HELLENIC CABLES

Member of CENERGY HOLDINGS

ANNUAL FINANCIAL REPORT
AS AT 31 DECEMBER 2021

According to the International Financial Reporting Standards

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General Commercial Registry No. 117706401000

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MANAGEMENT REPORT BY THE BOARD OF DIRECTORS OF "HELLENIC CABLES S.A." ON SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021

Dear Shareholders,

In the context of the provisions of articles 150 and 153, Law 4548/2018 and the Articles of Association of HELLENIC CABLES S.A. HELLENIC CABLE INDUSTRY SINGLE MEMBER S.A. (hereinafter "Hellenic Cables" or the "Company"), we hereby submit this Management Report of the Board of Directors for 2021, i.e. the period from 1 January 2021 to 31 December 2021.

This Report includes an overview of the financial results and developments of the period, an overview of the important events that took place in 2021, an analysis of the prospects and risks expected during 2022, as well as a presentation of non-financial information. The above information refers both to the Group and the Company.

In addition to HELLENIC CABLES S.A., Hellenic Cables Group (hereinafter the "Group") consolidates the following affiliates:

Subsidiaries (full consolidation method):

- FULGOR S.A., primary place of business: Athens, Greece
- LESCO O.O.D.; primary place of business: Blagoevgrad, Bulgaria
- HELLENIC CABLES TRADING[1], primary place of business: Dover, Delaware State, USA

Joint operations:

- VO Cablel VOF, primary place of business: the Netherlands
- VOF DEME Offshore NL - HELLENIC CABLES, primary place of business: the Netherlands
- Joint Venture "Fulgor – JDN", primary place of business: Greece
- Joint Venture "Fulgor – Asso.Subsea", primary place of business: Greece

[1] *The name of the subsidiary Hellenic Cables America changed into Hellenic Cables Trading in December 2021.*

1. Activity Report & Financial Performance

The Group and the Company recorded a strong financial performance in 2021, despite the ongoing effects of the Covid-19 pandemic on the global supply chain. Throughout the year, all Group companies 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 Group and the Company succeeded in providing effective solutions for challenging energy transfer projects and by taking full advantage of their capacity utilisation managed higher operational profitability compared to prior year, absorbing any negative effect from external factors. More specifically, Group and Company adjusted EBITDA[2] increased by 10.4% and 13.9% respectively, compared to 2020, amounting to EUR 81.8 million and EUR 30.0 million, respectively.

Continuing on their quest for full capacity utilization, the Company and its subsidiary Fulgor continued their tendering efforts across a number of geographical areas and succeeded to secure several awards for new projects and frame contracts during the year. In particular:

- In the Offshore segment, the subsidiary Fulgor was awarded the submarine section of the Santorini-Naxos interconnection (total cable length: 82.5 km, maximum depth: 400 meters) in Greece, while the award of the inter-array cables contract for Dogger Bank offshore wind farm phase C in the UK, established Hellenic Cables as the exclusive array cable supplier for the world's largest offshore wind farm. Other major offshore projects awarded included the first ever major subsea cables contract with Vattenfall for the design, manufacturing, testing, and supply of approximately 70 km inter-array cables and associated accessories for Vesterhav Nord / Syd offshore wind farm projects.
- In the Onshore segment, Hellenic Cables was awarded important turnkey contracts across Europe, especially in the UK, and signed frame agreements with major TSOs in Greece and abroad, notably the frame contract with RTE, the French TSO, for the supply of 90 kV and 225 kV underground cables, accessories and installation services.

At the same time, Hellenic Cables and its subsidiary Fulgor successfully delivered, partially or fully, a number of projects throughout 2021 including:

- The 178 km-long submarine and underground electrical interconnection between Crete and Peloponnese, one of the most demanding projects ever completed worldwide (the longest and deepest – 1000m – HVAC interconnection), was successfully installed and electrified in May;
- Electrical tests of the 150kV high voltage submarine cable that connects Skiathos island to the Greek National Transmission System were successfully completed early in the year;
- The production of all 66kV inter-array cables for the Seagreen offshore wind farm in the UK was completed and deliveries are expected to be concluded early in 2022;
- The production for phase B of the Hollandse Kust Zuid project in the Netherlands was also completed, with delivery of the two 220kV subsea cables completed in the second quarter of the year; and
- The production for the submarine cables for Kafireas II Wind Farm interconnection was concluded, on schedule during Q4 2021.

[2] *For definitions of EBITDA and adjusted EBITDA, please refer to the section "Ratios and Alternative Performance Measures" of this report.*

On the other hand, the cable products business unit recorded an increase in sales volume amounting to 18% and 13% on a consolidated and stand-alone basis, respectively, and also succeeded in improving the product mix towards higher value-added products.

Driven by the above, the Group and the Company exhibited a EUR 7.7 million and EUR 3.7 million increase, respectively, in operational profitability (in terms of adjusted EBITDA), reaching EUR 81.8 million and EUR 30.0 million in 2021, respectively, up from EUR 74.1 million and EUR 26.3 million in 2020, respectively.

Remarks on annual results

Consolidated turnover for 2021 amounted to EUR 792.8 million, a 42.3% y-o-y increase, for the aforementioned reasons. Accordingly, Company's turnover was increased by 41% (2021: EUR 524.5 million, 2020: EUR 372.0 million).

In the domestic market, the Group maintained its leading position for one more year. The turnover in the domestic market reached EUR 326.9 million compared to EUR 294.4 million in 2020, while exports amounted to EUR 465.9 million compared to EUR 262.8 million in the comparable period.

At Company level, domestic sales amounted to EUR 177.8 in 2021 compared to EUR 163.1 million in 2020, while exports reached EUR 346.7 million compared to EUR 208.9 million in 2020.

The Group's and the Company's gross profit amounted to EUR 83.7 million and EUR 30.6 million, respectively, increased by EUR 9.6 million and EUR 6.2 million, compared to 2020.

At Group level, net finance costs were increased by 4.2% compared to 2020, at EUR 20.0 million while at Company level, they amounted to EUR 10.2 million, remaining almost stable compared to 2020.

In 2021, consolidated profits before tax amounted to EUR 42.2 million compared to EUR 35.0 million in 2020. Net profits after tax were in the same direction and amounted to EUR 34.5 million compared to EUR 26.2 million in 2020.

At stand-alone level, Company profits before tax amounted to EUR 16.0 million (2020: EUR 5.2 million) while net profits after tax stood at EUR 13.2 million (2020: EUR 3.7 million).

Furthermore, the Group and the Company continued to undertake initiatives in order to improve their competitiveness and reduce production costs. These initiatives focus, among others, on increasing the efficiency of production plants, reducing costs per unit of output and also reducing the cost of raw materials used to manufacture the Group's and the Company's products.

Investments

At consolidated level, in 2021 investments amounted to EUR 32.3 million (2020: EUR 46.1 million) and were largely attributable to the investment plan carried out in Fulgor's production plant, aiming at expanding the inter-array cables production capacity so that the Group and the Company can supply offshore wind developers worldwide with a wide range of cables and support the growing offshore wind market.

At Company level, investments amounted to EUR 6.3 million in 2021 (2020: EUR 5.0 million) and concerned targeted investments in Thiva plant.

The above capital expenditure was financed mainly through cash inflows from the Group's and the Company's operating activities.

Remarks on the Statement of Financial Position

The free cash flows generated throughout the year were used to decrease net debt of the Group and the Company. The Group's net debt was decreased by EUR 45.8 million to EUR 168.1 million on 31 December 2021 (31.12.2020: EUR 213.9 million) while the Company's net borrowing was decreased by EUR 41.2 million to EUR 62.4 million on 31 December 2021 (31.12.2020: EUR 103.6 million).

The determination to re-profile debt under more favourable terms, secure lower financing costs and achieve an effective capital structure continued. The implementation of the relevant action plan included, among other initiatives, the following:

- the issuance of two ‘green’ bond loans of EUR 40 million in total. Such bond loans were issued in compliance with ESG financial principles and will support working capital needs for the design, production, installation and operation of submarine and land cable systems in projects related to energy transmission from renewable energy sources and the electrical interconnection of islands;
- the issuance of a new bond loan of EUR 10 million by Fulgor;
- the repayment of the syndicated bond loan received by the Company in 2013 with current balance amounting to EUR 36.6 million on the repayment date. Such repayment allows the Company to release all mortgages on its property, plant and equipment as stipulated in such loan agreement;
- improvement in the borrowing cost for credit lines intended for financing cable projects.

It is noted that short-term borrowings of the Company and the Group are predominantly revolving credit facilities which aim to finance the needs for working capital and specific ongoing projects. The Group and the Company have available adequate credit lines to meet future financing needs, if necessary.

Alternative Performance Measures and Financial Ratios

Management has adopted, monitors and reports internally and externally Alternative Performance Measures (APMs) and certain financial ratios. These APMs allow meaningful comparisons of the Group's and 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 financials are used as presented in the Statement of Financial Position. This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Liquidity	**2021**	**2020**	**2021**	**2020**
Current assets / Current liabilities	0.95	0.88	0.97	0.97

Gearing ratio: This is an indicator of leverage and is represented by the ratio of equity to debt. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position, for the Group and the Company, respectively. This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Gearing	**2021**	**2020**	**2021**	**2020**
Equity/ Debt	0.61	0.45	1.06	0.69

Return on capital employed: 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 amounts are used as presented in the Consolidated and Separate Statement of Financial Position as well as the Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income (OCI). This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Return on capital employed	**2021**	**2020**	**2021**	**2020**
Operating results/ (Equity + Debt)	15.1%	13.7%	10.7%	7.1%

Return on equity: It measures the efficiency of the Company's equity and is measured by the net profit/ (losses), net of tax to total equity. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position as well as the Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income (OCI). This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Return on equity	**2021**	**2020**	**2021**	**2020**
Net Profit/Equity	22.1%	21.6%	13.0%	4.2%

Profitability:

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Gross Profit Margin (Gross profit/Revenue)	10.6%	13.3%	5.9%	6.6%
Net Profit Margin (Net profit after tax/Revenue)	4.3%	4.7%	2.5%	1.0%

Amounts in Euro	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
EBITDA*	75,979,834	66,207,042	26,625,981	20,702,475
EBITDA margin (EBITDA/Revenue)	9.6%	11.9%	5.1%	5.6%
a–EBITDA**	81,828,602	74,130,267	30,003,216	26,331,655
a–EBITDA - margin *(a-EBITDA/Revenue)*	10.3%	13.3%	5.7%	7.1%

***EBITDA:** It measures Group and Company profitability before interest, taxes, depreciation and amortisation. It is calculated by adjusting depreciation and amortisation, interest charges and interest income as well as dividends in pre-tax results as indicated in the Statement of Profit or Loss and OCI.

Amounts in Euro	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Profits before tax	**42,221,601**	**35,008,051**	**15,957,962**	**5,233,799**
Adjustments for:				
+ Depreciation of tangible, right-of-use and intangible assets [3]	14,562,120	13,060,552	5,901,369	5,709,844
- Amortisation of grants	(620,164)	(858,140)	(231,575)	(234,403)
- Interest income	(200,934)	(205,656)	(133,581)	(203,505)
+Interest expenses	20,017,212	19,202,236	10,161,047	10,196,740
- Dividends	-	-	(5,029,241)	-
EBITDA	**75,979,834**	**66,207,042**	**26,625,981**	**20,702,475**

[3] *Note 9 to the Financial Statements*

****a–EBITDA:** adjusted EBITDA measure the Group's and the Company's profitability after adjustment for:

- metal price lag (metal result),
- restructuring costs,
- exceptional idle costs,
- impairment and obsolescence of fixed assets;
- impairment and obsolescence of investments,
- gains/(losses) from sales of fixed assets and investments,
- other impairment and non-recurring expenses and losses.

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
EBITDA	**75,979,834**	**66,207,042**	**26,625,981**	**20,702,475**
Adjustments for:				
+ / - metal price lag[4]	5,552,185	6,719,697	3,261,941	4,832,749
+ (Profit)/losses from sale of fixed assets	(7,824)	(12,033)	(4,800)	(12,033)
+ Loss on from sale of investment in subsidiaries / associates	7,025	-	7,025	-
+ Incremental COVID-19 costs [5]	297,382	1,215,561	113,070	808,465
a–EBITDA	**81,828,602**	**74,130,267**	**30,003,216**	**26,331,655**

[4] *Metal price lag originates from:*

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

b. 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.

c. 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.

Hellenic Cables and its subsidiary Fulgor use 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.

[5] *The line "Incremental COVID-19 costs" includes all incremental costs incurred due to the coronavirus (Covid-19) 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.*

Significant ongoing contracts & new project awards

A list of the projects awarded during 2021 is set out below. Further information on each is available on the website of the Company http://www.hellenic-cables.com and the Group of which it is part http://www.cenergyholdings.com:

Project/ Frame agreement	Customer	Description & Scope	Execution period
Dogger Bank C, UK	DEME Offshore	Design, manufacture, test, and supply approx. 240 km of 66 kV XLPE-insulated inter-array cables and associated accessories. This award is in addition to the 650 km of array cables already awarded for phases A & B. Dogger Bank Wind Farm is developed in three 1.2 GW phases by JV partners SSE Renewables and Equinor.	2023-24
Vesterhav Nord / Syd, Denmark	Vattenfall	Design, manufacturing, testing, and supply of approximately 70 km 66kV XLPE insulated inter-array cables and associated accessories for **Vesterhav Nord / Syd offshore wind farm projects.** This was the first ever major subsea cables deal with Vattenfall for Hellenic Cables.	2023-24
Santorini-Naxos interconnection, Greece	ADMIE [6]	The submarine section of the Santorini-Naxos interconnection will have a total length of 82.5 km and will be immersed at a maximum depth of 400 meters.	2022-23
Amager Power Plant - Svanemølle substation interconnection, Denmark	Energinet	Design, manufacturing, supply and transportation of about 11 km of 145 kV, XLPE insulated submarine cables. The scope of work includes also the supply of related accessories and supervision work.	2021-22
HV Frame contract, France	RTE	3-year contract, with the possibility of an extension for two additional years, for High Voltage underground cables	2023-26
Kafireas II Wind Farm, Greece	Terna Energy SA	The Interconnection Cable System includes approx. 70 km of 150 kV three-core composite submarine cables as well as 11 km of 150 kV single-core underground onshore cables, along with all accessories, joints, terminations and fittings, necessary for the completion of the system. The production & testing of all subsea cables was concluded in 2021 and installation is scheduled for early 2022.	2021-22

A list of major projects partially or fully delivered in 2021 follows. Further information on each is available on the website of the Company http://www.hellenic-cables.com and the Group of which it is part http://www.cenergyholdings.com:

Project	Customer	Description & Scope	Execution period
Crete-Peloponnese, Greece	ADMIE [6]	The 178 km-long submarine and underground electrical interconnection between Crete and Peloponnese, one of the most demanding projects ever completed worldwide, was successfully electrified during Q2 2021.	2018-21
Hollandse Kust Zuid A&B, The Netherlands	TenneT	Production of submarine cables for Phase B was completed, with the delivery of the 220kV & 66kV subsea cables.	2018-23
Skiathos island interconnection, Greece	ADMIE [6]	The subsea cable was tested successfully several months ahead of schedule.	2020-21
Adriatic Sea submarine project, Croatia	Končar Group	The 12 Km 110 kV subsea cable for the replacement of existing outdated cable lines in the Adriatic Sea was tested successfully during 2021.	2021-22
Coastal Virginia Offshore Wind, USA	Dominion Energy	Successful completion of cable manufacturing and loading for shipment of approximately 50 km of 66 kV, XLPE insulated submarine inter-array cables, connecting the wind turbines to the offshore substation.	2021-22

These awards coupled with the successful delivery of the projects illustrate the ability of both Hellenic Cables and Fulgor to successfully implement cost-effective, reliable and innovative solutions that meet the ever-changing needs of the submarine cables segment and enable both companies to capitalise on market opportunities.

[6] *The Transmission System Operator (TSO) for electrical power in Greece*

2. Objectives and Outlook for 2022

Following the strong performance recorded in 2021 and based on the current macroeconomic environment, the outlook of the Group and the Company remains positive for 2022 for both the cables projects and the cables products sectors.

As regards the **cables projects**, Group's companies are expected to continue to benefit from the robust portfolio of already secured projects while new significant orders (i.e. Sofia Offshore Wind Farm (OWF) project in the UK, Vesterhav OWF project in Denmark etc.) have already been awarded and were announced during 2022. The strong potential of the offshore wind sector and the proven ability of the Group's companies to expand into new markets secures solid growth for the near future. The submarine project business is expected to retain its high capacity utilisation throughout 2022 driving profitability. Regarding the onshore projects business, a number of new awards in the UK testifies Hellenic Cables' continuous presence and investment in this market, while the strong positioning in other markets, such as East Mediterranean and Central Europe, signals a robust growth in this business as well.

The 'European Green Deal', EU's roadmap for sustainable development and climate neutrality by 2050, the promising emerging offshore wind market in the USA and the projects announced in the Mediterranean area create a favourable environment for projects business, as demand for offshore and onshore power cable systems is expected to increase.

Moreover, regarding **cables products**, the increased demand levels in the main markets of Western Europe, Middle East and the Balkans, are expected to be maintained, as both the construction and the industrials sectors have rebounded. On top of that, the recently signed frame contracts secure increased levels of capacity utilisation for the forthcoming years, while the initiatives for further geographical diversification continue in order to spread out and fortify revenue streams.

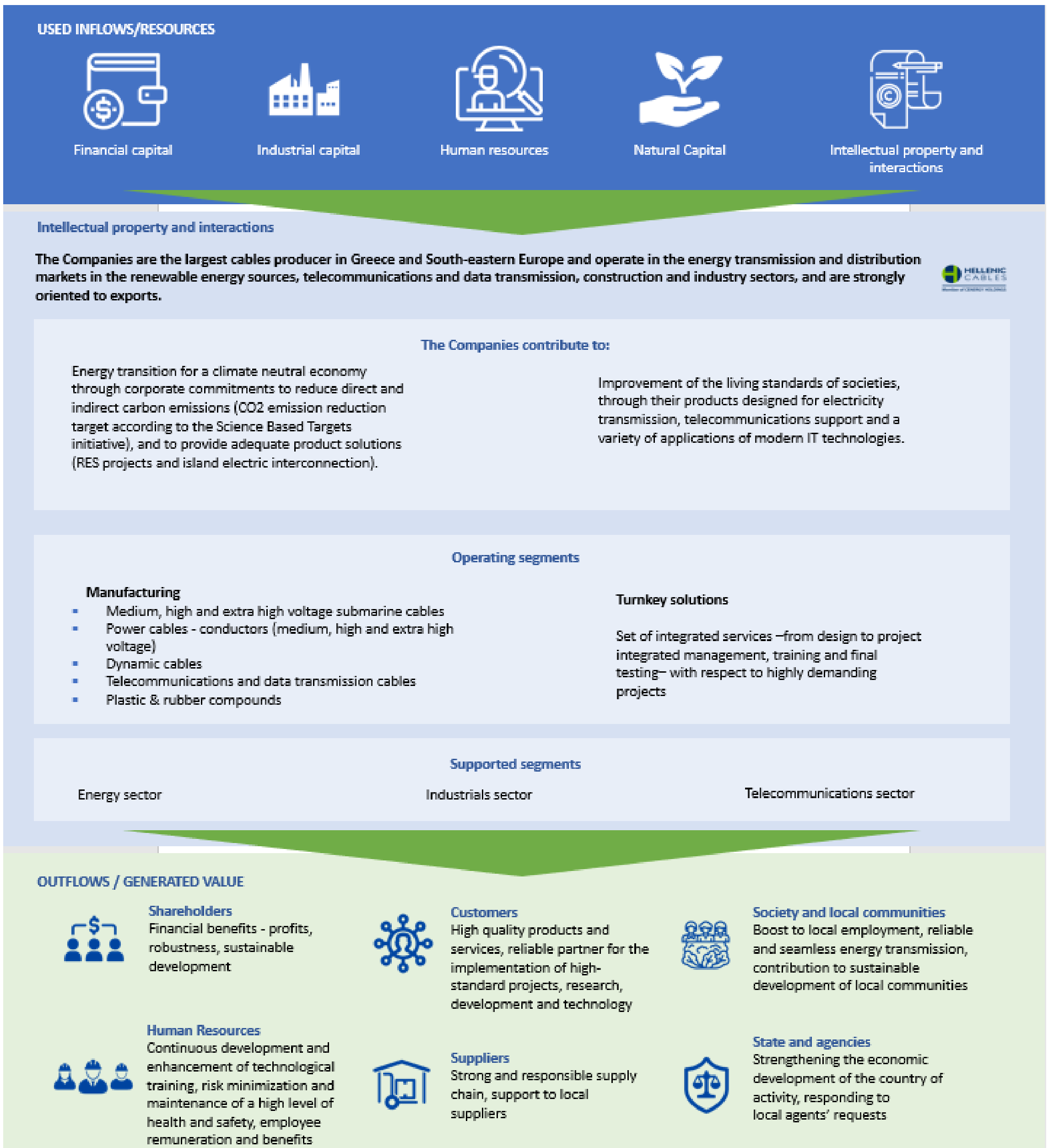
At this point, it should be noted that both the Group and the Company will continue to focus on the successful execution of existing projects and the award of new ones, while optimising on an ongoing basis internal processes to take advantage of any arising new market opportunity.

In conclusion, despite the high uncertainty currently prevailing in the global market, Hellenic Cables expects to maintain its good momentum gained during the last three years at both consolidated and stand-alone level. The diversified business model and the solid organisational structure of the Company and Group continue to make all Companies of Group more resilient amid this challenging environment, thus generating confidence in their long-term sustainable development.

3. Non-Financial Information

Business model[7]

Hellenic Cables S.A. and its wholly-owned subsidiary Fulgor S.A., which will be referred to in this section as the "Companies", carry out manufacturing operations in Greece. Their operating business model is described below:



[7] *Business model development based on the International Integrated Reporting Framework of the International Integrated Reporting Council*

Management of Sustainable Development issues

The Companies have incorporated Sustainable Development principles in their business operations and their functioning, acknowledging that their long-lasting development and prosperity of the society may be achieved only if they develop Corporate Responsibility actions. Promoting employee health and safety in all activities, protecting natural environment, fully meeting customer needs and providing support to the local communities in which the Companies operate are its key pillars, and are reflected in the Sustainable Development Policy implemented.

In detail, the Sustainable Development Policy is set out on the website: *http://www.hellenic-cables.com/628/el/politiki-etairikis-koinonikis-euthunis-kai-viosimis-anaptuxis/*

A team consisting of executives of all departments and divisions has been set up and plays an important role in the effective management of Sustainable Development matters. The Sustainable Development team is responsible for the development and implementation of an annual action plan per priority area, as well as for monitoring and recording the Companies' important matters in relation to stakeholders.

