FULGOR

HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL REPORT
AS AT 31 DECEMBER 2021

According to the International Financial Reporting Standards

HELLENIC CABLES

Member of CENERGY HOLDINGS

Athens Tower, Building B, 2-4 Mesogheion Ave.,
GR-11527, Athens

https://www.cablel.com

General Commercial Registry No.: 240101000

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TABLE OF CONTENTS

A. Management Report by the Board of Directors

MANAGEMENT REPORT BY THE BOARD OF DIRECTORS OF "FULGOR S.A." ON THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021

Dear Shareholders,

Based on the provisions of Article 150 of Law 4548/2018 we hereby submit you the Annual Report of the Board of Directors for the year ended on 31.12.2021.

1. Financial Overview for 2021

Fulgor S.A. (hereinafter the "Company" or "Fulgor") recorded a strong financial performance in 2021, despite the ongoing effects of the Covid-19 pandemic on the global supply chain. Throughout the year, the Company managed to safeguard its production process, always giving the utmost priority to the health and safety of its employees by adopting protection measures and policies and securing a robust backlog of orders. As a result, the Company succeeded in providing effective solutions for challenging energy transfer projects and by taking full advantage of its capacity utilisation managed higher operational profitability compared to prior year, absorbing any negative effect from external factors.

Therefore, during the year, the Company achieved all its key financial objectives, despite the global health and economic crisis, given that the Company demonstrated again its ability to generate value by breaking a new record of operational profitability.

In detail, the Company's turnover amounted to EUR 585 million for 2021 compared to EUR 382.5 million in 2020, i.e. a 53% increase. This change is due, on the one hand, to higher sales volumes overall (total sales in 2021: 105,722 tons compared to 81,244 in 2020) and to the increased number of submarine cables contracts executed during 2021 and, on the other hand, to an increase in metal prices.

The Company's gross profit amounted to EUR 52.3 million compared to EUR 48.9 million in 2020, while earnings before interest, taxes, depreciation and amortisation (EBITDA) were equal to EUR 49.4 million compared to EUR 45.3 million in 2020. In 2021, the Company managed to further increase pre-tax earnings by 6% and recorded the highest pre-tax profits ever achieved in its recent history. More specifically, pre-tax profits amounted to EUR 31.2 million compared to EUR 29.5 million in 2020. The high rates of capacity utilisation of the Company's plant coupled with the successful implementation of the projects undertaken during the last few years were the key drivers that enabled the Company to record high profits in 2021.

During 2021, the Company successfully completed the submarine interconnection between Crete and the Peloponnese. This was the first submarine interconnection of Crete to the mainland and is the longest HVAC cable interconnection worldwide (around 178 km) and the deepest since the submarine cables were laid at a depth of up to 1,000 meters. The successful completion of this interconnection, which is one of the most challenging projects that have ever been completed worldwide, signals the first step of Crete's transition to clean energy.

Meanwhile, during the year, projects awarded in the past by external customers or assigned by the parent company Hellenic Cables were successfully delivered. In particular:

- The electrical tests of the 150 kV high voltage submarine cable linking Skiathos Island with the Hellenic Transmission System were successfully completed at the beginning of the year.
- The production of all 66 kV inter-array cables for the Seagreen offshore wind farm in the UK was completed and the deliveries are expected to be completed in early 2022.
- The production for phase B of Hollandse Kust Zuid project in the Netherlands was also completed in the 2nd quarter of the year, while the delivery of the two 220kV submarine cables also took place during 2021.
- The production of submarine cables for the interconnection of Kafireas II wind farm was completed in accordance with the time schedule during Q4 2021.

Moreover, Fulgor and the parent company Hellenic Cables actively participated in tenders and were awarded several new projects in offshore wind parks as well as in the electrical interconnection market.

- Fulgor awarded the Santorini-Naxos section of electrical interconnection. The submarine section of the interconnection will be 82.5 km long and will be laid at a maximum depth of 400 meters. The project includes the design, supply and installation of 150 kV submarine and onshore cables as part of the Cyclades interconnection project to the Hellenic Electric Power Transmission System.
- Following the award of the supply contract for the inter-array cables of the Dogger Bank offshore wind farm (phase C) in the UK, Hellenic Cables became the exclusive supplier of inter-array cables for the largest offshore wind farm in the world. All cables for Dogger Bank A, B and C wind farms will be produced in Fulgor's vertically integrated, state-of-the-art submarine cables plant in Corinth, Greece. Dogger Bank will be the largest offshore wind farm in the world and will generate enough energy to meet around 5% of the electricity needs of the UK.
- The first contract award by Vattenfall regarding the design, construction, testing and supply of approximately 70 km of inter-array cables and associated accessories for the project of the Vesterhav Nord / Syd offshore wind farm took also place during 2021.

In 2021, the Company continued to undertake initiatives to improve its competitiveness and reduce production costs. These initiatives focus on increasing the efficiency of its production plants by reducing costs per unit of output and reducing the cost of raw materials used to manufacture the Company's products. The award and successful performance of the major projects cited above illustrate the Company's position as one of the leading manufacturers of submarine cables in the offshore energy industry since the above initiatives have enabled the Company and its parent company to provide leading-edge products for highly demanding energy projects.

During 2021, investments amounting to EUR 26 million were carried out in the Corinth plant concerning mainly the upgrade of Fulgor's production capacity of inter-array cables, so that the Company and Hellenic Cables Group can supply offshore wind developers worldwide with a wide range of cables. The primary goal of these investments is to meet the expected high demand in the sector of energy projects as part of "green" development in Europe and other geographical areas.

The funding for such investments and the required working capital for the ongoing contracts derived both from the cash flows generated by the Company and bank loans. In 2021, the Company continued its efforts to restructure borrowing and optimise its capital structure by taking various actions such as:

- securing lower interest rates;

- issuing a new "green" corporate bond of EUR 20 million. Such loan was granted in compliance with the ESG financial principles and will support the needs for working capital intended for the design, production, installation and operation of submarine and onshore cable systems in projects related to energy transmission from renewable energy sources and island electric interconnection and;
- issuing a new corporate bond loan of EUR 10 million.

On 31 December 2021, the Company's current liabilities amounted to EUR 283.1 million (2020: EUR 206.5 million) while current assets amounted to EUR 266.8 million (2020: EUR 165.1 million). However, this fact does not raise any concern because the parent company Hellenic Cables S.A. has provided assurances that it will continue to provide financial support to Fulgor. Moreover, as it also became evident during the year, the Company is now able to generate robust operating cash flows to meet its needs through its high operational profitability.

2. Financial Ratios and Alternative Performance Measures

Company's Management has adopted, monitors and reports internally and externally financial ratios and Alternative Performance Measures (APM). These APMs allow meaningful comparisons of the Company's performance and constitute the base for decision making by Management.

Liquidity ratio: This ratio is an indicator of how current liabilities are met by current receivables and is calculated by the ratio of current assets to current liabilities. The figures are drawn from the Statement of Financial Position. Liquidity ratio is as follows for the current and the comparable periods:

Liquidity ratio	2021	2020
Current assets / Current liabilities	0.94	0.80

Gearing ratio: This ratio is an indicator of financial leverage and is represented by the ratio of equity to debt. The figures are drawn from the Statement of Financial Position. Gearing ratio is as follows for the current and the comparable periods:

Gearing ratio	2021	2020
Equity/Debt	0.51	0.41

Return on capital employed (ROCE): It is a ratio that measures the efficiency with which both debt and equity is employed and is measured by the ratio of operating results to debt and equity. The figures used for the calculation derive from the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income (OCI). ROCE is as follows for the current and the comparable periods:

Return on capital employed	2021	2020
Operating results (Equity + Debt)	17.0%	18.8%

Return on equity (ROE): It measures the efficiency of the use of Company's equity and is measured by the net profit/(losses) net of tax for the period to total equity at the end of each reporting period.

The amounts are drawn from the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income (OCI). ROE is as follows for the current and the comparable periods:

Return on equity	2021	2020
Profits (Losses) after tax / Equity	32.4%	37.1%

Profitability:

	2021	2020
Gross Profit Margin (Gross profit / Revenue)	8.9%	12.8%
Net Profit Margin (Profit after tax / Revenue)	4.5%	5.8%
EBITDA**	49,362,878	45,283,370
EBITDA margin** (EBITDA / Revenue)	8.4%	11.8%
a-EBITDA***	51,835,178	47,577,414
a–EBITDA margin*** (a-EBITDA / Revenue)	8.9%	12.4%

**EBITDA: It measures Company profitability before interest, taxes, depreciation and amortisation. It is calculated by adjusting depreciation and amortisation in operating profit as indicated in the Statement of Profit or Loss and OCI.

	2021	2020
Profit/(Loss) before tax	**31,210,526**	**29,455,572**
Adjustments for:		
+Depreciation & amortisation of property, plant & equipment, right of use assets and intangible assets	8,770,480	7,463,031
- Amortisation of grants	(388,589)	(623,737)
- Interest income	(67,353)	(2,150)
+ Interest expenses and related costs	9,837,814	8,990,654
EBITDA	**49,362,878**	**45,283,370**

***α-EBITDA: adjusted EBITDA measure an entity's profitability after adjustment for:

- Metal price lag,
- Restructuring expenses
- Exceptional idle costs,
- Impairment of fixed assets & investments
- Gains or losses from sale of fixed assets
- Other extraordinary income/expenses

	2021	2020
EBITDA	**49,362,878**	**45,283,370**
Adjustments for:		
+ / - Metal price lag[1]	2,290,244	1,886,948
Incremental coronavirus costs	184,313	407,096
+ Impairment of investment property	-	-
+ (Profit)/losses from the sale of tangible assets	(2,257)	-
a–EBITDA	**51,835,178**	**47,577,414**

(1) Metal price lag originates from:

1. the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale.

2. The effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the Cost of Sales, due to the costing method used which is weighted average method.

3. Certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when the sales price is fixed and the sale actually occurs.

Fulgor uses derivatives to minimise the effect of metal price fluctuations. However, there will always be some impact (positive or negative) on Profit or Loss due to the safety inventory that is held.

(2) The line "Incremental coronavirus costs" includes all incremental costs incurred due to the coronavirus outbreak. Such costs are directly attributable to the coronavirus outbreak and are incremental to costs incurred prior to the outbreak and not expected to recur once the crisis has subsided and operations return to normal, while they are clearly separable from normal operations.

3. Objectives and Outlook for 2022

Further to the robust performance recorded in 2021 and based on the current macroeconomic environment, the Company is expected to continue to benefit from the significant portfolio of secured projects while it has already been awarded major new orders for 2022. Considering the strong forecast of new projects and the potential of both the Company and its parent company to expand into new markets, as well as the overall growth potential of the offshore cables sector, the outlook for the Company remains positive for 2022.

The 'European Green Deal', EU's roadmap for economic sustainability and climate neutrality by 2050, the promising emerging offshore wind market in the USA and the projects already announced in the Mediterranean area create a favourable environment for projects business, continuing to drive the Company's profitability in the future. Fulgor's plant is expected to retain its high-capacity utilisation throughout 2022. Additionally, in 2022 the main focus will be again on the successful execution of existing projects.

Management assesses the prevailing situation in the markets in which the Company operates on an ongoing basis to ensure that all necessary actions are timely taken to secure the Company's smooth operation and profitability.

The initiatives taken the last few years have focused on developing a competitive sales network and on increasing productivity and reducing production cost. Furthermore, through the investments made the last few years, the Company can seize any opportunities emerging worldwide and rival the top companies of the industry. Finally, as a further proof of the strong commitment of both the Company and its parent company in the developing offshore wind energy market, in 2022 the Company plans to expand the inter-array cables production capacity in its Corinth-based plant to supply offshore wind developers worldwide with a wide range of cables.

4. Non-Financial Information

Fulgor S.A. is a wholly owned subsidiary of Hellenic Cables S.A. The Non-Financial Report of Hellenic Cables S.A., which is part of the 2021 Annual Financial Report of the parent company, includes the respective information on Fulgor S.A.

The non-financial ratios for 2021 which are presented in this report comply with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI-Standards). These ratios were chosen strictly based on their relevance to the business, in accordance with the materiality analysis conducted by both the Company and its parent company.

Details on the performance in terms of sustainable development, and the actions of social and operational responsibility of the Company, its parent company Hellenic Cables S.A. and its affiliated Icme Ecab are also set forth in the 2021 Sustainable Development Report of Hellenic Cables Companies. Hellenic Cables companies consist of Hellenic Cables S.A. with its subsidiary Fulgor S.A. which operate in Greece, as well as Icme Ecab S.A. which operates in Romania. Hellenic Cables Companies represent the cable manufacturing segment of Cenergy Holdings S.A., a company listed on Euronext Brussels and the Athens Stock Exchange. The Sustainable Development Report is an important tool as it reflects the way in which the cables Companies respond to major issues and to the expectations of all their stakeholders.

All Sustainable Development Reports (in accordance with the GRI Guidelines), which have been published since 2010 to date, are available on the website (https://www.cablel.com).

5. Main risks and uncertainties

The main risks facing the Company are identified after mapping risks across all functions of the organisation and analysing them as a whole, considering the likelihood of their emergence, the evaluation of their impact on the Company's strategic goals as well as the plans to mitigate/avoid risks such as preparation of processes, safeguards, controls and risk transfer to third parties, when and where this is possible.

The risks faced by the Company are classified into two major categories:

- Financial and
- Business risks

The former includes different types of market risk affecting the Company's activities (e.g. exchange rates, interest rates, commodity prices and overall macroeconomic environment) as well as credit risk, counterparty risk and liquidity risk.

The Business Risk family is broader: it is defined as all risks that do not directly concern the Company’s financials and financial position. Business Risks are further broken down into sub-categories, to help better understand and respond adequately to the different risk events involved by each risk category:

A. Operational and technology risks are defined as the risk of loss resulting from inadequate or failed processes or systems, acts of natural persons or from external events. Operational risks comprise all risks associated with the day-to-day operations of the Company’s production plant such as Health & Safety, environmental issues, legal risk (as it refers to processes) but not strategic or reputational risks.
B. Compliance and Reputation risks include possible negative impacts (economic – fines, penalties, etc. and other nature – exclusion from markets, etc.) from non-compliance with existing regulations and

standards. Also included are potential impacts on the Company's brand image and business reputation[1], as well as on the accounting risk[2].

C. Strategic risks include risks related to the wider business environment (e.g. the macroeconomic environment, the sector / industry conditions, etc.), the market and the competition, as well as medium to long-term decision making that may have an impact on business continuity and profitability.

Company risk management policies are implemented to recognise and analyse risks faced by the Company and to set risk assumption limits and implement checks and controls relating to them. The risk management policies and relevant systems are reviewed on a periodic basis to consider any changes in the market and the Company's activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department of Viohalco S.A. (ultimate shareholder), which performs ordinary and extraordinary audits relating to the implementation of procedures, while the results of such audits are notified to the Board of Directors.

A brief business risk taxonomy for the Company is presented below together with the actions taken to identify, measure, address, control and monitor them.

Business risks

Operations and technology

Procurement risk

Smooth supply of energy, metals and other primary raw materials and components is a key prerequisite for the Company to manufacture quality products at competitive prices on a timely basis. Therefore, the Company takes relevant measures to reduce such risks (e.g. a diverse supplier base, alternate material lists, Service Level Agreements (SLA) with key vendors, lower spot market exposure) and monitors the development of the supply chain by reviewing the relevant indicators at regular intervals.

