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ANNUAL FINANCIAL REPORT

AS AT 31 DECEMBER 2019

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ACCORDING TO INTERNATIONAL FINANCIAL AND REPORTING STANDARDS

EPIRUS METALWORKS S. A  
G.C. REGISTRY: 149237801000  
Athens Tower, Building B, 2-4Mesogeion Avenue

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## **Board of Directors Annual Financial Report**

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

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

### **A. Financials - Business report - Major events**

On April 13, 2018 it was signed the notarial contract for sale and transfer of all the assets of "Ipiros Metalworks Industry S.A." to ELVALHALCOR S.A, which began to operate as ELVAHALCOR's branch in Pogoni, Ioannina. On August 8, 2019 was completed the conversion of the branch in Ioannina into a newly formed company under the trade name "EPIRUS METALWORKS SINGLE MEMBER S.A." pursuant to 07.08.2019 decision with ref. no Ω4EK465X18-54B of the Ministry of Development and Investments. As company's transformation date determined to 01.08.2019, as the closest to the end of period, following the appropriate approvals and considering the decision of the Ministry of Development and Investments. Regarding the preparation of the financial statements considered the period from the date of the company transformation on 01.08.2019 to 31.12.2019.

For 2019, revenue amounted to Euro 1,799 thousand, taking advantage of the commercial network of its parent company, with gross profit recorded a loss of Euro 161 thousand. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to loss of Euro 253 thousand, mainly affected by the increased maintenance and reestablishment costs of the machinery. Earnings before interest and taxes (EBIT) recorded a loss of Euro 450 thousand, while the net result for the period (loss) considered to Euro 631 thousand.

### **B. Financial standing**

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

<b>Ratios</b>	<b>31/12/2019</b>
<b>Liquidity</b> Current Assets/Current Liabilities	0.33
<b>Leverage</b> Equity/ Loans & Borrowings	(0.04)
<b>Return on Invested Capital</b> Operating Profit (Loss)/ Equity + Loans & Borrowings	(8.2) %
<b>Return on Equity</b> Net Profit (Loss)/Equity	4.8

## C. Corporate Social Responsibility and Sustainable Development

### Reference to non-Financial Information

EPIRUS METALWORKS is a subsidiary of ELVALHALCOR S.A.. The non-Financial Information Report of ELVALHALCOR includes information about the major production subsidiaries that are consolidated, including EPIRUS METALWORKS S.A. The subsidiaries which represent more than 1% of the consolidated turnover of ELVALHALCOR, are the most important and are also presented in the Sustainability Report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI-Standards). For more information visit the websites [www.elvalhalcor.com/sustainability/reporting/overview/](http://www.elvalhalcor.com/sustainability/reporting/overview/), and <http://www.epirusmetalworks.com/#>.

### Environment

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

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

### Human resources

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

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

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

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

Moreover, EPIRUS METALWORKS seeks and ensures jobs and recruitment from the wider society of Ioannina, supporting the employment in the region.

### Health and Safety

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

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

## **D. Main Risks and Uncertainties**

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

### **Credit Risk**

The Company's exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. During 2019, a great proportion of sales of the company was realized to affiliate companies and mainly to the parent company ELVALHALCOR, which considers that no significant risk of default exist.

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

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

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

### **Investments**

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

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

### **Guarantees**

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

### **Liquidity risk**

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Company to is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Noted that on the 31<sup>st</sup> of December, 2019, the Company held an amount of

Euro 464 thousand of cash and the necessary approved (but unused) credit lines, so it can easily serve short and medium term obligations.

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

### **Market Risk**

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

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

### **Exchange rate risk**

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

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

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

### **Interest rate risk**

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

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

### **Capital management**

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

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

**Macro-economic environment**

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

Considering, however, the following:

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

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

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

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

**E. Goals and Prospects**

For the year 2020, the Company will continue to have as its main strategic goal to increase its market shares for coin products and to strengthen its activity in new markets that haven't been affected by the economic downturn. In addition, for this current year, the optimal management of working capital and the reduction of net debt are our main priorities. The Company monitors the developments regarding the spread of the corona virus and considers that will be not affected. As the macro trends remain positive for the products for Company, the long-term plan remains firm.