Policies and Systems

Wishing to achieve Sustainable Development, the Companies have established specific policies and put into practice adequate management systems and relevant procedures that define the way in which their business goals are achieved and uphold their responsible operation. More specifically, the Companies have established and implement, among others, the following policies and codes:

- Sustainable Development Policy
- Business Ethics and Anti-Corruption Policy
- Supplier Code of Conduct
- Labour and Human Rights Policy
- Incident Reporting Policy
- Integrated Quality – Environment - Energy & Climate Change - Work Health and Safety Policy in accordance with the international standards ISO 9001:2015, ISO14001:2015, ISO 50001:2018, ISO 45001:2018 and ISO 14064:2018
- Personal data protection policy
- Internal Operating Regulation

The Companies manage Sustainable Development issues across their business units and facilities, by developing and implementing certified management systems. More specifically, the following management systems are applied:

- ***Quality Management System***, according to ISO 9001:2015
- ***Environmental Management System*** compliant with ISO 14001:2015.
- ***Business continuity management system*** compliant with the requirements of ISO 22301:2012.
- ***Work Health and Safety Management System*** compliant with ISO 45001:2018.
- ***Energy Management System*** compliant with ISO 50001:2018.
- ***Information Security Management System*** compliant with ISO 27001:2013.
- ***Organisational Carbon Footprint Management System***, compliant with ISO 14064:2018.

The Companies are certified as Authorised Economic Operators (AEOF: AEO Certificate) for their production plants in Greece (Thiva, Corinth and Oinofyta). The companies having acquired this particular certification are reliable business partners of the international supply chain.

Industrial Excellence Programme
The Industrial Excellence programme, which was launched in 2019 in the production plants of the Companies, aims to promote continuous improvement throughout all stages of the manufacturing process. The key advantages the implementation of this new programme brought is that it eliminated losses across the production process and, by extension, it reduced the production cost, improved product quality and provided services, thus contributing to full satisfaction of customer requirements.

Seeking to ensure their continuous improvement in sustainable development matters, the Companies set specific goals and monitor their progress on an annual basis, based on the relevant key performance indicators (KPIs) they have developed. To attain these indicators and, therefore, the goals, the Companies prepare, implement and put into practice plans and actions of responsible operation. The sections below present the results of the policies and procedures implemented by the Companies, setting forth relevant references to the environmental and social performance (presentation of corresponding non-financial indicators).

ESG Roadmap (Sustainable Development Roadmap)

Having the ultimate goal of maintaining their leading position, and also seeking to be aligned with global trends and oriented towards a low carbon economy, the Companies have adopted a long-term business approach supported by sustainable development. In this context and as part of the wider Viohalco Group, the Companies have prepared an ESG Roadmap by assessing all related risks and opportunities and integrating them into their business strategy.

The Roadmap has been developed in line with the European Green Deal and its requirements, the goals set by the European Union to tackle climate change by 2050, the strict regulatory framework within which the Companies operate, as well as a wide range of sustainability considerations such as climate change and its effects, water availability, responsible supply chain, health and safety, as well as the latest challenges in the energy sector that may affect the Companies.

This Roadmap is structured around four pillars:

Our ESG Roadmap

Update of corporate policies

Adoption of seven (7) core company policies covering the entire framework of all environmental, social and governance issues

Establishment of performance metrics

To ensure a strategic and systematic approach, Companies are going through the process of developing strategic goals and key performance indicators (KPIs)

Product certification

The Companies focus on increasing the number of certifications for their products. By way of example, the Companies have partnered with The Copper Mark, while also exploring their participation in similar established sectorial assurance frameworks such as ASI – Aluminium Stewardship Initiative.

Supply Chain

The Companies launched a strategic partnership with Ecovadis, the leading provider of sustainability assessments for businesses, aiming at the evaluation of their key suppliers through the Ecovadis platform.

Sustainable development material issues

The Companies have assessed and prioritised the top material issues of their operations. The assessment of these issues, which is based on the guidelines of the Global Reporting Initiative (GRI Standards), on the industry-specific reporting standard of the Sustainability Accounting Standards Board (SASB) and on international organisation AccountAbility's AA1000 Standard, is an important tool in shaping and finalising the Companies' annual action plan per pillar of Sustainable Development, and in shaping the content of the annual Sustainable Development Report.

Moreover, acknowledging the importance of developing actions that seek to contribute to the achievement of the United Nations Sustainable Development Goals (SDG), the Companies have associated their material issues with the SDGs.

Labour and social matters

The Companies take continuous steps to ensure a safe and merit-based, discrimination-free working environment, provide opportunities for continuous training, equal opportunities of development and fair reward, while maintaining relationships of trust with all employees. The Companies' priority is to secure optimum working conditions and fair reward, showing respect for human rights and diversity. The general framework of the Companies' policies and initiatives that concern human resources aim at the effective recruitment, development and retaining of employees. Steadily oriented to human values, the Companies strive to implement responsible management practices by focusing on material issues such as:

- Ensuring of the health and safety of their employees and associates
- Ensuring ongoing training and education
- Providing equal opportunities for all employees
- Objective evaluation
- Providing additional benefits.

Key elements of Human Resources

	2019	2020	2021
Companies' total workforce	**922**	**1.094**	**1.163**
Hellenic Cables	*450*	*506*	*562*
Fulgor	*472*	*588*	*601*
% of full-time employees	**100%**	**100%**	**100%**
Hires	**180**	**250**	**207**
Hellenic Cables	*77*	*82*	*136*
Fulgor	*103*	*168*	*71*

During 2021, the Companies hired 207 persons, thus raising the total workforce by approximately 6% compared to 2020.

Personnel profile per gender and age 2021

Hellenic Cables	<30	30-50	51+
Men	74	325	117
Women	9	33	4
Total	**83**	**358**	**121**

Fulgor	<30	30-50	51+
Men	81	380	101
Women	10	21	8
Total	**91**	**401**	**109**

Personnel profile per gender and seniority 2021

	Men	Women	Total
Managers			
Hellenic Cables	26	0	26
Fulgor	20	2	22
Total	**46**	**2**	**48**
Senior executives			
Hellenic Cables	52	16	68
Fulgor	73	19	92
Total	**125**	**35**	**160**
Employees			
Hellenic Cables	51	26	77
Fulgor	144	16	160
Total	**195**	**42**	**237**
Foremen and workers			
Hellenic Cables	388	3	391
Fulgor	326	1	327
Total	**714**	**4**	**718**

Combating the Covid-19 pandemic

Having the protection of their employees' and associates' health and safety as their utmost priority, ever since the pandemic broke out the Companies have been implementing a number of preventative and effective measures while also securing the uninterrupted operation of their production plants. Being aligned with the applicable Greek and European regulations, legal requirements and guidelines, the Companies took steps from the onset of the pandemic to ensure effective adherence to all necessary preventative measures in all sites, as these are foreseen by the National Public Health Organisation (EODY), by uploading the relevant notices. Moreover, multiple actions were carried out including:

- Periodic SARS COV-2 molecular testing was carried out free of charge by a specialised team for all employees
- Vaccination incentives offered to all employees
- Launch of vaccination unit within the Company's premises, in collaboration with an external specialised partner to enable employee vaccination.
- Framework of ongoing and reliable update of employees regarding the pandemic through new special sections on their intranet
- Preparation of prevention and protection measures against the coronavirus
- Special care to protect vulnerable employee groups and implement remote work to a large extent and whenever possible
- Continuous support to the employees throughout the pandemic to protect their physical and mental health

The Companies elaborated an emergency plan while also adopting and implementing promptly all necessary measures in order to prevent the coronavirus from spreading (mandatory use of mask, determination of maximum capacity on company buses to 50% and counting of passengers per bus, personnel temperature measurements, disinfection at principal establishments and production plants etc.).

Employee evaluation

The employee performance evaluation system implemented by the Companies secures further development of employees, based on their merits, as it is based on objective performance measurement indicators. The post and responsibilities of each employee are taken into account when implementing the procedure which applies to the entire personnel.

In 2021, all (100%) employees of the Companies were evaluated.

Employee training and ongoing development

The Companies use a human resources management platform, a modern and interactive system, through which all employee-related procedures are monitored and simplified. An on-boarding procedure is implemented through the system for newly hired employees, training programmes are selected and annual evaluation is carried out while paper use and printouts are reduced in all events.

The Companies prepare an annual training plan notified to all personnel, through the platform. Aiming to enhance the employees' knowledge and skills, the plan includes various training programmes from among which the employees can choose. Programmes are carried out in house or in cooperation with a specialised external agency, based on the employees' choices.

Average training hours per gender and seniority 2021

	Hellenic Cables			Fulgor		
	Men	Women	Total	Men	Women	Total
Managers	6.42	0.00	**6.42**	4.75	0.00	**4.32**
Senior executives	28.59	11.75	**24.63**	21.21	15.58	**20.05**
Employees	4.47	4.44	**4.46**	5.06	10.34	**5.59**
Foremen and workers	4.42	10.83	**4.47**	10.21	0.50	**10.18**
Total	**6.95**	**7.47**	**7.00**	**10.12**	**12.16**	**10.25**

In 2021, 10,093 training hours were carried out within the Companies.

Equal opportunities and respect for human rights

Showing respect for human values and responsibility toward its people, the Companies implement a human resources management policy driven by equal opportunities without any discrimination based on gender, nationality, religion, age and educational background. The Companies oppose child labour and condemn all forms of forced and compulsory labour. In addition, the Companies condemn and do not tolerate any behaviours that could lead to discrimination, unequal treatment, bullying or moral harassment, gestures and verbal or physical threats.

As a result of the control policies, procedures and mechanisms put in place, during 2021 like also in previous years, no incident of child or forced labour was identified and no incident related to violation of human rights has taken place.

Occupational health and safety

Constant prevention and effective management of health and safety issues at work is a matter of utmost importance for the Companies while the relevant priorities determine the way in which they operate. Such priorities are as follows:

- implementation of the principle of evaluation;
- evaluation of health and safety risks and detailed recording of near misses;
- substantial and quality analysis of all incidents in order to focus on their root causes;
- enhancement of the safety culture by raising employee and partner awareness on an ongoing basis.

In 2021, as part of the new roadmap (ESG Roadmap), the Companies updated the Health and Safety Policy through the integrated Quality, Environment, Energy and Climate Change, Occupational Health and Safety Policy in accordance with international standards.

The Companies implement a certified Occupational Health and Safety Management System compliant with ISO 45001:2018 in all their production plants in Greece, with a health and safety committee established in each of them. Aiming to improve their performance in the health and safety field on a systematic basis, the Companies implement a continuous training programme, using new technological training tools too (interactive training platform).

The Companies implement internationally applicable and measurable indicators to monitor and evaluate performance in the field of occupational health and safety while using their best efforts to minimise accidents and eliminate risks.

Health and safety indicators

	2019	2020	2021
Incidents frequency rate (LTIR)[8]			
Hellenic Cables	6.6	8.1	18.8
Fulgor	8.0	8.0	9.2
Incidents severity rate (SR)[9]			
Hellenic Cables	163	137	202
Fulgor	147	118	122
Fatal accidents	0	0	0

[8] *LTIR: Lost time incident rate (number of lost time accidents/incidents relating to safety issues per million (1,000,000) hours worked)*

[9] *SR: Severity rate (number of lost work days/working man-hours per million (1,000,000) hours worked)*

Safe conduct training: During 2021, the Companies provided their staff with training on safe conduct matters and on how to identify unsafe situations and actions, in partnership with a specialised body. The Behaviour Based Safety (BBS) implemented as part of these training sessions helps foster a safety and accident prevention culture at all levels.

Social matters

The Companies support local communities and cover a major part of their needs for human resources from their workforce. They also support local entrepreneurship by selecting suppliers from the local communities in which they operate (whenever this is possible). More specifically, through various actions, the Companies contribute to the welfare of the communities in which they operate. The pillars of support to the Companies' local communities refer to the following:

- ***Support to local employment.*** The Companies create jobs for the local labour market, supporting local employment and combating unemployment.
- ***Boosting local economy.*** The Companies collaborate with local suppliers insofar they meet all relevant conditions and requirements.
- ***Development of social actions.*** The Companies strengthen their relations with the local communities in which they operate on a daily basis, by developing social actions in the fields of education, sports and health of vulnerable groups.
- ***Voluntarism.*** Offering to other people is a key aspect of the corporate culture of the Companies.

	2019	2020	2021
% of employees from local communities			
Hellenic Cables	83%	83%	82%
Fulgor	87%	87%	88%

Through their operations, the Companies generate multiple benefits for the society. In addition to the payment of salaries and other benefits to their employees, the Companies pay the State the corresponding taxes and levies and make continuous investments and payments to the collaborating suppliers of materials and services. In this way, the overall positive impact of the Companies on both local and broader communities is important.

Environmental issues

Aiming at Sustainable Development and seeking primarily to limit climate change, the Companies give priority to reducing their environmental footprint. In this direction, they plan action and sets goals to reduce air emissions while making investments in practices and technologies leading to the global energy transition and reinforcing the practices of circular economy. Aiming to protect the natural environment and improve energy efficiency, the Companies implement specific initiatives, maintaining a strong competitive edge in designing and manufacturing cable products that contribute to further promotion of Renewable Energy Sources.

The Companies set indicators for monitoring environmental performance and plan actions to reduce their environmental footprint on an annual basis. In the field of production, the Companies implement an Integrated Environmental Management System compliant with ISO 14001:2015. The personnel are also thoroughly trained in environmental management and energy saving issues. Focusing on environmental management and protection policies, the Companies improve their environmental performance through:

- Reduction in consumption of energy resources and materials
- Materials recovery and re-use
- Waste sorting to ensure more effective recycling
- Reduction in energy consumption
- Reduction in electricity consumption
- Water saving
- Use of more environment-friendly raw materials
- Use of recyclable materials
- Personnel training in sound management practices
- Preparation of emergency response plans (accidents, fire, etc.).

The Companies support and seek to operate in line with the circular economy model which seeks to secure adequacy of natural resources and limit waste. By applying this model, the Companies have set as priority to increase the proportion of recyclable or reusable materials at the end of each cable's manufacturing process. This practice is based on **reduction, reuse** and **recycling**.

Air emissions

Seeking to reduce carbon dioxide emissions and limit climate change, the Companies make substantial efforts to reduce the greenhouse gases arising from their operation and business. In this context, the Companies are supplied electricity from Greece’s principal energy suppliers given that they does not produce energy on their own.

	2019	2020	2021
Total carbon emissions (tn CO_2e)[10]			
Hellenic Cables	19,367	16,631	17,503
Fulgor	24,559	24,071	24,734

Note: To calculate the indirect CO_2 emissions for 2019 and 2020, the 2019 and 2020 coefficients drawn from the European Residual Mixes 2019 - AIB have been used. As for 2021, the 2020 coefficients drawn from the European Residual Mixes, AIB have been used because the respective coefficients for 2021 have not been issued yet.

	2019	2020	2021
Total carbon special emissions (tn CO_2e/tn product)			
Hellenic Cables	0.383	0.327	0.316
Fulgor	1.304	0.929	0.740

[10] *Total CO_2e emissions: the sum of direct (Scope 1) and indirect (Scope 2) $Co2e_2e$ emissions using the “location based” method in accordance with the GHG Protocol Guidance.*

Water consumption

To meet the needs of the Companies' production process, the Companies must use water. The Companies take all necessary steps to ensure its efficient use and limit its consumption in compliance with the environmental policy implemented in them.

	2019	2020	2021
Special water consumption (m^3/ton of product)			
Hellenic Cables	0.464	0.394	0.429
Fulgor	0.656	0.587	0.330

Waste Management

The Companies apply a specific waste management process in order to reduce their volume. It is worth noting that the greatest proportion of waste is recycled and/or forwarded for recovery (energy or other type of utilisation). The Companies have established partnerships solely and exclusively with adequately licensed companies to manage all types of waste.

Waste Management Ratio	2019	2020	2021
Total generated waste (kg of waste/tn of production)			
Hellenic Cables	0.129	0.152	0.116
Fulgor	0.199	0.166	0.157
Recycling and energy utilisation[11] (%)			
Hellenic Cables	88.7%	91.8%	92.1%
Fulgor	91.0%	93.0%	92.3%

Non-Financial Risks

The Companies operate in an economic and social environment characterised by various risks, financial and others (all financial and business risks are laid down in the section "Risks and Uncertainties" of this Report).

In this context, they have established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the Companies are environmental risks and risks related to occupational H&S. Managing these risks is considered a very important task by Companies Management given that they pose a threat of having a direct or indirect impact on the Companies' regular operation.

The Companies' by-laws (approved by the respective BoD) clearly describe the areas of risk and include specific procedures that have been developed on the basis of the Prevention Principle in H&S and Environment management.

[11] *Proportion of waste forwarded for recycling and energy utilisation in relation to the total of waste generated*

In addition, in the context of the certified Management Systems implemented by the Companies (ISO 9001:2015, ISO 14001:2015, ISO 50001:2018, ISO 45001:2018, ISO 22301:2012 and ISO 27001:2013), the relevant risks are assessed on an annual basis. Aiming to reduce the likelihood and the importance of risks occurring in certain segments, the Companies take preventive steps, design and implement specific plans and actions, and monitor their performance through the relevant indicators (quality, environment, occupational health and safety) they have set. Moreover, the Companies have carried out all hazard studies prescribed by law, implement operation and safety criteria which are compliant with Greek and European laws, develop an emergency plan and cooperate closely with local authorities and the Fire Brigade in order to address any eventual incidents quickly and effectively.

1. Environment

The principal risks involving environmental matters consist in climate change, and water adequacy and management. These risks are also of strategic importance for the supply chain as well.

Climate change

Climate change is currently one of the most important global issues with substantial impact not only in terms of financial materiality (negative impact on the Companies' activities) but also in environmental and social terms (negative impact on the climate, thus on the environment and society). Financial materiality arises from the fact that the Companies are faced with transition and natural risks. Transition risks are associated with the risks arising from the transition to a low-carbon economy, as well as with the European and global requirements and policies which call for important energy efficiency measures. The Companies put in practice various measures to mitigate this risk including, among others, the following:

- monitoring the relevant trends of the Greek and European policy;
- assuming commitments to reduce direct and indirect carbon emissions in line with the latest climate data and the criteria set by the Science Based Targets Initiative (SBTi);
- development of action plans and long-term specific goals for investments in energy efficiency equipment and measures reducing carbon emissions;
- electricity supply from producers of renewable sources.

Water management

The risks associated with water management include the availability of industrial water for production purposes and the quality of waste water discharged in water recipients. The risk is mainly mitigated by the continuous efforts to improve the Companies' water footprint and the availability of multiple water sources so as to ensure alternative water supply sources. As far as the quality of waste water discharge is concerned, the appropriate investments in modern equipment have been made, thus strengthening rigorous discharge procedures.

2. Occupational Health and Safety

One of the key risks associated with social and labour issues consists in employee health and safety in the workplace as well as relevant labour issues such as accidents and injuries. As regards the health and safety risks in the workplace, the Companies implement a certified management system aiming at systematic monitoring and supervision of all safety parameters; as part of this system, health and safety committees have been set up in each production plant. The Companies take additional measures to protect the health and safety of employees such as implementing a specific accident reduction plan, investments in replacing older equipment and implementing continuous investments and updates to further enhance the safety culture.

3. Human Rights

The key risks for human rights are associated with the Companies' supply chain provided that many suppliers are not located in Europe or North America. The Companies are at the stage of developing an adequate and comprehensive management system of supplier evaluation so as to ensure that all major suppliers meet specific standards involving the respect for human rights, employee safety, working conditions and business ethics.

4. Anti-Bribery and Anti-Corruption Measures

The risks related to anti-bribery and corruption lie in the failure to conduct business operations ethically and to comply with the applicable laws and regulations. To prevent and mitigate such risks, the Companies ensure that the Business Ethics and Anti-Corruption Policy is properly applied and that all employees are aware of the Company's procedures and practices in relation to anti-corruption practices. The Internal Audit function is responsible for monitoring and reporting timely and properly any related deviation or misconduct.

Risk Management and Internal Audit System

The Internal Audit System ensures effective and efficient corporate operations, reliable financial reporting and compliance with applicable laws and regulations as well as effective and efficient risk management. In addition, by adopting the principle of prevention, the risk management system enables the identification and analysis of any eventual risks facing the Companies, setting limits to the risks undertaken, and implementation of the relevant audits. The overall risk management plan that is implemented seeks to minimise any eventual negative effect on the Companies' financial performance and overall operation while its constant revisions help take timely into account any changes in the environment, market conditions and their activities.

Transparency and information safety issues

Management of transparency and corruption matters

The Companies have taken preventive steps in order to assume and determine the limits of responsibility and influence of each of their executives, develop safeguards for preventing any corruption incidents, and carry out the relevant checks in relation to their operations. As part of their plan to protect customers' interests and to enhance transparency in all their actions, the Companies' Commercial Managers sign a special corporate form. By signing this form, they undertake to refrain from any procedure that may lead to unlawful partnership with potential competitors for price fixing, bid rigging, creation of barriers to the market or production, imposition of quotas per geographical area or customer allocation.

Report management procedure

The Companies' updated Code of Conduct and Business Ethics has incorporated the report management procedure that is implemented. The Companies see to the adoption of safe communication channels for internal reporting so as to strengthen confidentiality. All employees have been informed about the reporting plan of any incidents that do not comply with the Code through electronic notice and a relevant leaflet distributed to all production plants.

Information system security

The Companies protect the privacy and all confidential information that may arise from commercial transactions and partnerships with clients, as an integral part of governance framework. Personal and corporate data are protected against any unauthorised access, loss or alteration using all available organisational, procedural and technical means. The Companies' production plants implement a certified Information Security Management System in accordance with the requirements of the international standard ISO 27001:2013 which helps carry out adequate security checks, optimising the threat detection and prevention mechanisms, in order to protect information and safeguard confidential data.

Personal Data Protection

The Companies respect personal data protection and take adequate steps compliant with the provisions of Regulation (EU) 2016/679 (General Data Protection Regulation) and other applicable laws. Aiming at harmonisation with international standards and good practices, the Companies implement a Personal Data Protection Policy, setting specific procedures, roles and mechanisms for personal data protection across all their business units.