Operation interruption risk

Apart from the unexpected unavailability of raw materials or other crucial resources, a lack of skilled labour, a delay in adapting to new technologies and/or the danger for equipment breakdowns may threaten the Company's capacity to continue operations. Consequently, the Company uses specialised maintenance departments to minimise the latter, upgrade plant equipment and production lines to reduce obsolescence risk and constantly monitor safety stock levels. Moreover, the Company has prepared and regularly reviews a relevant business continuity study to reflect any financial losses and focus its actions on the areas in which the risks with the highest financial impact are identified. Any residual risk is mitigated through business interruption insurance policies,

Product failure risk

Faulty or non-performing products may expose companies to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To proactively mitigate such risk, the Company follows rigorous quality management systems at its plant and maintains appropriate insurance coverage against

[1] The set of perceptions about the Company by the different stakeholders with whom it interacts, both internal and external.
[2] The risk which concerns proper and fair economic and financial reflection of the Company's figures and circumstances, as well as compliance with all related regulations (IFRS, tax laws etc.).

such claims as well as product liability insurance. Quality control includes, among others, batch or item sample testing, defect capturing monitoring systems spread out in production phases, end-to-end traceability systems, etc.

Channel effectiveness risk

Poor performance or positioning in terms of distribution channels may threaten the Company's capacity to access current and potential customers and end users effectively and efficiently. In turn, the Company manages such risk through experienced commercial executives per market and per project/tender. Periodic financial reviews by Management serve as the main monitoring tool of this risk.

Information Technology (IT) and cyber-security risk

IT and cyber-security risk is defined as the likelihood of occurrence of a particular threat which may be accidentally triggered or by having an IT vulnerability intentionally exploited by third parties and the resulting impact of such an occurrence. The Company is capital intensive and relies heavily on IT systems to manage and optimise its production. IT equipment failure, human errors and/or the unauthorised use, disclosure, modification or destruction of information, pose serious risks to the company's operation and profitability. Any eventual breaches of network and IT security threaten the Company’s data integrity, sensitive information and smooth operation of its business activities. Such an eventual breach could have a negative impact on the Company’s reputation and competitive position.

Moreover, an eventual court ruling granting indemnities, imposition of fines or loss of activities (including restoration cost) could have a significant negative effect on the Company's financial position and operating results. Finally, the management of cyber-security breaches may require major capital expenditure and the investment of time by Management.

Hence, the continuous identification and application of appropriate and proportional controls that limit exposure against the aforementioned risks is vital to the integrity of IT systems in the Company as well as against legal requirements.

Furthermore, the Company complies with 2016/679 EU General Data Protection Regulation (GDPR), taking this opportunity to evaluate and ameliorate its overall IT and cyber-security risk posture, beyond regulatory requirements.

Compliance and reputation risks

Compliance Risk

Laws and regulations apply to many aspects of the Company's operations including but not limited to, labour laws, Health & Safety, environmental regulations, building and operational permits, etc.

The Company has elaborated policies helping the same to abide by all laws and regulations, whether at the local, European or international level, regarding Health and Safety in the production plants, labour and human rights, the protection of the environment, the combat against corruption, bribery and financial fraud.

Additional details about this topic are given in the Non-Financial Report of Hellenic Cables S.A. in the Annual Financial Report and the 2021 Sustainable Development Report of the parent company, which includes such reporting on Fulgor S.A.

Strategic risks

Country risk

Political risk of countries where the Company is active, commercially or in production, may threaten the supply chain and cash flows. The main answer to that risk is geographical diversification of both the supply chain and the commercial portfolio either directly or through contracts assigned by the parent Company.

The availability and prices of basic raw materials, such as copper and aluminium follow international markets and, therefore, are not affected by developments in any country. Finally, for a further analysis of the risks arising from the broader macroeconomic environment, please refer to the "Macroeconomic environment" paragraph in "Financial Risks".

Industry risk

Industry risk of the Company related to the specific sector it operates in, is mainly associated with the cyclicality of demand or the substitution rate of some of their products. The former is mitigated by expanding into global markets, so that the cycle effects are differentiated away across geographical areas. As for the latter, substitution risk is addressed through the differentiation of product mix, shifting for example into lower substitution rate products.

Competitor risk

Strategic issues regarding competition are assessed as part of the Company's annual budget process and its strategic plan. Daily management of competitor risk, on the other hand, is captured through daily review of market information and mitigated by a strong commitment to quality, a competitive pricing policy in commodity products and a targeting on high-margin products.

Technological innovation risk

In a world of rapidly changing technology, not following the technology wave in an efficient manner or not investing in the necessary IT infrastructure may seriously affect current and future business results of the Company. Alternatively, companies that do not leverage such technology advancements to extend their competitive advantage may suffer a severe blow from competition and be placed out of the market. The Company manages this strategic risk primarily through the establishment of technical assistance and know-how transfer agreements with global leaders in their sectors, as well as through extensive investments in Research & Development (R&D). As described in detail in section "6. Research and Development", among other actions, the Company cooperates with scientific bodies and prominent international research centers while R&D is a vital department of the Company.

Financial risks

Credit Risk

Credit risk concerns the risk of incurred losses for the Company in case a client or other third party involved in a transaction on a financial instrument fails to fulfil its obligations according to the terms and conditions laid down in the relevant contract.

Trade and other receivables & contract assets.

Company's exposure to credit risk is mainly affected by the characteristics of each customer, the demographics of the company's clientele including the risk of default specific to this market and the country in which customers operate. During 2021, the Company's sales were performed in their majority towards affiliated companies – mainly to Hellenic Cables and Icme Ecab S.A. (subsidiary of Cenergy Holdings S.A., parent company of Hellenic Cables) – or to public utilities and wind park operators, and thus it is considered that there is no particular risk of default.

The Board of Directors has adopted a credit policy which requires that all new customers are scrutinised individually as regards their creditworthiness before normal payment terms are proposed to them. The credit control performed by the Company includes an examination of information from banking sources and other third party credit rating sources, when available. Credit lines are set for every customer, and they are re-examined in the light of current circumstances and, if required, the relevant sales and payment terms are readjusted accordingly.

Customer credit lines are normally determined based on the insurance limits obtained for them from insurance companies and then receivables are insured based on such credit lines.

To monitor customer credit risk, customers are grouped based on their credit characteristics, their receivables' ageing profile and the existence of any possible previous difficulties in collecting receivables. Any customers characterised as being of "high risk" are included in a special list of customers and future sales are performed with cash advances and approved by the Board of Directors. Depending on the background of each customer and its financial capacity, the Company demands collaterals or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company records impairment for credit losses, which represent its estimated losses pertaining to customers, contract assets and other receivables based on the expected credit losses from each individual counterparty. The above provision includes mainly impairment losses relating to specific receivables which, based on given conditions, are expected to be incurred, but the outcome is not finalised yet.

Guarantees

The Company's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees may be provided solely to subsidiaries and affiliates based on a resolution of the Board of Directors. No such guarantees were granted at 31.12.2021.

Liquidity risk

Liquidity risk is the risk that the Company will fail to fulfil its financial liabilities upon maturity. Company's approach to liquidity management is to secure that it will always have sufficient cash to meet its obligations upon maturity both under normal and adverse circumstances, by holding necessary cash and adequate available credit lines from collaborating banks.

To mitigate liquidity risk, the Company performs a cash flow provision for the following year when preparing the annual budget and a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including coverage of its financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

There is no substantive liquidity risk because the Company fulfils its obligations of all types in due time. The relevant payables to suppliers are interest-free and settled within three months maximum. Note that in all events of lack of liquidity, the Company will be supported by its parent company.

Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Company’s results or the value of its financial instruments. Market risk management is aimed at controlling the exposure of the Company to such risks within a framework of acceptable parameters, in parallel with optimisation of performance.

The Company uses transactions on derivative financial instruments to hedge part of market risks.

Metal Raw Material Fluctuation Risk (copper, aluminium, other metals)

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

Exchange rate risk

The Company is exposed to foreign exchange risk in connection with its sales and purchases, and loans taken out in a currency other than its functional currency, which is Euro. The currencies used for such transactions are mainly the US dollar and pound sterling.

Over time, the Company hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated purchases and the liabilities in foreign currency.

The Company mainly enters into foreign currency futures with its foreign counterparties in order to hedge the risk of exchange rate changes, which primarily mature in less than one year from the Financial Statements date. When necessary, such futures are renewed upon expiry. On a per-case basis, foreign exchange risk may also be hedged by obtaining loans in the respective currencies.

Loan interest is in the same currency as that used in the cash flows arising from the company’s operating activities, which is mainly Euro.

Interest rate risk

The Company obtains funds for its investments and its working capital through bank and bond loans, and thus debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Company will bear additional borrowing costs.

The interest rate risk is mitigated as part of the Company's loans is obtained based on fixed interest rates.

Capital management

The Board of Directors' policy is to maintain a robust capital base to keep the Company trustworthy among investors, creditors and market players, and enable the future development of the Company’s operations. The Board of Directors monitors capital performance, which is defined by the Company as the net results divided by the total net worth.

The Board of Directors tries to maintain a balance between the higher performance levels which would have been attained through increased loans and the advantages and security offered by a robust and sound capital base.

There have been no changes in the approach adopted by the Company concerning capital management during the fiscal year.

Macroeconomic environment

The Company and the Group of which it is part follow closely and on an ongoing basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies to minimise the impact of the macroeconomic conditions on their operations.

Covid-19

The outbreak of the COVID-19 pandemic in early 2020 led to unprecedented lockdown measures which gave rise to a negative economic and social climate at both global and local level. COVID-19 continued its spread in 2021 too and resulted in the imposition of lockdowns again but to a smaller scale and for shorter periods. More specifically, in Greece lockdowns were in place during the 1st quarter of 2021 while the vaccination programme launched in February 2021 contributed to the lifting of measures during the 2nd quarter of the year.

Fulgor responded promptly to this challenge both in 2020 and 2021, setting as priority the health and safety of its human resources, suppliers and partners, by taking measures that secured production continuity with the least possible impact, based on the recommendations of competent authorities and suggestions of international protocols on how to deal with the pandemic. Company expenses related to Covid-19 amounted to EUR 184 thousand (2020: (EUR 407 thousand); such expenses were related to purchase of additional personal protective equipment in accordance with the experts' recommendations and other measures taken due to Covid-19 outbreak.

Despite the restrictions in global economy and the lockdowns, the investment plans were carried out without any delays while the smooth operation of the production plants amid the pandemic was a competitive advantage compared to some European competitors. Fulgor dealt effectively with any disruptions in the supply chain as it has available multiple alternative sources of raw materials.

Overall, the Company's profitability was not affected considerably by the pandemic as it relies primarily on the execution of energy projects the progress of which was not disrupted. Moreover, the demand for the Company's products was increased during 2021, which is reflected on the increase in sales volume compared to 2020 (2021 total sales: 105,722 tons compared to 81,244 in 2020). It is worth noting that Fulgor makes sales to companies with long-standing commercial bonds, which are active in local markets and do not face any specific risks involving the macroeconomic environment.

Management assesses individual parameters and their eventual implications on an ongoing basis to ensure that all necessary and possible measures and actions are taken to minimise any effect on the Company's operations.

6. Research and Development

Innovation is a key area of focus for the Company with the aim of providing its customers with more efficient solutions. The establishment of a stronger research and development ('R&D') function is an important enabler to maintain technological effectiveness in the cables segment. A team of highly skilled R&D engineers, supported by advanced software tools and modern testing facilities, are dedicated to supplying customers with tailored, high-quality, cost-efficient solutions.

The R&D department pursues core research focusing on the following:

- Product development and focus on their compliance with new regulations, international standards and specific customers' requirements;
- Innovation focused on the development of new materials, new design and new manufacturing processes;
- Redesign and optimisation of products in order to improve competitiveness that will advance the Company's financial goals;
- Technical support to manufacturing process that aims to improve productivity and quality.

The core focus of the R&D department is to support the market share growth strategy of the Company by developing high added value and reliable products for different applications such as AC/DC submarine cables for deep water and long distances, as well as telecom/data cables. As a result, several new products have been successfully developed over the last few years.

During the last few years, the Company and its parent Hellenic Cables have been awarded several important projects as their capability enabled them to offer reliable designs and carry out successfully necessary qualification plans. Among the most notable projects are the Naxos - Santorini submarine interconnection, Crete – Peloponnese submarine interconnection and the interconnection of Kafireas 2 Wind Farm under construction to Evia. Moreover, during 2021, the company was awarded important contracts involving the design and supply of inter-array cables. These projects underline the competitive capabilities and the strong market position of both the Company and the Group in the high-voltage and extra high-voltage segment.

At the same time, the Company is engaged in ongoing initiatives to develop next-level DC power cables featuring different materials and with reduced loss of power, while the initiatives to develop new products during 2021 included the new design of dynamic submarine cables that will be able to function under high mechanical stress, the design of 132 kV inter-array submarine cables, and the design of submarine cables for electrical interconnection at 400 kV. Finally, special focus is always placed on increasing the use of recyclable materials in the production process.

The R&D department ensured full compliance with new regulations and customer requirements.

The Company trains and empowers its people, recognising that the quality and expertise of human resources is what essentially leads to the success of any research effort. The Company's R&D department is staffed by highly educated and specialised scientific personnel who participate in educational and lifelong learning programmes.

In 2021, capital expenditure for trademarks, licences and development projects carried out during the year amounted to EUR 4.7 million (2020: (EUR 4.5 million) while total expenses for new product research recognised as expenditure for 2020 amounted to EUR 1.7 million (2020: EUR 1.4 million).

7. Company's Branches

The Company has no branches.

8. Subsequent events

The Ukrainian crisis that broke out in February 2022 may cause increased instability in the market as well as disruptions in many aspects of the global economy during the upcoming accounting period. Although it is very early to assess the full impact of the turmoil in eastern Europe, the Company's total exposure to Ukraine and Russia is at a minimum and, therefore, no direct material impact is expected. The Company has no sales exposure to these markets and no exposure to Russian banks as far as financing is concerned. Moreover, as regards the mitigation of any potential disruptions in the supply chain, the Company has already taken actions to switch from the supply of raw materials currently originating from Russia to alternative markets, if necessary. Finally, it should be noted that the Company has taken measures to limit any eventual disruption while closely monitoring the situation.

There are no other subsequent events in 2022 that could affect the Company's financial position.

9. Conclusions

This report presented Management's view for 2021 performance, the risks and how they are managed, as well as the prospects and outlook of the Company for 2022.

Athens, 28 March 2022

The Chairman of the Board of Directors	**Board of Directors member**
Ioannis Batsolas	**Ioannis Theonas**

B. Financial Statements

FULGOR

HELLENIC CABLE INDUSTRY S.A.

ANNUAL FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

According to the International Financial Reporting Standards

HELLENIC CABLES

Member of CENERGY HOLDINGS

Athens Tower, Building B, 2-4 Mesogheion Ave.,
GR-11527, Athens

https://www.cablel.com

General Commercial Registry No.: 240101000

TABLE OF CONTENTS

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

Statement of Profit or Loss and Other Comprehensive Income

Amounts in Euro	**Note**	**2021**	**2020***
Revenue	**5**	585,036,596	382,500,272
Cost of Sales	**6**	(532,703,295)	(333,585,184)
Gross Profit		**52,333,302**	**48,915,088**
Other income	**7**	1,484,170	1,227,822
Selling and distribution expenses	**6**	(3,980,075)	(3,416,082)
Administrative expenses	**6**	(7,535,283)	(6,787,652)
Impairment loss on receivables and contract assets	**28.1**	(7,426)	(170,961)
Other expenses	**8**	(1,313,701)	(1,324,138)
Operating profit		**40,980,987**	**38,444,076**
Finance income	**9**	67,353	2,150
Finance costs	**10**	(9,837,814)	(8,990,654)
Profit before tax		**31,210,526**	**29,455,572**
Income tax	**11**	(4,847,233)	(7,211,165)
Profit after tax		**26,363,293**	**22,244,407**
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Remeasurements of defined benefit liability	**12**	(125,767)	(36,822)
Related tax		18,244	8,837
		(107,523)	**(27,984)**
Items that are or may be reclassified to profit or loss:			
Cash flow hedges – effective portion of changes in fair value		(548,781)	(906,541)
Cash flow hedges – reclassified to profit or loss		906,541	474,595
Related tax		(96,838)	103,667
		260,922	**(328,279)**
Other comprehensive income after tax		**153,398**	**(356,263)**
Total comprehensive income after tax		**26,516,692**	**21,888,144**

* *The comparative information is restated due to retroactive application of the IFRIC Agenda Decision 'Attributing Benefit to Periods of Service'. (IAS 19) – See Note 4.18.*

The attached notes on pages 26 to 79 are an integral part of the Financial Statements.