**F. Subsequent events**

1. On 14.02.2020 was completed and approved by the BoD of the Company the share capital increase with cash, according to the decision of the General Assembly on 02.12.2019 of the company, by the amount of Euro 455,500.00 with the issue of 45.550 new shares with nominal amount Euro 10 each one. The share capital of the company considered to the amount of Euro 555,500.00 and is divided to 55.550 number of shares with nominal amount of Euro 10,00 each.
2. The Company considers that the appearance of COVID-19 does not create any uncertainties regarding its ability to continue as going concern, in any level of its supply chain. Its investment plan remains the same, its assets do not consider any trigger event for impairment as its exposure to credit risk is limited. Management has provided all the appropriate actions and has been established a general plan that faces any risk factor in order to secure its smooth course.

The Chairman of the B.o.D

The Member of the B.o.D

The Head of Finance

PERIKLIS SAPOUNTZIS

SPYRIDON KOKKOLIS

DIMITRIOS KAFOROS



## Independent Auditor's Report

To the Shareholders of EPIRUS METALWORKS S.A.

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Company EPIRUS METALWORKS S.A. (the Company), which comprise the balance sheet for the first sub twelve-month period as at 31<sup>st</sup> December 2019, the income statement and statement of other comprehensive income, statement of changes in Equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company EPIRUS METALWORKS S.A. as at 31 December 2019, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

#### Basis for Opinion

We concluded our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company within our entire assignment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), incorporated into the Greek Legislation and ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the management's intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as an aggregate, 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, incorporated into the Greek Legislation, 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 affect the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We disclose to the management, 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.

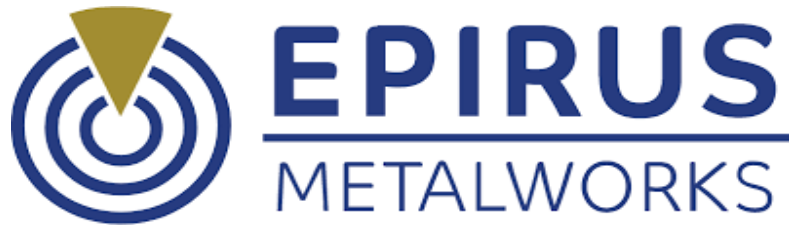
### Report on Other Legal and Regulatory Requirements

- 1) Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

- a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150 of Law 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31.12.2019.
  - b) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company EPIRUS METALWORKS S.A. and its environment.
- 2) Note 2 to the financial statements makes reference to the fact that as at December 31<sup>st</sup>, 2019, the Company's total equity is lower than ½ of its share capital, and, therefore, there are effective the requirements for the application of Article 119, Par. 4, Law 4548/2018, under which the Board of Directors is under obligation to convene the General Meeting of shareholders in order to make a decision on taking the necessary measures.

Athens, 30 June, 2020  
The Certified Public Accountant

Panagiotis Noulas  
I.C.P.A. Reg. Num. 40711



## FINANCIAL STATEMENTS

For the year ending at 31/12/2019

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MEMBER OF THE B.o.D.	THE HEAD OF FINANCE
PERIKLIS SAPOYNTZIS  ID No. AK 121106	SPYRIDON KOKKOLIS  ID No. AN 659640	DIMITRIOS KAFOROS  ID No AH 524735  Class A License Reg. No 106475

**I. Statement of Financial Position**

EUR

 Note: 31/12/2019
**ASSETS**
**Non-current assets**

Property, plant and equipment	9	4,086,819
Right of use assets	23	9,301
Intangible assets and goodwill	10	6,629
		<u>4,102,749</u>

**Current Assets**

Inventories	12	1,112,432
Trade and other receivables	13	435,966
Cash and cash equivalents	14	464,013
		<u>2,012,411</u>

**Total assets**
6,115,160
**EQUITY**
**Capital and reserves attributable to the Company's equity holders**

Share capital	15	100,000
Other reserves	15	400,000
Retained earnings/(losses)		(631,423)
<b>Total equity</b>		<u>(131,423)</u>

**LIABILITIES**
**Non-current liabilities**

Lease liabilities	16	6,629
Deferred tax liabilities	11	181,344
Employee benefits	17	2,409
		<u>190,382</u>

**Current liabilities**

Trade and other payables	18	2,833,540
Loans and Borrowings	16	3,219,339
Lease liabilities	16	3,323
		<u>6,056,202</u>

**Total liabilities**
6,246,583
**Total equity and liabilities**
6,115,160

Notes on pages 17 to 44 constitute an integral part of these Financial Statements.