Supply chain

Suppliers are important partners for the Companies since they contribute to the production of competitive products through the supply of quality raw and other materials. The Companies have developed and put into practice a Suppliers Code of Conduct which seeks to incorporate lawful, ethical principles and sustainability principles across the supply chain, specifying the requirements that suppliers of goods and services as well as all subcontractors are expected to meet in terms of social, environmental and financial performance. The key principles of the Code, which the Company encourages its suppliers to apply, are:

- Business Ethics and anti-corruption
- Labour and human rights
- Environmental protection
- Personal Data Protection

As part of the certified Management Systems established in the Companies, they apply supplier evaluation procedures, seeking to collaborate with suppliers who adopt responsible practices and ensuring that Sustainable Development principles are promoted to their partners. The suppliers with whom the Companies collaborate, among others, are evaluated based on transparency and merit-based principles for their environmental and social performance, as well as for matters relating to occupational health and safety management and accident prevention during product transports and loading/unloading works. In addition, the Companies' procurement policy applies a strategy aiming to boost local economy, offering business opportunities and employment to local suppliers. When evaluating and selecting suppliers, local origins are a criterion factored in.

NOTE

The non-financial ratios for 2021 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards).

These ratios were chosen strictly on the basis of their relevance to the Companies' business (according to the materiality analysis conducted by the Companies). Details on the performance in terms of sustainable development, and the actions of the Companies' responsible operation will be set forth in the 2021 Sustainable Development Report of Hellenic Cables (June 2022). The Sustainable Development Report is an important tool as it reflects the way in which the Companies respond to major issues and to the expectations of all their stakeholders.

All Sustainable Development Reports of Hellenic Cables which have been published from 2009 to date are available on the website (http://www.hellenic-cables.com).

4. Main Risks and Uncertainties

The main risks facing the Group and the Company are identified after mapping risks across all functions of the Company and its subsidiaries, and analysing them as a whole, taking into account the likelihood of their emergence, the evaluation of their impact on the Group's and 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 Group and the Company are classified into two major categories:

- **Financial** and
- **Business risks**.

The former includes different types of market risk affecting the Group's and the Company's activities (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 concern directly the Group's and 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 Group's and the Company's production plants 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 – exclusion from markets, etc.) from non-compliance with existing regulations and standards. Also included are potential impacts on the Group's and the Company's brand image and business reputation[12], as well as accounting risk[13].

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.

Group and Company risk management policies are implemented to recognise and analyse risks faced by the Group and 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 take into account any changes in the market and the Group's and the Company's activities.

The Internal Audit Department of Viohalco SA (ultimate shareholder) oversees implementation of risk management policies and procedures, carrying out scheduled and unscheduled audits to see how procedures are being implemented. Their findings are notified to the Boards of Directors of the Company and its subsidiaries.

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

[12] The set of perceptions about the Company by the different stakeholders with whom it interacts, both internal and external.

[13] 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.).

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 Group and the Company to manufacture timely quality products at competitive prices. Therefore, the Group and the Company take 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 monitor 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 Group's and the Company's capacity to continue operations. Consequently, the Group and the Company use specialised maintenance departments to minimise the latter, upgrade plant equipment and production lines to reduce obsolescence risk and constantly monitor safety stock levels, which are necessary for the seamless operation of the Company and its subsidiaries. Moreover, the Group and the Company have prepared and regularly review relevant business continuity studies to reflect any financial losses and focus their 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 the Group and the Company to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To proactively mitigate such risk, the Group and the Company follow rigorous quality management systems at their plants and maintain appropriate insurance coverage against 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

Poorly performing or positioned distribution channels may threaten the Group's and the Company's capacity to effectively and efficiently access current and potential customers and end users, so in turn, the Group and the Company manage it 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 and its subsidiaries are capital intensive and rely heavily on IT systems to manage and optimise their production. IT equipment failure, human errors and/or the unauthorised use, disclosure, modification or destruction of information, pose serious risks to the Company's and its subsidiaries' operation and profitability. Any eventual breaches of network and IT security threaten the Group's and the Company's data integrity, sensitive information and smooth operation of their business activities. Such an eventual breach could have a negative impact on the Group's and 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 Group's and 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 threats is vital to the integrity of IT systems in the Group and the Company as well as against legal requirements.

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

Environmental / Occupational risk

The Group and the Company have realised the interaction between their operation and the natural and working environment. This is why they implement policies and systems and make continuous investments in research and development of know-how which help them achieve their objective of Sustainable Development.

In addressing the potential impact on the Environment (environmental risk) and on the Health and Safety of their workforce (occupational risk), the Group and the Company perform all necessary risk assessment studies and take preventive measures and initiatives, monitoring the relevant indicators (Quality, Environment, Health and Safety) they have established. These indicators are monitored and evaluated regularly and are communicated to all Group levels. For more information, please refer to the section "Non-Financial Information".

Compliance and reputation risks

Compliance Risk

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

The Group and the Company have 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, anti-corruption, bribery and financial fraud.

Additional information on this topic is included in the section “Non-Financial Information” of this report and the Sustainable Development Report for 2021.

Strategic risks

Country risk

Political risk of countries where the Group and the Company are active, commercially or in production, may threaten the supply chain and cash flows. The main answer to that risk is geographical diversification of both trading portfolio and supply chain.

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 particular 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 Group and the Company is associated mainly with the cyclicality of demand in their operating segments 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 and its subsidiaries’ annual budget process and their 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 and a targeting on high added value 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 Group and the Company. Companies that neither monitor nor leverage such technology advancements to extend their competitive advantage may be hardly hit from competition and be placed out of the market. The Group and the Company manage 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 “5. Research and Development”, among other actions, the Group and the Company cooperate with scientific bodies and prominent international research centres while the Company and its subsidiaries host dedicated R&D departments.

Financial risks

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

The Internal Audit Department oversees implementation of financial risk management policies and procedures, carrying out scheduled and unscheduled audits to see how procedures are being implemented. Their findings are notified to the Boards of Directors of the Company and its subsidiaries.

For more information on the quantitative figures associated with the financial risks analysed in this section, please refer to the note “Financial Instruments” of the Annual Stand-alone and Consolidated Financial Statements.

Credit Risk

Credit risk concerns the risk of incurred losses in case a client or other third party involved in a transaction including a financial instrument fails to fulfil its obligations toward the Group or the Company and is mainly associated with trade receivables and investments in securities.

Trade and other receivables

Group and Company exposure to credit risk is mainly affected by the characteristics of each customer. The demographics of the Group's and the Company's clientele, including the risk of default specific to this market and the country in which customers operate, have a limited effect on credit risk since there is no geographic concentration of credit risk.

During the fiscal year, no customer accounted for more than 10% of consolidated revenue with the exception of Romania-based Icme Ecab. The Group's and the Company's activities are project oriented and on certain occasions this threshold is individually exceeded for a short period of time. Therefore, save project clients, commercial risk is spread over a large number of clients.

The Board of Directors has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms of the Group and the Company are proposed to such customer. The creditworthiness control performed by the Group and the Company includes an examination of information from banking sources. 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. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, the ageing profile of their receivables and the existence of any possible previous difficulties in collecting receivables. Trade and other receivables include mainly wholesale customers, network managers and contractors. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its capacity, the Company and its subsidiaries demand real or other security (e.g., letters of guarantee) in order to secure their receivables, if possible.

The Group and the Company record provisions for impairment, which represent Management estimates about credit losses pertaining to customers, other receivables and contract assets, based on the expected credit losses from each counterparty. The above provision includes mainly impairment losses relating to specific receivables which, based on given conditions, are expected to be incurred, but are not finalised yet.

Investments

Investments are classified by the Group and the Company depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each presentation date.

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.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will fail to fulfil its financial liabilities upon maturity. The Group's and the Company's approach to liquidity management is to secure, as much as possible, by holding necessary cash assets and adequate credit lines from collaborating banks, that they will always have sufficient cash to meet their obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardising the Group's and the Company's reputation.

To avoid liquidity risk the Company and its subsidiaries make a cash flow provision for one year when preparing the annual budget and make a monthly rolling provision for three months to ensure that they have adequate cash to cover their operating needs, including the fulfilment of their financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

Market Risk

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

The Company and its subsidiary Fulgor use transactions on derivative financial instruments in order to hedge part of market risks.

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

The Company and its subsidiary Fulgor base both their purchases and sales on stock prices/indices linked to the prices of copper, aluminium and other metals which are used by them and included in their products. The risk from metal price fluctuation is covered by hedging instruments (futures and options on London Metal Exchange-LME). The Group, 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.

Foreign exchange risk

The Group 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 Euro, the US dollar and the pound.

Over time, the Group and the Company hedge the greatest part of their estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as their receivables and liabilities in foreign currency.

The Group and the Company mainly enter into foreign currency futures with their 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 Group's and the Company's operating activities, which is mainly Euro.

Interest rate risk

The Group and the Company obtain funds for their investments and their working capital through bank loans 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 Group and the Company will bear additional borrowing costs.

The interest rate risk is mitigated, when deemed necessary, either by obtaining loans at fixed interest rates or by using financial instruments.

Capital management

The Group's and the Company’s policy is to maintain a robust capital base, in order to keep the Group and the Company trustworthy among investors, creditors and market players, and enable the future development of their operations. The Board of Directors monitors capital performance, which is defined 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 healthy capital base.

The Company does not have a specific treasury stock purchasing plan.

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

Macroeconomic environment

The Group and the Company 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 in order 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.

Group companies responded promptly to this challenge both in 2020 and 2021, setting as priority the health and safety of their 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. The Company and the Group made expenses totalling EUR 113k (2020: EUR 808k) and EUR 297k, respectively. (2020: EUR 1,215k) in order to take measures and purchase additional personal protective equipment in accordance with the experts’ recommendations.

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. Group companies dealt effectively with any disruptions in the supply chain as they have available multiple alternative sources of raw materials.

Overall, the Company’s and the Group's profitability was not affected considerably by the pandemic as they rely primarily on the execution of energy projects the progress of which was not disrupted while product demand suffered no disruption either. It is worth noting that the Group and the Company make sales to companies with long-standing commercial bonds, which are very active in local markets and do not face any particular 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.

5. Research and Development

Innovation is an ongoing strategic goal of the Group and the Company with the aim of providing customers with modern and reliable technical solutions. The establishment of a stronger research and development (‘R&D’) function is part of the strategic growth planning of the Group and the Company aiming at technological innovation and competitiveness in the cables segment. A team of highly skilled engineers having considerable professional experience in cable design and in new materials development, supported by advanced software tools and modern testing laboratories and facilities is dedicated to the vision and mission of the Group and the Company to ensure that the criteria and specifications of end users are met.

The R&D department supports the Group's and the Company’s business plan by carrying out the following daily operations:

- Development of new products tailored to customer requirements;
- New technologies research and development;
- Product compliance with new regulations and international standards;
- Research and development of new materials using extensive proportions of recyclable materials;
- Redesign and optimisation of products in order to improve their competitiveness;
- Technical support to the commercial department;
- Technical support to manufacturing process that aims to improve productivity and quality;
- Technical & economic management of research and development projects of the Group and the Company;
- Technical support to customers;
- Submission of proposals to funded national and European programmes.

Of the aforementioned actions, the following major achievements and actions currently under way are summed up:

New product development

During 2021, the research and development department designed new products for commercial projects awarded to the Group and products included in frame agreements with network operators. A major achievement consisted in the acceptance of product designs for important cable projects (such as those listed in the section “Important ongoing contracts & new project awards” hereof) and the respective projects were awarded to the Company and its subsidiary.

Meanwhile, the implementation and execution of the strategic development plan for high and extra-high voltage cables and their accessories such as factory-made flexible connectors, terminals etc. is in progress. The qualification plan has been launched while the development of dynamic cables is also advancing.

Finally, the technical-economic management of all research and development projects within the Group is successfully pursued with considerable benefits. Such management involves control of project technical execution, settlement of technical problems, risk assessment, produced samples management (logistics) and systematic expenditure monitoring.

Product redesign

The R&D department dedicated to plastic compounds (critical raw materials required for cable manufacturing) accelerated its efforts towards a “greener” economy by increasing the usage ratio of recycled materials. As several compounds were invented in house, the technological know-how of the Group and the Company increased considerably, making our products competitive in cost and quality.

Moreover, as part of operational excellence, projects for the development and redesign of specific cables were launched with the ultimate goal of enhancing competitiveness (Redesign to Cost).

The total R&D expenses for 2021 amounted to EYR 9.9 million and EUR 3.5 million for the Group and the Company, respectively (2020: EUR 7.9 million and EUR 2.0 million, respectively), of which the amount of EUR 3.2 million and EUR 1.4 million, respectively (2020: EUR 2.7 million and EUR 1.3 million, respectively) was earmarked for research activities.

6. Significant transactions with related parties

The transactions of Hellenic Cables Group and Company are set out in the following tables:

Transactions of Hellenic Cables Company with subsidiaries:

Companies	Sales of goods, services & other income	Purchases of goods, services & other expenses	Receivables	Liabilities
LESCO EOOD	191	1,632,769	-	1,397,095
FULGOR	85,089,739	246,197,151	-	29,809,849
HELLENIC CABLES TRADING	-	43,071	-	43,071
Subsidiaries' Total	**85,089,930**	**247,872,991**	**-**	**31,250,015**

- FULGOR purchases from Hellenic Cables raw materials and semi-finished products for cable production and sells finished products (mainly submarine cables for energy projects) as well as copper and aluminium wires as raw material for cable production.
- LESCO EOOD sells wooden packaging materials to Hellenic Cables.
- HELLENIC CABLES TRADING provides services to Hellenic Cables for projects carried out in the USA and for penetration services in this market.

Transactions of Hellenic Cables Company with Subsidiaries and Associates of Viohalco Group:

Companies	Sales of goods, services & other income	Purchases of goods, services & other expenses	Receivables	Liabilities
STEELMET S.A.	-	5,150,377	-	626,040
ICME ECAB	58,298,256	26,728,156	3,422,315	7,814,242
ELVALHALCOR	5,623,107	1,000,431	33,165	283,153
SOFIA MED	-	624,703	-	278,492
METAL AGENCIES	17,261,090	151,257	3,597,043	54,111
ERLIKON	6,497	464,237	4,405	55,020
INTERNATIONAL TRADE	87,080,656	-	6,859,622	-
METALIGN	4,148	272,243	-	15,478
TEKA SYSTEMS	434	874,454	48,508	159,386
VIENER	-	1,052,494	27,880	153,837
NOVAL	350	699,770	76,266	8,039
CABLEL WIRES	58,333	616,627	-	88,289
OTHER	550,083	1,885,866	577,955	523,755
TOTAL	**168,882,955**	**39,520,615**	**14,647,158**	**10,059,840**

Transactions of Hellenic Cables Group with Subsidiaries and Associates of Viohalco Group:

Companies	Sales of goods, services & other income	Purchases of goods, services & other expenses	Receivables	Liabilities
STEELMET S.A.	-	5,150,377	-	626,040
ICME ECAB	164,389,695	44,484,776	47,749,964	18,739,197
CPW AMERICA Co	-	1,473,756	-	1,344,915
ELVALHALCOR	26,891,083	933,609	144,864	368,775
SOFIA MED	313,033	931,154	27,005	278,492
METAL AGENCIES	17,261,090	151,257	3,597,043	54,111
VIEXAL S.A.	-	710,706	4,468	47,381
ANAMET S.A.	-	121,830	546,037	14,175
CORINTH PIPEWORKS	181,812	145,183	727,501	36,479
ETIL SA	3346	2,294,892	115	167,726
ERLIKON	6,497	8,841,845	4,405	2,624,067
INTERNATIONAL TRADE	87,080,656	-	6,859,622	-
METALIGN	4,148	430,249	-	21,499
TEKA SYSTEMS	434	1,195,195	86,973	230,754
VIENER	-	6,395,020	114,986	497,609
NOVAL	350	700,069	76,266	8,106
CABLEL WIRES	44,744,755	2,070,081	2,165,922	88,289
OTHERS	2,615,021	2,213,037	461,238	891,031
TOTAL	**343,491,920**	**78,243,035**	**62,566,408**	**26,038,643**

- STEELMET provides Hellenic Cables with administration and organisation services.
- ICME ECAB purchases from Hellenic Cables plastic/rubber compounds for its production process as well as finished cables while also purchasing from Fulgor wires as raw material for cable manufacturing. ICME ECAB also sells to Hellenic Cables and Fulgor semi-finished and finished products for distribution in the domestic market.
- CPW AMERICA Co provides services to Hellenic Cables Group and mainly to Hellenic Cables Trading for services rendered in the USA.
- ELVALHALCOR purchases from Hellenic Cables Group copper scrap from the returns generated from the production process and PVC which ELVALHALCOR uses for insulated pipes. In addition, ELVALHALCOR purchases from Hellenic Cables Group copper scrap from the returns generated from the production process and sells to FULGOR natural gas. Hellenic Cables Group purchases from ELVALHALCOR quantities of cathodes and aluminium for cable production.
- SOFIA MED primarily sells copper products while purchasing raw materials and copper semi-finished products.
- METAL AGENCIES LTD acts as merchant - distributor of Hellenic Cables Group in Great Britain.
- VIEXAL provides Hellenic Cables Group with travel and transportation services.
- ANAMET purchases scrap from Hellenic Cables Group and sells copper and aluminium scrap to FULGOR.
- CORINTH PIPEWORKS primarily purchases energy cables for own use.
- ETIL provides construction services to Hellenic Cables Group and mainly to FULGOR for its investments in Corinth.
- ERLIKON sells steel wires to Hellenic Cables for cable manufacturing.

- INTERNATIONAL TRADE markets Group products mainly in Central European countries.
- METALIGN provides Hellenic Cables and Fulgor with accounting services.
- TEKA SYSTEMS undertakes to carry out certain industrial constructions on behalf of the Company and the Group and provides consulting services in IT issues and SAP support and upgrade.
- NOVAL leases buildings and warehouses to ELVALHALCOR.
- CABLEL WIRES purchases copper and aluminium wires as raw material for the production of enamelled wires from Hellenic Cables Group and sells semi-finished products for downstream processing to Hellenic Cables.

7. Share capital of Company's subsidiaries

Corporate name	Currency	31.12.2021 Number of Shares	Nominal value of share	Share capital
Subsidiaries:				
FULGOR	Euro	3,868,647	2.94	11,373,822.18
LESCO OOD	Euro	5,850	51.13	299,110.34
HELLENIC CABLES TRADING	USD	100	3,000.00	300,000.00

8. Company's Branches

The Company keeps:

1. a branch in Tavros, 252 Peiraios street, where it houses its commercial departments;
2. a branch at Kalochori, Thessalonica, for the sale of its products in northern Greece;
3. a branch at Oinofyta, Viotia (59th km of Athens - Lamia National Highway) where the plant of plastic and rubber compounds is located;
4. a branch at Thiva, Viotia (69th km of Athens-Thiva Old National Highway) where the cable production plant is located;
5. a branch at Marousi (33, Amarousiou - Halandriou Avenue) where the Company's principal establishment is located;
6. a branch at Marousi (89, Karamanli St.) which accommodates the office for the manufacture of other electronic and electric wires and cables;
7. a branch at Marousi (80, Amarousiou Halandriou Avenue) which accommodates the office for the manufacture of other electronic and electric wires and cables;
8. a branch (tax representative) in Cyprus (junction of Chrysorogiatissis & 8 Kolokotroni St., Limassol) to meet the needs of the technical projects undertaken by the Company in Cyprus;
9. a branch (tax representative) in the Netherlands to meet the needs of the technical projects undertaken by the Company in the Netherlands;
10. a branch (tax representative) in Belgium to meet the needs of the technical projects undertaken by the Company in Belgium.
11. a branch (tax representative) in England to meet the needs of the technical projects undertaken by the Company in the Netherlands;

9. Subsequent events

The Ukraine conflict which began in February 2022 is expected to cause major turbulence to the global economy throughout 2022. Although it is very early to fully assess the impact of the turmoil in eastern Europe, the Company's and the Group's total exposure to Ukraine and Russia is limited and, therefore, no direct material impact is expected. Sales to these markets represent an insignificant portion of total turnover and any loss in revenue will be fully offset by demand in other markets. More specifically, sales to the Russian market for the year ended in 2021 account for 3.1% of Group's total revenue and 4.7% of Company's total revenue. Moreover, as regards the mitigation of any likely disruptions in the supply chain, Group companies have already initiated actions to shift the supply of raw materials currently sourced from Russia to alternative markets. As for financing, the companies have no exposure to Russian banks. Finally, it should be noted that Group companies have taken mitigating actions to reduce the business impact while closely monitoring the situation.

Other than the above, there are no significant events in 2022 that could affect the Group's and the Company's financial position.

10. Conclusions

Dear Shareholders, we presented an overview of the financial performance for 2021, the risks and the related risk management procedures in place along with the prospects and outlook of the Group and the Company for 2022.

In conclusion, we would like first to express our gratitude for the trust that you have shown in the Company, and we request you to approve the Group's and the Company's Financial Statements, as well as the present Report, for the fiscal year that ended on 31 December 2021.

Athens, 12 May 2022

The Chairman of the Board of Directors	**Chief Executive Officer**
Ioannis Batsolas	**Alexios Alexiou**

B. Annual Stand-Alone and Consolidated Financial Statements

HELLENIC CABLES

Member of CENERGY HOLDINGS

ANNUAL FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

Athens Tower, Building B, 2-4 Mesogheion Avenue
Athens, GR-115 27

www.hellenic-cables.com

General Commercial Registry No. 117706401000

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Statements of Profit or Loss and Other Comprehensive Income

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2021**	**2020***	**2021**	**2020***
Revenue	**6**	792,764,296	557,163,891	524,530,367	372,054,870
Cost of Sales	**9**	(709,050,521)	(483,029,706)	(493,910,050)	(347,647,913)
Gross Profit		**83,713,775**	**74,134,185**	**30,620,317**	**24,406,956**
Other income	**7**	3,822,315	2,670,388	8,293,731	8,479,756
Selling and distribution expenses	**9**	(7,595,874)	(6,663,956)	(3,512,263)	(3,333,422)
Administrative expenses	**9**	(14,287,818)	(12,973,836)	(6,553,268)	(5,687,561)
Reversal of impairment / (Impairment Loss) on receivables and contract assets	**30.1**	(24,589)	68,534	(17,164)	239,495
Other expenses	**8**	(3,589,929)	(3,230,685)	(7,875,166)	(8,878,190)
Operating profit		**62,037,879**	**54,004,631**	**20,956,187**	**15,227,033**
Finance income	**11**	200,934	205,656	133,581	203,505
Finance costs	**12**	(20,017,212)	(19,202,236)	(10,161,047)	(10,196,740)
Dividends		-	-	5,029,241	-
Profit before tax		**42,221,601**	**35,008,051**	**15,957,962**	**5,233,799**
Income tax Expense	**20**	(7,770,434)	(8,846,698)	(2,799,275)	(1,570,350)
Profit after taxes		**34,451,167**	**26,161,353**	**13,158,687**	**3,663,449**
Other comprehensive income					
Items that will never be reclassified to profit or loss:					
Remeasurements of defined benefit liability	**27**	(226,855)	(79,472)	(101,646)	(36,809)
Related tax		31,504	21,718	13,316	8,834
		(195,351)	**(57,754)**	**(88,330)**	**(27,975)**
Items that are or may be reclassified to profit or loss:					
Foreign exchange differences		17,498	(25,083)	-	-
Cash flow hedges – effective portion of changes in fair value		(1,184,106)	(2,157,968)	(635,325)	(1,251,427)
Cash flow hedges – reclassified to profit or loss		2,157,968	1,255,605	1,251,427	781,010
Related tax		(257,409)	216,567	(160,571)	112,900
		733,951	**(710,879)**	**455,531**	**(357,517)**
Other comprehensive income after tax		**538,600**	**(768,633)**	**367,201**	**(385,492)**
Total comprehensive income after tax		**34,989,767**	**25,392,720**	**13,525,888**	**3,277,958**

**The comparative information is restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.19.*

The notes on pages 52 to 130 are an integral part of these Financial Statements.