Statement of Financial Position

Amounts in Euro	**Note**	**2021**	**2020***
ASSETS			
Property, plant & equipment	**14**	213,272,087	197,409,202
Right of use assets	**15**	450,427	545,678
Intangible assets	**16**	7,749,311	6,207,715
Investment property	**17**	609,154	609,154
Contract costs	**13**	161,247	161,247
Other receivables	**20**	403,676	307,253
Non-current assets		**222,645,903**	**205,240,249**
Inventories	**19**	75,834,186	54,061,020
Trade and other receivables	**20**	107,368,920	45,545,533
Contract assets	**13**	28,611,039	30,698,861
Contract costs	**13**	105,606	211,220
Income tax receivables		1,326,382	-
Cash and cash equivalents	**21**	53,565,498	34,571,039
Total current assets		**266,811,631**	**165,087,673**
Total assets		**489,457,534**	**370,327,922**
EQUITY & LIABILITIES			
EQUITY			
Share capital	**22**	11,373,822	11,373,822
Share premium	**22**	26,206,523	26,206,523
Reserves	**23**	14,635,311	12,607,660
Retained earnings		29,223,425	9,763,625
Total equity		**81,439,081**	**59,951,630**
LIABILITIES			
Loans and borrowings	**24**	92,645,157	74,230,161
Lease liabilities		282,669	355,605
Employee benefits	**12**	1,012,224	840,205
Grants	**27**	12,497,348	12,843,614
Deferred tax liabilities	**11**	18,461,886	15,374,355
Other long-term liabilities	**25**	-	216,935
Non-current liabilities		**124,899,284**	**103,860,874**
Loans and borrowings	**24**	66,635,956	70,261,319
Lease liabilities		185,191	203,520
Trade and other payables	**26**	202,154,230	127,913,304
Contract liabilities	**13**	11,744,618	7,087,799
Current tax liabilities		1,838,296	-
Derivatives	**28.2**	560,878	1,049,475
Current liabilities		**283,119,169**	**206,515,418**
Total liabilities		**408,018,453**	**310,376,292**
Total equity and liabilities		**489,457,534**	**370,327,922**

* *The comparative information is restated due to retroactive application of the IFRIC Agenda Decision 'Attributing Benefit to Periods of Service'. (IAS 19) – See Note 4.18.*

The attached notes on pages 26 to 79 are an integral part of the Financial Statements.

Statement of Changes in Equity

Amounts in Euro	**Share Capital and Share Premium**	**Fair value reserves**	**Other reserves**	**Retained earnings**	**Total equity**
Balance on 1 January 2020	**56,866,623**	**(360,692)**	**13,296,631**	**(32,414,468)**	**37,388,094**
Change in accounting policy	-	-	-	675,392	**675,392**
Restated balance on 1 January 2020	**56,866,623**	**(360,692)**	**13,296,631**	**(31,739,076)**	**38,063,486**
Profit for the period	-	-	-	22,244,407	**22,244,407**
Other comprehensive income	-	(328,279)	-	(27,984)	**(356,263)**
Total comprehensive income	**-**	**(328,279)**	**-**	**22,216,423**	**21,888,144**
Transactions with owners of the company directly posted through equity					
Capitalisation of reserves	(19,286,279)	-	-	19,286,279	**-**
Total transactions with owners of the company	**(19,286,279)**	**-**	**-**	**19,286,279**	**-**
Balance on 31 December 2020	**37,580,345**	**(688,971)**	**13,296,631**	**9,763,625**	**59,951,630**
Balance on 1 January 2021	**37,580,345**	**(688,971)**	**13,296,631**	**9,763,625**	**59,951,630**
Profit for the period	-	-	-	26,363,293	**26,363,293**
Other comprehensive income	-	260,922	-	(107,523)	**153,398**
Total comprehensive income	**-**	**260,922**	**-**	**26,255,770**	**26,516,692**
Transactions with owners of the company directly posted through equity					
Transfer of reserves	-	-	1,766,729	(1,766,729)	**-**
Dividends	-	-	-	(5,029,241)	**(5,029,241)**
Total transactions with owners of the company	**-**	**-**	**1,766,729**	**(6,795,970)**	**(5,029,241)**
Balance on 31 December 2021	**37,580,345**	**(428,049)**	**15,063,360**	**29,223,425**	**81,439,081**

* *The comparative information is restated due to retroactive application of the IFRIC Agenda Decision 'Attributing Benefit to Periods of Service'. (IAS 19) – See Note 4.18.*

The attached notes on pages 26 to 79 are an integral part of the Financial Statements.

Statement of Cash Flows

Amounts in Euro	**Note**	**2021**	**2020***
Cash flows from operating activities:			
Profit before tax:		31,210,526	29,455,572
Plus / less adjustments for:			
Depreciation of fixed assets & right-of-use assets	**14, 15, 16**	8,777,949	7,471,518
Grants amortisation	**7**	(388,589)	(623,737)
Unrealised (Gains)/ loss from valuation of derivatives		(130,837)	142,934
Interest income	**9**	(67,353)	(2,150)
Interest charges and related expenses	**10**	9,837,814	8,990,654
(Profit)/loss from sale of property, plant & equipment	**7**	(2,257)	-
Impairment loss on receivables	**28.1**	7,426	170,961
		49,244,679	**45,605,752**
Changes in:			
- Inventories		(21,773,166)	(16,986,993)
- Trade and other receivables		(63,418,112)	23,891,030
- Contract assets		2,087,822	(24,984,529)
- Trade and other payables		74,478,956	30,297,068
- Contract liabilities		4,656,819	(21,009,888)
- Contract costs		105,615	(240,387)
- Employee benefits		46,252	84,923
Cash flows from operating activities		**(3,815,815)**	**(8,948,777)**
Interest expense and related costs paid		(8,100,710)	(7,751,662)
Taxes paid		-	(191,763)
Net Cash flows from operating activities		**37,328,155**	**28,713,550**
Cash flows from investing activities:			
Acquisition of property, plant & equipment		(25,704,889)	(43,956,391)
Acquisition of intangible assets	**16**	(716,328)	(900,106)
Proceeds from disposal of tangible and intangible assets		2,350	65,063
Interest received	**9**	67,353	2,150
Net Cash flows used in investing activities		**(26,351,514)**	**(44,789,284)**
Cash flows from financing activities:			
Loans obtained	**24**	35,674,071	21,800,000
Repayment of loans	**24**	(22,457,047)	(10,369,808)
Repayment of lease principal	**24**	(212,287)	(205,875)
Dividends paid		(5,029,241)	-
Grants received	**27**	42,323	71,949
Net cash flows from financing activities		**8,017,818**	**11,296,266**
Net (decrease) / increase in cash and cash equivalents		**18,994,459**	**(4,779,467)**
Cash and cash equivalents on 1 January		34,571,039	39,350,506
Cash and cash equivalents on 31 December	**21**	**53,565,498**	**34,571,039**

** The comparative information is restated due to retroactive application of the IFRIC Agenda Decision 'Attributing Benefit to Periods of Service'. (IAS 19) – See Note 4.18.*

The attached notes on pages 26 to 79 are an integral part of the Financial Statements.

Notes to the Financial Statements

1. Information on the Company

FULGOR SINGLE-MEMBER S.A. HELLENIC CABLES INDUSTRY (hereinafter, the "Company" or "Fulgor") has its registered office at 2-4 Mesogheion Ave., Athens Tower, Building B, Athens.

The Company's Financial Statements are included in the consolidated financial statements of the direct parent company Hellenic Cables S.A. (hereinafter "Hellenic Cables"), the Belgian-based holding company "Cenergy Holdings S.A." which is listed on Euronext Brussels and the Athens Stock Exchange, and of the ultimate parent company "VIOHALCO SA/NV", which is also listed on Euronext Brussels and the Athens Stock Exchange.

On 31 December 2021, the direct holding of Hellenic Cables in the Company's capital stood at 100%. Cenergy Holdings SA and Viohalco SA/NV indirectly control 100% and 79.78% of the Company's voting rights, respectively.

The Company operates in Greece and is engaged in the production and distribution of all types and forms of cables (submarine, energy, telecommunications, etc.).

2. Presentation basis of Financial Statements

2.1 Statement of Compliance

The Stand-alone Financial Statements of the Company (hereinafter the "Financial Statements") have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations, as adopted by the European Union.

The Financial Statements were approved by the Board of Directors on 28 March 2022 and have been uploaded on the website at https://www.cablel.com, in the category Financial Statements/ Financial Statements of Subsidiaries. The Company's General Commercial Registry No. is 240101000.

2.2 Basis of measurement

The Financial Statements have been prepared according to the principle of historical cost, except for the financial derivative instruments that are presented at fair value and based on the going concern principle.

On 31 December 2021, Company's current liabilities exceeded total current assets by EUR 16 million (31 December 2020: EUR 41 million).

However, Company financing is considered guaranteed in the near future through:

- the Company's operating profitability and robust backlog of orders;
- the use of credit lines made available by financial institutions;
- the support provided by the parent company, whenever necessary. This support acquires various forms such as, among others, share capital increase and sales support.

2.3 Functional currency

The Financial Statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has been rounded to the nearest unit, unless otherwise indicated in separate notes. Such rounding results in minor differences in the tables incorporated herein.

2.4 Use of estimates and assumptions

Preparing Financial Statements in line with IFRS requires use of estimates and the adoption of assumptions by Management which may affect the accounting balances of assets and liabilities as well as the income and expense items. The actual results may differ from these estimates.

The estimates and relevant assumptions are reviewed on an ongoing basis. Any deviations of the accounting estimates are recognised in the period in which they are reviewed provided they concern solely the current period or, if they refer to future periods, the deviations concern both current and future periods.

The accounting decisions made by Management when applying the accounting policies, which could affect mostly the Financial Statements of the Company are as follows:

- the useful life and residual value of depreciable tangible and intangible assets;
- the amount of defined employee benefits obligation;
- the impairment loss on receivables and contract assets;
- the amount of provisions for income tax of unaudited fiscal years;
- the amount of provisions for obsolete or slow-moving inventories;
- the amount of provisions for disputed cases; and
- the recoverability of the deferred tax asset.

The main sources of uncertainty for the Company on the date the Financial Statements were compiled which may have a significant effect on the book values of assets and liabilities concern:

(a) Income tax (note 11 and note 29.3).

In the ordinary course of business, numerous transactions and calculations take place in relation to which the exact calculation of tax is uncertain. In case the final taxes arising from tax audits differ from the amounts initially recorded, these differences will affect income tax and, by extension, the provisions for deferred tax at the period in which tax differences were assessed.

(b) Inventories (note 19).

The Company makes estimates about the calculation of the realisable value, based on data arising from internal and external information sources such as LME prices for copper and aluminium, which are the key raw materials used in the Company's products.

(c) Impairment of non-financial assets

The Company makes estimates about any impairment of the assets that are not measured at fair value (Property, plant and equipment; Intangible assets; Investment property). Especially as regards Property, plant and equipment, the Company evaluates their recoverability based on the value in use of the cash generating unit under which such assets fall, when there is evidence of impairment of such assets. The calculated value in use is based on a five-year business plan prepared by Management and, thus, it is sensitive to the verification or not of expectations relating to the attainment of sales objectives, gross margin percentages, operating results, growth rates and discount rates of estimated cash flows.

(d) Impairment loss on receivables and contract assets (note 20 and note 28.1).

The impairment losses on receivables and contract assets are presented on the basis of estimates for the amounts which are likely to be recovered pursuant to the expected-loss model. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

(e) Measurement of defined employee benefits obligation (note 12).

This liability is based on key actuarial assumptions of financial nature.

(f) Fair value measurement

A number of accounting policies and disclosures requires the measurement of fair value for both financial and non-financial instruments and liabilities. When the fair value of an instrument or liability is measured, the Company uses mostly active market prices. Fair value is classified in hierarchy levels as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.

Level 2: Inputs that are observable either directly or indirectly.

Level 3: Unobservable inputs for assets and liabilities.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

Unobservable prices are classified in Level 3. The fair value of shares that are not traded in an active market is measured on the basis of the Company's forecasts for the issuer's future profitability, having taken into consideration the expected growth rate of its activities and the discount rate. The fair values of financial liabilities are estimated based on the present value of future cash flows that arise from specific contracts using the current interest rate that is available for the Company for the use of similar financial instruments.

The Company recognises transfers between fair value levels at the end of the reporting period in which a change took place. Further information on the assumptions of measurement at fair value is included in note 28.

(g) Useful life of depreciable tangible and intangible assets (Notes 14 and 16).

(h) Estimates about the recoverability of deferred tax assets (Note 11).

(i) Estimates about the recognition of revenue (Note 5).

3. New standards, interpretations and amendment to existing standards

Specific new standards, standard amendments and interpretations have been issued, which are mandatory for accounting periods beginning on or after 1 January 2021. The Company's estimate about the effect of the application of such new standards, amendments and interpretations is described below:

Standards and Interpretations effective for the current financial year

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'

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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'

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.

Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 April 2021)

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

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.

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.

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.

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.

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.

IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction' (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. 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)

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.

Decision of IFRS Interpretation Committee on "Attributing Benefit to Periods of Service" (IAS 19):

In May 2021 the International Financial Reporting Interpretations Committee (IFRIC) published the final agenda decision titled "Attributing Benefits to Periods of Service (IAS 19)" which includes explanatory material regarding the way benefits are attributed to periods of service for a particular defined benefit plan equivalent to the plan specified in article 8 of Greek Law 3198/1955 in relation to the benefit payment associated with retirement ("Defined Benefit Plan under Labour Law"). Such explanatory material changes the way in which the key principles and rules of IAS 19 were implemented in the past in Greece in this respect and, therefore, pursuant to the provisions of "IASB Due Process Handbook (par. 8.6)", the entities preparing IFRS-compliant financial statements are required to amend their accounting policy in this matter accordingly. Based on the above, the above decision will be implemented in line with paragraphs 19-22 of IAS 8 as a change in accounting policy. Based on the foregoing, the aforementioned decision was applied as a change in accounting policy.

4. Significant accounting principles

The accounting principles cited below have been consistently applied to all the periods presented in these Financial Statements.

4.1 Foreign currency

Transactions and balances

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the date of each transaction. Gains and losses from foreign exchange differences that arise from the settlement of such transactions and from conversion of monetary asset and liability items denominated in a foreign currency at the foreign exchange rates that apply on the balance sheet date are recorded in the Income Statement.

Overall, exchange rate differences arising from the application of the above shall be recognised in the Statement of Profit or Loss and OCI:

- financial assets available for sale (except for their impairment when exchange rate differences are transferred from Comprehensive Income to the Income Statement).
- financial liabilities intended to hedge a net investment in a company in foreign currency to the extent such hedging is effective.
- cash flow hedge to the extent such hedge is effective.

4.2 Financial instruments

A financial instrument is any contract that gives rise at the same time to a financial asset for an entity and a financial liability or equity instrument in another entity.

The accounting policy applying to derivative financial instruments is described separately in note 4.3.

A. Initial recognition and subsequent measurement of financial assets

On initial recognition, financial assets are classified as subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. On initial recognition, the classification of financial assets is based on the contractual cash flows of such assets and the business model in which financial assets are held.

Except for trade receivables, the Company initially measures a financial asset at fair value plus transaction cost, in the case of financial assets not measured at fair value through profit or loss. Trade receivables are initially measured at the transaction price, as defined in IFRS 15.

A financial asset is classified and measured at amortised cost or at fair value through other comprehensive income when it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is known as SPPI ("solely payments of principal and interest") criterion and applies to separate financial assets.

Subsequent to their initial recognition, financial assets are classified into three categories as measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL).