**II. Statement of Profit and Loss**

<i>EUR</i>	<b>01.08.2019- 31.12.2019</b>
<b>Revenue</b>	<b>1,799,208</b>
Cost of Sales	(1,960,177)
<b>Gross Profit</b>	<b>(160,969)</b>
Other Income	1,120
Selling and Distribution expenses	(34,146)
Administrative expenses	(131,316)
Other Expenses	(1,942)
<b>Operating profit / (loss)</b>	<b>(327,253)</b>
Finance Costs	(122,827)
<b>Net Finance income / (cost)</b>	<b>(122,827)</b>
<b>Profit/(Loss) before income tax</b>	<b>(450,079)</b>
Income tax expense	(181,344)
<b>Profit/(Loss) for the year</b>	<b>(631,424)</b>

Notes on pages 17 to 44 constitute an integral part of these Financial Statements.

**III. Statement of Other Comprehensive Income**

<i>EUR</i>	<b>01.08.2019- 31.12.2019</b>
<b>Profit / (Loss) of the period from continued operations</b>	<b>(631,424)</b>
<u>Items that will never be reclassified to profit or loss</u>	
<b>Total</b>	<b>-</b>
<u>Items that are or may be reclassified to profit or loss</u>	
<b>Total</b>	<b>-</b>
<b>Other comprehensive income / (expense) after tax</b>	<b>-</b>
<b>Total comprehensive income / (expense) after tax</b>	<b>(631,424)</b>

Notes on pages 17 to 44 constitute an integral part of these Financial Statements.

**IV. Statement of Equity Movements**

<b>Balance as at 1 August 2019</b>	-	-	-	-
Net profit/(loss) of the period	-	-	(631,424)	<b>(631,424)</b>
<b>Total comprehensive income</b>	-	-	<b>(631,424)</b>	<b>(631,424)</b>
<b>Transactions with owners of the company</b>				
Transfer of reserves	(400,000)	400,000	-	-
Division/ segment spin off	500,000	-	-	<b>500,000</b>
<b>Total transactions with owners of the company</b>	<b>100,000</b>	<b>400,000</b>	-	<b>500,000</b>
<b>Balance as at 31 December 2019</b>	<b>100,000</b>	<b>400,000</b>	<b>(631,424)</b>	<b>(131,424)</b>

The notes on pages 17 to 44 constitute an integral part of these Financial Statements.



**V. Statement of Cash Flows**

<i>EUR</i>	<b>01.08.2019- 31.12.2019</b>
<b>Cash flows from operating activities</b>	
Profit / (loss) after taxes	(631,424)
<i>Adjustments for:</i>	
<i>Tax</i>	181,344
<i>Depreciation and Amortization</i>	<b>74,273</b>
Depreciation of tangible assets	72,049
Depreciation of right of use assets	1,081
Depreciation of intangible assets	1,143
Interest charges & related expenses	122,827
(Profit) / loss from sale of tangible assets	(73)
	<b>(253,052)</b>
Decrease / (increase) in inventories	657,660
Decrease / (increase) in receivables	867,863
(Decrease) / Increase in liabilities (minus banks)	(412,119)
	<b>1,113,403</b>
Interest charges & related expenses paid	(121,625)
<b>Net Cash flows from operating activities</b>	<b>738,726</b>
<b>Cash flows from investing activities</b>	
Purchase of tangible assets	(274,481)
Proceeds from sales of fixed assets	169
<b>Net Cash flows from investing activities</b>	<b>(284,283)</b>
<b>Cash flows from financing activities</b>	
Loans settlement	(232)
<b>Net cash flows from financing activities</b>	<b>(232)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>464,013</b>
Cash and cash equivalents at the beginning of period	-
<b>Cash and cash equivalents at the end of period</b>	<b>464,013</b>

The notes on pages 17 to 44 constitute an integral part of these Financial Statements.

## VI. Notes to the Financial Statements

### 1. Information about the Company

EPIRUS METALWORKS S.A. or “EPIRUS METALWORKS”, or “the Company” was established on 07.08.2019 with the decision with ref. no Ω4EK465X18-54B of the Ministry of Development and Investments and it is registered in the Register of Societes Anonyme G.C.Registry. : 149237801000.

The Company was renamed to “Epirus Metalworks S.A” from “Epirus Metalworks Single Member S.A” by the decision of General Assembly on 02.12.2019.

With the decision of the General Assembly on 02.12.2019, the term of the company is indefinite. The Company is a subsidiary of ElvalHalcor S.A. and member of Viohalco SA/NV.