Statements of Financial Position

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2021**	**2020***	**2021**	**2020***
ASSETS					
Property, plant & equipment	**14**	265,264,850	248,490,233	57,971,901	57,177,947
Right-of-use assets	**15**	1,150,020	1,483,057	677,315	937,380
Intangible assets and goodwill	**16**	84,779,360	83,264,242	9,631,618	9,656,817
Investment property	**17**	796,012	796,012	194,611	194,611
Investment in subsidiaries	**18**	-	-	91,199,095	91,199,095
Other investments	**19**	3,000	221,136	3,000	221,136
Deferred tax assets	**20**	44,766	1,117,112	-	1,110,599
Contract costs		221,676	221,676	60,429	60,429
Other receivables	**22**	611,634	520,962	207,957	213,709
Non-current assets		**352,871,319**	**336,114,432**	**159,945,926**	**160,771,722**
Inventories	**21**	151,565,155	107,574,181	75,484,497	53,108,641
Trade and other receivables	**22**	125,135,113	92,086,422	46,036,522	54,800,469
Contract assets	**13**	67,655,772	55,047,824	39,044,733	24,348,963
Contract costs		167,410	323,660	61,805	112,439
Derivatives	**30.5**	-	257,563	-	257,563
Income tax receivables		1,561,690	-	235,307	-
Cash and cash equivalents	**23**	86,537,391	57,685,724	32,462,736	22,838,041
Total current assets		**432,622,531**	**312,975,374**	**193,325,600**	**155,466,117**
Total assets		**785,493,850**	**649,089,806**	**353,271,526**	**316,237,839**
EQUITY & LIABILITIES					
EQUITY					
Share capital	**24**	65,704,215	65,704,215	65,704,215	65,704,215
Reserves	**25**	33,928,046	31,427,365	32,470,029	32,014,498
Retained earnings		56,522,687	24,033,601	2,843,481	(10,226,876)
Total equity		**156,154,948**	**121,165,181**	**101,017,726**	**87,491,837**
LIABILITIES					
Loans and borrowings	**26**	129,932,244	127,527,331	37,287,087	53,297,171
Lease liabilities	**15**	727,583	976,200	434,588	601,111
Employee benefits	**27**	2,053,406	1,672,326	1,005,354	795,575
Grants	**28**	15,654,506	16,232,348	3,157,159	3,388,734
Deferred tax liabilities	**20**	17,822,621	13,849,104	735,203	-
Contract liabilities	**13**	9,889,011	9,889,011	9,889,011	9,889,011
Other long-term liabilities	**29**	-	216,935	-	-
Total non-current liabilities		**176,079,373**	**170,363,255**	**52,508,402**	**67,971,602**
Loans and borrowings	**26**	123,507,289	142,546,965	56,871,333	72,203,645
Lease liabilities	**15**	461,976	573,675	267,627	361,380
Trade and other payables	**29**	303,853,266	187,723,417	131,323,162	69,638,333
Contract liabilities	**13**	21,159,609	22,376,045	9,414,991	15,288,246
Income tax liability		2,837,540	2,040,365	989,314	2,031,368
Derivatives	**30.5**	1,439,849	2,300,902	878,971	1,251,427
Current liabilities		**453,259,529**	**357,561,370**	**199,745,399**	**160,774,400**
Total liabilities		**629,338,902**	**527,924,625**	**252,253,801**	**228,746,002**
Total equity and liabilities		**785,493,850**	**649,089,806**	**353,271,526**	**316,237,839**

**The comparative information is restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.19.*

The notes on pages 52 to 130 are an integral part of these Financial Statements.

Statements of changes in Equity

GROUP:

Amounts in Euro	Share Capital and Share Premium	Fair value reserves	Other reserves	Retained earnings	Total equity
Balance on 01 January 2020*	**65,704,215**	**(825,520)**	**32,963,764**	**(3,380,875)**	**94,461,584**
Change in accounting policy	-	-	-	1,310,876	**1,310,876**
Restated balance on 01 January 2020	**65,704,215**	**(825,520)**	**32,963,764**	**(2,069,999)**	**95,772,460**
Profit for the period	-	-	-	26,161,353	**26,161,353**
Other comprehensive income	-	(685,796)	(25,083)	(57,754)	**(768,633)**
Total comprehensive income	**-**	**(685,796)**	**(25,083)**	**26,103,599**	**25,392,720**
Balance on 31 December 2020	**65,704,215**	**(1,511,315)**	**32,938,680**	**24,033,601**	**121,165,181**
Balance on 01 January 2021	**65,704,215**	**(1,511,315)**	**32,938,680**	**24,033,601**	**121,165,181**
Profit for the period	-	-	-	34,451,167	**34,451,167**
Other comprehensive income	-	716,453	17,498	(195,351)	**538,600**
Total comprehensive income	**-**	**716,453**	**17,498**	**34,255,816**	**34,989,767**
Transactions with owners of the company directly posted through equity					
Transfer of reserves	-	-	1,766,729	(1,766,729)	-
Total transactions with owners of the company	**-**	**-**	**1,766,729**	**(1,766,729)**	**-**
Balance on 31 December 2021	**65,704,215**	**(794,862)**	**34,722,908**	**56,522,687**	**156,154,948**

**The comparative information is restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.19.*

The notes on pages 52 to 130 are an integral part of these Financial Statements.

COMPANY:

Amounts in Euro	**Share Capital and Share Premium**	**Fair value reserves**	**Other reserves**	**Retained earnings**	**Total equity**
Balance on 1 January 2020	**65,704,215**	**(593,568)**	**32,965,583**	**(14,501,295)**	**83,574,934**
Change in accounting policy	-	-	-	638,947	**638,947**
Restated balance on 1 January 2020	**65,704,215**	**(593,568)**	**32,965,583**	**(13,862,349)**	**84,213,880**
Profit for the period	-	-	-	3,663,449	**3,663,449**
Other comprehensive income	-	(357,517)	-	(27,975)	**(385,492)**
Total comprehensive income	**-**	**(357,517)**	**-**	**3,635,474**	**3,277,957**
Balance on 31 December 2020	**65,704,215**	**(951,085)**	**32,965,583**	**(10,226,876)**	**87,491,837**
Balance on 1 January 2021	**65,704,215**	**(951,085)**	**32,965,583**	**(10,226,876)**	**87,491,837**
Profit for the period	-	-	-	13,158,687	**13,158,687**
Other comprehensive income	-	455,531	-	(88,330)	**367,201**
Total comprehensive income	**-**	**455,531**	**-**	**13,070,357**	**13,525,888**
Balance on 31 December 2021	**65,704,215**	**(495,553)**	**32,965,583**	**2,843,481**	**101,017,726**

**The comparative information is restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.19.*

The notes on pages 52 to 130 are an integral part of these Financial Statements.

Statements of Cash Flows

Amounts in Euro	Note	GROUP 2021	GROUP 2020*	COMPANY 2021	COMPANY 2020*
Cash flows from operating activities:					
Profit before tax:		42,221,601	35,008,051	15,957,962	5,233,799
Plus / less adjustments for:					
Depreciation of tangible, right-of-use and intangible assets.	**9**	14,562,120	13,060,552	5,901,369	5,709,844
Grants amortisation	**28**	(620,164)	(858,140)	(231,575)	(234,403)
Unrealised (Gain)/Loss from valuation of derivatives		370,373	(300,578)	501,210	(443,512)
Interest income	**11**	(200,934)	(205,656)	(133,581)	(203,505)
Dividends		-	-	(5,029,241)	-
Interest charges and related expenses	**12**	20,017,212	19,202,236	10,161,047	10,196,740
(Gain)/Loss from sale of property, plant & equipment	**7**	(7,824)	(12,033)	(4,800)	(12,033)
Loss from write-off of tangible fixed assets	**8**	14,268	93,551	14,268	93,551
(Gain)/ Loss from sale of subsidiary	**8**	7,025	-	7,025	-
(Gain)/Loss from foreign exchange differences		-	146,062	-	52,655
Impairment / (Reversal of impairment) on receivables and contract assets	**30.1**	24,589	(68,534)	17,164	(239,495)
		76,388,265	**66,065,510**	**27,160,847**	**20,153,640**
Changes in:					
- Inventories		(43,990,974)	19,762,829)	(22,375,855)	(2,885,472)
- Trade and other receivables		(33,338,545)	(1,193,162)	8,517,227	(6,893,611)
- Contract assets		(12,607,948)	310,158	(14,695,770)	25,294,687
- Trade and other payables		115,949,062	49,583,208	59,955,564	219,095
- Contract liabilities		(1,216,437)	16,748,117)	(5,873,255)	4,261,772
- Contract costs		156,249	(322,485)	50,635	(82,098)
- Employee benefits		154,225	127,867	108,133	42,627
Cash flows from operating activities		**25,105,632**	***11,994,641***	***25,686,677***	***19,956,999***
Interest expense and related costs paid		(18,295,836)	(17,623,442)	(10,176,860)	(9,863,157)
Taxes paid		(3,713,469)	(419,166)	(832,762)	(214,340)
Total inflows from operating activities		**79,484,593**	**60,017,544**	**41,837,902**	**30,033,141**
Cash flows from investing activities:					
Acquisition of property, plant & equipment		(30,655,850)	48,502,739)	(4,911,151)	(4,439,817)
Acquisition of intangible assets	**16**	(1,712,523)	(1,710,047)	(995,756)	(809,941)
Proceeds from disposal of property, plant & equipment		30,322	967,194	6,239	846,665
Proceeds from investments sold		212,764	24,441	212,764	24,441
Dividend received		-	-	5,029,241	-
Interest received		200,934	5,768	133,581	203,505
Acquisition of financial assets		-	(25,941)	-	(25,941)
Net Cash flows used in investing activities		**(31,924,353)**	**49,241,324)**	**(525,083)**	**4,201,088)**
Cash flows from financing activities:					
Proceeds from new borrowings	**26**	55,669,686	22,343,479	20,000,000	543,479
Repayment of borrowings	**26**	(73,865,630)	(42,199,694)	(51,326,582)	(30,621,867)
Principal elements of lease payments	**26**	(582,603)	(652,766)	(361,542)	(436,886)
Grants received	**28**	42,323	71,949	-	-
Net Cash flows from financing activities		**(18,736,225)**	**20,437,032)**	**(31,688,124)**	**(30,515,274)**
Net (decrease) / increase in cash and cash equivalents		**28,824,016**	**(9,660,812)**	**9,624,695**	**(4,683,222)**
Cash and cash equivalents on 1 January		57,685,724	67,369,104	22,838,041	27,521,263
Effect of movement in exchange rates on cash held		27,651	(22,569)	-	-
Cash and cash equivalents on 31 December	**23**	**86,537,391**	**57,685,724**	**32,462,736**	**22,838,041**

**The comparative information is restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.19*

The notes on pages 52 to 130 are an integral part of these Financial Statements.

Notes to the Stand-Alone & Consolidated Financial Statements

1. Information on the Company and the Group

HELLENIC CABLES S.A., HELLENIC CABLE INDUSTRY SINGLE MEMBER S.A. (hereinafter "Hellenic Cables" or "Company") has its registered office in Greece, Athens Tower, Building B, Athens.

These Financial Statements (the "Financial Statements) of the year ended on 31 December 2021 include the separate and consolidated Financial Statements of Hellenic Cables. The names of subsidiaries and affiliated companies are presented in Note 18 to the Financial Statements.

The Company and its subsidiaries (hereinafter the “Group”) mainly operate in Greece and Bulgaria by producing and distributing all types and forms of cables (energy, telecommunications, submarine, etc.). Hellenic Cables is a subsidiary (100%) of the Belgian holding company "Cenergy Holdings" which is listed on Euronext Brussels and the Athens Stock Exchange. The ultimate parent company “VIOHALCO SA/NV” is also listed on Euronext Brussels and the Athens Stock Exchange.

2. Presentation basis of financial statements

2.1 Statement of Compliance

The Financial Statements of the Group and the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) may vary from those adopted by the European Union.

The Financial Statements as of 31 December 2021 were approved by the Company’s Board of Directors on 12 May 2022 and are subject to approval by the General Meeting of shareholders. The Financial Statements have been uploaded on the website at www.hellenic-cables.com. The Company’s General Electronic Commercial Registry No. is 117706401000.

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 on the going concern basis.

As of 31 December 2021, the Group's current liabilities exceeded total current assets by EUR 20.6 million (31 December 2020: EUR 44.6 million).

However, the Group's financing in the near future is considered secure through the Group's operating profitability, the solid order backlog and the use of available credit lines from financial institutions. In the past, Hellenic Cables Group has never experienced any issues in financing its activities, renewing its working capital facilities or refinancing its long-term loans and borrowings.

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 in this Annual Financial Report.

2.4 Use of estimates and assumptions

Preparing financial statements in line with IFRS requires estimate-making 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 estimates made by Management when applying the accounting policies and expected to affect mostly the Financial Statements of the Group and the Company are as follows:

- the useful life and residual value of depreciable tangible and intangible assets;
- the recoverable value of holdings in subsidiaries, associates and other companies;
- provisions for employee benefits;
- the amount of provisions for doubtful debts;
- 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;
- the recoverability of the deferred tax asset;
- the assessment of goodwill impairment (note 16).

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

(a) Income tax expense (note 20)

During the Group's and the Company's normal business flow 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 the provisions for deferred tax at the period in which tax differences were assessed, mainly in relation to the recovery of the tax asset.

(b) Inventories (Note 21)

The Group and the Company make estimates about the calculation of the realisable value.

(c) Impairment of non-financial assets

The Group and the Company make estimates about any impairment of the assets that are not measured at fair value (Investments in subsidiaries; Property, plant and equipment; Intangible assets; Goodwill; Investment property). Especially as regards goodwill (note 16), the Group evaluates their recoverability based on the value in use of the cash generating unit under which such goodwill falls. 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) Provisions for doubtful debts (note 30.1)

Provisions for doubtful debts are presented based on estimates about the amounts that are likely to be recovered under the expected credit 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 Group or the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

(e) Measurement of liabilities for employee benefits (Note 27);

This liability is based on key actuarial assumptions.

(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 Group 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 Group's and 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 Group and the Company recognise 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 30.

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

(h) Estimates about the recoverability of deferred tax assets (Note 20).

(i) Estimates about the recognition of revenue (Note 6).

3. New standards, interpretations and amendment of existing standards

The accounting principles used in the preparation and presentation of these Financial Statements are consistent with those used in the preparation of the Company's Financial Statements for the year ended on 31 December 2020, with the exception of the implementation of the new standards and interpretations set out below which must be applied to the annual financial statements beginning on or after 01 January 2021.
In May 2021, the Group implemented the International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision: IAS 19 "Attributing Benefit to Periods of Service" and presents the nature and effect of this change below (note 4.19).
The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by all companies of the Group.

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.

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.

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.

4. Significant accounting principles

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

4.1 Basis of consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to the Group. The Group exercises control over an entity when the Group is exposed to, or has rights to, variable returns from its holding in the entity and is able to affect such returns through the influence exercised over the entity.
Goodwill arises from the acquisition of subsidiaries and constitutes the excess amount between the sum of the consideration for acquisition, the amount of the non-controlling interest in the acquired company and the fair value of any previous holding in the acquired company on the acquisition date and the fair value of the identifiable net assets of the subsidiary that was acquired. If the sum of the total consideration for acquisition, the non-controlling interest recognised and the fair value of the previous holding in the acquired company is less than the fair value of the equity of the subsidiary acquired in case of an advantageous purchase, the difference is directly recognised to equity.
Any expenses directly linked with acquisition are directly posted through profit or loss. Any eventual acquisition consideration is recognised at its fair value on the acquisition date.

(b) Accounting of transactions with non-controlling interests

Any transactions with the holders of non-controlling interests that do not result in loss of control are accounted for as transactions between shareholders, given that only the participating shares of shareholders change and, therefore, no goodwill is recognised in such transactions. If the sum of the total consideration for acquisition, the non-controlling interest recognised and the fair value of the previous holding in the acquired company is less than the fair value of the equity of the subsidiary acquired in case of an advantageous purchase, the difference is directly recognised to equity.

(c) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated (total consolidation) from the date when control over them is acquired and are no longer consolidated from the date when such control no longer exists.
In its separate Financial Statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

(d) Loss of control

When control over a subsidiary is lost, the Group derecognises the assets and liabilities of the subsidiary and any related non-controlling interests. Any resulting gain or loss is recognised in profit or loss. In case the Group retains an interest in the former subsidiary, it is measured at fair value when control is lost. Subsequently, it is presented using the equity method as an associate company or as a financial asset pro rata with the interest therein.

(e) Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Business Combination under common control

Business Combination under common control do not fall under the scope of IFRS 3 "Business combinations" and IFRSs do not provide any guidance about such transactions. Under paragraphs 10-12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Group selects to apply the acquisition method stipulated in IFRS 3 for such transactions, as described above.

(g) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (j) below), after initially being recognised at cost.

(h) Joint arrangements

Under IFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Financial Statements under the appropriate headings.

Joint Ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(i) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income, until the date on which significant influence or joint control ceases. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group has no interests in equity-accounted investees (associates and joint ventures).

4.2 Foreign currency

(a) Transactions and balances

Transactions in foreign currencies are translated into the Group's and the Company's functional currency at the exchange rates at the date of each transaction. Foreign currency gains and losses which arise from the settlement of such transactions and from conversion of monetary asset and liability items denominated in a foreign currency at the exchange rates applicable on the balance sheet date are recognised through the statement of profit or loss based on the nature of the related item.

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 measured at fair value through other comprehensive income (FVOCI).
- 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.

(b) Foreign operations

The conversion of the financial statements of companies in the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency takes place as follows:

- The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro at the official exchange rates on the balance sheet date.
- The income and expenses of foreign operations are translated into Euro using the average exchange rate during the period, and
- Foreign currency differences are recognised in OCI under the line "Foreign currency differences" and transferred to results when these companies are sold.

4.3 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 for another entity.

The accounting policy applying to derivative financial instruments is described separately in note 4.4.

(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.

Save trade receivables, the Group and the Company initially measure 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 Group and 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 (with the exception of 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 Group and 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 Group and the Company do 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 Group or the Company).

(b) Impairment of financial assets

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

The Group and the Company recognise 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 Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by the Group and 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 Group and the Company are 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 Group in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group and the Company assess 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 Group or the Company on terms that they would not be considered otherwise;
- indications that a debtor will enter bankruptcy;
- adverse changes in the payment 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 Group or 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 Group or the Company has transferred the right to receive the cash flows from that asset while (a) it has transferred substantially all of the risks and rewards of ownership of the financial asset or (b) has not transferred substantially all of the risks and rewards but has transferred control of that asset.

When the Group or 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 Group or the Company neither transfers nor retains substantially all of 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 Group and the Company also recognise an associated liability. The transferred asset and associated liability are measured at a basis reflecting the rights and commitments retained by the Group or 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 Group or 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 Group or 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.

4.4 Derivatives and hedge accounting

The Group has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and will continue to apply IAS 39.

The Group and the Company hold 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 Group and 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 Group and the Company record 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.

4.5 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.

4.6 Property, plant and 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 investment expenditures

Any subsequent expenditures are recorded as increase of tangible assets or are recognised as a separate fixed asset, only if it is deemed probable that future economic benefits will accrue to the Group and 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 useful 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.

4.7 Intangible assets

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

(a) 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.

(b) 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.

4.8 Investment property

Investment property concerns plots and buildings that are not used by the Group or 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.

4.9 Inventory

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.

4.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever certain events or changes in circumstances indicate that their book value may not be recoverable, except of goodwill and intangible assets with an indefinite useful life for which an impairment test is performed at least on an annual basis. Assets with 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 Statement of Profit and Loss.

The impairment loss (expect goodwill) 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.

Goodwill is not depreciated but is subject to an impairment test on an annual basis or more frequently if certain events or changes in circumstances indicate that its book value has been impaired. On the acquisition date (or on the completion date of the relevant allocation of the acquisition price), the goodwill acquired is allocated to the cash generating units, or to groups of cash generating units (CGU) that are expected to benefit from this combination. Impairment is specified by assessing the recoverable amount of the cash generating units which are related to goodwill.

If the book value of a cash generating unit (CGU), including the proportionate goodwill, exceeds its recoverable amount, then impairment loss is recognised. Impairment loss is recognised through profit or loss and is not reversed.

4.11 Employee benefits

(a) Short-term employee benefits

Short-term benefits to staff in cash and in kind are posted as expenses 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 Group 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 prior to each employee's retirement.

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 Group and the Company recognise 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 Group and the Company post these benefits when they undertake 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.

4.12 Provisions

A provision is recognised when the Group or 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 Group or 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.

4.13 Revenue

The Group and the Company recognise revenue from the following major sources:

- Sale of products
- Energy projects which concern high-tech customised underground and 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 Group and the Company recognise revenue when they transfer 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 Group and the Company use 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.

(a) Sales of products

The Group and the Company sell power cables, telecom cables, enamelled cables & 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.

(b) Energy projects

The Group and the Company produce and sell customised products to customers for energy projects.

In addition, the Group and the Company produce and sell "turnkey" cable systems, i.e. supply and install 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 Group's or 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 estimated based on:

- 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.

- The quantity of manufactured and tested cables compared with the total quantity to be produced according to the contract. This method is used for customised land cables, since the production of such products is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.

For installation phases of cables sector's 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 result 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.

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

(c) Rendering of services

The Group and the Company recognise 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 Group and 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".

(d) Contract costs

The Group and the Company recognise 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.

(e) Rental income

Rental income is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(f) 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.

4.14 Grants

A subsidy 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 Group and the Company recognise government grants which meet the following criteria in aggregate: a) there is presumed certainty that the enterprise has complied or will comply with the terms of the subsidy; 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.