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets (except for derivatives held for hedging purposes) not classified as measured at amortised cost or at FVOCI, as described above, are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset classified as measured at FVTPL is initially recognised at fair value with gains or losses from their valuation recognised in the statement of profit or loss. Any gains or losses arising from changes in the fair value of those financial assets classified as measured at FVTPL are recognised in the statement of profit or loss in "Gain/(loss) from interests and other financial assets - Impairments".

The Company does not have any financial assets measured at FVTPL on 31 December 2021.

A financial asset measured at amortised cost is subsequently measured using the effective interest rate method (EIR) and is subject to impairment testing. Any gain or loss is recognised in profit or loss when a financial asset is derecognised, amended or impaired.

As regards investments traded in an active market, the fair value is based on market quoted prices. As regards investments for which there is no active market, the fair value is based on valuation techniques, unless the range of rational estimates of such fair value is significantly high and the likelihood of different estimates cannot be reasonably assessed and, thus, such investments must not be measured at fair value. The purchase or sale of a financial asset requiring delivery of the asset within a time frame established by regulation or convention in the marketplace concerned is recognised on the settlement date (namely the date on which the asset is transferred or delivered to the Company).

B. Impairment of financial assets

On each date financial statements are prepared the Company assesses the data as to whether the value of a financial asset or a group of financial assets has been impaired as follows:

The Company recognises provisions for expected credit losses from:

- financial assets measured at amortised cost, and
- contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses (ECLs). Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of trade receivables and contract assets.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that they would not be considered otherwise;
- indications that a debtor will enter bankruptcy;
- adverse changes in the payments status of a debtor;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a financial asset.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI.

C. Derecognition of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to the cash flows from the financial asset expire,
- the Company reserves the right to the cash inflows from that asset but has also undertaken to pay them to third parties without significant delay in the form of a transfer contract, or
- the Company has transferred the right to receive the cash flows from that asset while (a) it has transferred substantially all the risks and rewards of ownership of the financial asset or (b) has not transferred substantially all the risks and rewards but has transferred control of that asset.

When the Company transfers the rights to receive cash flows from an asset or enters into a transfer contract, it assesses the extent by which it retains the risks and rewards of ownership of the financial asset. When the Company neither transfers nor retains substantially all the risks and rewards of the transferred asset and retains control of such asset, then the asset is recognised to the extent of the Company's continuing involvement in the specific asset. In this case, the Company also recognises an associated liability. The transferred asset and associated liability are measured at a basis reflecting the rights and commitments retained by the Company.

The continuing involvement assuming the form of guarantee of the transferred asset is recognised at the lower between the asset's book value and the maximum amount of the consideration received that the Company could be forced to refund.

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are initially measured at fair value less transaction cost in the case of loans and payables.

D. Derecognition of financial liabilities

A financial liability is derecognised when its contractual obligation is cancelled or expires. When an existing financial liability is replaced by another from the same lender with materially different terms, or the terms of the existing liability are materially amended, the said swap or amendment is treated as derecognition of the initial liability and recognition of a new one. The difference in the relevant book values is recognised in the statement of profit or loss and OCI.

E. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legal right cannot be contingent on a future event and must be enforceable in the ordinary course of business, in the event of default, insolvency or bankruptcy of the entity or any counterparty.

4.3 Derivatives and hedge accounting

The Company holds derivative financial instruments to hedge cash flows and fair value. Derivatives include futures to hedge the financial risk arising from changes in the market price of copper and aluminium in particular, and in the exchange rate with foreign currencies (mainly USD or GBP).

The results from the settled operations of financial risk management are recognised through profit or loss when they are realised (stock market results on copper, aluminium and foreign currency contracts).

Derivatives are initially and subsequently recognised at their fair value. The method by which profits and losses are recognised depends on whether derivatives are designated as a fair value or cash flow hedging instrument.

Derivatives are recognised when the transaction is entered into by the Company as hedges for the fair value of receivables, liabilities or commitments (fair value hedges) or very probable transactions (cash flow hedges).

When entering into transactions the Company records the proportion between hedged assets and hedging assets and the relevant financial risk management strategy. When entering into the contract and thereafter the estimate is recorded about the high effectiveness of hedging both for fair value hedges and for cash flow hedges. As for future transaction hedging, the probability to complete the transaction is substantiated.

A. Fair value hedging

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

B. Cash Flow hedges

The effective proportion of the change in the fair value of derivatives defined as cash flow change hedges is posted to an Equity Reserve. The gain or loss on the non-effective proportion is posted through profit or loss. 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 hedging instrument 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 hedge affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to Equity are transferred to the statement of profit or loss.

4.4 Share capital

The share capital consists of ordinary registered shares and is recognised in equity. The expenses directly related to the Company's share capital increase are deducted from the proceeds of the issue and reduce accordingly shareholder's equity.

Dividends in ordinary shares are recognised as a liability in the period in which they have been approved by shareholders.

The acquisition cost of treasury shares including various expenses is deducted from shareholder's equity until own shares are sold or cancelled. In case own shares are sold or re-issued, the price will be directly posted to equity.

4.5 Property, plant & equipment

A. Recognition and measurement

Property, plant and equipment are measured at the historical acquisition cost less accumulated depreciation and any accumulated impairment. The historical cost includes expenses directly allocated to the acquisition and establishment cost of the fixed asset. Costs may also include profits/losses in equity arising from foreign currency cash flow hedging with respect to fixed assets purchases.

If considerable parts of a fixed asset have different useful lives, they are accounted for as different fixed assets.

When tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement in the account "Other income" or "Other operating expenses" as the case may be. When the book value of a tangible fixed asset exceeds its recoverable value, the difference (impairment loss) is directly recorded in the Income Statement.

B. Subsequent expenditures

Any subsequent expenditure is recorded as increase of tangible assets or is recognised as a separate fixed asset, only if it is deemed probable that future economic benefits will accrue to the Company and provided that the asset's cost may be reliably estimated.

C. Amortisation and depreciation

Plots and land are not depreciated. Other tangible fixed assets are depreciated based on the straight-line method with equal annual burdens during the asset's expected service life, so that the cost may be deleted at its residual value. The expected useful life of assets is as follows:

–	Buildings	20 - 50 years
–	Machinery	10 - 40 years
–	Mechanical equipment	10 - 15 years
–	Control instruments	10 - 40 years
–	Cars	4 – 10 years
–	Furniture and other fixtures	2 - 10 years

The residual value and useful life of tangible fixed assets are reviewed and adjusted at each date the Statement of Financial Position is drafted, if that is considered necessary.

4.6 Intangible assets

The Company has classified industrial property rights related to trademarks, licenses and software programmes under such category.

Concessions and industrial property rights

Concessions and industrial property rights include trademarks and licenses with specific service life and are estimated at their acquisition cost less depreciation. These assets are depreciated based on the straight-line method during their service life, which ranges from 10 to 15 years. Wherever intangible assets with indefinite useful life have been recognised, these are measured at cost less accumulated impairment. Their cost includes the cost of studies, laboratory tests and consumables.

Software

Software licenses are estimated at their acquisition cost, less accumulated depreciation and any accumulated impairment. These assets are depreciated based on the straight-line method during their useful life, which ranges between 3 to 10 years.

Expenditures required for the maintenance of software programmes are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they are incurred.

4.7 Investment property

Investment property concerns plots and buildings that are not used by the Company. Plots are assessed at cost less any impairment while buildings are depreciated using the straight-line method at equal annual instalments throughout their expected useful life.

The profits or losses arising from the disposal of investment property (calculated as the difference between the net inflow from the disposal and the book value of the asset) are recognised through profit or loss during the period of disposal.

4.8 Inventories

Inventories are measured at the lower between their acquisition cost or production cost and their net realisable value. The acquisition cost of the purchased inventories is specified by applying the annual weighted average cost method and includes all the expenses incurred for their acquisition and transport.

The production cost of produced inventories also includes the proportionate industrial overheads under normal conditions of productive operation.

The net realisable value of inventories is considered to be the estimated selling price thereof under normal business conditions less the estimated selling expenses.

4.9 Impairment of non-financial assets

As for non-financial assets save inventories and deferred tax asset, the value of impairment is reviewed on each closing date for any impairment. Goodwill is necessarily tested each year for impairment. Assets that have an indefinite useful life are not depreciated, but are subject to an impairment test on an annual basis and when certain facts indicate that their book value may not be recoverable.

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

Impairment is recognised if the book value exceeds the estimated recoverable amount. Impairment is recognised in the Income Statement. Goodwill impairment is not reversed. The impairment loss is reversed thus restoring the book value of the asset to its recoverable amount to the extent this does not exceed the book value of the asset (net of amortisation) that would have been determined if impairment loss had not been posted.

4.10 Employee benefits

A. Short-term employee benefits

Short-term employee benefits in cash and in kind are expensed when accrued. A liability is recognised for the amount expected to be paid as benefit to the staff and executives if there is a legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

B. Defined-contribution plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognised as an expense through profit or loss at the time they are due.

C. Defined-benefit plans

The obligation for defined-benefit plans is calculated as the present value of the future benefit of the employee for his services provided in the current or previous periods less the fair value of the plan's assets.

The defined benefit is calculated annually by an independent actuary using the projected unit credit method while benefits are attributed over the last 16 years before retirement of each employee.

Remeasurements of the net defined benefit liability, which mainly comprise actuarial gains and losses, are recognised immediately in the Statement of Profit or Loss and OCI. The discount rate used corresponds to bonds of low credit risk. Interest charges and other expenses related to defined-benefit plans are recognised through profit or loss.

When the benefits of a plan change or the plan is cut back, the change associated with the past service cost or the gain/loss from cutback is directly recognised through profit or loss. The Company recognises gains and losses from the settlement of a plan when incurred.

D. Termination benefits

Termination benefits are paid when employees depart before their retirement date. The Company posts these benefits when it undertakes either to terminate the employment of current employees in line with a detailed plan which is not likely to be withdrawn or when these benefits are offered as an incentive for voluntary redundancy. Termination benefits due 12 months after the balance sheet date are discounted. In the case of employment termination where the Company is not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

4.11 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on the date each balance sheet is prepared and are adjusted so as to reflect the current value of the expense expected to be required to settle the obligation. A contingent liability is not recognised in financial statements but is disclosed unless the possibility of an outflow of resources is remote. A contingent asset is not recognised in financial statements but is disclosed when an inflow of economic benefits is probable.

A provision for restructuring is recognised when the Company has approved a detailed restructuring plan and such restructuring has already started or has been publicly announced. No future operating costs are recognised for raising provisions.

4.12 Revenue

The Company recognises revenue from the following major sources:

- Sale of products
- Energy projects which concern high-tech customised projects of mainly submarine cables and "turnkey" cable systems for power or data transmission and distribution.
- Rendering of services
- Rental income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

Consideration can vary because of trade discounts, volume rebates, returns or other similar items. Depending on the type of variable consideration the most appropriate method for measuring this variable consideration is used. In most cases, the Company uses the “most likely amount” method in order to estimate and deduct the amount of such variable consideration by identifying the single most likely amount from a range of possible outcomes.

Sale of products

The Company sells power cables, telecom cables, copper and aluminium wires, and raw materials.

For sales of products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are compliant with Incoterms.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition. A receivable is recognised when the control is transferred to the customer, as this represents the point in time at which the right to consideration becomes unconditional.

Energy projects

The Company produces and sells customised products to customers for energy projects. In addition, the Company produces and sells "turnkey" cable systems, i.e. supplies and installs complete cable systems.

Under the terms of the contracts and due to the high degree of customisation, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than the Company's failure to perform as promised.

For the above reasons, revenue from such projects is recognised over time.

For distinct performance obligations identified, the most appropriate method to measure progress is used. The methods used are the following:

For performance obligations related to production of customised products, the methods to measure progress are based on the production time elapsed, i.e. the ratio between the actual time spent on the production and the total number of scheduled production time. This method is used for submarine cables produced in long continuous lengths, since the production of such products normally lasts for a significant period of time and as a result the related performance obligations are satisfied as production time elapses.

For installation phases of turnkey projects, the method to measure progress is based on appraisal of results achieved or milestones reached, based on clearly defined technical milestones, such as transport or meters of cables installed. When milestones are being used as a method to measure progress, these milestones faithfully depict the performance.

Management considers that these methods are appropriate measures of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Statement of Financial Position in the lines "Contract assets" and "Contract liabilities" respectively. For products and services for which revenue is recognised over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customised products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognised, a contract liability is recognised.

When the period between the recognition of revenue and the milestone payment is less than one year, this is not considered to be a significant financing component in energy projects contracts with customers.

Rendering of services

The Company recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Services provided by the Company are mainly related with the products sold by its subsidiaries.

If payment for services is not due from the customer until the services are complete, a contract asset is recognised over the period in which the services are performed representing the right to consideration for the services performed to date. These contract assets are presented on the Statement of Financial Position in the line “Contract assets".

Contract costs

The Company recognises the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and records them in the line “Contract costs” in the Statement of Financial Position. Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future.

Assets arising from contract costs are amortised using either the straight-line method over a period based on the estimated contract duration or based on the portion of revenue recognised during the execution of the related contract. Incremental costs of obtaining contracts are recognised as an expense when incurred if the amortisation period of the assets would be one year or less.

Income from interest

Income from interest is recognised on the time proportion basis using the effective interest rate method. When receivables are impaired, the book value thereof is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted with the initial effective interest rate. Subsequently, interest is accounted for based on the same interest rate that is applied to the impaired (new book) value.

4.13 Grants

A grant represents a contribution provided by the State in the form of resources transferred to an entity, in return for existing or future maintenance of certain resources relating to its operation. The above term does not include state aids which, due to their nature, are not measurable, or transactions with the State which are impossible to separate from an entity’s ordinary transactions.

The Company recognises government grants which meet the following criteria cumulatively: a) there is presumed certainty that the enterprise has complied or will comply with the terms of the grant; and b) the grant’s amount has been collected or its collection is probable. They are recorded at fair value and are systematically recognised in income, on the basis of correlating grants to the corresponding costs that are subsidised.

Any grants pertaining to assets are included in long-term liabilities as income in subsequent fiscal years and are recognised systematically and rationally in income over the useful life of the fixed asset.

4.14 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a specific period of time in exchange for consideration.

Lease accounting policy when the Company is a lessee

The Company recognises a right to use an asset and a lease liability on the commencement date of the lease.

Right of use assets

The Company recognises the right-of-use assets on the commencement date of the lease term (namely the date on which the underlying asset is available for use). The right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses and are adjusted based on any remeasurement of lease liability. The initial cost of the right-of-use assets consists of the amount of lease liability recognised at inception of the contract, initial direct costs and any lease payments made on the commencement date of the lease term or earlier, less any lease incentives that have been collected. The right-of-use assets are depreciated on a straight-line basis to the earlier of the end of the lease term or the end of the useful life of the asset.

If the ownership of the leased asset is transferred to the Company at the end of the lease term or if its cost reflects the exercise of a purchase option, depreciation is calculated on the basis of the useful life of such asset.

The Company has concluded mainly lease contracts involving transport means used in its operations. Lease contracts may contain lease and non-lease components. The Company has chosen to not separate non-lease components from lease components and instead will account for all lease and non-lease components as a single lease.

The right-of-use assets are subject to a test for impairment as described in accounting policy “4.9 Impairment of non-financial assets”.

Lease liabilities

At the commencement date of the lease, the Company measures the lease liability at the present value of the rents which are payable over the lease term. Rents consist of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an associated index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

To discount lease payments, the Company uses the interest rate implicit in the lease and when this cannot be readily determined, the incremental borrowing rate of the Company is used. This incremental borrowing rate is defined as the rate of interest that the Company would have to pay, at the inception date of the lease, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. In general, the Company uses the incremental borrowing rate as discount rate.

Following the inception date of the lease, the amount of lease liability is increased based on the liability-related interest and is reduced by the respective lease payments. Moreover, the carrying amount of the lease liability is remeasured if the lease contract is reassessed or amended.

Expenses from short-term leases and leases of low-value assets

Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense through profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets include electronic equipment, office furniture and other fixtures.