The Company produces a wide range of coins as well as takes over trade and agency of them. The Company is vertically integrated and produces all types of coin blanks and rings for bi-colour coins.

The financial statements of the “Company” are included in the consolidated financial statements of the parent Company ELVALHALCOR S.A..

The “Company” is seated Athens, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525. The Company’s main offices as well as the contact address are at the Kefalovrisso, Ioannina GR 440 06. For more information about the Company and its activities, please visit the Company’s website (<http://www.epirusmetalworks.com>).

### 2. Basis of preparation of the Financial Statements

#### (a) Compliance Statement

The Financial Statements have been prepared in accordance with the IFRS as adopted by the European Union. These IFRS may be different from the IFRS issued by International Accounting Standards Board. The Financial Statements have been prepared on the basis of going concern. Regarding the preparation of the financial statements was considered the period, from the date of the Company’s transformation, following the appropriate approvals and considering the decision with reference number of Ω4EK465X18-54B/07.08.2019 of the Ministry of Development and Investments, as 01.08.2019 – 31.12.2019. The result for the period from 01.01.2019 to 31.07.2019, was included in the financial statements of ELVALHALCOR S.A. More information regarding the Company’s transformation refer to note 24.

On 31 December 2019, the total equity of the company was considered below the threshold of half ( $\frac{1}{2}$ ) of its share capital pursuant to par. 4 of Art. 119 of L.4548/2019 while in this context a capital increase of 455 thousand euros has been provided.

During its first fiscal year that ending at 31.12.2019, the Company recorded losses before taxes mainly attributable to the increased maintenance costs for its machinery in order to secure its operations. Total current liabilities of the Company exceed total current assets by Euro 4,044 thousand that is attributable mainly to a) the outstanding balance to the parent company ELVALHALCOR S.A. amounted to Euro 2,550 thousand and, b) the liability to settle during 2020 its short term bank loan from NBG, amounted to EUR 3,219 thousand.

The Company is capable to satisfy its liabilities after the aforementioned increase in its share capital that has been completed at the date of the authorization and publication of these financial statements. In addition, the parent company ELVALHALCOR S.A is capable to provide all the appropriate credits to the Company, in order to improve its cash flows and its operating result.

The Financial Statements ended on December 31, 2019, have been approved by the Company's Board of Directors on June 30, 2020.

**(b) Basis of Measurement**

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

**(c) Operating Currency and Presentation**

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

**(d) Application of Estimates and Judgments**

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

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

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

**Significant Assessments**

- Evaluation of assets which are not measured in fair value: The Group makes assessments for impairment of assets that aren't measured in fair value (Investments in subsidiaries and associates, Intangible assets, Receivables from customers).
- Management of the company examines the useful lives of the depreciable assets in regular intervals and once for each fiscal year. On 31.12.2019, the management considered that the useful lives represent the expected use of assets.

**3. Changes in the Accounting Policies****3.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union**

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

**Standards and Interpretations effective for the current financial year**

- **IFRS 16 “Leases” (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The new Standard affects the separate Financial Statements. The impact from the implementation of the new standard described in note 23.

- **IFRIC 23 “Uncertainty over Income Tax Treatments” (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 “Income Taxes” specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The new Interpretation affects the separate Financial Statements.

- **Amendments to IFRS 9: “Prepayment Features with Negative Compensation” (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the “negative compensation” feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The amendments do not affect the separate Financial Statements.

- **Amendments to IAS 28: “Long-term Interests in Associates and Joint Ventures” (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The amendments do not affect the separate Financial Statements.

- **Amendments to IAS 19: “Plan Amendment, Curtailment or Settlement” (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments affect the separate Financial Statements.

### **3.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union**

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements.

In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2020.

**Amendments to IAS 1 and IAS 8: “Definition of Material” (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

**Amendments to IFRS 9, IAS 39 and IFRS 7: “Interest Rate Benchmark Reform” (effective for annual periods starting on or after 01/01/2020).**

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

**Amendments to IFRS 3: “Definition of a Business” (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

- **IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (effective for annual periods starting on or after 01/01/2022)**

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity’s right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