4.15 Leases

At inception of a contract, the Group and the Company assess 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.

(a) Lease accounting policy when the Company is a lessee

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

(b) Right-of-use assets

The Group and the Company recognise 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 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 Group or 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 Group and the Company have concluded mainly lease contracts involving means of transport used in their operations. Lease contracts may contain lease and non-lease components. The Group and the Company have 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 “4.10 Impairment of non-financial assets”.

(c) Lease liabilities

At the commencement date of the lease, the Group and the Company measure 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 Group or 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 Group and the Company use the interest rate implicit in the lease and when this cannot be readily determined, the incremental borrowing rate of the Company or the contracting subsidiary is used. This incremental borrowing rate is defined as the rate of interest that the Company or any subsidiary 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 Group and the Company use 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.

(d) 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 Group and the Company lease 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 intra-Group contracts for administration offices and warehouses are considered short-term and the Group and the Company recognise the associated lease payments as an expense on a straight-line basis over the lease term.

(e) Presentation in Financial Statements

Lease liabilities and right-of-use assets are presented separately in the Statement of Financial Position. The Group and the Company present 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.

4.16 Finance income / costs & Borrowing costs

(a) Finance income / costs

Net finance costs 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 income statement.

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.

(b) 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 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.

4.17 Income tax expense

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.

4.18 Non-current assets held for sale

The Group and the Company classify a long-term asset or a group of assets and liabilities as held for sale if their value is expected to be recovered mainly through sale of such assets rather than their use, and the sale is considered very probable. Shortly before the initial classification of the long-term asset or group of assets and liabilities as held for sale, the asset or all assets and liabilities included in the group are measured in accordance with applicable IFRSs. Long-term assets (or the groups of assets and liabilities) classified as held for sale are measured at the lower of the carrying amount and their fair value less direct costs to sell while the resultant impairment losses are posted through profit or loss. Any eventual increase in fair value at a subsequent measurement will be recognised in the profit or loss to the extent it is not in excess of the impairment loss that was initially recognised. As of the day on which a long-term asset (or the long-term assets included in a group of assets and liabilities) is classified as held for sale, no depreciation or impairment is accounted for in relation to the said long-term assets.

4.19 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	**For the Group**			**For the Company**		
Amounts in Euro	**Published Balances 31.12.2019**	**IAS 19 Restatement**	**Restated Balances 31.12.2019**	**Published Balances 31.12.2019**	**IAS 19 Restatement**	**Restated Balances 31.12.2019**
Deferred Tax Assets	518,967	(418,516)	100,450	515,279	(201,773)	313,506
Other Current & Non Current assets	600,786,615	-	600,786,615	336,087,005	-	336,087,005
Total assets	**601,305,582**	**(418,516)**	**600,887,066**	**336,602,284**	**(201,773)**	**336,400,511**
Retained earnings	(3,380,875)	1,310,876	(2,069,999)	(14,501,295)	638,947	(13,862,349)
Other Equity Items	97,842,459	-	97,842,459	98,076,230	-	98,076,230
Total equity	**94,461,584**	**1,310,876**	**95,772,460**	**83,574,934**	**638,947**	**84,213,880**
Employee benefits	3,194,379	(1,729,393)	1,464,986	1,556,859	(840,720)	716,139
Other long-term liabilities	156,003,366	-	156,003,366	74,984,917	-	74,984,917
Non-current liabilities	**159,197,745**	**(1,729,393)**	**157,468,352**	**76,541,776**	**(840,720)**	**75,701,055**
Current liabilities	**347,646,252**	**-**	**347,646,252**	**176,485,573**	**-**	**176,485,573**
Total liabilities	**506,843,998**	**(1,729,393)**	**505,114,605**	**253,027,349**	**(840,720)**	**252,186,630**
Total equity and liabilities	**601,305,582**	**(418,516)**	**600,887,066**	**336,602,284**	**(201,773)**	**336,400,511**

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

Balance on 31 December 2020	**For the Group**			**For the Company**		
Amounts in Euro	**Published Balances 31.12.2020**	**IAS 19 Restatement**	**Restated Balances 31.12.2020**	**Published Balances 31.12.2020**	**IAS 19 Restatement**	**Restated Balances 31.12.2020**
Deferred Tax Assets	1,350,368	(233,256)	1,117,112	1,343,855	(233,256)	1,110,599
Other Current & Non Current assets	647,972,693	-	647,972,693	315,127,240	-	315,127,240
Total assets	**649,323,062**	**(233,256)**	**649,089,806**	**316,471,095**	**(233,256)**	**316,237,839**
Retained earnings	22,407,028	1,626,572	24,033,601	(10,965,520)	738,644	(10,226,876)
Other Equity Items	97,131,580	-	97,131,580	97,718,713	-	97,718,713
Total equity	**119,538,609**	**1,626,572**	**121,165,181**	**86,753,193**	**738,644**	**87,491,837**
Employee benefits	3,812,553	(2,140,227)	1,672,326	1,767,475	(971,900)	795,575
Deferred tax liabilities	13,568,705	280,398	13,849,104	-	-	-
Other long-term liabilities	154,841,825	-	154,841,825	67,176,027	-	67,176,027
Non-current liabilities	**172,223,083**	**(1,859,828)**	**170,363,255**	**68,943,502**	**(971,900)**	**67,971,602**
Current liabilities	**357,561,370**	**-**	**357,561,370**	**160,774,400**	**-**	**160,774,400**
Total liabilities	**529,784,453**	**(1,859,828)**	**527,924,625**	**229,717,902**	**(971,900)**	**228,746,002**
Total equity and liabilities	**649,323,062**	**(233,256)**	**649,089,806**	**316,471,095**	**(233,256)**	**316,237,839**

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 01.01.2020 to 31.12.2020	**For the Group**			**For the Company**		
Amounts in Euro	**Published Balances 2020**	**IAS 19 Restatement**	**Restated Balances 2020**	**Published Balances 2020**	**IAS 19 Restatement**	**Restated Balances 2020**
Revenue	557,163,891	-	557,163,891	372,054,870	-	372,054,870
Cost of Sales	(483,029,706)	-	(483,029,706)	(347,647,913)	-	(347,647,913)
Gross Profit	**74,134,185**	**-**	**74,134,185**	**24,406,956**	**-**	**24,406,956**
Other income	2,670,388	-	2,670,388	8,479,756	-	8,479,756
Selling and distribution expenses	(6,663,956)	-	(6,663,956)	(3,333,422)	-	(3,333,422)
Administrative expenses	(12,973,836)	-	(12,973,836)	(5,687,561)	-	(5,687,561)
Reversal of / (Impairment loss) on receivables and contract assets	68,534	-	68,534	239,495	-	239,495
Other expenses	(3,395,351)	164,666	(3,230,685)	(8,898,356)	20,165	(8,878,190)
Operating profit	**53,839,965**	**164,666**	**54,004,631**	**15,206,868**	**20,165**	**15,227,033**
Finance income	205,656	-	205,656	203,505	-	203,505
Finance costs	(19,202,236)	-	(19,202,236)	(10,196,740)	-	(10,196,740)
Dividends	-	-	-	-	-	-
Profit/(Loss) before tax	**34,843,385**	**164,666**	**35,008,051**	**5,213,633**	**20,165**	**5,233,799**
Income tax	(8,807,178)	(39,520)	(8,846,698)	(1,565,510)	(4,840)	(1,570,350)
Profit/(Loss) after tax	**26,036,207**	**125,145**	**26,161,353**	**3,648,123**	**15,326**	**3,663,449**
Remeasurements of defined benefit liability	(325,640)	246,168	(79,472)	(147,824)	111,015	(36,809)
Related tax	77,336	(55,618)	21,718	35,478	(26,643)	8,834
Other Items after taxes	(710,879)	-	(710,879)	(357,517)	-	(357,517)
Other comprehensive income after tax	**(959,183)**	**190,550**	**(768,633)**	**(469,863)**	**84,371**	**(385,492)**
Total comprehensive income after tax	**25,077,025**	**315,695**	**25,392,720**	**3,178,261**	**99,697**	**3,277,958**

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

Balance on 31 December 2020	**For the Group**			**For the Company**		
	Published Balances 31.12.2020	**IAS 19 Restatement**	**Restated Balances 31.12.2020**	**Published Balances 31.12.2020**	**IAS 19 Restatement**	**Restated Balances 31.12.2020**
Cash Flows from Operating Activities						
Profit before tax:	34,843,385	164,666	35,008,051	5,213,633	20,165	5,233,799
Changes in:						
- Employee benefits	292,534	(164,666)	127,867	62,793	(20,165)	42,627
Other movements from Operating Activities	24,881,626	-	24,881,626	24,756,715	-	24,756,715
Total inflow/ (outflow) from operating activities	**60,017,544**	**-**	**60,017,544**	**30,033,141**	**-**	**30,033,141**
Total inflow / (outflow) from investing activities	**(49,241,324)**	**-**	**(49,241,324)**	**(4,201,088)**	**-**	**(4,201,088)**
Total inflow/ outflow from financing activities	**(20,437,032)**	**-**	**(20,437,032)**	**(30,515,274)**	**-**	**(30,515,274)**
Net (decrease) / increase in cash and cash equivalents	**(9,660,812)**	**-**	**(9,660,812)**	**(4,683,222)**	**-**	**(4,683,222)**
Cash and cash equivalents at 1 January	67,369,104	-	67,369,104	27,521,263	-	27,521,263
Effect of movement in exchange rates on cash held	(22,569)	-	(22,569)	-	-	-
Cash and cash equivalents at 31 December	**57,685,724**	**-**	**57,685,724**	**22,838,041**	**-**	**22,838,041**

5. Operating segments

A. Basis for the division into segments

Segment reporting is based on the structure of information to Group Management and internal reporting system. The Group is structured around separate business centres and business units.

The Group has 2 reportable operating segments, as described below, which are considered to be the Group's strategic segments. These segments produce different products that are managed separately by the Group because they require different technology and marketing strategies. For each one of the strategic segments, Company Management reviews internal reports on a monthly basis. The Group's operating segments are as follows:

- **Cables:** It includes land and submarine power and telephone cables, as well as copper and aluminium conduits. The raw materials used are classified into two categories: metal (copper, aluminium, lead, steel wires) and plastic-rubber compounds (XLPE, EPR, PVC, etc.).
- **Foundries:** These are furnaces used in the production of copper and aluminium rods which are used in the manufacturing of cables and enamelled wires or are sold to third parties.

B. Information about reportable segments

The information disclosed in the tables below is derived directly from the internal financial reporting system used by the Board of Directors (i.e. chief operating decision maker) to monitor and evaluate the performance of the operating segments separately. The following tables present the information about the reportable segments' profit or loss, assets and liabilities at 31 December 2021 and 2020, and for the years then ended.

2021		Reportable segments		
Amounts in Euro	**Note**	**Cables**	**Foundries**	**Total**
Segment revenue		794,664,282	318,461,059	1,113,125,341
Inter-segment revenue		(170,725,765)	(149,635,280)	(320,361,045)
External revenue	6	**623,938,517**	**168,825,778**	**792,764,296**
Gross profit		**81,783,042**	**1,930,733**	**83,713,775**
Operating profit		**60,531,982**	**1,505,896**	**62,037,879**
Profit / (Loss) before tax		**42,587,201**	**(365,600)**	**42,221,601**
Depreciation and amortisation		13,882,064	680,055	14,562,120
Total Assets		706,830,655	78,663,195	785,493,850
Total Liabilities		555,607,614	73,731,288	629,338,902
Capital expenditure		29,768,135	2,563,808	32,331,943

2020		**Reportable segments**		
Amounts in Euro	**Note**	**Cables**	**Foundries**	**Total**
Segment revenue		591,629,483	167,184,292	758,813,775
Inter-segment revenue		(118,052,717)	(83,597,167)	(201,649,884)
External revenue	6	**473,576,766**	**83,587,125**	**557,163,891**
Gross profit		**72,455,653**	**1,678,532**	**74,134,185**
Operating profit		**52,676,242**	**1,328,389**	**54,004,631**
Profit before tax		**34,841,011**	**167,040**	**35,008,051**
Depreciation and amortisation		12,641,354	419,197	13,060,552
Total Assets		610,801,692	38,288,114	649,089,806
Total Liabilities		494,877,237	33,047,387	527,924,625
Capital expenditure		44,339,580	1,751,471	46,091,051

C. Geographic information

Hellenic Cables Group's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Greece and Bulgaria.
The Group's revenue from external customers by country of domicile of customers is set out in note 6.C.

The geographic information below analyses the consolidated non-current assets by country of domicile of the Company and its subsidiaries. In presenting the geographic information, segment assets were based on the geographic location of the assets.

Property, plant & equipment

Amounts in Euro	**2021**	**2020**
Greece	265,081,923	248,236,065
Bulgaria	182,928	254,168
	265,264,850	**248,490,233**

Right-of-use assets

Amounts in Euro	**2021**	**2020**
Greece	1,127,742	1,483,057
Bulgaria	22,278	-
	1,150,020	**1,483,057**

Intangible assets and goodwill

Amounts in Euro	**2021**	**2020**
Greece	84,769,240	83,252,843
Bulgaria	10,119	11,400
	84,779,360	**83,264,242**

Investment property

Amounts in Euro	**2021**	**2020**
Greece	796,012	796,012
Bulgaria	-	-
	796,012	**796,012**

6. 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 Group and the Company recognise revenue when they transfer control over a product or service to a customer.

For the detailed accounting policy, see Note 4.13.

B. Nature of goods and services

Energy cables projects

The Group and the Company produce and sell "turnkey" cable systems, i.e. supply and install 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 to date if the contract is terminated by the customer or another party for reasons other than the Group's or 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 Group and the Company account 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 Group and the Company sell copper and aluminium wires which are used as raw materials by their 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:

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Greece	326,896,649	294,405,210	177,860,993	163,128,017
Other European Union countries	337,675,982	212,741,524	220,597,189	160,878,271
Other European countries	98,591,977	44,085,780	98,591,977	44,085,780
Asia	20,162,146	4,247,047	18,042,667	2,278,473
America	8,682,994	861,074	8,682,994	861,074
Africa	754,547	771,891	754,547	771,891
Oceania	-	51,364	-	51,364
	792,764,296	**557,163,891**	**524,530,367**	**372,054,870**

Major products and service lines:

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Energy projects	273,579,037	242,197,628	147,463,695	111,625,779
Power & telecom cables	304,767,863	214,659,862	290,872,565	203,205,648
Sales of wires, raw materials, services and other products	214,417,396	100,306,400	86,194,108	57,223,442
	792,764,296	**557,163,891**	**524,530,367**	**372,054,870**

Timing of revenue recognition:

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Revenue recognised at a point in time	519,185,259	314,966,262	377,066,672	260,429,090
Revenue recognised over time	273,579,037	242,197,628	147,463,695	111,625,779
	792,764,296	**557,163,891**	**524,530,367**	**372,054,870**

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 189.7 million and EUR 131.4 million for the Group and the Company, respectively. An amount of EUR 163.8 million is expected to be recognised as Group income during 2022 and an amount of EUR 26 million will be recognised during 2023 and 2024. As for the Company, the corresponding amounts are set at EUR 106 million for 2022 and to EUR 25.3 million for 2023 and 2024, based on the execution time schedules of the ongoing energy projects. The above amounts include the open contracts as of 31 December 2021, which have original expected duration of more than one year.

D. Significant judgments in revenue recognition

In recognising revenue the Group and the Company make 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 6B and Note 4.13.
  In such cases the total transaction price is allocated to these performance obligations on the basis of 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 are realised 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.

7. Other income

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2021**	**2020**	**2021**	**2020**
Government grants / subsidies		18,327	-	6,680	-
Rental income		8,350	48,590	56,542	96,782
Amortisation of grants received	**28**	620,164	858,140	231,575	234,403
Gain from disposal of property, plant & equipment		7,824	12,033	4,800	12,033
Income from expenses recharged		2,936,209	1,510,870	7,907,484	8,006,052
Prior period income		75,499	210,725	75,499	90,671
Damage Compensation		762	16,586	762	16,586
Other income		155,180	13,445	10,389	23,230
Total		**3,822,315**	**2,670,388**	**8,293,731**	**8,479,756**

8. Other expenses

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Expenses recharged	2,721,996	1,008,367	7,381,075	7,454,605
Taxes - duties	203,258	213,735	72,140	72,076
Penalty clauses	178,913	7,986	178,913	3,485
Employee benefits	-	127,550	-	42,627
Loss from write-off of fixed assets	14,268	93,551	14,268	93,551
Loss from disposal of fixed assets	7,025	-	7,025	-
Damages Paid	31,983	115,702	28,553	30,702
Incremental COVID-19 costs	297,382	1,215,561	113,070	808,465
Other expenses	135,103	448,233	80,123	372,679
Total	**3,589,929**	**3,230,685**	**7,875,166**	**8,878,190**

The line “Incremental coronavirus costs” presented in the table above includes all incremental costs incurred due to the coronavirus outbreak. Such costs are directly attributable to the coronavirus outbreak and not expected to recur once the crisis has subsided and the Group's Companies resume their normal operations, while they are clearly separable from normal operations. “Incremental coronavirus costs” includes temporary premium payments to compensate employees for performing their normal duties at increased personal risk, charges for cleaning and disinfecting the Group Companies’ 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. Expenses by nature

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2021**	**2020**	**2021**	**2020**
Cost of inventories recognised as an expense		564,515,531	326,469,491	418,361,986	285,110,004
Employee benefits	**10**	41,132,008	37,134,978	16,858,944	15,310,217
Energy		9,454,490	5,428,991	3,380,996	2,514,145
Depreciation & amortization		14,562,120	13,060,552	5,901,369	5,709,844
Amortisation of contract costs		156,249	136,136	50,635	60,967
Taxes		815,129	891,913	276,279	309,359
Insurance		6,129,247	8,544,700	1,790,014	1,540,147
Rental Fees		1,527,993	1,520,794	1,202,987	1,132,664
Transportation		7,398,290	7,543,490	6,798,815	6,190,925
Losses from derivatives		18,752,810	5,008,770	12,081,048	1,787,015
Commissions		709,214	694,674	393,900	431,112
Third party fees and benefits		61,315,765	92,097,661	35,867,961	35,029,392
Foreign exchange differences		(1,010,411)	789,598	(1,050,461)	776,758
Other		5,475,779	3,345,750	2,061,108	766,346
Total cost of sales, selling & distribution and administrative expenses		**730,934,214**	**502,667,498**	**503,975,582**	**356,668,896**

The Group and the Company significantly invest in research and development in order to continuously bring value-added products and services to the market and improve production processes, as well as to promote materials recycling and the proper use of natural resources. The aggregate amount of research and development expenditure recognised as an expense for 2021 is equal to EUR 3.1 million (2020: EUR 2.7 million) for the Group and EUR 1.4 million (2020: EUR 1.3 million) for the Company.

The decrease in “Third party fees and benefits” at Group level is attributed mainly to fees paid to subcontractors and installers for turnkey contracts executed by the subsidiary Fulgor during last 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 conducted. In contrast, in 2021, installation services were limited given that only Phase 2 of the installation of submarine cables was completed for Crete’s interconnection to the Peloponnese.

The “third party fees and benefits” account in the table above includes auditor fees of EUR 198,661 (2020: EUR 156,450) for the Group and EUR 124,256 (2020: EUR 94,150) for the Company.

10. Personnel expenses

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Salaries and wages	32,651,343	29,610,417	14,867,971	13,982,390
Contributions to social security funds	6,930,198	6,986,091	3,269,715	3,275,204
Other employee benefits	4,093,567	2,804,472	2,056,064	1,518,850
Provisions for termination benefits (note 27)	810,293	336,373	687,334	201,279
Total	**44,485,401**	**39,737,353**	**20,881,083**	**18,977,723**

The personnel employed by the Group on 31 December 2021 numbered 1,126 persons (2020: 1,145). Accordingly, the personnel employed by the Company on 31 December 2021 numbered 562 persons (2020: 506).

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Cost of sales	33,552,650	30,070,200	13,300,953	12,030,577
Selling and distribution expenses	2,913,915	2,700,596	1,495,476	1,385,622
Administrative expenses	4,665,443	4,364,183	2,062,515	1,894,018
	41,132,008	**37,134,978**	**16,858,944**	**15,310,217**
Other expenses	1,270,613	1,359,411	3,282,229	3,298,828
Benefits capitalised in fixed assets	2,082,780	1,242,964	739,910	368,677
Total	**44,485,401**	**39,737,353**	**20,881,083**	**18,977,723**

Employee benefits were capitalised due to the development projects mainly for obtaining new certifications and licenses in the context of ongoing new products development.

11. Finance income

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Interest income	5,643	5,768	4,040	3,618
Foreign exchange differences	195,291	199,887	129,541	199,887
	200,934	**205,656**	**133,581**	**203,505**

12. Finance costs

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Interest expenses and related costs	19,470,014	19,201,067	9,613,849	10,196,740
Foreign exchange differences	547,198	1,169	547,198	-
	20,017,212	**19,202,236**	**10,161,047**	**10,196,740**

At Group level, net finance costs amounted to EUR 20 million, up by 4.2% compared to 2020 while they remained stable for the Company compared to 2020, at EUR 10.2 million.

13. Contract assets, liabilities and costs

A. Contract assets & Contract liabilities

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Contract assets	67,655,772	55,047,824	39,044,733	24,348,963
Long-term contract liabilities	9,889,011	9,889,011	9,889,011	9,889,011
Current contract liabilities	21,159,609	22,376,045	9,414,991	15,288,246

The timing of revenue recognition, billings and cash collections result 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:

	GROUP		COMPANY	
Amounts in Euro	**Contract assets**	**Contract liabilities**	**Contract assets**	**Contract liabilities**
Balance on 01 January 2021	**55,047,824**	**32,265,057**	**24,348,963**	**25,177,257**
Revenue recognised and included in the balance of contract liabilities at start of the year	-	(11,040,408)	-	(8,851,265)
Increases due to advances, excluding the amounts recognised as revenue during the period	-	9,823,971	-	2,978,010
Amounts invoiced during the year and transferred to receivables	(47,440,820)	-	(16,769,180)	-
Increases due to change in progress measurement	60,223,362	-	31,625,750	-
Loss of period impairment	(174,594)	-	(160,799)	-
Balance on 31 December 2021	**67,655,772**	**31,048,620**	**39,044,733**	**19,304,002**

B. Contract costs

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

Therefore, on 31 December 2021 the Group and the Company had recognised the total amount of EUR 389 thousand and EUR 122 thousand, respectively, as contract costs (31 December 2020: Group: EUR 545 thousand and Company: EUR 173 thousand).