The Company leases administration offices and warehouses from other affiliated entities. None of these contracts for administration offices and warehouses includes any penalties for early termination; all such contracts are cancellable at any time. For this reason, all intragroup contracts for administration offices and warehouses are considered short-term and the Company recognises the associated lease payments as an expense on a straight-line basis over the lease term.

Presentation in Financial Statements

Lease liabilities and right-of-use assets are presented separately in the Statement of Financial Position. The Company presents the interest paid on the lease liabilities in the Statement of Cash Flows in the account “Interest charges and related expenses paid” within operating activities.

4.15 Finance income/expenses

Net financial expenses consist of loan interest charges that are calculated using the effective interest rate method, interest arising from invested cash, income from dividends, foreign exchange gains and losses as well as the profits and losses from hedging instruments posted to the Statement of Profit or Loss and OCI.

Accrued interest is posted to the income statement based on the effective interest rate method. Dividend income is posted to the income statement on the date dividend distribution is approved.

4.16 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Income tax expense is recognised in profit or loss unless it is related to items directly recognised in equity and thus it is recognised in equity.

The current year tax is the expected tax liability over the taxable income using the applicable tax rates and any adjustment related to a prior period tax liability.

The deferred tax is calculated using the balance sheet method based on the temporary differences arising between the book value of the assets and liabilities included in the Financial Statements and the tax value attributed to such in accordance with tax laws. For deferred taxes to be determined, the enacted tax rates or the tax rates enacted on the preparation date of the Statement of Financial Position and applying on a subsequent date are used.

A deferred tax asset is recognised only to the extent it is probable that future taxable profits will suffice for offsetting temporary differences. The deferred tax asset is reduced in case it is probable that no tax benefit will occur.

4.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale form part of the acquisition cost of that asset from the start date as such is specified in the relevant IAS until the time it is substantially ready for its intended use or sale. Any income on the temporary investment of borrowings for financing the above qualifying asset and the collection of grants reduce the borrowing costs eligible for capitalisation. In other events, borrowing costs are charged through profit or loss in the year in which they are incurred.

To the extent that funds are part of a general loan and are used for acquiring a qualifying asset, costs eligible for capitalisation are specified by applying a capitalisation rate to the investment expenses incurred for that asset.

4.18 Change in Accounting Policy

In May 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) applied the key principles and rules of the International Financial Reporting Standards and issued a final decision including explanatory information as to how benefits are attributed to periods of service for a particular defined-benefit plan which includes the terms described below:

1. employees are entitled to lump-sum benefit payment when they reach a specified retirement age provided they are employed by the entity when they reach that retirement age; and
2. the amount of the retirement benefit to which an employee is entitled depends on the length of employee service with the entity before the retirement age and is capped at a specified number of consecutive years of service.

For the defined benefit plan illustrated in the agenda, IFRIC concluded that the entity must attribute retirement benefit to each year in which an employee renders service from the age of 46 to the age of 62 (or, if employment commences on or after the age of 46, from the date the employee first renders service to the age of 62).

The compensation policy implemented by the Company is aligned with the agenda decision of IFRIC. Consequently, for the Company to account for the Defined Benefit Liability, the Company must take into account, for each employee, benefits over the last 16 years before retirement.

Until the time the agenda decision was issued, the Company applied International Accounting Standard 10 by attributing benefits in compliance with applicable Greek Laws (Laws 3198/1955, 2112/1920 and 4093/2012) to the period from employment date to the expected retirement date of employees.

Based on IAS 8, this change will be treated as a change in accounting policy. The tables below present, for the comparative reporting periods, the effect on each item of the financial statements which is affected by the application of IFRIC final decision.

i. Effect of Change in Accounting Policy on opening balances of the comparative period

Balance on 31 December 2019

Amounts in Euro	**Published Balances 31.12.2019**	**IAS 19 Restatement**	**Restated Balances 31.12.2019**
Total assets	**320,214,207**	**-**	**320,214,207**
Retained earnings	(32,414,468)	675,392	(31,739,076)
Other component of equity	69,802,562	-	69,802,562
Total equity	**37,388,094**	**675,392**	**38,063,486**
Employee benefits	1,607,134	(888,673)	718,461
Deferred tax liabilities	8,254,176	213,282	8,467,457
Other non-current liabilities	74,334,888	-	74,334,888
Non-current liabilities	**84,196,198**	**(675,392)**	**83,520,806**
Current liabilities	**198,629,915**	**-**	**198,629,915**
Total liabilities	**282,826,113**	**(675,392)**	**282,150,721**
Total equity and liabilities	**320,214,207**	**-**	**320,214,207**

ii. Effect of Change in Accounting Policy on closing balances of the comparative period

Balance on 31 December 2020

Amounts in Euro	**Published Balances 31.12.2020**	**IAS 19 Restatement**	**Restated Balances 31.12.2020**
Total assets	**370,327,922**	**-**	**370,327,922**
Retained earnings	8,875,697	887,928	9,763,625
Other component of equity	50,188,005	-	50,188,005
Total equity	**59,063,702**	**887,928**	**59,951,630**
Employee benefits	2,008,532	(1,168,327)	840,205
Deferred tax liabilities	15,093,957	280,398	15,374,355
Other long-term liabilities	87,646,314	-	87,646,314
Non-current liabilities	**104,748,803**	**(887,928)**	**103,860,874**
Current liabilities	**206,515,418**	**-**	**206,515,418**
Total liabilities	**311,264,220**	**(887,928)**	**310,376,292**
Total equity and liabilities	**370,327,922**	**-**	**370,327,922**

iii. Effect of Accounting Policy on Statement of Profit or Loss and Other Comprehensive Income for the year ended on 31 December 2020.

For the period from 1.1.2020 to 31.12.2020

Amounts in Euro	Published Balances 2020	IAS 19 Restatement	Restated Balances 2020
Revenue	382,500,272	-	382,500,272
Cost of Sales	(333,585,184)	-	(333,585,184)
Gross Profit	**48,915,088**	**-**	**48,915,088**
Other income	1,227,822	-	1,227,822
Selling and distribution expenses	(3,416,082)	-	(3,416,082)
Administrative expenses	(6,787,652)	-	(6,787,652)
Reversal of / (Impairment loss) on receivables and contract assets	(170,961)	-	(170,961)
Other expenses	(1,468,639)	144,500	(1,324,138)
Operating profit	**38,299,576**	**144,500**	**38,444,076**
Finance income	2,150	-	2,150
Finance costs	(8,990,654)	-	(8,990,654)
Profit before tax	**29,311,072**	**144,500**	**29,455,572**
Income tax	(7,176,485)	(34,680)	(7,211,165)
Profit after tax	**22,134,587**	**109,820**	**22,244,407**
Remeasurements of defined benefit liability	(171,975)	135,153	(36,822)
Related tax	41,274	(32,437)	8,837
Other Items after taxes	(328,279)	-	(328,279)
Other comprehensive income after tax	**(458,980)**	**102,717**	**(356,263)**
Total comprehensive income after tax	**21,675,607**	**212,537**	**21,888,144**

iv. Effect of Accounting Policy on Statement of Cash Flows for the year ended on 31 December 2020.

For the period from 1.1.2020 to 31.12.2020

Amounts in Euro	Published Balances 2020	IAS 19 Restatement	Restated Balances 2020
Cash Flows from Operating Activities			
Profit before tax	29,311,072	144,500	29,455,572
Changes in:			
- Employee benefits	229,423	(144,500)	84,923
Other movements from Operating Activities	(826,945)	-	(826,945)
Total inflow/ (outflow) from operating activities	**28,713,550**	**-**	**28,713,550**
Total inflow / (outflow) from investing activities	**(44,789,284)**	**-**	**(44,789,284)**
Total inflow/ outflow from financing activities	**11,296,266**	**-**	**11,296,266**
Net (decrease) / increase in cash and cash equivalents	**(4,779,467)**	**-**	**(4,779,467)**
Cash and cash equivalents on 1 January	39,350,506	-	39,350,506
Cash and cash equivalents on 31 December	**34,571,039**	**-**	**34,571,039**

5. Revenue

A. Significant accounting policy

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

For the detailed accounting policy, see Note 4.12.

B. Nature of goods and services

Energy cables projects

The Company produces and sells "turnkey" cable systems, i.e. supplies and installs complete cable systems. In addition, customised cable products are produced for grid connections, offshore/onshore wind farms and other energy projects. Under the terms of the contracts and due to the high degree of customisation, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed until the reporting date if the contract is terminated by the customer or another party for reasons other than the Company's failure to perform as promised. Revenue from such projects is recognised over time. The typical length of a contract for turnkey projects exceeds 12 months. For turnkey projects, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the contracts and if a customer can benefit from it.

Power & telecom cables

The key products in this category are power cables and overhead conductors for electric power distribution networks for electric power operators, utilities, industrial applications, renewable energy applications, railway transportation networks and buildings. The category also includes telecommunication, data transmission cables, optical fibre cables and signalling cables. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred. The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are compliant with Incoterms.

Copper and aluminium wires, and raw materials

The Company sells copper and aluminium wires which are used as raw materials by its customers in the production of cable products. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred. The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are compliant with Incoterms.

C. Disaggregation of revenue

In the following table revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Primary geographical markets

Amounts in Euro	**2021**	**2020**
Greece	466,409,407	329,168,456
Other European Union countries	116,507,711	51,363,241
Other non-European countries	2,119,479	1,968,575
	585,036,596	**382,500,272**

Major products and service lines

Amounts in Euro	**2021**	**2020**
Energy projects	219,033,608	186,734,405
Power & telecom cables	18,537,837	16,722,473
Sales of wires, raw materials and other products	347,465,151	179,043,394
	585,036,596	**382,500,272**

Timing of revenue recognition

Amounts in Euro	**2021**	**2020**
Revenue recognised at a point in time	366,002,988	195,765,866
Revenue recognised over time	219,033,608	186,734,405
	585,036,596	**382,500,272**

In 2021, the turnover amounted to EUR 585 million, increased by 53% compared to 2020. This change is due, on the one hand, to the total higher sales volumes and, on the other hand, to the total increase in metal prices. Moreover, the execution of submarine cables contracts during 2021 contributed to the increase in revenue.

Revenue expected to be recognised in the future and related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 58.4 million. The amount of EUR 57.7 million is expected to be recognised during 2022 while the amount of EUR 0.7 million is expected to be recognised during 2023-2024 based on the execution time schedules applying to the ongoing energy projects. These amounts include the open contracts on 31 December 2021, which have original expected duration of more than one year.

D. Significant judgments in revenue recognition

In recognizing revenue the Group makes judgements regarding the timing of satisfaction of performance obligations, as well as the transaction price and the amounts allocated to performance obligations.

The most significant of these estimates are described below:

- Contracts involving the supply of a product through the performance of a single task or a set of significant integrated tasks are viewed as being a single performance obligation.
- Contracts including multiple performance obligations are mainly identified in turnkey contracts and for customised products, as described in Note 4.12.
  In such cases the total transaction price is allocated to these performance obligations based on the relative standalone selling prices of the promised goods or services. If these goods and services are not sold separately, a cost plus margin approach is used.
- Some contracts with customers involve a variable transaction cost as they include a volume or trade discount based on the total purchases from the customer within a time period. In such case revenue is recognised based on the anticipated purchases from the customer throughout the year, as these purchases take place and new orders are received and up to an extent it is highly probable that a significant reversal of cumulative revenue recognised will not be needed.

6. Expenses by nature

Amounts in Euro	**2021**	**2020**
Cost of inventories recognised as an expense	457,888,240	234,709,223
Employee benefits	20,590,060	18,410,497
Energy	5,993,496	2,852,984
Depreciation and amortisation	8,770,480	7,463,031
Amortisation of contract costs	105,615	75,169
Taxes – duties	491,721	504,040
Insurance Premiums	4,329,554	6,990,112
Rental fees	323,514	391,382
Transportation expenses	400,699	1,024,821
Third party fees and benefits	30,525,753	61,603,532
Commissions	1,120,375	849,270
Maintenance	4,005,061	3,225,799
Losses from derivatives	6,671,762	3,221,754
Foreign exchange differences	19,931	79,748
Other	2,982,392	2,387,557
Total cost of sales, selling & distribution and administrative expenses	**544,218,653**	**343,788,918**

The decrease in “Third party fees and benefits” is attributed mainly to the increased fees paid to subcontractors for installation services in the context of turnkey contracts executed by the Contract during the previous year. Specifically, during 2020 the installation of a submarine cable for the Cyclades interconnection (second phase), the submarine interconnection of Skiathos Island to Evia, Greece, and a part of the Crete – Peloponnese interconnection were carried out. In contrast, in 2021, installation services were limited given that only second phase of the installation of submarine cables was completed for Crete’s interconnection to the Peloponnese.

In addition, the Company invests in research and development in order to develop value added products and services on an ongoing basis, and to optimise its production processes. Total research and development expenses that were recognised as an expense for 2021 amount to EUR 1,735 thousand (2020: EUR 1,399 thousand) and have been included in the account "Cost of Sales".

The line “third party fees and benefits” in the table above includes fees of EUR 73,450 paid to the auditors of the Company for the fiscal year 2021.

Personnel expenses are analysed as follows:

Amounts in Euro	**2021**	**2020**
Salaries and wages	17,249,200	14,998,710
Contributions to social security funds	3,510,094	3,557,852
Other employee benefits	2,037,343	1,285,939
Defined benefit plan	118,968	134,776
Total	**22,915,605**	**19,977,278**

The personnel employed on 31 December 2021 amounted to 609 persons (2020: 588). The increase in the number of personnel is the key reason explaining the increase in the relevant expenses.

Employee benefit expenses are included in the following items in the Financial Statements:

Amounts in Euro	**2021**	**2020**
Cost of Sales	19,073,983	17,235,377
Selling and distribution expenses	620,959	506,511
Administrative expenses	895,118	668,608
Other expenses	-	84,923
Capitalised in assets under construction	2,325,545	1,481,859
Total	**22,915,605**	**19,977,278**

Personnel expenses were capitalised due to the continuing investments in improvement of the production capacity of the submarine cables production unit in the Company's plant, and in development projects for certification, licenses and new products development.

7. Other income

Amounts in Euro	Note	2021	2020
Grants/subsidies of the year		11,647	-
Grants amortisation	**27**	388,589	623,737
Gains on sale of fixed assets		2,257	-
Income from expenses recharged		939,521	484,031
Indemnities		-	-
Other income		142,156	120,054
Total		**1,484,170**	**1,227,822**

8. Other expenses

Amounts in Euro	2021	2020
Expenses recharged	938,072	525,408
Taxes - duties	-	141,659
Penalty clauses / Fines	-	4,501
Employee benefits	-	84,923
Incremental coronavirus costs	184,313	407,096
Other expenses	191,317	160,552
Total	**1,313,701**	**1,324,138**

The line "Incremental coronavirus costs" presented in the table above includes all incremental costs incurred due to the coronavirus pandemic. Such costs are directly attributable to the coronavirus outbreak and not expected to recur once the crisis has subsided and the Company resumes its normal operations, while they are clearly separable from normal operations. The "Incremental coronavirus costs" account includes temporary premium payments to compensate employees for performing their normal duties at increased personal risk, charges for cleaning and disinfecting the Company's facilities more thoroughly and more frequently, purchase of medical equipment, engagement of nursery staff, coronavirus detection tests and other expenses directly associated with the coronavirus outbreak.

