service cost or the profit/loss from the shrinkage is directly posted to the Income Statement. The Group recognizes any actuarial gains and losses that occur from experience adjustments and changes in actuarial assumptions in the statement of other comprehensive income on the period incurred.

(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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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:

	2020	2019
Greece	3,157,171	709,011
Other European Union	19,634,687	2,692,249
Other European countries	1,191,746	52,925
Asia	2,441,087	132,206
America	-	415,426
Africa	2,154,821	51,517
Total	**28,579,512**	**4,053,333**

Breakdown of revenue by segment:

EUR	31/12/2020	31/12/2019
Sale of goods (at a point in time)	27,481,906	3,961,581
Rendering of services	1,080,531	91,753
Sales of scrap and raw materials	17,074	-
Total	**28,579,512**	**4,053,333**

6. Other Operating Income & Expenses

EUR	2020	2019
Other Income		
Amortization of Grants	-	2,430
Foreign Exchange Gains	9,819	-
Income from fees	13,092	-
Income from costs recharged	-	2,946
Other Income	221	-
Total	**23,132**	**5,377**

Other Expense	2020	2019
Impairment of Fixed assets	-	243,191
Loss from fixed assets write off	(11,734)	-
Foreign Exchange Losses	(38,000)	-
Other taxes	-	1,563
Employee benefits	-	1,155
Other expenses	(9,184)	-
Total	**(58,917)**	**245,909**
Net other income/(expenses)	**(35,785)**	**(240,533)**

7. Expenses by Nature

EUR	2020	2019
Cost of inventories recognized as an expense	25,194,887	3,598,687
Employee benefits	2,053,655	291,019
Energy	786,451	137,554
Depreciation and amortisation	458,736	91,390
Taxes - duties	42,225	2,348
Insurance expenses	54,648	3,531
Rental fees	25,389	3,470
Transportation costs (goods and materials)	630,307	55,460
Third party fees and benefits	411,215	99,357
Commissions	13,874	13,591
Foreign exchange differences	-	(6,611)
Maintenance expenses	273,580	12,231
Travel and personnel transport expenses	10,552	8,814
Other expenses	71,700	868
Total	**30,008,499**	**4,311,709**

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

EUR	**2020**	**2019**
Employee remuneration & expenses	1,545,454	221,501
Social security expenses	386,091	57,227
Defined benefit plan expenses	9,701	1,155
Other employee benefits	112,409	12,290
Total	**2,053,655**	**292,174**

The number of employees at the end of the current year was 60 (2019: 60).

8. Financial Income - Cost

EUR	**2020**	**2019**
Income		
Interest Income	2.628	36
Total	**2.628**	**36**
Expenses		
Interest expenses	(250.257)	10,049
Other bank commissions	(10.103)	-
Total	**(260.860)**	**10,049**
Financial Income & Cost (Net)	**(258.232)**	**(10,013)**

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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mergers and absorptions	409,096	3,518,639	4,319,558	136,548	441,276	108,465	8,933,582
Revaluation	20,791	602,762	247,433	-	-	-	870,986
Balance as at 31 December 2019	**429,887**	**4,121,401**	**4,566,991**	**136,548**	**441,276**	**108,465**	**9,804,568**
Accumulated depreciation							
Balance as at 1 January 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation of the period	-	(33,977)	(48,500)	-	(6,907)	-	(89,384)
Mergers and absorptions	-	(749,116)	(2,692,492)	(136,548)	(417,116)	-	(3,995,271)
Balance as at 31 December 2019	**-**	**(783,093)**	**(2,740,991)**	**(136,548)**	**(424,023)**	**-**	**(4,084,655)**
Carrying amount as at 31 December 2019	**429,887**	**3,338,308**	**1,826,000**	**-**	**17,253**	**108,465**	**5,719,913**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2020	**429,887**	**4,121,401**	**4,566,991**	**136,548**	**441,276**	**108,465**	**9,804,568**
Additions	-	-	4,752	-	4,318	133,464	142,534
Write offs	-	-	(1,858,800)	-	-	-	(1,858,800)
Reclassifications	-	13,700	35,724	-	-	(56,759)	(7,335)
Balance as at 31 December 2020	**429,887**	**4,135,101**	**2,748,667**	**136,548**	**445,594**	**185,170**	**8,080,967**
Accumulated depreciation							
Balance as at 1 January 2020	**-**	**(783,093)**	**(2,740,991)**	**(136,548)**	**(424,023)**	**-**	**(4,084,655)**
Depreciation of the period	-	(143,963)	(253,364)	-	(4,370)	-	(401,697)
Write offs	-	-	1,847,067	-	-	-	1,847,067
Balance as at 31 December 2019	**-**	**(927,056)**	**(1,147,288)**	**(136,548)**	**(428,393)**	**-**	**(2,639,285)**
Carrying amount as at 31 December 2020	**429,887**	**3,208,044**	**1,601,379**	**-**	**17,202**	**185,170**	**5,441,683**