Contract costs are recognised as expenses in the cost of goods sold when the relevant revenue is recognised. In 2021, there was no impairment loss related to capitalised cost while contract costs of EUR 156 thousand and EUR 51 thousand for the Group and the Company were depreciated (on 31 December 2020, Group: EUR 136 thousand and Company: EUR 61 thousand).

14. Property, plant and equipment

GROUP:

Amounts in Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Acquisition cost					
Balance on 01.01.2020	**71,625,713**	**202,362,731**	**12,494,330**	**19,998,145**	**306,480,919**
Additions	1,230,092	3,277,322	822,297	39,051,293	44,381,004
Revenue	(594,158)	(240,473)	-	(120,529)	(955,161)
Disposals	-	-	-	(93,551)	(93,551)
Reclassifications*	3,255,118	15,373,862	103,057	(23,435,735)	(4,703,699)
Balance on 31.12.2020	**75,516,764**	**220,773,442**	**13,419,684**	**35,399,623**	**345,109,513**
Balance on 01.01.2021	**75,516,764**	**220,773,442**	**13,419,684**	**35,399,623**	**345,109,513**
Additions	187,475	3,993,592	919,600	25,518,753	30,619,420
Revenue	(2,282)	(46,680)	(102,453)	(18,356)	(169,770)
Disposals	-	(306,764)	(30,603)	-	(337,367)
Reclassifications*	9,993,900	25,842,007	248,392	(38,733,880)	(2,649,581)
Balance on 31.12.2021	**85,695,857**	**250,255,598**	**14,454,620**	**22,166,140**	**372,572,215**
Depreciation/ Impairment					
Balance on 01.01.2020	**(18,468,313)**	**(58,850,197)**	**(9,335,103)**	**-**	**(86,653,614)**
Depreciation for the year	(1,659,598)	(7,462,951)	(843,117)	-	(9,965,666)
Revenue	-	-	-	-	-
Reclassifications	-	(22,707)	22,707	-	-
Balance on 31.12.2020	**(20,127,911)**	**(66,335,854)**	**(10,155,514)**	**-**	**(96,619,279)**
Balance on 01.01.2021	**(20,127,911)**	**(66,335,854)**	**(10,155,514)**	**-**	**(96,619,279)**
Depreciation for the year	(1,846,198)	(8,441,032)	(878,501)	-	(11,165,731)
Revenue	1,967	42,853	102,453	-	147,272
Disposals	-	306,764	16,335	-	323,098
Reclassifications	-	-	7,275	-	7,275
Balance on 31.12.2021	**(21,972,142)**	**(74,427,270)**	**(10,907,953)**	**-**	**(107,307,365)**
Net book value					
31.12.2020	**55,388,853**	**154,437,588**	**3,264,170**	**35,399,623**	**248,490,233**
31.12.2021	**63,723,715**	**175,828,328**	**3,546,667**	**22,166,140**	**265,264,850**

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

COMPANY:

Amounts in Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Acquisition cost					
Balance on 01.01.2020	**23,285,325**	**52,500,112**	**7,972,010**	**7,507,509**	**91,264,956**
Additions	27,786	472,645	435,186	3,205,818	4,141,435
Revenue	(594,158)	(244,010)	-	-	(838,168)
Disposals	-	-	-	(93,551)	(93,551)
Reclassifications*	1,329,110	4,124,050	(5,902)	(7,982,737)	(2,535,479)
Balance on 31.12.2020	**24,048,063**	**56,852,798**	**8,401,294**	**2,637,039**	**91,939,194**
Balance on 01.01.2021	**24,048,063**	**56,852,798**	**8,401,294**	**2,637,039**	**91,939,194**
Additions	-	770,821	292,878	4,266,272	5,329,971
Revenue	-	(24,129)	(79,079)	-	(103,208)
Disposals	-	(306,764)	(29,521)	-	(336,285)
Reclassifications*	570,932	904,361	287,778	(2,570,915)	(807,843)
Balance on 31.12.2021	**24,618,995**	**58,197,086**	**8,873,351**	**4,332,397**	**96,021,829**
Depreciation/ Impairment					
Balance on 01.01.2020	**(4,111,028)**	**(20,720,399)**	**(6,331,165)**	**-**	**(31,162,592)**
Depreciation for the year	(655,289)	(2,508,835)	(438,068)	-	(3,602,191)
Revenue	-	3,536	-	-	3,536
Reclassifications	-	(22,707)	22,707	-	-
Balance on 31.12.2020	**(4,766,316)**	**(23,248,404)**	**(6,746,526)**	**-**	**(34,761,247)**
Balance on 01.01.2021	**(4,766,316)**	**(23,248,404)**	**(6,746,526)**	**-**	**(34,761,247)**
Depreciation for the year	(687,625)	(2,583,061)	(439,485)	-	(3,710,172)
Revenue	-	20,396	79,079	-	99,474
Disposals	-	306,764	15,252	-	322,016
Balance on 31.12.2021	**(5,453,942)**	**(25,504,306)**	**(7,091,680)**	**-**	**(38,049,928)**
Net book value					
31.12.2020	**19,281,746**	**33,604,393**	**1,654,768**	**2,637,039**	**57,177,947**
31.12.2021	**19,165,053**	**32,692,780**	**1,781,671**	**4,332,397**	**57,971,901**

*: 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

Statutory notices of mortgage have been raised on the Company's fixed assets to secure loans the Company has obtained (see note 31.2).

B. Fixed assets under construction

The account "Fixed assets under construction" concerns mainly machinery the installation of which had not been completed by 31 December 2021, as well as productivity upgrades and capacity improvement in the Group's plants.
The amount of EUR 38.7 million which was reclassified from the Group's property, plant and equipment under construction in 2021 mostly relates to the conclusion of improvements aiming at the upgrade of the Fulgor plant at Sousaki, Corinth.
The borrowing costs capitalised during 2021 and related to the Group'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%. At Company level, no borrowing costs were capitalised during 2021.

15. Right-of-use assets & Leases

This note includes information about leases in which the Group and the Company are lessees.

A. Amounts recognised in the Statement of Financial Position

Right-of-use assets:

	GROUP		COMPANY	
Amounts in Euro	**Means of transport**	**Total**	**Means of transport**	**Total**
Acquisition cost				
Balance on 01.01.2020	**2,203,035**	**2,203,035**	**1,443,803**	**1,443,803**
Additions	609,950	609,950	392,332	392,332
Terminations	(158,524)	(158,524)	(78,162)	(78,162)
Modifications	(20,207)	(20,207)	(20,207)	(20,207)
Balance on 31.12.2020	**2,634,254**	**2,634,254**	**1,737,766**	**1,737,766**
Depreciation/ Impairment				
Balance on 01.01.2020	**(583,991)**	**(583,991)**	**(406,590)**	**(406,590)**
Depreciation for the year	(655,062)	(655,062)	(444,888)	(444,888)
Terminations	87,857	87,857	51,092	51,092
Balance on 31.12.2020	**(1,151,196)**	**(1,151,196)**	**(800,386)**	**(800,386)**
Net book value				
Balance on 31.12.2020	**1,483,057**	**1,483,057**	**937,380**	**937,380**

Amounts in Euro	Means of transport	Total	Means of transport	Total
Acquisition cost				
Balance on 01.01.2021	**2,634,254**	**2,634,254**	**1,737,766**	**1,737,766**
Additions	274,774	274,774	143,113	143,113
Terminations	(476,186)	(476,186)	(451,131)	(451,131)
Modifications	39,386	39,386	-	-
Balance on 31.12.2021	**2,472,229**	**2,472,229**	**1,429,748**	**1,429,748**
Depreciation/ Impairment				
Balance on 01.01.2021	**(1,151,196)**	**(1,151,196)**	**(800,386)**	**(800,386)**
Depreciation for the year	(588,789)	(588,789)	(362,399)	(362,399)
Terminations	425,052	425,052	410,352	410,352
Modifications	(7,275)	(7,275)	-	-
Balance on 31.12.2021	**(1,322,208)**	**(1,322,208)**	**(752,433)**	**(752,433)**
Net book value				
Balance on 31.12.2021	**1,150,020**	**1,150,020**	**677,315**	**677,315**

Lease liabilities:

Amounts in Euro	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Long-term liabilities	727,583	976,200	434,588	601,111
Current liabilities	461,976	573,675	267,627	361,380
	1,189,560	**1,549,875**	**702,215**	**962,491**

Total cash outflow for lease payments in 2021 amounted to EUR 635 thousand (2020: EUR 718 thousand) at Group level and EUR 394 thousand (2020: EUR 478 thousand) at Company level.

A. Amounts recognised in the Income Statement

Amounts in Euro	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Depreciation of right-to-use assets	588,789	655,062	362,399	444,888
Interest expenses	52,485	65,666	32,107	41,996
Variable rental fees	10,110	16,930	4,477	8,306
Low value rental fees	130,372	85,661	64,586	22,325
Short-term rental fees	1,373,551	1,400,568	1,125,110	1,089,189
(Profit)/Loss due to difference between value of asset/liability at the time of early termination	(3,541)	(1,925)	(3,032)	(700)
Other expenses of lease contracts	45,962	26,274	39,041	20,559

For more information about the leasing policy, please refer to note 4.15.

16. Intangible assets & goodwill

GROUP:

Amounts in Euro	Goodwill	Trademarks and licenses	Software	Other	Total
Acquisition cost					
Balance on 01.01.2020	**67,388,311**	**15,743,020**	**6,486,843**	**304,181**	**89,922,355**
Additions	-	1,118,075	591,972	-	1,710,047
Reclassifications	-	3,652,694	1,052,763	(1,759)	4,703,699
Balance on 31.12.2020	**67,388,311**	**20,513,789**	**8,131,579**	**302,422**	**96,336,101**
Balance on 01.01.2021	**67,388,311**	**20,513,789**	**8,131,579**	**302,422**	**96,336,101**
Additions	-	1,445,878	266,645	-	1,712,523
Reclassifications	-	1,610,252	999,942	-	2,610,194
Balance on 31.12.2021	**67,388,311**	**23,569,920**	**9,398,165**	**302,422**	**100,658,819**
Depreciation/ Impairment					
Balance on 01.01.2020	**-**	**(5,920,093)**	**(4,499,549)**	**(212,394)**	**(10,632,036)**
Depreciation for the year	-	(1,691,662)	(735,221)	(12,940)	(2,439,823)
Reclassifications	-	(1,759)	-	1,759	-
Balance on 31.12.2020	**-**	**(7,613,514)**	**(5,234,770)**	**(223,575)**	**(13,071,859)**
Balance on 01.01.2021	**-**	**(7,613,514)**	**(5,234,770)**	**(223,575)**	**(13,071,859)**
Depreciation for the year	-	(1,961,883)	(832,777)	(12,940)	(2,807,600)
Reclassifications	-	-	-	-	-
Balance on 31.12.2021	**-**	**(9,575,396)**	**(6,067,547)**	**(236,516)**	**(15,879,459)**
Net book value					
31.12.2020	**67,388,311**	**12,900,276**	**2,896,809**	**78,846**	**83,264,242**
31.12.2021	**67,388,311**	**13,994,524**	**3,330,619**	**65,906**	**84,779,360**

COMPANY:

Amounts in Euro	**Trademarks and licenses**	**Software**	**Other**	**Total**
Acquisition cost				
Balance on 01.01.2020	**11,435,160**	**5,475,462**	**20,206**	**16,930,827**
Additions	533,788	276,154	-	809,941
Reclassifications	1,747,600	787,880	-	2,535,479
Balance on 31.12.2020	**13,716,547**	**6,539,496**	**20,206**	**20,276,248**
Balance on 01.01.2021	**13,716,547**	**6,539,496**	**20,206**	**20,276,248**
Additions	904,681	91,076	-	995,756
Reclassifications	200,552	607,291	-	807,843
Balance on 31.12.2021	**14,821,780**	**7,237,862**	**20,206**	**22,079,848**
Depreciation/ Impairment				
Balance on 01.01.2020	**(4,823,174)**	**(4,115,107)**	**(18,386)**	**(8,956,666)**
Depreciation for the year	(1,118,689)	(543,556)	(520)	(1,662,765)
Reclassifications	-	-	-	-
Balance on 31.12.2020	**(5,941,863)**	**(4,658,663)**	**(18,906)**	**(10,619,431)**
Balance on 01.01.2021	**(5,941,863)**	**(4,658,663)**	**(18,906)**	**(10,619,431)**
Depreciation for the year	(1,270,632)	(557,646)	(520)	(1,828,799)
Reclassifications	-	-	-	-
Balance on 31.12.2021	**(7,212,496)**	**(5,216,309)**	**(19,426)**	**(12,448,230)**
Net book value				
31.12.2020	**7,774,684**	**1,880,833**	**1,300**	**9,656,817**
31.12.2021	**7,609,284**	**2,021,554**	**780**	**9,631,618**

Reclassifications from property, plant and equipment under construction concerned capitalised expenses for acquiring trademarks and licences, as well as the installation of software programmes which was under way since the previous year.

Goodwill impairment testing

In relation to the goodwill of EUR 67.4 million, on 31.12.2021 an impairment test was conducted for the cash generating unit (CGU) of Fulgor’s submarine cables production plant, with which the recognised goodwill is tied. The results of this test based on the value-in-use method demonstrated that there is no need to record impairment.

In order to determine the value in use of the submarine cables CGU, cash flow projections based on estimates by management covering a five-year period were used. These estimates take into consideration the contracts already signed either directly by the subsidiary or the parent company, as well as any contracts estimated to be awarded in Greece and abroad.

The submarine cables CGU operates in a project-based business. Therefore, assumptions related to revenue and profitability growth are based on the contracts already signed, as well as those estimated to be undertaken in the forthcoming period. The main assumptions regarding the operations of the submarine cables CGU and the projects to be executed within the five-year period are:

- Progressively high capacity utilisation of Fulgor's plant, as in 2020 & 2021, based on contracts already awarded and expected awards based on commercial and tendering activity. Given the continued growth of the segment, the existing backlog, the growth of renewables business around the world, which is a significant driver in the attractive outlook for the offshore power generation market, the high level of CGU activity is expected to be retained throughout the period 2022-2026.
- Capital expenditure of approximately EUR 102 million in the following 5 years, in order to cover estimated production and capacity needs. Capital expenditure reflects investments for both maintenance purposes of the existing production base and to meet additional demand due to the expected organic growth. Following the five-year period, investments have been set equal to depreciation.
- Compound annual growth rate of revenue from CGUs for the five-year period at ca. 3.8% attributable to assignment of new projects mainly in Greece, North Europe and the USA.
- Profitability per offshore project in terms of EBITDA at ca. 15%-25% of revenue. Estimated profitability per project varies mainly due to different type of cable and technical specifications, geographic region and project's time frame.
- Compound annual growth rate of fixed operating expenses at ca. 2.1% for the five-year period.

Cash flows after the first five years were calculated using an estimated long term growth rate of 1.55%, which mainly reflects management's estimates for the world economy as well as long-term growth prospects of the offshore cable sector in the context of energy transition.

The pre-tax rate used to discount these cash flows is equal to 7.71% and was based on the following assumptions:

- Risk free rate was set at 0%.
- The country risk for operating in Greece was set at 0.81%.
- The market risk premium was determined at 4.87%.

Despite the fact that the commodity prices for copper and aluminium are part of the assumptions for the impairment test performed, due to the hedging activities undertaken and the customised nature of the products sold by Fulgor, the value of the CGU is not significantly affected by fluctuations in commodity prices. Neutral result from metal price fluctuations is assumed in the context of the impairment test.

The results of this test indicated that the recoverable amount as of 31 December 2021 exceeds considerably the carrying amount of the CGU and there is no need to impair the recognised goodwill.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom, i.e. the amount by which the recoverable amount exceeds the carrying value. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	**Change in rates required for the recoverable amount to equal the carrying amount**
Discount rate	7.71%	+8.84%
Terminal growth	1.55%	-26.13%

17. Investment property

	GROUP		COMPANY	
Amounts in Euro	2021	2020	2021	2020
Opening balance	**796,012**	**796,012**	**194,611**	**194,611**
Impairment	-	-	-	-
Closing balance	**796,012**	**796,012**	**194,611**	**194,611**

Investment property includes a number of lots which the Group and the Company intend to lease or sell to third parties in the near future provided that the applicable circumstances allow so.

The Group and the Company test 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 at 31 December 2021 is equal to their book value while the accumulated impairment loss on investment properties amounts to EUR 182 thousand and EUR 14 thousand for the Group and the Company, respectively.

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. Subsidiaries and joint operations

A. Subsidiaries

Investments in subsidiaries are carried at their acquisition cost and are broken down as follows:

Amounts in Euro

	2021					
Corporate name	**Participation percentage**	**Acquisition cost**	**Total Assets**	**Total Liabilities**	**Revenue**	**Profit/(Loss) after tax**
FULGOR S.A. (Greece)	100.00%	88,347,654	489,457,534	408,018,453	585,036,596	26,363,293
LESCO OOD (Bulgaria)	100.00%	2,582,576	2,336,546	198,683	3,558,377	49,602
HELLENIC CABLES TRADING (USA)[14]	100.00%	268,865	2,254,265	2,087,851	-	(129,408)
Total		**91,199,095**				

[14] *The name of the subsidiary Hellenic Cables America changed into Hellenic Cables Trading in December 2021.*

Amounts in Euro			2020			
Corporate name	**Participation percentage**	**Acquisition cost**	**Total Assets**	**Total Liabilities**	**Revenue**	**Profit/(Loss) after tax**
FULGOR S.A. (Greece)	100.00%	88,347,654	370,327,922	311,264,220	382,500,272	22,134,587
LESCO OOD (Bulgaria)	100.00%	2,582,576	2,355,695	267,937	4,258,634	73,484
HELLENIC CABLES TRADING (USA)[14]	100.00%	268,865	1,144,158	865,834	-	36,361
Total		**91,199,095**				

B. Joint operations

Hellenic Cables has a 62.52% interest in a joint arrangement called VO Cablel VOF, which was set up as a partnership together with Van Oord. The scope of this joint operation scheme is to supply and install sea and land cables for the Hollandse Kust (South) Alpha project and Hollandse Kust (South) Beta project. The principal place of business of the joint operation is in the Netherlands.

Hellenic Cables has also a 50.77% interest in a joint arrangement called VOF DEME Offshore NL - HELLENIC CABLES, which was set up as a partnership together with Tideway. The scope of this joint operation scheme is to execute a turnkey contract for the supply and installation of submarine cables for the connection of the Seamade offshore wind farm project to the Belgian grid. The principal place of business of the joint operation is in Belgium.

The Company has a 10% interest in joint arrangement called 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 joint ventures below were established during the previous years.

Fulgor 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 the interconnection from Lavrio, Attica to Kafireas Wind Farm. The above joint venture was set up during 2021.

The establishment agreements of VO Cablel VOF, VOF DEME Offshore NL - HELLENIC CABLES, Fulgor - Jan De Nul and Fulgor – Asso.subsea require unanimous consent from all parties for all relevant activities. The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. These entities are therefore classified as joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 4.1(i).

19. Other investments

Other investments concern holdings in domestic and foreign companies with holding interests less than 20%. These investments have been designated as financial assets at FVOCI. This category includes the following investments for the Group and the Company:

Amounts in Euro	**2021**	**Participation percentage**	**2020**	**Participation percentage**
DIA.VI.PE.THIV	-	-	218,136	4.44%
EDEP Ltd.	3,000		3,000	
	3,000		**221,136**	

20. Income tax expense

A. Amounts recognised in the Statement of Profit or Loss and OCI

	GROUP		**COMPANY**	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Income tax expense	(2,948,954)	(2,459,531)	(1,100,728)	(2,245,708)
Deferred tax	(4,821,481)	(6,387,167)	(1,698,547)	675,358
	(7,770,434)	**(8,846,698)**	**(2,799,275)**	**(1,570,350)**

B. Reconciliation of applicable tax rate

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Profit/ (loss) before tax	42,221,601	35,008,051	15,957,962	5,233,799
Total profit/ (loss) before tax	**42,221,601**	**35,008,051**	**15,957,962**	**5,233,799**
Tax calculated using the applicable tax rates 22% (2020: 24%)	*(9,288,752)*	*(8,401,932)*	*(3,510,752)*	*(1,256,112)*
Non-deductible tax expenses	(354,652)	(436,316)	(246,399)	(172,507)
Tax-exempt income	149,311	277,759	1,154,793	136,569
Change in prior year income tax	(570,380)	(440,528)	(421,566)	(299,449)
Change in tax rate	988,410	-	(72,634)	-
Incremental R&D tax incentives	640,410	297,092	297,283	157,299
Recognition of tax-exempt reserves (note 25)	660,000	-	-	-
Effect of tax rates in foreign jurisdictions	5,219	13,090	-	-
Derecognition of deferred tax asset on tax losses carried forward	-	(155,862)	-	(136,149)
Total income tax for the period	**(7,770,434)**	**(8,846,698)**	**(2,799,275)**	**(1,570,350)**
Effective tax rate	***-18.4%***	***-25.3%***	***-17.5%***	***-30.0%***

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 and its subsidiary Fulgor make 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:

GROUP:

2021					**Change in tax rate**					
Amounts in Euro	**Balance on 01 January 2021**	**Recognised in profit or loss**	**Recognised in OCI**	**FX Differences**	**Recognised in profit or loss**	**Recognised in OCI**	**Change in accounting policy**	**Net balance on 31 December 2021**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(14,601,421)	(1,759,520)	-	-	1,228,136	-	-	**(15,132,805)**	3,603	(15,136,408)
Right-of-use assets	9,254	762	-	-	(771)	-	-	**9,245**	9,245	-
Intangible assets	(16,342)	(4,067)	-	-	1,362	-	-	**(19,047)**	2,705	(21,752)
Investment property	80,338	-	-	-	-	-	-	**80,338**	80,338	-
Derivatives	490,401	81,482	(202,983)	-	2,293	(54,426)	-	**316,766**	316,766	-
Loans and borrowings	(1,637,378)	265,653	-	-	136,448	-	-	**(1,235,277)**	-	(1,235,277)
Employee benefits	397,405	34,445	52,678	-	(14,244)	(21,175)	-	**449,110**	449,109	-
Provisions	122,015	(5,037)	-	-	(10,168)	-	-	**106,811**	106,811	-
Contracts with customers	(7,535,930)	(3,370,777)	-	-	627,994	-	-	**(10,278,714)**	-	(10,278,714)
Other	153,222	(198,058)	-	-	(26,927)	-	-	**(71,762)**	87,302	(159,064)
Thin capitalisation interest	8,880,934	(179,296)	-	-	(740,078)	-	-	**7,961,560**	7,961,560	-
Tax losses	925,512	(675,477)	-	1,522	(215,634)	-	-	**35,922**	35,922	-
Total	**(12,731,990)**	**(5,809,890)**	**(150,305)**	**1,522**	**988,410**	**(75,600)**	-	**(17,777,854)**	**9,053,361**	**(26,831,215)**
Set-off tax									(9,008,594)	9,008,594
Net tax asset/(liability)									**44,766**	**(17,822,621)**