9. Finance income

Amounts in Euro	2021	2020
Interest income	1,603	2,150
Foreign exchange differences	65,750	-
	67,353	**2,150**

10. Finance costs

Amounts in Euro	2021	2020
Interest expenses and related costs	9,837,814	8,989,485
Foreign exchange differences	-	1,169
	9,837,814	**8,990,654**

11. Income tax

A. Amounts recognised in the Statement of Profit or Loss

Amounts in Euro	**2021**	**2020**
Income tax	(1,838,296)	(191,763)
Deferred tax	(3,008,937)	(7,019,402)
	(4,847,233)	**(7,211,165)**

B. Reconciliation of applicable tax rate

Amounts in Euro	**2021**	**2020**
Profit before tax	**31,210,526**	**29,455,572**
Tax calculated using the applicable tax rates (2021: 22%, 2020: 24%)	*(6,866,316)*	*(7,069,337)*
Non-deductible tax expenses	(106,425)	(255,945)
Tax-exempt income	100,952	135,117
Recognition of tax-exempt reserves (note 23)	660,000	-
Change in prior year income tax	(148,814)	(141,079)
Incremental R&D tax incentives	343,127	139,793
Reversal of deferred tax asset	-	(19,713)
Change in tax rate	1,170,244	-
Total income tax for the period	**(4,847,233)**	**(7,211,165)**
Actual tax rate	**(15.53%)**	**(24.48%)**

According to Greek law 4799/2021, the corporate income tax rate for legal entities in Greece is set to 22% for fiscal year 2021 (2020: 24%).

On 29 July 2020, the Greek government passed new legislation increasing the R&D expenditure deduction from 30% to 100% and accelerating the certification procedure by the General Secretariat for Research and Technology (GSRT) (Law 4712/2020, art. 46, Government Gazette A' 146/29.7.2020). The new law amended article 22A of Law 4172/2013 and is effective since 1 September 2020. Therefore, R&D expenditure may be deducted from gross revenue when incurred at a rate of 200% from 1 September 2020 onwards instead of 130%, rate applicable for expenditure incurred up to 31 August 2020. The Company makes use of the above tax provisions and the expected tax benefit is presented in the line "Incremental R&D tax incentives" of the table above.

C. Deferred tax

The deferred tax assets and liabilities that were accounted for and the movements of the relevant accounts are shown below:

2021

Amounts in Euro	**Balance on 1 January 2021**	**Recognised in profit or loss**	**Recognised in OCI**	**Change in tax rate**		**Change in accounting policy**	**Net balance on 31 December 2021**
				Recognised in profit or loss	**Recognised in OCI**		
Tangible fixed assets	(9,367,096)	(1,742,740)	-	777,225	-	-	(10,332,611)
Right-of-use assets	3,227	877	-	(269)	-	-	3,835
Intangible assets	(21,178)	(2,339)	-	1,765	-	-	(21,752)
Investment property	40,393	-	-	-	-	-	40,393
Derivatives	251,874	(28,785)	(78,707)	(2,859)	(18,131)	-	123,392
Loans and borrowings	(1,536,282)	241,382	-	128,023	-	-	(1,166,877)
Employee benefits	201,649	10,175	30,372	(7,379)	(12,129)	-	222,689
Contracts with customers	(7,235,819)	(886,837)	-	602,985	-	-	(7,519,671)
Other	134,569	(36,053)	-	(11,214)	-	-	87,302
Thin capitalisation interest	1,228,795	(1,024,984)	-	(102,400)	-	-	101,412
Tax losses	925,512	(709,877)	-	(215,634)	-	-	-
Total	**(15,374,355)**	**(4,179,180)**	**(48,335)**	**1,170,244**	**(30,259)**	**-**	**(18,461,886)**

2020

Amounts in Euro	**Balance on 1 January 2020**	**Recognised in profit or loss**	**Recognised in OCI**	**Change in tax rate**		**Change in accounting policy**	**Net balance on 31 December 2020**
				Recognised in profit or loss	**Recognised in OCI**		
Tangible fixed assets	(7,738,815)	(1,628,281)	-	-	-	-	**(9,367,096)**
Right-of-use assets	2,195	1,032	-	-	-	-	**3,227**
Intangible assets	(15,749)	(5,429)	-	-	-	-	**(21,178)**
Investment property	40,393	-	-	-	-	-	**40,393**
Derivatives	113,903	34,304	103,667	-	-	-	**251,874**
Loans and borrowings	(1,796,654)	260,372	-	-	-	-	**(1,536,282)**
Employee benefits	385,712	20,382	8,837	-	-	(213,282)	**201,649**
Provisions	19,713	(19,713)	-	-	-	-	-
Contracts with customers	(317,379)	(6,918,439)	-	-	-	-	**(7,235,819)**
Other	57,244	77,325	-	-	-	-	**134,569**
Thin capitalisation interest	599,159	629,636	-	-	-	-	**1,228,795**
Tax losses	396,102	529,410	-	-	-	-	**925,512**
Total	**(8,254,176)**	**(7,019,402)**	**112,504**	**-**	**-**	**(213,282)**	**(15,374,355)**

For the calculation of deferred taxes, the applicable tax rates or those that are substantially enacted on the financial statements preparation date are used.

The variation noted in the tax balance from Contracts with customers in the tables above is mainly related to the change in contract assets, i.e. primarily to the performance of contracts for which no invoices had been issued, and which had been included in last year's taxable income, while according to IFRS 15 revenue was recognised during the execution of such contracts.

On 31 December 2021, the Company had no tax losses to carry forward.

12. Employee benefits

According to IFRS, the obligations of the Company towards social security funds of its employees are split into defined-contribution and defined-benefit plans.

According to the Greek Labour Law employees are entitled to compensation when dismissed or retired, the level of which is related to employee salary, length of service and the mode of departure (dismissal or retirement). Employees who resign or are dismissed on specific grounds are not entitled to compensation. The compensation payable in the case of retirement is 40% of the amount which would have been paid for unjustified dismissal. The level of compensation finally paid by the Company is determined by taking into account the employee's length of service and salary.

A liability is considered related to defined contribution plans when the accrued part thereof is regularly accounted for. This practice is similar to the practice under current Greek law, in other words payment to insurance funds of employer contributions for the length of employee service.

For pension plans falling into the defined benefit category, the IFRSs have set certain requirements concerning the valuation of the current liability and the principles and actuarial assumptions which have to be followed to assess the liability deriving from those pension plans. The obligation which is posted is based on the projected unit credit method which calculates the current value of the accrued obligation.

The provision for employee benefit obligation is presented in the financial statements pursuant to IAS 19 “Employee Benefits” and is based on an independent actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity for the years 2021 and 2020 respectively.

A. Changes in the present value of the obligation

Amounts in Euro	2021	2020
Changes in net liability recognised in the Statement of Financial Position		
Balance on 1 January	840,205	1,607,134
Change in accounting policy	-	(888,673)
Restated balance on 1 January	**840,205**	**718,461**
Benefits paid	(72,716)	(49,853)
Amounts recognised in profit or loss	118,968	134,776
Amounts recognised in OCI	125,767	36,822
Balance on 31 December	**1,012,224**	**840,205**
Amounts recognised in the Statement of Profit or Loss		
Current service cost	109,378	91,664
Past service cost during the period	(31,755)	2,736
Interest cost	2,297	5,060
Curtailment/ settlement/ termination cost	39,047	35,316
Total expenditure recognised in the Statement of Profit or Loss	**118,968**	**134,776**
Amounts recognised in the Statement of Profit or Loss and OCI		
Actuarial loss / (gain) - demographic assumptions	2,237	-
Actuarial loss / (gain) - financial assumptions	66,613	28,211
Actuarial loss / (gain) – experience in the period	56,917	8,611
Total amounts recognised in the statement of profit or loss and OCI	**125,767**	**36,822**

During 2021, the Company paid a total amount equal to EUR 72,716 (2020: EUR 49,853) for compensation to employees who were either dismissed or departed on a voluntary basis. These payments generated an additional cost of EUR 39,047 (2020: EUR 35,316) for the Company, which is equal to the excess amount of the benefit paid compared to the corresponding expected liability and it was recorded as “Curtailment/ settlement/ termination cost”.

B. Actuarial assumptions

The main assumptions on which the actuarial study was based to calculate the provision are as follows:

	2021	2020
Discount rate	0.20%	0.30%
Inflation	2.10%	1.25%
Future wage increase	3.10%	2.00%
Plan duration	5.86	7.28

C. Sensitivity analysis

The sensitivity analysis for each significant actuarial assumption which was reasonably possible at the end of the reporting period is presented below. It shows how the defined benefit obligation would have been affected by the following changes:

Amounts in Euro	**Increase**	**Decrease**
Discount rate (0.5% movement)	-2.9%	3.0%
Future salary growth (0.5% movement)	2.9%	-2.8%

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2021, the liability would have been increased by EUR 42,776 for the Company.

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the employee benefit liability recognised on the statement of financial position. The methods and the formula of the assumptions used for the defined analysis have not changed compared to the previous year.

D. Expected maturity analysis

Amounts in Euro	**2021**	**2020**
Up to 1 year	174,577	148,893
Between 1 and 2 years	39,504	28,489
Between 2 and 5 years	238,141	161,284
Over 5 years	572,098	520,502
Total	**1,024,320**	**859,168**

13. Contract assets, Contract liabilities and Contract Costs

A. Balances of receivables and liabilities from contracts

The following table provides information on receivables and payables from contracts with customers:

Amounts in Euro	**31 December 2021**	**31 December 2020**
Contract assets	28,611,039	30,698,861
Contract liabilities	11,744,618	7,087,799

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities).

For products and services for which revenue is recognised over time such as turnkey projects and customised cables products, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customised products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognised, a contract liability is recognised.

For revenues recognised at a given point in time, billing takes place at the same time with revenue recognition or within a short period from such recognition.

Significant changes in balances of contract assets and contract liabilities for the reporting period are as follows:

Amounts in Euro	**Contract assets**	**Contract liabilities**
Balance on 1 January 2021	**30,698,861**	**7,087,799**
Revenue recognised and included in the balance of contract liabilities at year beginning	-	(2,189,142)
Increases due to advances, excluding the amounts recognised as revenue during the period	-	6,845,961
Amounts invoiced during the year and transferred to receivables	(30,671,639)	-
Increases due to change in progress measurement	28,597,612	-
Loss of impairment period	(13,795)	-
Balance on 31 December 2021	**28,611,039**	**11,744,618**

B. Contract costs

The Company expects that fees and commissions associated with contracts for energy projects are recoverable (costs for contract award). Moreover, the costs for fulfilment of a contract include materials used in tests necessary for production, labour cost and other costs which are capitalised if directly associated with the contract and are recoverable.

Therefore, on 31 December 2021 the Company had recorded an amount of EUR 267 thousand as contract costs (31 December 2020: EUR 372 thousand).

Contract costs are recognised as expenses in the Cost of Sales when the relevant revenue is recognised. During the current year, there was no impairment loss related to contract cost, while the amortisation of contract costs recorded during the year amounted to EUR 106 thousand. (2020: EUR 75 thousand).

14. Property, plant and equipment

Amounts in Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Acquisition cost					
Balance on 1.1.2020	**48,468,588**	**148,592,900**	**4,377,515**	**12,565,875**	**214,004,878**
Additions	1,187,291	2,767,981	342,687	35,835,078	40,133,037
Disposals	-	-	-	(65,063)	(65,063)
Reclassifications*	1,926,008	11,376,319	108,958	(15,579,505)	(2,168,219)
Balance on 31.12.2020	**51,581,887**	**162,737,200**	**4,829,160**	**32,756,386**	**251,904,633**
Balance on 1.1.2021	**51,581,887**	**162,737,200**	**4,829,160**	**32,756,386**	**251,904,633**
Additions	187,475	3,203,820	623,813	21,234,532	25,249,639
Disposals	-	(1,110)	(1,082)	-	(2,192)
Reclassifications*	9,422,968	24,937,646	-	(36,162,965)	(1,802,351)
Balance on 31.12.2021	**61,192,330**	**190,877,556**	**5,451,891**	**17,827,953**	**275,349,729**
Depreciation/ Impairment					
Balance on 1.1.2020	**(10,512,933)**	**(34,606,801)**	**(2,889,730)**	**-**	**(48,009,464)**
Depreciation for the year	(1,085,444)	(5,010,661)	(389,861)	-	(6,485,967)
Disposals	-	-	-	-	-
Balance on 31.12.2020	**(11,598,377)**	**(39,617,462)**	**(3,279,591)**	**-**	**(54,495,430)**
Balance on 1.1.2021	**(11,598,377)**	**(39,617,462)**	**(3,279,591)**	**-**	**(54,495,430)**
Depreciation for the year	(1,239,583)	(5,914,402)	(430,326)	-	(7,584,310)
Disposals	-	1,017	1,082	-	2,099
Balance on 31.12.2021	**(12,837,960)**	**(45,530,847)**	**(3,708,835)**	**-**	**(62,077,642)**
Net book value					
31.12.2020	**39,983,510**	**123,119,738**	**1,549,569**	**32,756,386**	**197,409,202**
31.12.2021	**48,354,370**	**145,346,709**	**1,743,056**	**17,827,953**	**213,272,087**

**: The negative balance of reclassifications at the acquisition cost of fixed assets is offset against the positive balance of reclassifications to intangible assets.*

A. Mortgages on fixed assets

Mortgages amounting to EUR 49 million have been raised on the Company's property, plant and equipment.

B. Fixed assets under construction

Fixed assets under construction concern mainly machinery the installation of which had not been completed by 31 December 2021.

The amount of EUR 36.2 million which was reclassified from the property, plant and equipment under construction in 2021 mostly relates to the conclusion of investments in the upgrade of Soussaki-based plant's production capacity.

The borrowing costs capitalised during 2021 and related to the Company's property, plant and equipment under construction amounted to EUR 522 thousand (2020: EUR 505 thousand) and concerned the acquisition of new machinery. The discount rate used was 4.21%.

15. Right-of-use assets & Leases

This note includes information about leases in which the Company is lessee.

A. Amounts recognised in the Statement of Financial Position

Right-of-use assets:

Amounts in Euro	**Means of transport**	**Total**
Acquisition cost		
Balance on 1.1.2020	**759,232**	**759,232**
Additions	217,618	217,618
Terminations	(80,362)	(80,362)
Balance on 31.12.2020	**896,488**	**896,488**
Depreciation/ Impairment		
Balance on 1.1.2020	**(177,401)**	**(177,401)**
Depreciation for the year	(210,174)	(210,174)
Terminations	36,765	36,765
Balance on 31.12.2020	**(350,810)**	**(350,810)**
Net book value		
Balance on 31.12.2020	**545,678**	**545,678**
Acquisition cost		
Balance on 1.1.2021	**896,488**	**896,488**
Additions	131,661	131,661
Terminations	(25,055)	(25,055)
Balance on 31.12.2021	**1,003,094**	**1,003,094**
Depreciation/ Impairment		
Balance on 1.1.2021	**(350,810)**	**(350,810)**
Depreciation for the year	(216,556)	(216,556)
Terminations	14,700	14,700
Balance on 31.12.2021	**(552,667)**	**(552,667)**
Net book value		
Balance on 31.12.2021	**450,427**	**450,427**

Lease liabilities:

Acquisition cost	**31.12.2021**	**31.12.2020**
Long-term Lease liabilities	282,669	355,605
Current Lease liabilities	185,191	203,520
	467,861	**559,125**

Total cash outflow for lease payments in 2021 amounted to EUR 233 thousand (2020: 230 thousand)

A. Amounts recognised in the Statement of Profit or Loss

	2021	2020
Depreciation of right-to-use assets	216,556	210,174
Interest on leases	20,378	23,670
Variable rental expenses	5,633	8,624
Rental expenses of low-value contracts	27,986	24,485
Short-term rental expenses	284,750	353,481
Profit due to difference between value of asset/liability at the time of early termination	(509)	(1,225)
Other expenses of lease contracts	6,921	6,081

For more information about the accounting policy for leases in accordance with IFRS 16, please refer to note 4.14.