(a) 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	**-**	**-**	**-**
Additions	-	141,936	141,936
Mergers and absorptions	3,428	4,539	7,967
Balance as at 31 December 2019	**3,428**	**146,475**	**149,903**
Accumulated amortization and impairment			
Balance as at 1 January 2019	-	-	-
Amortization for the period	-	(145)	(145)
Mergers and absorptions	(3,428)	(1,345)	(4,774)
Balance as at 31 December 2019	**(3,428)**	**(1,490)**	**(4,919)**
Carrying amount as at 31 December 2019	**-**	**144,984**	**144,984**

EUR	**Trademarks and licenses**	**Software**	**Total**
Cost			
Balance as at 1 January 2020	**3,428**	**146,475**	**149,903**
Additions	-	7,335	7,335
Balance as at 31 December 2020	**3,428**	**153,810**	**157,238**
Accumulated amortization and impairment			
Balance as at 1 January 2020	**(3,428)**	**(1,490)**	**(4,919)**
Amortization for the period	-	(43,635)	(145)
Mergers and absorptions	-	-	-
Balance as at 31 December 2020	**(3,428)**	**(45,125)**	**(48,554)**
Carrying amount as at 31 December 2020	**-**	**108,684**	**108,684**

11. Income Tax

For the fiscal year 2020, the Company has been subject to the tax audit of the Certified Auditors Accountants of “PwC” 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.

The corporate tax rate for the year ending 31/12/2020 is 24%.

EUR		**31/12/2020**		**31/12/2019**
Deferred tax (expense)/income		155,316		27,660
Tax expense		**155,316**		**27,660**
Reconciliation of effective tax rate				
Accounting Profit/loss (-) before income tax		**(1,700,193)**		**(529,688)**
Tax rate in Greece	**24%**		**24%**	
At statutory income tax rate		408,046		127,125
Current-year losses for which no deferred tax asset is recognised		(186,556)		(51,833)
Non-deductible expenses for tax purposes		(66,175)		(4,919)
Tax-exempt income		-		583
Change in tax rate or composition of new tax		-		22,638
Derecognition of previously recognised deferred tax assets		-		(65,935)
	-9%	**155,316**	**-5%**	**27,660**
Income tax expense reported in the statement of profit or loss		**155.316**		**27,660**

Unaudited tax years

Greek tax law and the relevant provisions are subject to interpretations by tax authorities and administrative courts. Income tax returns are submitted each year. The profits and losses declared for taxation purposes remain temporarily open until tax authorities audit the tax returns and books of the taxpayer at which time the relevant taxation obligations will be finalised.

According to applicable tax laws (article 36 of law 4174/2013), Greek tax authorities may impose additional taxes and fines following their audit, within the prescribed statute-barring period which, in principle, is set at five years from the end of the following year which sees the expiration of the deadline for submitting the income tax return. Based on the above, in principle and based on the general rule, the years up to 2013 are considered as prescribed.

Company's tax liabilities have not been audited by the tax authorities from 2014 to 2020, as a result have not finalized yet for these fiscal years.

Management of the Company does not expect any additional taxes or surcharges from the audit by Greek tax authorities.

Annual tax certificate

As of 2011 onwards, all entities whose annual financial statements must be mandatorily audited shall obtain an Annual Tax Certificate, as provided for in article 82 of Law 2238/1994 and article 65A of Law 4174/2013. The "Annual Tax Certificate" is issued by the same statutory auditor or audit firm which audits the Company's annual financial statements. Following completion of the tax audit, the statutory auditor or the audit firm issues a Tax Compliance Report to the Company and, subsequently, the statutory auditor or the audit firm submits it online to the Ministry of Finance.