2020

Amounts in Euro	Balance on 01 January 2020	Recognised in profit or loss	Recognised in OCI	FX Differences	Change in tax rate: Recognised in profit or loss	Change in tax rate: Recognised in OCI	Change in accounting policy	Net balance on 31 December 2020	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(12,860,470)	(1,740,950)	-	-	-	-	-	**(14,601,421)**	1,696	(14,603,117)
Right-of-use assets	6,302	2,952	-	-	-	-	-	**9,254**	9,254	-
Intangible assets	(4,300)	(12,042)	-	-	-	-	-	**(16,342)**	4,836	(21,177)
Investment property	80,338	-	-	-	-	-	-	**80,338**	80,338	-
Derivatives	345,973	(72,139)	216,567	-	-	-	-	**490,401**	490,401	-
Loans and borrowings	(1,959,734)	322,356	-	-	-	-	-	**(1,637,378)**	-	(1,637,378)
Employee benefits	763,352	30,852	21,718	-	-	-	(418,516)	**397,405**	397,405	-
Provisions	277,877	(155,862)	-	-	-	-	-	**122,015**	122,015	-
Contracts with customers	(449,240)	(7,086,690)	-	-	-	-	-	**(7,535,930)**	-	(7,535,930)
Other	(193,554)	346,777	-	-	-	-	-	**153,222**	153,221	-
Thin capitalisation interest	7,432,762	1,448,172	-	-	-	-	-	**8,880,934**	8,880,934	-
Tax losses	396,102	529,410	-	-	-	-	-	**925,512**	925,511	-
Total	**(6,164,594)**	**(6,387,167)**	**238,285**	**-**	**-**	**-**	**(418,516)**	**(12,731,990)**	**11,065,612**	**(23,797,602)**
Set-off tax									(9,948,500)	9,948,500
Net tax asset/(liability)									**1,117,112**	**(13,849,104)**

COMPANY:

2021				Change in tax rate					
Amounts in Euro	**Balance on 01 January 2021**	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised in profit or loss**	**Recognised in OCI**	**Change in accounting policy**	**Net balance on 31 December 2021**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(6,761,273)	22,897	-	560,111	-	-	**(6,178,266)**	-	(6,178,266)
Right-of-use assets	6,027	(115)	-	(502)	-	-	**5,410**	5,410	-
Intangible assets	4,836	(1,728)	-	(403)	-	-	**2,705**	2,705	-
Investment property	39,946	-	-	-	-	-	**39,946**	39,946	-
Derivatives	238,527	110,266	(124,276)	5,151	(36,295)	-	**193,374**	193,374	-
Loans and borrowings	(101,096)	24,271	-	8,425	-	-	**(68,400)**	-	(68,400)
Employee benefits	190,938	23,789	22,362	(6,866)	(9,046)	-	**221,178**	221,178	-
Provisions	122,015	(5,037)	-	(10,168)	-	-	**106,810**	106,810	-
Contracts with customers	(300,112)	(2,483,940)	-	25,009	-	-	**(2,759,043)**	-	(2,759,043)
Other	18,653	(162,004)	-	(15,713)	-	-	**(159,064)**	-	(159,064)
Thin capitalisation interest	7,652,139	845,687	-	(637,678)	-	-	**7,860,148**	7,860,148	-
Total	**1,110,599**	**(1,625,912)**	**(101,914)**	**(72,634)**	**(45,341)**	**-**	**(735,203)**	**8,429,570**	**(9,164,773)**
Set-off tax								(8,429,570)	8,429,570
Net tax asset/(liability)								**-**	**(735,203)**

2020				**Change in tax rate**					
Amounts in Euro	**Balance on 01 January 2020**	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised in profit or loss**	**Recognised in OCI**	**Change in accounting policy**	**Net balance on 31 December 2020**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(6,691,966)	(69,307)	-	-	-	-	**(6,761,273)**	-	(6,761,273)
Right-of-use assets	4,106	1,920	-	-	-	-	**6,027**	6,027	-
Intangible assets	11,449	(6,614)	-	-	-	-	**4,836**	4,836	-
Investment property	39,946	-	-	-	-	-	**39,946**	39,946	-
Derivatives	232,070	(106,443)	112,900	-	-	-	**238,527**	238,527	-
Loans and borrowings	(163,080)	61,984	-	-	-	-	**(101,096)**	-	(101,096)
Employee benefits	373,646	10,231	8,834	-	-	(201,773)	**190,938**	190,938	-
Provisions	258,164	(136,149)	-	-	-	-	**122,015**	122,015	-
Contracts with customers	(131,861)	(168,251)	-	-	-	-	**(300,112)**	-	(300,112)
Other	(250,798)	269,451	-	-	-	-	**18,653**	18,653	-
Thin capitalisation interest	6,833,603	818,536	-	-	-	-	**7,652,139**	7,652,139	-
Total	**515,277**	**675,358**	**121,734**	**-**	**-**	**(201,773)**	**1,110,599**	**8,273,079**	**(7,162,481)**
Set-off tax								(7,162,481)	7,162,481
Net tax asset/(liability)								**1,110,599**	**-**

The provisions of article 49 of Law 4172/2013 on thin capitalisation were applied in 2021 which state that the limit of deduction of surplus interest charges is set up to 30% of the EBITDA of each entity. These amounts can be offset against future tax gains; therefore, the Group and the Company have recognised a deferred tax asset in relation to the surplus interest charges that arose during the current and previous fiscal years.

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 deferred tax balance from Contracts with customers in the Group's tables above is mainly related to the increase 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 revenue according to IFRS 15 was recognised during the execution of such contracts.

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

21. Inventories

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Raw materials, auxiliaries, spare parts & consumables	62,319,031	46,021,724	22,952,373	16,876,185
Finished goods	36,733,633	25,891,087	29,579,147	19,763,172
Semi-finished goods	39,291,076	24,037,491	19,350,222	13,940,193
Merchandise	5,217,555	4,004,853	1,788,970	1,354,434
By-products & scrap	8,003,860	7,619,027	1,813,785	1,174,658
	151,565,155	**107,574,181**	**75,484,497**	**53,108,641**

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 Group and the Company did not raise any provision for inventories write-down, like in 2020, 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 Group and the Company amounts to EUR 564.5 million (2020: EUR 326.5 million) and EUR 418.4 million (2020: EUR 285.1 million), respectively.

22. Trade and other receivables

Amounts in Euro	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Trade receivables	41,726,782	33,620,842	23,286,106	25,521,755
Less: Provisions for impairment	(2,670,916)	(2,765,415)	(1,545,845)	(1,667,436)
	39,055,865	**30,855,427**	**21,740,261**	**23,854,319**
Cheques and notes receivable	64,824	50,079	64,824	50,079
Receivables from related parties	62,513,432	36,607,562	14,597,091	24,315,353
Other debtors	9,244,312	9,878,982	1,470,950	2,259,567
Less: Provisions for impairment	(343,714)	(413,411)	(73,952)	(110,188)
Other advance payments	22,084	66,324	20,913	65,153
Current tax assets	11,912,560	10,691,448	6,410,973	2,801,862
Guarantees	219,468	130,826	85,481	88,225
Other current receivables	2,857,001	4,541,264	1,909,608	1,668,469
Other long-term receivables	200,914	198,884	18,331	21,338
	125,746,747	**92,607,385**	**46,244,480**	**55,014,178**
Current assets - Trade and other receivables	125,135,113	92,086,422	46,036,522	54,800,469
Non-current assets - Trade and other receivables	611,634	520,962	207,957	213,709
	125,746,747	**92,607,385**	**46,244,480**	**55,014,178**

The Group and the Company have entered into accounts receivable assignment agreements with financial institutions without right of recourse which, on 31 December 2021, amounted to EUR 30,612 thousand (2020: EUR 5,136 thousand) and EUR 28,818 thousand (2020: EUR 5,136 thousand), respectively.

They have also entered into credit insurance agreements so as to minimise the risk from the non-collection of posted receivables (Note 30.1).

23. Cash and cash equivalents

Amounts in Euro	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Cash in hand and in banks	77,329	20,641	3,708	16,580
Bank deposits	86,460,062	57,665,083	32,459,027	22,821,460
	86,537,391	**57,685,724**	**32,462,736**	**22,838,041**

24. Share capital

On 31 December 2021, the share capital of the Company amounted to EUR 65,704,215 divided into 21,901,405 shares with a nominal value of EUR 3.00 each. The Company's share capital remained unchanged throughout the year.

25. Reserves

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Statutory reserve	1,106,729	-	-	-
Fair value reserves	(794,862)	(1,511,315)	(495,553)	(951,085)
Special reserves	8,032,900	8,032,900	8,032,900	8,032,900
Tax-exempt reserves	14,748,740	14,088,740	14,088,740	14,088,740
Reserves from fixed assets valuation at market value based on the provisions of Law 4172/2013	10,843,942	10,843,942	10,843,942	10,843,942
Foreign exchange reserve	(9,404)	(26,902)	-	-
	33,928,046	**31,427,365**	**32,470,029**	**32,014,498**

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.

Fair value reserves: The fair value 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 tax-free 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 Group and the Company had made investments totalling EUR 33 million, falling under incentive law 3908/2011. Pursuant to this law, the Group and the Company have the right to establish a tax-free 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 20).

Reserves from fixed assets valuation at market value based on the provisions of Law 4172/2013: This reserve concerns the goodwill that arose from the valuation of property, plant and equipment at their market value upon absorption of the industrial sector and part of the commercial sector of cables during 2016.

Foreign exchange reserve: This reserve is used for recording any resulting foreign exchange differences from the conversion of the financial statements of Group companies, which have a functional currency other than the Group's presentation currency.

26. Loans and borrowings

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Non-current liabilities				
- Bank loans	2,787,365	3,995,853	-	-
- Bond loans	127,144,879	123,531,478	37,287,087	53,297,171
	129,932,244	**127,527,331**	**37,287,087**	**53,297,171**
Long-term lease liabilities	**727,583**	**976,200**	**434,588**	**601,111**
Total non-current liabilities	**130,659,827**	**128,503,531**	**37,721,676**	**53,898,282**
Current liabilities				
- Bank loans	101,422,352	122,699,550	53,911,101	60,819,810
- Factoring with recourse	6,001,961	1,441,082	11,528	1,441,082
- Bond loans	16,082,975	18,406,334	2,948,703	9,942,753
	123,507,289	**142,546,965**	**56,871,333**	**72,203,645**
Short-term lease liabilities	**461,976**	**573,675**	**267,627**	**361,380**
Total short-term loan liabilities	**123,969,265**	**143,120,640**	**57,138,960**	**72,565,025**
Total loans & borrowings	**254,629,093**	**271,624,172**	**94,860,635**	**126,463,307**

Maturity breakdown of non-current loan liabilities

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Between 1 and 2 years	55,814,132	24,433,848	23,122,272	11,159,614
Between 2 and 5 years	47,337,781	81,947,413	14,599,403	42,738,668
Over 5 years	27,507,915	22,122,271	-	-
Total	**130,659,827**	**128,503,531**	**37,721,676**	**53,898,282**

Terms and maturity of loans & borrowings:

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

GROUP:

	Currency	Average interest rate 2021	Maturity year	31.12.2021 Carrying amount	31.12.2020 Carrying amount
Short-term borrowing	Euro	3.43%	2021	100,347,766	121,317,712
Long-term borrowing	Euro	4.11%	2027	129,932,244	127,527,331
Factoring with recourse	Euro	3.75%	2021	6,001,961	1,441,082
Current portion of long-term bank loans	Euro	4.33%	2021	1,074,586	1,381,837
Current portion of bond loans	Euro	4.23%	2021	16,082,976	18,406,334
				253,439,533	**270,074,297**

COMPANY:

	Currency	Average interest rate 2021	Maturity year	31.12.2021 Carrying amount	31.12.2020 Carrying amount
Short-term borrowing	Euro	3.59%	2021	53,911,101	60,819,810
Long-term borrowing	Euro	3.12%	2025	37,287,087	53,297,171
Factoring with recourse	Euro	3.67%	2021	11,528	1,441,082
Current portion of bond loans	Euro	3.59%	2021	2,948,703	9,942,753
				94,158,420	**125,500,816**

During 2021, the Group and the Company obtained new bank and bond loans in Euro, which amounted to EUR 55.7 million (2020: EUR 22.3 million) and EUR 20.0 million (2020: EUR 0.5 million) respectively, while the Group and the Company settled bank loans and debentures maturing in 2021 which amounted to EUR 73.9 million (2020: EUR 42.2 million) and EUR 51.3 million (2020: EUR 30.6 million), respectively. The new loans and debentures of the Group concern the following:

Hellenic Cables Company

- A new two-year bond loan of EUR 20 million obtained from a major Greek bank pursuant to ESG financial principles to finance the design, production, installation and control of sound operation of 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.

Fulgor

- 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 pursuant to ESG financial principles o 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.

Overall, short term facilities are predominately revolving credit facilities which aim to finance working capital needs and specific ongoing projects.

As at 31 December 2021, the consolidated current liabilities exceeded current assets by EUR 20.6 million. In the past, Hellenic Cables Group has never experienced any issues in financing its activities, renewing its working capital facilities or refinancing its long-term loans and borrowings. Management expects that any repayments for banking facilities required will be met out of operating cash flows or from unutilised credit lines, which are in place in order to serve capital requirements. Regarding the finance of project-based activities, the Group has secured the necessary funds through project finance facilities.

Mortgages in favour of banks have been raised on (the subsidiary) Fulgor's property, plant and equipment. At Group level, the carrying amount of assets mortgaged or pledged is EUR 49 million.

In Q4 2021, Hellenic Cables repaid the syndicated collateralised bond loan of an initial amount of EUR 76,539,000 that was granted in 2013 and extended in 2018. The total amount repaid, including the repayment scheduled for December 2021, was EUR 36.6 million. Mortgages on the Company's real estate properties, premises and equipment had been registered together with pledges on its inventories in favour of a bank syndication. The Company has taken all necessary steps to release these mortgages and the pledge. However, such release procedure has not been completed yet.

Contractual maturity of loan liabilities including the proportionate interest is analysed in note 30.2.

For the bank loans of the Group's companies that have been assumed from banks, there are clauses of change of control that provide lenders with an early redemption clause.

There was no incident in 2021 of breach of covenants of the Group's and the Company's loans.

Reconciliation of loans & borrowings movement to cash flows arising from financing activities

GROUP:

Amounts in Euro	2021			2020		
	Loans and borrowings	**Lease liabilities**	**Total**	**Loans and borrowings**	**Lease liabilities**	**Total**
Total balance of loan liabilities on 1 January	**270,074,297**	**1,549,875**	**271,624,172**	**288,305,282**	**1,645,302**	**289,950,583**
Changes from financing activities:						
Proceeds from new borrowings	55,669,686	-	55,669,686	22,343,479	-	22,343,479
Repayment of borrowings	(73,865,630)	-	(73,865,630)	(42,199,694)	-	(42,199,694)
Principal elements of lease payments	-	(582,603)	(582,603)	-	(652,766)	(652,766)
Total changes from financing activities:	**(18,195,944)**	**(582,603)**	**(18,778,548)**	**(19,856,215)**	**(652,766)**	**(20,508,981)**
Other changes:						
Interest expense	11,273,111	52,485	11,325,596	11,941,069	65,666	12,006,735
Interest paid	(10,238,707)	(52,485)	(10,291,192)	(10,873,732)	(65,666)	(10,939,398)
Capitalised borrowing costs	522,392	-	522,392	505,238	-	505,238
New leases	-	274,774	274,774		609,950	609,950
Modifications	-	-	-	-	(21,330)	(21,330)
Terminations	-	(48,102)	(48,102)	-	(68,743)	(68,743)
Other changes	4,384	(4,384)	-			
Effect of foreign exchange differences	-	-	-	52,656	37,462	90,117
Loan liabilities on 31 December	**253,439,533**	**1,189,560**	**254,629,093**	**270,074,297**	**1,549,875**	**271,624,172**

COMPANY:

Amounts in Euro	2021			2020		
	Loans and borrowings	**Lease liabilities**	**Total**	**Loans and borrowings**	**Lease liabilities**	**Total**
Total balance of loan liabilities on 1 January	**125,500,816**	**962,491**	**126,463,308**	**155,192,966**	**1,054,323**	**156,247,289**
Changes from financing activities:						
Proceeds from new borrowings	20,000,000	-	20,000,000	543,479	-	543,479
Repayment of borrowings	(51,326,582)	-	(51,326,582)	(30,621,867)	-	(30,621,867)
Principal elements of lease payments	-	(361,542)	(361,542)	-	(436,886)	(436,886)
Total changes from financing activities:	**(31,326,582)**	**(361,542)**	**(31,688,124)**	**(30,078,388)**	**(436,886)**	**(30,515,274)**
Other changes:						
Interest expense	5,117,520	32,107	5,149,627	6,139,024	41,996	6,181,020
Interest paid	(5,133,333)	(32,107)	(5,165,440)	(5,805,441)	(41,996)	(5,847,437)
New leases	-	143,113	143,113	-	392,332	392,332
Modifications	-	-	-	-	(20,207)	(20,207)
Terminations	-	(37,746)	(37,746)	-	(27,070)	(27,070)
Effect of foreign exchange differences	-	-	-	52,656	-	52,656
Other changes	-	(4,101)	(4,101)	-	-	-
Loan liabilities on 31 December	**94,158,420**	**702,215**	**94,860,636**	**125,500,816**	**962,491**	**126,463,308**

27. Employee benefits

According to IFRS, the liabilities of the Group and the Company towards social security funds of their 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 Group or 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 staff leaving indemnities were computed in an 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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Changes in net liability recognised in the Balance Sheet				
Net liability on 01 January	1,672,326	3,194,379	795,575	1,556,858
Change in accounting policy	-	(1,729,393)	-	(840,720)
Restated balance on 01 January	**1,672,326**	**1,464,986**	**795,575**	**716,138**
Benefits paid	(656,067)	(208,505)	(579,201)	(158,652)
Amounts recognised in profit or loss	810,293	336,373	687,334	201,279
Amounts recognised in OCI	226,855	79,472	101,646	36,809
Net liability on 31 December	**2,053,406**	**1,672,326**	**1,005,354**	**795,575**
Amounts recognised in the Statement of Profit or Loss				
Current service cost	196,802	169,857	83,725	74,840
Past service cost during the period	60,917	(545)	92,672	-
Interest cost	4,548	10,258	2,181	4,952
Curtailment / settlement / termination cost	548,026	156,803	508,755	121,486
Total expenditure recognised in the income statement	**810,293**	**336,373**	**687,334**	**201,279**
Amounts recognised in the Statement of Profit or Loss and OCI				
Actuarial loss/(gain) - demographic assumptions	3,370	(43)	1,132	-
Actuarial loss/(gain) - financial assumptions	116,704	55,100	53,598	23,296
Actuarial loss / (gain) – experience in the period	106,781	24,414	46,915	13,513
Total amounts recognised in the statement of profit or loss and OCI	**226,855**	**79,472**	**101,646**	**36,809**

During 2021, the Company paid a total amount of EUR 656,067 (2020: EUR 208,205) while the Company paid EUR 579,201 (2020: EUR 158,652) for compensation to employees who were either dismissed or departed on a voluntary basis. These particular payments generated an additional cost of EUR 548,026 (2020: EUR 156,803) for the Group and EUR 508,755 (2020: EUR 121,486) for the Company, which accounts for the surplus of the paid benefit from 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:

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Discount rate	0.21%	0.30%	0.20%	0.30%
Inflation	2.10%	1.24%	2.10%	1.25%
Future wage increase	3.10%	2.00%	3.10%	2.00%
Plan duration	5.76	7.02	5.30	6.33

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:

	GROUP		COMPANY	
Amounts in Euro	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	-2.83%	2.98%	-2.61%	2.73%
Future salary growth (0.5% movement)	2.73%	-2.62%	2.32%	-2.25%

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 93,893 and EUR 32,152 for the Group and the Company, respectively.

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Up to 1 year	331,372	285,790	156,697	136,897
Between 1 and 2 years	131,129	54,332	91,511	25,843
Between 2 and 5 years	470,462	369,599	231,961	207,919
Over 5 years	1,148,797	998,323	536,021	440,510
Total	**2,081,760**	**1,708,044**	**1,016,191**	**811,170**

28. Grants

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

	GROUP		COMPANY	
Amounts in Euro	2021	2020	2021	2020
Balance on 1 January	**16,232,348**	**13,945,859**	**3,388,734**	**3,623,137**
Grants amortisation	(620,164)	(858,140)	(231,575)	(234,403)
Grants recognised	-	3,072,680	-	-
Grants received	42,323	71,949	-	-
Balance on 31 December	**15,654,506**	**16,232,348**	**3,157,159**	**3,388,734**

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

During 2015, the subsidiary Fulgor recognised an amount of EUR 4 million as receivable from grants given that all formal and substantial terms pertaining to the specific grants have been met.

During the current year, the subsidiary 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 next year.

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

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

The Group and the Company fully abide by all terms relating to the receipt of grants.

29. Trade and other payables

	GROUP		COMPANY	
Amounts in Euro	2021	2020	2021	2020
Suppliers	126,931,335	84,497,826	51,243,787	37,190,517
Notes payable	140,892,857	65,595,942	34,221,735	17,263,468
Payables to related parties	26,038,643	18,099,414	41,309,855	10,458,158
Sundry creditors	1,410,743	1,561,153	877,926	1,036,650
Accrued expenses	5,591,550	14,552,467	2,127,852	1,977,968
Social security funds	1,672,576	1,677,258	816,355	783,524
Other taxes-duties	1,315,562	1,956,290	725,652	928,047
	303,853,266	**187,940,352**	**131,323,162**	**69,638,333**
Current liabilities	303,853,266	187,723,417	131,323,162	69,638,333
Non-current liabilities	-	216,935	-	-
	303,853,266	**187,940,352**	**131,323,162**	**69,638,333**

30. Financial instruments

Financial risk management

General

The Group and the Company are exposed to the following risks from the use of their financial instruments:

- Credit Risk
- Liquidity risk
- Market Risk

This paragraph presents information regarding the Group's and the Company’s exposure to each of the above risks, the Group's and the Company’s objectives, the policies and procedures they apply for the calculation and management of risks, as well as the management of the Group's and 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 Group's and the Company's risk management policies are applied in order to identify and analyse the risks that the Group and the Company are exposed to, and set audit points and safeguards, and risk-taking limits. The risk management policies and relevant systems are periodically examined so as to incorporate any changes in the market and the Group's and the Company’s activities.