16. Intangible assets

Amounts in Euro	**Trademarks and licenses**	**Software**	**Other**	**Total**
Acquisition cost				
Balance on 1.1.2020	**4,307,860**	**993,125**	**283,975**	**5,584,960**
Additions	584,287	315,818	-	900,106
Reclassifications	1,905,095	264,884	(1,759)	2,168,219
Balance on 31.12.2020	**6,797,242**	**1,573,827**	**282,216**	**8,653,285**
Balance on 1.1.2021	**6,797,242**	**1,573,827**	**282,216**	**8,653,285**
Additions	541,198	175,131	-	716,328
Reclassifications	1,409,700	392,651	-	1,802,351
Balance on 31.12.2021	**8,748,140**	**2,141,608**	**282,216**	**11,171,964**
Depreciation/ Impairment				
Balance on 1.1.2020	**(1,096,920)**	**(379,267)**	**(194,007)**	**(1,670,193)**
Depreciation for the year	(572,973)	(189,983)	(12,419)	(775,375)
Balance on 31.12.2020	**(1,669,892)**	**(569,249)**	**(206,427)**	**(2,445,568)**
Balance on 1.1.2021	**(1,669,892)**	**(569,249)**	**(206,427)**	**(2,445,568)**
Depreciation for the year	(691,250)	(273,412)	(12,420)	(977,083)
Balance on 31.12.2021	**(2,361,142)**	**(842,662)**	**(218,847)**	**(3,422,651)**
Net book value				
31.12.2020	**5,127,350**	**1,004,576**	**75,789**	**6,207,715**
31.12.2021	**6,386,997**	**1,298,946**	**63,369**	**7,749,311**

17. Investment property

Amounts in Euro	2021	2020
Opening balance	**609,154**	**609,154**
Impairment	-	-
Closing balance	**609,154**	**609,154**

Investment property includes two lots which the Company intends to lease or sell to third parties in the near future provided that the applicable circumstances allow so. The Company tests the value of real estate properties for impairment on an annual basis.

In the context of the annual impairment test, based on management's assessment, no indications of impairment for the investment property were identified.

The fair value of properties on 31 December 2021 is equal to their book value while cumulative impairment losses amount to EUR 168 thousand.

These properties did not generate any revenue in 2021 because they are not leased while no operating expenses were incurred in relation to these properties throughout the year.

18. Investments in other entities and joint ventures

The Company has a 50% holding in the share capital of Fulgeka S.A. which is in a state of liquidation, and the Company has raised a provision for full impairment of its holding's acquisition cost in a previous year.

The Company has a 10% interest in Fulgor – Jan De Nul Consortium, which was set up as a partnership together with Jan De Nul Luxembourg S.A. The scope of this joint operation scheme is to install submarine cables for the Crete-Peloponnese interconnection in Greece. The principal place of business of this joint operation is in Greece.

The Company has a stake of 71.09% in Fulgor S.A. – Asso.subsea Joint Venture in partnership with Asso.subsea Limited. The purpose of this joint operation is to carry out the project involving the supply and installation of a submarine cable as well as the supply and installation of onshore cables, optical fibres, spare parts and necessary components for Lavrion interconnection to Kafireas Wind Farm.

19. Inventories

Company inventories are analysed as follows:

Amounts in Euro	2021	2020
Raw materials, auxiliaries, spare parts & consumables	39,220,827	28,859,919
Finished goods	7,068,503	6,022,959
Semi-finished goods	19,940,855	10,097,298
Merchandise	3,413,927	2,636,475
By-products & scrap	6,190,075	6,444,369
	75,834,186	**54,061,020**

Inventories are presented at the lower between their acquisition or production cost and net realisable value which is their expected selling price less the costs required for such sale.

On 31 December 2021, the Company did not record write-down for inventories since the prices of copper, aluminium and other metals traded in the LME were at the same or even higher levels compared to the average valuation price of such metals in the Company's inventories.

The consumption of inventories charged to the operating results of the year (Cost of Sales) for the Company amounts to EUR 457.9 million (2020: EUR 234.7 million).

20. Trade and other receivables

Current liabilities:

Amounts in Euro	2021	2020
Trade receivables	17,223,311	8,091,175
Less: Impairment losses	(1,125,071)	(1,097,979)
	16,098,240	**6,993,196**
Receivables from related parties	77,367,915	20,523,538
Other debtors	7,773,362	7,619,414
Less: Impairment losses	(269,762)	(303,223)
Current tax assets	5,460,636	7,847,367
Other short-term receivables	938,529	2,865,241
	107,368,920	**45,545,533**

The line «Other debtors» in the table above includes an amount of EUR 7 million for 2021 (2020: EUR 7 million), which concerns government grants that have been recognised but have not been collected yet. For more information, please refer to note 27.

Long term receivables:

Amounts in Euro	2021	2020
Receivables from related parties	87,106	87,106
Other short-term receivables	316,570	220,147
	403,676	**307,253**

21. Cash and cash equivalents

Amounts in Euro	**2021**	**2020**
Cash in hand	572	4,061
Bank deposits	53,564,926	34,566,978
	53,565,498	**34,571,039**

Out of the above sum of EUR 53,564,926 (2020: EUR 34,566,978), an amount of EUR 15,215 (2020: EUR 28,790) is denominated in foreign currency and has been measured according to the Euro/ foreign currency rate on 31 December 2021. Foreign exchange differences were posted in the Statement of Profit or Loss and Other Comprehensive Income for the year.

22. Share capital

The Company's share capital amounts to EUR 11,373,822 (31.12.2020: EUR 11,373,822) and is divided into 3,868,647 (31.12.2020: 3,868,647) shares with a nominal value of EUR 2.94 each.

The share premium of EUR 26,206,523 (31.12.2020: EUR 26,206,523) is a supplement to the share capital and arose from the issue of shares in exchange for cash at a value higher than their nominal value (premium).

As part of its efforts to optimise its capital structure and making use of the provisions of article 35(3) of Greek law 4548/2018, by a decision of the Extraordinary General Meeting of 31 December 2020, the Company decided to write off directly prior-period accounting losses of EUR 19,286,278.79 against the respective amount included in share premium.

23. Reserves

Amounts in Euro	**2021**	**2020**
Statutory reserve	2,159,179	1,052,450
Hedging Reserves	(428,049)	(688,971)
Special reserves	816,803	816,803
Tax-exempt reserves	12,087,378	11,427,378
	14,635,311	**12,607,660**

Statutory reserve: According to the Greek company law, companies are obliged to withhold 5% of their net annual post-tax profits to form statutory reserve until the balance of such statutory reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution but can be used to offset losses.

Hedging Reserves: The Hedging Reserves include the effective portion of changes in the fair value of the financial derivatives qualified as hedging instruments when applying hedge accounting. These reserves are further presented in the statement of profit or loss when the hedging outcome will affect profit or loss.

Special reserves: Special reserves have been set aside according to special provisions of incentive laws and especially refer to the Company's participation in the financing of investments falling under incentive laws.

After the lapse of ten years from completion of the investments they concern, the Company may transfer them to a balance carried forward or capitalise them.

Tax-exempt reserves: The untaxed reserves have been set aside during previous years in accordance with special provisions of incentive laws. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.
During the previous years, the Company had made investments totalling EUR 33 million approximately, falling under incentive Law 3908/2011. Pursuant to this law, the Company has the right to establish an untaxed reserve of up to EUR 1,98 million from accounting profits that it will earn in future years. This right shall expire during 2025. Tax-free reserve of EUR 660 thousand was set aside for the first time during the current year owing to incentive Law 3908/2011 (Note 11).

24. Loans and borrowings

Long-term and short-term loans and borrowings are analysed as follows:

Amounts in Euro	2021	2020
Non-current liabilities		
- Bank loans	2,787,365	3,995,853
- Bond loans	89,857,792	70,234,307
	92,645,157	**74,230,161**
Current liabilities		
- Bank loans	47,511,251	61,797,739
- Factoring with recourse	5,990,433	-
- Bond loans	13,134,272	8,463,581
	66,635,956	**70,261,319**
Total loans & borrowings	**159,281,113**	**144,491,480**

<u>Terms and maturity of loans & borrowings:</u>

The effective weighted average borrowing rates (short-term and long-term) and the loan repayment schedule on the balance sheet date were as follows:

				31.12.2021	31.12.2020
	Currency	**Average interest rate 2021**	**Maturity year**	**Carrying amount**	**Carrying amount**
Short-term borrowings	Euro	3.25%	2021	46,436,665	60,415,901
Long-term borrowings	Euro	2.97%	2027	92,645,157	74,230,161
Factoring with recourse	Euro	3.75%	2021	5,990,433	-
Current portion of long-term bank loans	Euro	4.33%	2021	1,074,586	1,381,837
Current portion of bond loans	Euro	3.04%	2021	13,134,272	8,463,581
				159,281,113	**144,491,480**

The fair value of long-term loans approaches their current value.

During 2021, the Company obtained new bank and bond loans in Euro, which amounted to EUR 35.7 million, and settled bank loans and debentures of EUR 22.5 million. The new loans and debentures concerned the following:

- A new six-year bond loan of EUR 10 million obtained from a Greek bank to finance investment and other operating needs of the company;
- A new two-year bond loan of EUR 20 million obtained from a major Greek bank to finance the design, production, installation and control of sound operation of submarine cable systems that will be used in the implementation of projects related to electricity generation from Renewable Energy Sources (RES) and in the interconnection of islands to mainland areas in Greece and in foreign countries.
- Withdrawals of short-term loans from existing and new revolving credit facilities of short-term bank loans under similar terms and conditions for project financing also took place.

On 31 December 2021, the Company had assigned invoices of EUR 43,744,478 (31.12.2020: EUR 13,808,313) with recourse for which financing of EUR 5,990,433 had been obtained. The Company has available credit lines that can be used to meet its treasury planning needs.

The Company's bank loans include change-of-control clauses which enable lenders to proceed to early termination. No event took place during the year that has led to any default in the terms of the Company's loan agreements.

The Company estimates that the necessary repayment of loan liabilities will be covered by cash flows from operating activities or unused credit lines available to meet capital requirements. As regards the financing of the projects assumed, the Company and its parent company have secured the necessary funds through project financing credit lines.

Mortgages in favour of banks have been raised on the company's property, plant and equipment (see note 29.2).

Contractual maturity of loan liabilities including the proportionate interest is analysed in note 28.2.

Reconciliation of movements of loans & borrowings and lease liabilities to cash flows arising from financing activities:

Amounts in Euro	2021 Loans & Borrowings	2021 Lease liabilities	2021 Total	2020 Loans & Borrowings	2020 Lease liabilities	2020 Total
Total balance of loans & borrowings and lease liabilities on 1 January	**144,491,480**	**559,125**	**145,050,605**	**131,822,296**	**590,979**	**132,413,275**
Changes from financing activities:						
Loans received	35,674,071	-	35,674,071	21,800,000	-	21,800,000
Repayment of loans	(22,457,047)	-	(22,457,047)	(10,369,808)	-	(10,369,808)
Repayment of lease principals	-	(212,287)	(212,287)	-	(205,875)	(205,875)
Total changes from financing activities	**13,217,023**	**212,287**	**13,004,737**	**11,430,192**	**-205,875**	**11,224,317**
Other changes:						
Interest expense	6,320,086	20,378	6,340,464	5,802,044	23,670	5,825,714
Interest paid	(5,105,373)	(20,378)	(5,125,752)	(5,068,290)	(23,670)	(5,091,960)
Interest capitalised	522,392	-	522,392	505,238	-	505,238
New leases	-	131,661	131,661	-	217,618	217,618
Modifications	-	-	-	-	-	-
Terminations	-	(10,355)	(10,355)	-	(43,597)	(43,597)
Other changes	(164,495)	(283)	(164,778)	-	-	-
Total balance of loans & borrowings and lease liabilities on 31 December	**159,281,113**	**467,861**	**159,748,974**	**144,491,480**	**559,125**	**145,050,605**

25. Other long-term liabilities

Other long-term liabilities concerned long-term notes payable used to purchase mechanical equipment.

26. Trade and other payables

Amounts in Euro	2021	2020
Suppliers	75,589,557	47,289,276
Payables to related parties	15,280,746	17,579,249
Notes payable	106,671,122	48,332,474
Sundry creditors	489,233	479,709
Accrued expenses	2,693,920	12,561,768
Social security funds	840,883	880,006
Other taxes and duties	588,769	1,007,757
	202,154,230	**128,130,239**
Current liabilities	202,154,230	127,913,304
Non-current liabilities	-	216,935
	202,154,230	**128,130,239**

The line "Notes payable" includes an amount of EUR 106,671,122 (2020: EUR 46,167,359) which concerns the payment of documentary credits.

27. Grants

The movement of grants during the years 2021 and 2020 is as follows:

Amounts in Euro	2021	2020
Balance on 1 January	**12,843,614**	**10,322,722**
Grants amortisation	(388,589)	(623,737)
Grants received	42,323	71,949
Grants recognition	-	3,072,680
Balance on 31 December	**12,497,348**	**12,843,614**

Grants concern investments made for the purchase and installation of property, plant and equipment.

During 2015, the Company recognised an amount of EUR 4 million as receivable from grants given that the Company has met all formal and substantial terms pertaining to the specific grants. During 2020, the Company recognised an additional amount of EUR 3 million as receivable from subsidies once another investment plan was completed and the respective application of completion was submitted to the competent authorities. The above amounts are expected to be received during the next year.

Amortisation of grants corresponding to fixed assets depreciation is posted in the account "Other income" in the Statement of Profit or Loss.

During 2021, the Company received a grant of EUR 42 thousand related to research and development of new innovative products.

28. Financial instruments

Financial risk management

General

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

- Credit Risk
- Liquidity risk
- Market risk

This paragraph presents information regarding the Company's exposure to each one of the above risks, the Company's objectives, the policies and procedures it applies for the measurement and management of risks, as well as the management of the Company's capital. Additional quantitative information on such disclosures is included throughout the financial statements.

The Board of Directors bears the overall responsibility for the creation and supervision of the Company's risk management framework.

The Company's risk management policies are applied to identify and analyse the risks that the Company is exposed to and set audit points and risk-taking limits. The risk management policies and relevant systems are periodically examined to take into account any changes in the market and the Company's activities.

In the context of the aforementioned facts, the Company has evaluated any effects that the management of financial risks may have due to the current macroeconomic situation.

The Company and the Group of which it is part follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies to minimise the impact of the macroeconomic conditions on their operations.

Credit Risk

Credit risk is the risk that the Company will incur financial loss if a client or third counterparty to a transaction on a financial instrument fails to meet its contractual obligations mainly arising from receivables from customers and investments in securities.

Trade and other receivables & contract assets

Company's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The statistics associated with the Company's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. Apart from the parent company Hellenic Cables and its Romania-based affiliated company Icme Ecab, no customer participates in the Company's revenues by more than 10%, while no customer has any open balance higher than 10% of all receivables excluding the parent company Hellenic Cables and the affiliated company Icme Ecab.

The Board of Directors has laid down a credit policy which requires that all new customers are scrutinised individually as regards their creditworthiness before the Company's normal payment and delivery terms and conditions are proposed to them. The creditworthiness test performed by the Company includes the examination of bank sources regarding customers.

Credit lines are set for each customer which account for the maximum open balance a customer may have without the approval of the Board of Directors, which are reviewed every quarter. Any customers not complying with the average of the Company's creditworthiness criteria may hold transactions with the Company solely based on prepayments or letters of guarantee.

Most of the Company's customers hold long-lasting transactions with the Company and no losses have incurred. When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, their geographical location, the market in which they operate, the maturity characteristics of their receivables and any past problems of receivability they have shown.

Customer credit lines are normally determined based on the insurance lines obtained for them from insurance companies and then receivables are insured based on such credit lines.

Depending on the background of the customer and its capacity, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company raises a special impairment provision in specific cases of exposure to risk, which reflects its assessment of losses from trade & other receivables and contract assets, and of expected credit losses under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfil its financial liabilities in due time. Company's approach to liquidity management is to secure, as much as possible, that it will always have sufficient cash to meet its obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardising the Company's reputation.

To prevent liquidity risks, when preparing its annual budget, the Company estimates its cash flows for one year. The Company also estimates such cash flows every quarter so as to ensure that it holds sufficient cash and cash equivalents to meet its operating needs, including the fulfilment of its financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

There is no substantive liquidity risk because the Company fulfils its obligations of all types in due time. The relevant payables to suppliers are interest-free and settled within three months maximum. Note that in all events of lack of liquidity, the Company will be supported by its parent company.