In addition, based on risk analysis criteria, the Greek tax authorities may select the Company for tax audit in the context of audits conducted to companies that received tax compliance certificates upon agreement of the chartered accountant. In this case, Greek tax authorities are entitled to audit the years they will choose in tax terms, having regard to the work for the issue of such tax compliance certificate. The Company has not received any order for audit of unaudited years by the tax authorities. The Company does not expect any additional taxes or surcharges from the audit by Greek tax authorities.

EUR	Net balance at 1 January 2019	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Change in tax rate	Net Balance at 31 December 2019	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	-	68,243	(267,403)	(571,784)	32,851	**(738,093)**	-	(738,093)
Right of use asset	-	56	-	-	-	**57**	57	-
Thin Capitalisation	-	2,379	-	-	-	**2,379**	2,379	-
Employee benefits	-	277	14,367	44,613	(1,785)	**57,474**	57,474	-
Carryforward tax loss	-	(65,935)	-	74,363	(8,428)	**-**	-	-
Tax assets/liabilities (-) before set-off	**-**	**5,022**	**(253,036)**	**(452,808)**	**22,638**	**(678,183)**	**59,910**	**(738,093)**
Net tax assets/liabilities (-)						**(678,183)**	**-**	**(678,183)**

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	**(738,093)**	11,094	-	**(726,999)**	-	(738,093)
Right of use asset	**57**	-	-	**57**	57	-
Intangible Assets	**-**	3,421	-	**3,421**	3,421	-
Thin Capitalisation	**2,379**	-	-	**2,379**	2,379	-
Derivatives	**-**	-	(2,572)	**(2,752)**	-	(2,752)
Inventories	**-**	(305)	-	**(305)**	-	(305)
Employee benefits	**57,474**	3,688	1,201	**62,363**	62,363	-
Accruals	**-**	137,418	-	**137,418**	137,418	-
Carryforward tax loss	**-**	-	-	**-**	-	-
Tax assets/liabilities (-) before set-off				**(524,238)**	205,638	(729,876)
Set-off					(205,638)	205,638
Net tax assets/liabilities (-)	**(678,183)**	**155,316**	**(1,371)**	**(524,238)**	**-**	**(524,238)**

12. Inventories

EUR	**31/12/2020**	**31/12/2019**
Finished goods	1,383,262	1,899,700
Semi-finished goods	518,791	344,570
By-products & scrap	179,469	68,358
Raw and auxiliary materials	396,252	344,623
Consumables	23,771	16,634
Packaging materials	154,759	-
Spare parts	232,575	221,265
Total	**2,888,880**	**2,895,151**

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

13. Trade and Other Receivables

Current Assets

EUR	**31/12/2020**	**31/12/2019**
Trade receivables	2,722,854	3,561,736
Less: Impairment losses	(562,568)	(585,381)
Receivables from related entities	1,306,837	2,522,900
Trade receivables	**3,467,123**	**5,499,254**
Cheques and notes receivables & Cheques overdue	-	2,253
Tax assets	63,283	813,814
Other debtors	4,416	3,841
Other receivables	14,850	4,180
Total	**3,549,672**	**6,323,342**
Non-current assets		
Non-current receivables	61,770	68,640
Total	**61,770**	**68,640**
		-
Total trade and other receivables	**3,611,441**	**6,391,982**

Impairment loss for trade and other receivables is considered based on the outstanding balances that the Company’s management assessed as credit impaired less any compensation paid from the insurance companies.

14. Cash and Cash Equivalents

EUR	**31/12/2020**	**31/12/2019**
Cash in hand	47	52
Short-term Bank deposits	1,777,016	1,335,822
Total	**1,777,063**	**1,335,874**

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

15. Share capital and reserves

(a) Share capital

Company's share capital amounted to Euro 5,155,290.00 (2019: Euro 5,155,290.00) divided to 4,296,075 (2019: 4,296,075) shares with nominal amount of Euro 1.2 each. Share capital was increased by Euro 5,122,890.00, following the decision of 10.10.2019 of the Extraordinary General Assembly, with the issue of 4,269,075 new common registered shares, with nominal amount of Euro 1.20 each as a result of the spin-off of the production, distribution and trade segment for all kind of enameled wires of Copper and Aluminium of «Hellenic Cables S.A, Hellenic Cables Industry Single Member Societe Anonyme».