In the context of the foregoing, the Group and the Company have evaluated any effects that the management of financial risks may have due to the current macroeconomic situation and business environment in Greece and internationally. The Group and the Company 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 in order to minimise the impact of the macroeconomic conditions on their operations.

Credit Risk

Credit risk is the risk that the Group or 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 trade receivables and investments in securities.

Trade and other receivables & contract assets

Group's and Company's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The demographics of the Group's and the Company’s clientele, including the risk of default specific to this market and the country in which customers operate, have a limited effect on credit risk since there is no geographic concentration of credit risk.

No customer accounts for more than 10% of consolidated revenue with the exception of Romania-based associated company Icme Ecab. The Group's and the Company's activities are project oriented and on certain occasions this threshold is individually exceeded for a short period of time. Therefore, save project clients, commercial risk is spread over a large number of clients.

The Board of Directors has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms of the Group and the Company are proposed to such customer. The creditworthiness control performed by the Group and the Company includes an examination of information from banking sources.

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 Group or the Company solely based on prepayments or letters of guarantee.

Most of the Group's and the Company's customers hold long-lasting transactions with the Group or the Company and no incidents of default have been recorded. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, their geographical region, the market in which they operate, the ageing profile of their receivables and the existence of any previous financial difficulties. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors.

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.

According to the customer's history and capacity, in order to secure its receivables, the Group or the Company requests real guarantees or collateral (i.e. letters of guarantee), when possible.

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

Investments

Investments are classified depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each presentation date. Management estimates that there will be no payment default for such investments.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will be unable to fulfil its financial liabilities in due time. Group's or Company's approach to liquidity management is to secure, as much as possible, by holding necessary cash assets and adequate credit lines from collaborating banks, 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 Group's or the Company's reputation.

To avoid liquidity risk the Group and the Company make a cash flow provision for one year when preparing the annual budget and make a monthly rolling provision for three months to ensure that they have adequate cash to cover their operating needs, including coverage of their financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

In the past, Hellenic Cables Group has never experienced any issues in financing its activities, renewing its working capital facilities or refinancing its long-term loans and borrowings. Management expects that any repayments for banking facilities required will be met out of operating cash flows or from unutilised credit lines, which are in place in order to serve capital requirements. Regarding the finance of project-based activities, the Group has secured the necessary funds through project finance facilities. Finally, the relevant payables to suppliers are interest-free and settled within three months maximum. Therefore, the liquidity risk is mitigated as the Group and the Company fulfil their obligations of all types in due time.

Market Risk

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

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

Exchange rate risk

The Group and the Company are exposed to exchange rate risk from sales and purchases and from loans taken out in a currency other than their functional currency which is Euro.

The Group's and the Company's main bank loans are denominated in Euro. Borrowing interest is also in Euro, namely in a currency identical to that of the cash flows arising from their operating activities.

Regarding other financial assets and liabilities denominated in foreign currencies, the Group and the Company secure that their 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 Group and the Company obtain funds for their investments and their working capital through bank loans, and therefore debit interest is charged to their results. Any upward trend of interest rates will have a negative effect on results due to the additional borrowing costs.

Capital management

The Board of Directors' policy is to maintain a robust capital base, in order to keep the Group and the Company trustworthy among investors, creditors and market players, and enable the future development of their operations. The Board of Directors monitors return on equity, which is defined as the net profits divided by total equity. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Company does not have a specific treasury stock purchasing plan.

No changes were made to the approach adopted by the Group and the Company concerning capital management during the fiscal year.

The Company is not subject to external capital obligations.

Total borrowing of the Group and the Company in relation to their equity on the reporting date is as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**2021**	**2020**	**2021**	**2020**
Total loans & borrowings (incl. lease liabilities)	254,629	271,624	94,861	126,463
Less: Cash	(86,537)	(57,686)	(32,463)	(22,838)
Net debt	**168,092**	**213,938**	**62,398**	**103,625**
Total equity	156,155	121,165	101,018	87,492
Debt to equity ratio	**1.08**	**1.77**	**0.62**	**1.18**

The above ratio was improved due to the high operational profitability, which was translated into important free cash flows, which reduced net debt.

30.1 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:

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Trade and other receivables - Non-current assets	611,634	520,962	207,957	213,709
Trade and other receivables - Current assets	125,135,113	92,086,422	46,036,522	54,800,469
Contract assets	67,655,772	55,047,824	39,044,733	24,348,963
	193,402,519	**147,655,209**	**85,289,213**	**79,363,141**
Less:				
Prepayments	(22,084)	(66,324)	(20,913)	(65,153)
Current tax assets	(11,912,560)	(10,691,448)	(6,410,973)	(2,801,862)
Other short-term receivables	(2,857,001)	(4,541,264)	(1,909,608)	(1,668,469)
Total	**178,610,874**	**132,356,173**	**76,947,719**	**74,827,657**

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Greece	82,862,521	66,205,473	29,612,975	27,957,850
Other European Union countries	63,230,722	63,054,127	15,445,338	45,510,549
Other European countries	24,962,284	83,301	24,952,367	83,301
America	487,722	954,828	487,722	954,828
Other countries	7,067,626	2,058,444	6,449,317	321,129
Total	**178,610,874**	**132,356,173**	**76,947,719**	**74,827,657**

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

Impairment losses

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Neither past due nor impaired	170,440,245	127,533,266	68,915,412	71,689,438
- Overdue up to 6 months	5,487,408	1,852,671	5,349,086	1,555,428
- Overdue over 6 months	2,683,221	2,970,236	2,683,221	1,582,792
Total	**178,610,874**	**132,356,173**	**76,947,719**	**74,827,657**

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

GROUP:

Amounts in Euro	2021			2020		
	Trade and other receivables	**Contract assets**	**Total**	**Trade and other receivables**	**Contract assets**	**Total**
Balance on 1 January	**3,178,826**	**142,979**	**3,321,805**	**3,347,678**	**115,306**	**3,462,984**
Amounts recognised in the Statement of Profit or Loss						
Impairment loss	45,863	174,594	220,457	152,117	48,380	200,496
Reversal of provision for impairment	(195,868)	-	(195,868)	(248,323)	(20,707)	(269,030)
	(150,005)	**174,594**	**24,589**	**(96,207)**	**27,673**	**(68,534)**
Other movements:						
Write-offs	(14,191)	-	(14,191)	(72,645)	-	(72,645)
Balance on 31 December	**3,014,629**	**317,573**	**3,332,203**	**3,178,826**	**142,979**	**3,321,805**

COMPANY:

Amounts in Euro	2021			2020		
	Trade and other receivables	**Contract assets**	**Total**	**Trade and other receivables**	**Contract assets**	**Total**
Balance on 1 January	**1,777,624**	**94,597**	**1,872,221**	**2,069,056**	**115,304**	**2,184,360**
Amounts recognised in the Statement of Profit or Loss						
Impairment loss	-	160,799	160,799	21,126	-	21,126
Reversal of provision for impairment	(143,636)	-	(143,636)	(239,914)	(20,707)	(260,620)
	(143,636)	**160,799**	**17,164**	**(218,788)**	**(20,707)**	**(239,495)**
Other movements:						
Write-offs	(14,191)	-	(14,191)	(72,645)	-	(72,645)
Balance on 31 December	**1,619,797**	**255,396**	**1,875,194**	**1,777,624**	**94,597**	**1,872,221**

The greatest part of trade receivables is insured by insurance companies in case collection thereof fails. On 31 December 2021, 82% and 87% of the amounts due from third parties to the Group and the Company, respectively, were insured.

Moreover, the following collateral has been provided as a guarantee of receivables and contract assets:

	GROUP		**COMPANY**	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Liabilities that may be offset against receivables	8,842,471	1,824,521	4,193,720	1,824,521

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.

30.2 Liquidity risk

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

GROUP

	2021				
Amounts in Euro	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2021**
Bank loans & factoring without recourse	109,583,860	868,713	2,170,555	31,478	**112,654,607**
Lease liabilities	501,791	361,313	399,708	-	**1,262,812**
Bond loans	20,337,853	59,799,617	52,903,476	28,413,084	**161,454,030**
Derivatives	1,439,849	-	-	-	**1,439,849**
Trade and other payables	303,853,266	-	-	-	**303,853,266**
Total	**435,716,620**	**61,029,644**	**55,473,738**	**28,444,562**	**580,664,564**

	2020				
Amounts in Euro	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2020**
Bank loans & factoring without recourse	126,520,481	1,089,573	2,453,309	461,032	**130,524,395**
Lease liabilities	642,745	433,875	574,056	-	**1,650,676**
Bond loans	22,085,105	27,335,113	86,201,615	29,786,458	**165,408,292**
Derivatives	2,300,902	-	-	-	**2,300,902**
Trade and other payables	187,813,379	226,902	-	-	**188,040,280**
Total	**339,362,612**	**29,085,463**	**89,228,980**	**30,247,490**	**487,924,545**

<u>COMPANY</u>

	2021				
Amounts in Euro	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2021**
Bank loans & factoring without recourse	54,771,741	-	-	-	**54,771,741**
Lease liabilities	290,789	220,648	235,247	-	**746,684**
Bond loans	4,239,600	24,148,300	15,395,550	-	**43,783,450**
Derivatives	878,971	-	-	-	**878,971**
Trade and other payables	131,323,162	-	-	-	**131,323,162**
Total	**191,504,264**	**24,368,948**	**15,630,797**	**-**	**231,504,008**

	2020				
Amounts in Euro	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2020**
Bank loans & factoring without recourse	63,562,900	-	-	-	**63,562,900**
Lease liabilities	392,437	257,611	376,155	-	**1,026,203**
Bond loans	12,388,089	12,982,183	45,051,869	-	**70,422,141**
Derivatives	1,251,427	-	-	-	**1,251,427**
Trade and other payables	69,638,333	-	-	-	**69,638,333**
Total	**147,233,186**	**13,239,794**	**45,428,024**	**-**	**205,901,004**

The Group and the Company have approved credit lines with collaborating banks and are not expected to face liquidity problems to meet their short-term liabilities.

30.3 Foreign exchange risk

The exposure of the Group and the Company to exchange rate risk is as follows:

GROUP

31.12.2021

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	7,671,650	7,147,076	613,077	**15,431,803**
Cash	1,560,943	2,102,779	-	**3,663,721**
Trade and other payables	(2,911,659)	(1,703,210)	(29,909)	**(4,644,779)**
	6,320,933	**7,546,645**	**583,167**	**14,450,745**
Derivatives for hedging of the above risks (Nominal value)	(3,000,951)	(21,048,777)	-	**(24,049,728)**
	3,319,982	**(13,502,132)**	**583,167**	**(9,598,982)**

31.12.2020

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	5,556,610	8,277,956	-	**13,834,566**
Cash	1,866,076	30,419	-	**1,896,496**
Loans & lease liabilities	-	(1,436,856)	-	**(1,436,856)**
Trade and other payables	(3,858,754)	(150,344)	-	**(4,009,098)**
	3,563,932	**6,721,175**	**-**	**10,285,107**
Derivatives for hedging of the above risks (Nominal value)	(8,439,539)	(16,183,420)	-	**(24,622,959)**
	(4,875,606)	**(9,462,246)**	**-**	**(14,337,852)**

COMPANY

31.12.2021

Amounts in Euro	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	6,452,097	7,147,076	613,077	**14,212,250**
Cash	1,110,701	2,101,696	-	**3,212,398**
Trade and other payables	(376,145)	(1,287,456)	(21,896)	**(1,685,496)**
	7,186,654	**7,961,316**	**591,181**	**15,739,151**
Derivatives for hedging of the above risks (Nominal value)	(7,874,846)	(21,048,777)	-	**(28,923,622)**
	(688,192)	**(13,087,460)**	**591,181**	**(13,184,472)**

31.12.2020

Amounts in Euro	**USD**	**GBP**	**OTHER**	**TOTAL**
Trade and other receivables	5,548,479	8,277,956	-	**13,826,434**
Cash	1,604,550	18,676	-	**1,623,226**
Loans and borrowings	-	(1,436,856)	-	**(1,436,856)**
Trade and other payables	(480,159)	(96,327)	(99,234)	**(675,719)**
	6,672,870	**6,763,449**	**(99,234)**	**13,337,084**
Derivatives for hedging of the above risks (Nominal value)	(14,574,651)	(16,183,420)	-	**(30,758,071)**
	(7,901,781)	**(9,419,971)**	**(99,234)**	**(17,420,987)**

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:

GROUP

	Profit or loss		**Equity**	
Amounts in Euro	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2021				
USD (10% change)	368,887	(301,817)	368,887	(301,817)
GBP (10% change)	(1,500,237)	1,227,467	(1,500,237)	1,227,467
2020				
USD (10% change)	(541,734)	443,237	(541,734)	443,237
GBP (10% change)	(1,051,361)	860,204	(1,051,361)	860,204

COMPANY

	Profit or loss		Equity	
Amounts in Euro	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2021				
USD (10% change)	(76,466)	62,563	(76,466)	62,563
GBP (10% change)	(1,454,162)	1,189,769	(1,454,162)	1,189,769
2020				
USD (10% change)	(877,976)	718,344	(877,976)	718,344
GBP (10% change)	(1,046,663)	856,361	(1,046,663)	856,361

A 10% decrease/increase of Euro in relation to the following currencies on 31 December 2021 and 2020 would increase (decrease) equity and results by the amounts set out below. This analysis assumes that all the other variables and especially interest rates remain fixed.

30.4 Interest rate fluctuation risk

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

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Fixed rate				
Liabilities	40,082,666	38,785,649	-	-
Floating rate				
Liabilities	214,546,426	232,838,523	94,860,635	126,463,307
	254,629,093	**271,624,172**	**94,860,635**	**126,463,307**

Sensitivity analysis:

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.

GROUP

	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%**
Floating rate financial instruments	(798,850)	798,850	(798,850)	798,850

COMPANY

Effect on Euro in operating results and Equity	31.12.2021 Increase by 0.25%	31.12.2021 Decrease by 0.25%	31.12.2020 Increase by 0.25%	31.12.2020 Decrease by 0.25%
Floating rate financial instruments	(331,953)	331,953	(376,166)	376,166

30.5 Fair value

Fair value compared to book value

The fair value of the following financial assets and financial liabilities measured at amortised cost approximates their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Loans and borrowings

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

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value as:

– 84% of consolidated loans and borrowings and 100% of loans at Company level concern floating-rate debt, which are a very good approximation of current market rates;
– As for fixed-rate financial liabilities (EUR 40 million as of 31 December 2021), the fair value test based on current market rates indicates that their fair value also approximates their carrying amount.

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 measured according to the Group's and the Company’s estimates since there is no observable input in the market.

GROUP	**2021**			**2020**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other investments	-	-	3,000	-	-	221,136
Derivative financial assets	-	-	-	-	257,563	-
Derivative financial liabilities	(1,184,106)	(255,744)	-	(2,157,968)	(142,934)	-
Total	**(1,184,106)**	**(255,744)**	**3,000**	**(2,157,968)**	**114,629**	**221,136**

COMPANY	**2021**			**2020**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other investments	-	-	3,000	-	-	221,136
Derivative financial assets	-	-	-	-	257,563	-
Derivative financial liabilities	(635,325)	(243,646)	-	(1,251,427)	-	-
Total	**(635,325)**	**(243,646)**	**3,000**	**(1,251,427)**	**257,563**	**221,136**

31. Commitments and contingent liabilities

31.1 Commitments

The Group and the Company had the following capital commitments on the reporting date:

	GROUP		**COMPANY**	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Property, plant and equipment	5,587,290	2,710,736	2,540,709	950,000

31.2 Contingent liabilities

The Group and the Company have contingent liabilities and receivables relating to banks, other collateral and other issues arising in the ordinary course of business, which are as follows:

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Guarantees given for securing payables to suppliers	1,703,974	4,145,817	1,695,799	3,960,842
Guarantees for securing the performance of contracts with suppliers	1,171	1,171	-	-
Mortgages and statutory notices of mortgage on fixed assets and inventories (nominal value)	49,000,000	140,846,800	-	91,846,800
Guarantees given for securing the performance of contracts with customers	163,674,143	132,781,793	107,840,271	106,710,891
Guarantees for grants	9,573,024	9,573,024	5,217,024	5,217,024
Other payables	8,740,000	5,700,000	1,750,000	1,750,000
	232,692,312	**293,048,605**	**116,503,094**	**209,485,557**

31.3 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 Company and its subsidiaries 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 SA 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.

Years 2011 to 2016 of the Company have not been audited in tax terms by Greek tax authorities. No tax compliance certificates have been issued for the above period by the statutory auditor who was elected as per Codified Law 2190/1920, as the Company did not meet audit requirements for the years 2011 to 2015.

Years 2011, 2012, 2013, 2014 and 2015 have been audited for the subsidiary Fulgor by the statutory auditor elected as per Codified Law 2190/1920, namely the audit firm of certified public accountants "Deloitte Certified Public Accountants

S.A." (statutory auditor), in accordance with article 82 of Law 2238/1994 and Article 65a of Law 4174/2013. 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" and there were no reservations regarding the Company while the relevant tax compliance certificates that concerned the subsidiary Fulgor for 2017 and 2018 were issued "without qualifications regarding matter of emphasis" by "KPMG Certified Auditors SA", i.e. the Company's and Fulgor's statutory auditor, for these years.

As for 2019 and 2020, a tax compliance certificate with unqualified opinion was issued for the Company while Fulgor was issued a tax compliance certificate "without qualifications and with matter of emphasis" by the Company's and the Group's statutory auditor "PricewaterhouseCoopers S.A. Auditing Company- Certified Public Accountants S.A." (PWC).

As for 2021, the Company and its subsidiary Fulgor have fallen under the tax audit of Chartered Accountants which is provided for in Article 65A of Law 4174/2013. These audits are under way and the relevant tax compliance report is expected to be granted after the financial statements on the year ended 31 December 2021 are published. It is estimated that the audit result will not have a significant effect on the stand-alone or consolidated financial statements.

In addition, based on risk analysis criteria, the Greek tax authorities may select the Company or any subsidiary for tax audit in the context of audits conducted to companies that received tax compliance certificates upon agreement of the chartered auditor. 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 subsidiary Fulgor 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 levied on Fulgor.

The Group and the Company do not expect any additional taxes or surcharges from the audit of Greek tax authorities.

32. Transactions with related parties

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

Accordingly, the subsidiaries and equity-accounted investees of VIOHALCO SA/NV Group, as well as the executive members of the Board of Directors of the Company and its subsidiaries are considered the Group's related parties.

The balances of Group and Company transactions with related parties and the results related to such transactions are as follows:

I. Transactions with subsidiaries

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Receivables	-	-	-	8,686,479
Liabilities	-	-	31,250,015	1,155,746
Sales of products and other income	-	-	85,089,930	67,046,294
Purchases of products and other expenses	-	-	247,872,991	141,548,956

II. Transactions with the parent company*

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Receivables	64,164	-	64,164	-
Liabilities	38,181	756,935	38,181	558,108
Sales of products and other income	53,142	5,260	53,142	5,260
Purchases of products and other expenses	160,730	52,445	160,730	52,445

**: The intermediate parent company CENERGY S.A. and the ultimate parent company VIOHALCO SA/NV are included.*

III. Transactions with subsidiaries of VIOHALCO SA/NV Group

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Receivables	62,502,245	36,702,991	14,582,995	15,694,901
Liabilities	26,000,463	17,342,479	10,021,660	8,744,305
Sales of products and other income	343,438,777	197,705,884	168,829,813	114,951,648
Purchases of products and other expenses	78,082,305	55,952,068	39,359,885	27,797,433

IV. BoD members

	GROUP		COMPANY	
Amounts in Euro	**2021**	**2020**	**2021**	**2020**
Fees	739,338	609,353	606,017	386,346

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

33. Impact of Covid-19 pandemic

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

The health and safety of the Group'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 Group's Management has put in place a multi-faceted action plan to mitigate negative effects and focusing on the following pillars:

- Workforce protection, to avoid production interruptions;
- 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 Group sites, and until now all production plants are in undisrupted operation, while health & safety measures were enforced. Raw material supply was safeguarded and neither the Group nor the Company faced any 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 297 thousand (2020: EUR 1,216 thousand) for the Group and EUR 113 thousand (2020: EUR 808 thousand) for the Company. Such cost is mainly associated with medical equipment, employee benefits, additional nursery staff, coronavirus detection testing and other relevant expenses.

Owing to the uncertainty caused by the pandemic, the Group has also taken the following actions to anticipate any negative financial feedback:

- It secured the liquidity position of its companies through a close monitoring of operating cash flows coupled to confirming sufficient unutilised credit lines.
- It reviewed the capital expenditures plans and suspended any non-strategic and/or non-essential outlays.
- It put in place a cost savings plan for 2020 onwards, without jeopardising the projected growth of its subsidiaries.

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

On the other hand, so far, the commercial implications for the Group and the Company have been limited, as the Group companies have been awarded a number of 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.

34. Subsequent events

The Ukraine conflict which began in February 2022 is expected to cause major turbulence to the global economy throughout 2022. Although it is very early to fully assess the impact of the turmoil in eastern Europe, the Company's and the Group's total exposure to Ukraine and Russia is limited and, therefore, no direct material impact is expected. Sales to these markets represent an insignificant portion of total turnover and any loss in revenue will be fully offset by demand in other markets. More specifically, sales to the Russian market for the year ended in 2021 account for 3.1% of Group's total revenue and 4.7% of Company's total revenue. Moreover, as regards the mitigation of any likely disruptions in the supply chain, Group companies have already initiated actions to shift the supply of raw materials currently sourced from Russia to alternative markets. As for financing, the companies have no exposure to Russian banks. Finally, it should be noted that Group companies have taken mitigating actions to reduce the business impact while closely monitoring the situation.

Other than the above, there are no significant events in 2022 that could affect the Group's and the Company's financial position.

* *

Athens, 12 May 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	MEMBER OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
IOANNIS BATSOLAS AK 034042	GEORGIOS PASSAS AN 094051	ALEXIOS ALEXIOU X 126605	IOANNIS THEONAS AE 035000 LICENCE NUMBER 1st CLASS: 0011130

C. Audit Report by Independent Chartered Accountant

Independent auditor's report

To the Shareholders of "Hellenic Cables SA"

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of Hellenic Cables SA (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2021, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2021, their separate and consolidated financial performance and their separate and consolidated 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 separate and consolidated 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 and the Group 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018.

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

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

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as 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 separate and consolidated 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 separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 and Group'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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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, 13 May 2021
The Certified Auditor Accountant

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