Market risk

Market risk is the risk of fluctuations in market prices, such as exchange rates, interest rates and raw material prices which can affect Company's results or the value of its financial instruments. Market risk management is aimed at controlling the Company's exposure to such risk within a framework of acceptable parameters, in parallel with performance optimisation in terms of risk management.

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

Exchange rate risk

The Company is exposed to foreign exchange risk in purchases in other currency than the Company's functional currency which is Euro.

Regarding other financial assets and liabilities denominated in foreign currencies, the Company secures that its exposure to foreign exchange risk is kept at an acceptable level by buying or selling foreign currencies at current exchange rates when deemed necessary to deal with short-term imbalances.

Interest rate risk

The Company obtains funds for its investments and its working capital through bank loans, and therefore debit interest is charged to its results. Any upward trend of interest rates will have a negative effect on results since the Company will bear additional borrowing costs.

28.1 Credit risk

Exposure to credit risk

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

Amounts in Euro	2021	2020
Trade and other receivables - Non-current assets	403,676	307,253
Trade and other receivables - Current assets	107,368,920	45,545,533
Contract assets	28,611,039	30,698,861
	136,383,635	**76,551,647**
Less:		
Current tax assets	(5,460,636)	(7,847,367)
Other short-term receivables	(938,529)	(2,865,241)
Total	**129,984,470**	**65,839,040**

Maximum exposure to credit risk for receivables from customers on the balance sheet date per geographical region was:

Amounts in Euro	2021	2020
Greece	82,832,394	46,623,156
Other European Union countries	46,523,851	17,478,568
Other European countries	9,917	-
Other countries	618,308	1,737,316
Total	**129,984,470**	**65,839,040**

The balance of trade receivables on the reporting date refers to major public and private utilities, leading industrial groups, wholesale customers and affiliated entities.

Impairment losses

The maturity profile of trade receivables on the reporting date was:

Amounts in Euro	2021	2020
Neither past due nor impaired	129,846,149	64,154,352
- Overdue up to 6 months	138,321	297,243
- Overdue over 6 months	-	1,387,445
Total	**129,984,470**	**65,839,040**

The movement in impairment of trade and other receivables, as well as of contract assets is as follows:

Amounts in Euro	2021			2020		
	Trade and other receivables	**Contract assets**	**Total**	**Trade and other receivables**	**Contract assets**	**Total**
Balance on 1 January	1,401,202	48,380	1,449,581	1,278,621	-	1,278,621
Amounts recognised in the Statement of Profit or Loss						
Impairment loss	45,863	13,795	59,658	130,991	48,380	179,370
(Reversal of) provision for impairment	(52,232)	-	(52,232)	(8,410)	-	(8,410)
	(6,369)	13,795	7,426	**122,581**	**48,380**	**170,961**
Other movements						
Write-offs	-	-	-	-	-	-
Balance on 31 December	**1,394,833**	**62,174**	**1,457,007**	**1,401,202**	**48,380**	**1,449,581**

The greatest part of trade receivables is insured by insurance companies in case collection thereof fails.

The allowance for expected credit losses in relation to trade receivables and contract assets is calculated at customer level when there is an indication of impairment.

For receivables and contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk, such as country risk and customers' industry related risks.

The expected loss rates are updated at every reporting date.

Management believes that the provision raised on 31 December 2021 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

28.2 Liquidity risk

The contractual maturity of financial liabilities including proportionate interest charges is given below:

Amounts in Euro	2021				
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total 31.12.2021**
Bank loans & factoring without recourse	54,812,120	868,713	2,170,555	31,478	**57,882,866**
Lease liabilities	201,569	130,029	164,461	-	**496,059**
Bond loans	16,098,253	35,651,317	37,507,926	28,413,084	**117,670,580**
Derivatives	560,878	-	-	-	**560,878**
Contract liabilities	11,744,618	-	-	-	**11,744,618**
Trade and other payables	202,154,230	-	-	-	**202,154,230**
Total	**285,571,667**	**36,650,060**	**39,842,942**	**28,444,562**	**390,509,231**

Amounts in Euro	2020				
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total 31.12.2020**
Bank loans & factoring without recourse	62,875,352	1,089,573	2,453,309	461,032	**66,879,266**
Lease liabilities	222,050	176,264	197,901	-	**596,214**
Bond loans	9,697,016	14,352,930	41,149,747	29,786,458	**94,986,151**
Derivatives	1,049,475	-	-	-	**1,049,475**
Contract liabilities	7,087,799	-	-	-	**7,087,799**
Trade and other payables	128,003,265	226,902	-	-	**128,230,167**
Total	**208,934,958**	**15,845,669**	**43,800,956**	**30,247,490**	**298,829,073**

The Company has approved credit lines with collaborating banks and is not expected to face liquidity problems to meet its short-term liabilities. Moreover, trade receivables are expected to be collected in their entirety within one year.

28.3 Exchange rate risk

Exposure to foreign exchange risk

Company's exposure to foreign exchange risk is as follows:

31.12.2021

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	4,093	-	-	**4,093**
Cash and Cash Equivalent	14,133	1,082	-	**15,215**
Trade and other payables	(160,711)	(404,590)	-	**(565,301)**
	(142,485)	**(403,508)**	**-**	**(545,992)**
Derivatives for hedging of the above risks (Nominal value)	4,873,895	-	-	**4,873,895**
	4,731,410	**(403,508)**	**-**	**4,327,902**

31.12.2020

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	8,131	-	-	**8,131**
Cash and Cash Equivalent	17,048	11,743	-	**28,790**
Trade and other payables	(3,421,437)	(54,017)	-	**(3,475,454)**
	(3,396,258)	**(42,274)**	**-**	**(3,438,533)**
Derivatives for hedging of the above risks (Nominal value)	6,135,112	-	-	**6,135,112**
	2,738,854	**(42,274)**	**-**	**2,696,580**

The exchange rates used per fiscal year are as follows:

	Average rate		Spot rate at year-end	
	2021	**2020**	**2021**	**2020**
USD	1.1827	1.1422	1.1326	1.2271
GBP	0.8596	0.8897	0.8403	0.8990

Sensitivity analysis

A 10% decrease/increase of Euro in relation to the following currencies on 31 December would increase/decrease shareholder's equity and results by the amounts set out below. This analysis assumes that all the other variables and especially interest rates remain fixed.

	Profit or loss		Equity	
Amounts in Euro	**Improvement**	**Weakening**	**Improvement**	**Weakening**
2021				
USD (10% change)	525,712	(430,128)	525,712	(430,128)
GBP (10% change)	(44,834)	36,683	(44,834)	36,683
2020				
USD (10% change)	304,317	(248,987)	304,317	(248,987)
GBP (10% change)	(4,697)	3,843	(4,697)	3,843

28.4 Interest rate fluctuation risk

On the reporting date, the interest-bearing financial instruments of the Company are analysed as follows in terms of interest rate risk:

Amounts in Euro	**2021**	**2020**
Fixed-rate instruments		
Liabilities	40,082,666	38,785,649
Variable-rate instruments		
Liabilities	119,666,307	106,264,956
	159,748,973	**145,050,605**

Cash flow sensitivity analysis for floating rate financial instruments

A 0.25% change in interest rates on the reporting date would increase (decrease) equity and profit or loss by the amounts set out below. This analysis assumes that all the other variables and especially exchange rates remain fixed.

	31.12.2021		**31.12.2020**	
Effect on Euro in operating results and Equity	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Variable-rate instruments	(100,207)	100,207	(96,964)	96,964

28.5 Fair value Measurement

Fair value compared to book value

The book value of the following financial assets and financial liabilities approximates their fair value as the discount effect based on market interest rate is considered insignificant.

- Trade and other receivables
- Contract assets
- Cash and cash equivalents
- Loans and borrowings
- Trade and other payables
- Contract liabilities

The major part of the balance of the items "Trade and other receivables” and "Trade and other liabilities” has a limited maturity (up to one year) and, therefore, it is estimated that the carrying amount of these items approximates their fair value.

A considerable portion of the Company's loans and borrowings has been received at a fixed rate, including the bond loan with a nominal value of EUR 42 million which has been assessed at EUR 25,9 million according to IFRS 9 upon initial recognition. On 31 December 2021, Management estimated that the fair value of this loan approximates its book value, which amounted to EUR 40 million.

The Company has not assumed liabilities embedded in credit instruments (notes payable) with an open balance on 31 December (2020: EUR 2.2 million).

Classification of financial instruments based on their valuation according to fair value hierarchy

A classification table of financial instruments is provided below which depends on the quality of the data used to assess fair value:

- Level 1: Financial instruments measured at fair value using active market prices
- Level 2: Financial instruments measured at fair value using other unquestionably objective prices beyond active market
- Level 3: Financial instruments valued according to the Company’s estimates since there is no observable input in the market.

Amounts in Euro	**2021**			**2020**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	-	-	-	-	-	-
Derivative financial liabilities	(548,781)	(12,097)	-	(906,541)	(142,934)	-
Total	**(548,781)**	**(12,097)**	**-**	**(906,541)**	**(142,934)**	**-**

There were no amount transfers between Levels 2 and 3 during the year.

29. Commitments and contingent liabilities

29.1 Commitments

Capital commitments:

Amounts in Euro	**2021**	**2020**
Property, plant and equipment	3,046,580	1,760,736

29.2 Contingent liabilities

The Company has contingent liabilities and receivables relating to banks, other guarantees and other issues arising in the course of its ordinary activity, which are as follows:

Amounts in Euro	**2021**	**2020**
Guarantees given for securing payables to suppliers	8,174	184,974
Mortgages and statutory notices of mortgage on fixed assets (nominal value)	49,000,000	49,000,000
Guarantees given for securing the performance of contracts with customers	55,833,872	26,070,902
Guarantees for grants	4,356,000	4,356,000
Other liabilities	6,990,000	3,950,000
	116,188,047	**83,561,876**

29.3 Unaudited tax years

Greek tax laws 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 2015 are considered as prescribed.

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.

Fiscal years 2011, 2012, 2013, 2014 and 2015 have been audited for the Company by the statutory auditor who was elected as per Codified Law 2190/1920, namely the audit firm of chartered accountants "Deloitte Chartered Accountants S.A." (statutory auditor) in accordance with article 82 of Law 2238/1994 and article 65a of Law 4174/13. The relevant tax compliance certificates were issued on the basis of "unqualified opinion" and did not include any qualifications.

Circular No. 1034/2016 brought significant modifications to the annual certificate issued by statutory auditors and audit firms. As a result, the provisions of article 65a of Law 4174/2013 have been modified with respect to tax years 1.1.2016 – 31.12.2016, 1.1.2017 – 31.12.2017 and 1.1.2018 – 31.12.2018 and the issue of a tax compliance certificate is no longer required from the Company's statutory auditor.

The relevant tax compliance certificates for 2017 and 2018 were issued "without qualifications regarding matter of emphasis" by “KPMG Certified Auditors SA”, i.e. the Company’s statutory auditor, for those years. As for 2019 and 2020, a tax compliance certificate was issued on the basis of "unqualified opinion regarding matter of emphasis” by “PricewaterhouseCoopers S.A. Auditing Company - Certified Public Accountants S.A.” (PWC), i.e. the Company’s statutory auditor.

As for 2021, the Company has elected to be tax audited by Chartered Accountants, as provided for in Article 65A of Law 4174/2013. This audit is ongoing and the relevant tax compliance report is expected to be granted after the financial statements on the year ended 31 December 2020 are published. It is estimated that the audit result will not have a significant effect on the financial statements.

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 received an order for the audit of tax years 2016 and 2017, for which the tax audit is underway. Such audits are not expected to give rise to substantial tax charges.

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

30. Related parties transactions

The Company's related parties consist in companies of the group of Cenergy Holdings SA, executive members of its Board of Directors as well as other subsidiaries and associates of VIOHALCO SA/NV Group.

The balances of Company transactions with its associates and the results related to these transactions are as follows:

A. Transactions with the parent company*

	2021	2020
Receivables	29,809,675	-
Liabilities	-	8,885,252
Sales of products and other income	246,202,048	139,486,000
Purchases of products and other expenses	80,060,348	67,045,880

**: The intermediate parent companies Hellenic Cables, Cenergy Holdings SA and the ultimate parent Viohalco SA/NV are included.*

B. Transactions with subsidiaries of VIOHALCO SA/NV Group

	2021	2020
Receivables	47,645,346	20,610,644
Liabilities	15,280,746	8,693,998
Sales of products and other income	172,970,916	80,748,549
Purchases of products and other expenses	38,863,965	28,253,450

C. BoD members

	2021	2020
Fees	133,321	223,007

All transactions with related parties took place in accordance with the generally accepted commercial terms and will be settled in cash within a reasonable period of time.

31. Impact of Covid-19 pandemic

The Covid-19 pandemic has had a limited impact on the financial performance of the Company during 2021.

The health and safety of the Company's employees is of the highest priority for the Executive Management, which continues to closely monitor the situation, observing national and local authority guidelines and ensuring an undisrupted supply chain. Since the beginning of the Covid-19 outbreak, the Company's Management has put in place a multi-faceted action plan to mitigate negative effects, which focuses on the following pillars:

- Workforce protection, to avoid production disruptions.
- Operational stability and customer engagement.
- Continuity of the supply chain.
- Sufficient liquidity.
- Commercial resilience (both sales & orders).

The measures introduced were successfully implemented at all Company sites, and until now all production plants are in undisrupted operation, while health & safety measures were enforced. Raw material supply was safeguarded and the Company faced no shortage whatsoever in all critical inputs.

The incremental costs incurred due to the coronavirus outbreak and the measures taken to address it amounted to EUR 184 thousand (2020: EUR 407 thousand). Such cost is mainly associated with medical equipment, employee benefits, additional nursery staff, coronavirus detection testing and other relevant expenses.

In the context of uncertainty caused by the pandemic, the Company has also taken the following actions to anticipate any negative financial feedback:

- Secure its liquidity position through a close monitoring of operating cash flows coupled to confirming sufficient unutilised credit lines.
- Review the capital expenditures plans and suspend any non-strategic and/or non-essential outlays.
- Put in place a cost savings plan for 2021 onwards, without jeopardising its projected growth.

All the above areas will continue to be a high priority for the Company's Executive Management.

On the other hand, so far, the commercial implications for the Company have been limited, as the company and its parent company have been awarded several medium and high voltage cable projects.

The support from the parent company is given at all levels (finance, sales, etc.), as it was demonstrated during the current year, as well.

32. Subsequent events

The Ukrainian crisis that broke out in February 2022 may cause increased instability in the market as well as disruptions in many aspects of the global economy during the upcoming accounting period. Although it is very early to assess the full impact of the turmoil in eastern Europe, the Company's total exposure to Ukraine and Russia is at a minimum and, therefore, no direct material impact is expected. The Company has no sales exposure to these markets and no exposure to Russian banks as far as financing is concerned. Moreover, as regards the mitigation of any potential disruptions in the supply chain, the Company has already taken actions to switch from the supply of raw materials currently originating from Russia to alternative markets, if necessary. Finally, it should be noted that the Company has taken measures to limit any eventual disruption while closely monitoring the situation.

There are no other subsequent events in 2022 that could affect the Company's financial position.

* *

Athens, 28 March 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	A MEMBER OF THE BOARD OF DIRECTORS	THE HEAD OF THE ACCOUNTING DEPARTMENT
IOANNIS BATSOLAS AK 034042	IOANNIS THEONAS AE 035000	KONSTANTINOS STAMOULOS AI 521647 LICENCE No, CLASS A: 0040083

C. Audit Report by Independent Chartered Accountant

Independent auditor's report

To the Shareholders of "Fulgor S.A."

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of Fulgor S.A. (Company) which comprise the statement of financial position as of 31 December 2021, the statements of profit or loss, 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 financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2021, the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018**.**

Basis for opinion

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

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

Independence

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

Other Information

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

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

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2021 is consistent with the financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018.

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

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

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

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

Athens, 29 March 2022
The Certified Auditor Accountant

PricewaterhouseCoopers
268 Kifissias Avenue
152 32 Chalandri
SOEL Reg. No 113

Dinos Michalatos
SOEL Reg. No 17701