(b) Reserves

EUR	**2020**	**2019**
Special reserves	262,504	262,504
Other reserves	2,950,849	2,950,849
Hedging reserve	8,145	
Total	**3,221,498**	**3,213,353**

Special reserves

Company's special reserves was contributed have been formed according to specific law (i.e 3299/2004), as tax incentives for the establishment of industrial capital expenditure.

Other reserves

Other reserves related to reserves that contributed to the Company as a result of the revaluation of land and buildings in Livadeia at their fair value on absorption date.

Hedging reserve

In Hedging reserves are recorded any gains or losses of the effective portion of derivatives that classified as cash flow hedging instruments.

16. Loans and Obligations

EUR	31/12/2020	31/12/2019
Non-current		
Lease liabilities (ex. operating leases)	87,154	6,444
Total	**87,154**	**6,444**
Current		
Unsecured bank loans	6,688,523	5,007,250
Lease liabilities (ex. operating leases)	30,828	8,230
Total	**6,719,350**	**5,015,480**
Total loans and borrowings	**6,806,504**	**5,021,924**

The maturities of non-current loans are:

EUR	2020	2019
Between 1 and 2 years	26,009	4,195
Between 2 and 5 years	61,145	2,248
Total	**87,154**	**6,444**

The average interest rate for the company considered to 3.6%.

Company's bank loans do not contain any covenant clauses in case of non-compliance event that gives to lenders the right for denouncement.

17. 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 analyzed below:

EUR	**31/12/2020**	**31/12/2019**
Balance at 1 January	**239,475**	**-**
Amounts recognized in profit or loss		
Current service cost	7,305	692
Settlement/curtailment/termination loss	553	
Interest cost/income (-)	1,844	463
Total P&L Charge	**9,701**	**1,155**
Amounts recognized in OCI		
Remeasurement loss/gain (-):		
-Actuarial loss/gain (-) arising from:		
Demographic assumptions	(14,174)	30,640
Financial assumptions	13,586	
Experience adjustments	5,591	29,225
Total amount recognized in OCI	**5,003**	**59,864**
Other		
Mergers and absorptions	-	178,455
Benefits paid	(614)	-
	(614)	**178,455**
Balance at 31 December	**253,565**	**239,475**

The main pension assumptions used for accounting purposes was:

	2020	**2019**
Discount rate	0.30%	0.77%
Price inflation	1.25%	1.30%
Pay increases	2.00%	2.00%

The aforementioned results depend on assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate less by 50 basis points had been used then the liability would be higher by 6.2% for the Company, although with a discount rate increased by 50 basis points, the liability would have been dropped by 5.7% for the Company. If an assumption of a future salary increase by 50 basis points annually had been used, then the liability would be higher by 5.8% for the Company, and if a future salary decreased by 50 basis points then the liability would have been less by 5.4% for the Company.

18. Grants

EUR	**2020**	**2019**
Balance at 1 January	**80,297**	**-**
Mergers and absorptions	-	82,727
Amortisation of grant	-	(2,430)
Balance at 31 December	**80,297**	**80,297**

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

Grants have been provided for the purchase of tangible assets.

19. Trade payables and other liabilities

EUR	**2020**	**2019**
Suppliers	660,254	606,828
Social Security funds	86,963	53,200
Amounts due to related parties	1,456,522	4,382,977
Sundry creditors	44,713	33,358
Accrued expenses	116,843	81,326
Other Taxes	40,614	27,396
Total	**2,405,910**	**5,185,085**

20. Financial assets

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

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

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

(a) Credit Risk

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

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

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

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

EUR	**2020**	**2019**
Customers (Current assets)	3,611,971	6,391,982
Total	**3,611,441**	**6,391,982**
Less:		
Tax assets	(63,283)	(813,814)
Other receivables	(14,850)	(4,180)
Total	**(78,133)**	**(817,994)**
Financial assets entailing credit risk	**3,533,308**	**5,573,988**

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

EUR	**2020**	**2019**
Neither past due nor impaired	2,468,600	1,838,297
Overdue		
- Up to 6 months	801,094	3,112,604
- Over to 6 months	254,145	623,087
Total	**3,523,839**	**5,573,988**

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

EUR	**2020**	**2019**
Balance as at 1 January	**585.381**	**-**
Impairment loss recognised	-	20,767
Reversal of impairment	(22.813)	-
Mergers and absorptions	-	564,614
Total	**562.568**	**585,381**

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 1,777,063 thousand (2019: Euro 1.335.874 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	Total
Bank loans	5,007,250	5,048,250	-	5,048,250
Lease liabilities	14,674	8,606	6,630	15,235
Trade and other payables	5,185,085	5,185,085	-	5,185,085
Total	**10,207,009**	**10,241,941**	**6,630**	**10,248,570**

	2020				
EUR	Carrying amount	Up to 1 yr	1 to 2 years	2 to 5 years	Total
Bank loans	6,688,523	6,688,523	-	-	6,688,523
Lease liabilities	117,982	31,945	29,435	69,184	130,564
Contract liabilities	128,157	128,157	-	-	128,157
Trade and other payables	2,405,910	2,405,910	-	-	2,405,910
Total	**9,340,571**	**9,254,534**	**29,435**	**69,184**	**9,353,154**

(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.

EUR

	EURO	USD	GBP	Σύνολο
Trade and other receivables	6,379,934	12,049	-	**6,391,982**
Cash and cash equivalents	929,918	144,285	261,671	**1,335,874**
Loans	(5,021,924)	-	-	**(5,021,924)**
Trade and other payables	(5,179,742)	-	(5,343)	**(5,185,085)**
Καθαρό ποσό (Απαιτήσεις-Υποχρεώσεις)	**(2,891,814)**	**156,333**	**256,328**	**(2,479,153)**

EUR

	EURO	USD	GBP	Σύνολο
Trade and other receivables	3,329,248	282,193	-	**3,611,441**
Cash and cash equivalents	1,777,063	-	-	**1,777,063**
Loans	(6,806,504)	-	-	**(6,806,504)**
Contract liabilites	(2,395,363)	(330)	(10,217)	**(2,405,910)**
Trade and other payables	(128,157)	-	-	**(128,157)**
Παράγωγα	-	321,600	-	**321,600**
Καθαρό ποσό (Απαιτήσεις-Υποχρεώσεις)	**(4,233,183)**	**603,463**	**(10,217)**	**(3,630,467)**

2019

	Profit and Loss		Equity (after tax)	
	Increase	**Decrease**	**Increase**	**Decrease**
USD (10% change)	(14,212)	17,370	(14,212)	17,370
GBP (10% change)	(23,303)	28,481	(23,303)	28,481

2020

	Profit and Loss		Equity (after tax)	
	Increase	**Decrease**	**Increase**	**Decrease**
USD (10% change)	(25,624)	31,318	(54,860)	67,051
GBP (10% change)	929	(1,135)	929	(1,135)

The FX rates that used were as follows:

	Average rate		Closing rate	
	2020	**2019**	**2020**	**2019**
USD	1.1422	1.1195	1.1271	1.1234
GBP	0.8897	0.8778	0.8990	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	6,806,504	5,021,924
Total	**6,806,504**	**5,021,924**

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	(17,016)	17,016	(2,847)	2,847
Cash flow sensitivity (net)	**(17,016)**	**(17,016)**	**(2,847)**	**2,847**

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

(e) Capital Management

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

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

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

Brexit

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, according to the recommendation of health committees, while monitoring the impact and evaluates any negative impact in its operations. In order to secure the without disruption production activity with the minimum impact with the additional measures and means of personal protection, the Company undertook expenses of Euro 23 thousand, which affected the profitability.

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% of total sales in 2020. 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.

21. Contingent Liabilities / Assets

There are no contingent liabilities and assets of the Company which may affect significantly its financial position or its operation. In addition, there are no contingent liabilities that the company have to form a related provision.

22. 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	-	211,596
Other	9,291,913	1,332,709
	9,291,913	**1,544,305**
Sale of services		
Parent	16,604	43,342
Other	359,175	19,621
	375,778	**62,964**
Purchase of goods		
Parent	-	62,524
Other	23,607,009	3,399,412
	23,607,009	**3,461,936**
Purchase of services		
Parent	121,110	10,320
Other	148,612	11,829
	269,722	**22,151**
Purchase of fix assets		
Parent	9,779	141,936
Other	75,307	
	85,085	**141,936**

EUR	2020	2019
Fees - benefits to the members of the Board of Directors and executives	256,931	27,115
Total	**256,931**	**27,115**

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

EUR	2020	2019
Receivables from related parties		
Parent	20,588	1,725,883
Other	1,286,249	796,521
Total	**1,306,837**	**2,522,404**
Liabilities to related parties		
Parent	149,361	1,054,216
Other	1,307,161	3,328,762
Total	**1,456,522**	**4,382,977**

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.

Transactions with the parent company concern ELVALHALCOR S.A.

23. Right of Use of Assets

The liabilities measured to the present value of the remaining lease payments discounted by the incremental borrowing rate, approximately 4%. The Right of Use of assets recognized to an amount equal to the Finance Lease Liabilities (ex. operating). The leases above related to rental for cars. The movement in the RoU of assets presented below:

EUR	Transportation equipment	Total
Cost		
Balance as at 1 January 2019	**-**	**-**
Mergers and absorptions	25,845	25,845
Balance as at 31 December 2019	**25,845**	**25,845**
Accumulated depreciation		
Balance as at 1 January 2019	**-**	**-**
Depreciation of the period	(1,861)	(1,861)
Mergers and absorptions	(9,548)	(9,548)
Balance as at 31 December 2019	**(11,409)**	**(11,409)**
Carrying amount as at 31 December 2019	**14,437**	**14,437**

EUR	Μεταφορικά μέσα	Σύνολο
Cost		
Balance as at 1 January 2020	**25,845**	**25,845**
Additions	116,016	116,016
Balance as at 31 December 2020	**141,862**	**141,862**
Accumulated depreciation		
Balance as at 1 January 2020	**(11,409)**	**(11,409)**
Depreciation of the period	(13,404)	(13,404)
Balance as at 31 December 2020	**(11,409)**	**(11,409)**
Carrying amount as at 31 Δεκεμβρίου 2020	**117,049**	**117,049**

During the fiscal year, the company recognized financial costs regarding finance lease (ex-operating) amounted to EUR 952 and included in the statement of profit and loss EUR 25 thousand related to rental fees for low value assets or short-term rents under the provisions of IFRS 16.

24. Corporate transformation

On 31.05.2019, the BoD of the companies Hellenic Cables S.A and its 100% subsidiary "VEMET S.A" mutual decided the spin-off of the production, distribution and commercial segment of enameled wires of copper and aluminum of the first which was contributed to the latest. The absorption was completed on 31.10.2019.

Results for the period from 01.01.2019 – 31.12.2019 of Cablel Wires S.A have been included in the consolidated statement of Profit and Loss of Hellenic Cables S.A & CENERGY Holdings S.A, as the transaction was completed on 24.12.2019, the date that all the appropriate approvals had been provided in order to complete the acquisition. For comparatives purposes the pro-forma results of the segment for the period as for the respective prior year presented below.

	2020	2019	01/01/2019-31/10/2019	01/11/2019-31/12/2019
Revenue	**28,579,511**	**31,447,030**	**27,393,696**	**4,053,333**
Cost of sales	(28,883,031)	(31,359,605)	(27,208,406)	(4,151,198)
Gross profit	**(303,520)**	**87,425**	**185,290**	**(97,865)**
Other income	23,132	11,122	5,745	5,377
Selling expenses	(387,897)	(334,886)	(288,149)	(46,737)
Administrative expenses	(737,572)	(310,581)	(196,807)	(113,774)
Impairment loss on receivables and contract assets	22,813	(25,195)	(4,428)	(20,767)
Other Expenses	(58,917)	(8,493)	237,416	(245,909)
Operating profit / (loss)	**(1,441,961)**	**(580,608)**	**(60,933)**	**(519,675)**
Finance income	2,628	36	-	36
Finance expense	(260,860)	(353,721)	(343,672)	(10,049)
Net Finance income / (cost)	**(1,700,193)**	**(934,294)**	**(404,606)**	**(529,688)**
Income tax	155,316	56,182	28,522	27,660
Profit/(Loss) for the year	**(1,544,877)**	**(878,111)**	**(376,083)**	**(502,028)**

25. Subsequent events

No subsequent events exist.

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "CABLEL WIRES S.A. Hellenic Wires Industry Single Member Societe Anonyme."

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of CABLEL WIRES S.A. Hellenic Wires Industry Single Member Societe Anonyme (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, 14 September 2021
The Certified Auditor Accountant

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