#### **4. Significant Accounting Principles**

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

##### **4.1 Foreign currency**

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

## 4.2 Financial assets and liabilities

### a) Initial recognition and measurement

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

### b) Trade and Other Receivables

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

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

### c) Cash and Cash Equivalents

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

### d) Other investments

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

### e) Fair Value

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

### f) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any

difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

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

#### **g) Trade payables**

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

### **4.3 Derivatives and Hedge Accounting**

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

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

#### **a) Fair Value Hedging**

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

#### **b) Cash Flow Hedging**

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

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

### **4.4 Share Capital**

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

### **4.5 Property, Plant and Equipment**

#### **a) Recognition and Measurement**



The Company uses property, plant and equipment (PPE) in the area of production, supply of goods and services or for administrative purposes, which are presented in the Statement of Financial Position in their historic cost, which is their carrying amount less any subsequent accumulated depreciations and impairments. The company assesses at each reporting date if any indication for impairment exists for its PPE on that date. The impairment is calculated as the difference between the book value of the asset with its recoverable amount. The recoverable amount is considered as the higher between the FV of the asset less any selling expenses and its value in use. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

## b) Depreciation

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

- Buildings 16-58 years
- Machinery & equipment 5-20 years
- Transportation equipment 2-10 years
- Furniture and fixtures 3-5 years

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

## 4.6 Intangible Assets

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

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

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

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

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

#### **4.7 Inventories**

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

#### **4.8 Impairment**

##### **(a) Non-Derivative Financial Assets**

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

Objective evidence that a financial asset is impaired include:

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

##### **Financial Assets at Amortized Cost**

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

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

##### **Financial assets available for sale**

Impairment on financial assets available for sale is recognized by transferring the cumulative loss of the reserve "Fair value" in the results. The amount transferred to the results is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of a share depicted as a financial asset available for sale subsequently increases and the increase is related to an objective event occurring after the impairment then the original impairment loss is reversed and recognized in the Income Statement. Otherwise, the impairment is reversed in the Statement of Comprehensive Income.

**(b) Non-financial assets**

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

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

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

Impairments is recognized in the Income Statement.

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

**4.9 Employee Benefits*****(a) Short-term Benefits***

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

***(b) Defined-contribution Plans***

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

***(c) Defined-Benefit Plans***

The defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation which is posted in the balance sheet for the defined-benefit plans is the present value of the future benefit of the employee for the services he supplied in the current period or previously, less the fair value of the program's assets.

The defined benefit is calculated in annual basis by an independent actuary using the projected unit credit method.

The changes in the liability for defined-benefit plans that are related to actuarial gains and losses, are recognized directly in the Statement of Comprehensive Income. The discount rate corresponds to the rate

of the index applying to the low credit risk European bonds “iBoxx – AA-rated Euro corporate bond 10+ year”. Interests and other expenses which are related to the defined-benefit plans are recognized to the Income Statement.

When there is a change in the benefits of a plan or the plan shrinks, the change which is related to the past service cost or the profit/loss from the shrinkage is directly posted to the Income Statement. The Group recognizes profits and losses from the settlement of a plan, when this settlement is realized.

***(d) Benefits for Employment Termination***

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

**4.10 Provisions**

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

**4.11 Income**

***(a) Sales of goods***

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

***(b) Services***

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

***(c) Income from Interest***

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

***(d) Income from Dividends***

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

***(e) Income from rents***

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

#### **4.12 Government Grants**

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

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

#### **4.13 Leases**

##### **As a lessee**

From 1 January 2019, leases are recognized in the statement of financial position as a right of use of assets and the respective lease liability, on the date the leased asset is available for use. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The effect of applying the standard on 1 January 2019 is described in note 23.

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

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

##### **As a lessor**

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

#### **4.14 Income Tax**

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

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

Deferred tax is calculated using the financial position method which calculates the temporary differences between the book value and taxation basis of the assets and liabilities on the reporting date. Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or

tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled. The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

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

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

#### 4.15 Borrowing Cost

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

### 5. Revenue

Revenue according to the geographical distribution is as follows:

	EUR	01.08.2019- 31.12.2019
Greece		1,656,744
Poland		142,464
<b>Σύνολο</b>		<b>1,799,208</b>

Breakdown of revenue by segment:

EUR	01.08.2019- 31.12.2019
Sale of goods (at a point in time)	1,682,090
Sales of scrap and raw materials	117,118
<b>Total</b>	<b>1,799,208</b>

**6. Other Operating Income & Expenses**

EUR	<b>01.08.2019- 31.12.2019</b>
<b>Other Income</b>	
Gain from sale of Fixed assets	73
Other Income	1,047
<b>Total</b>	<b>1,120</b>
<b>Other Expense</b>	
Penalties	(410)
Other Expenses	(1,532)
<b>Total</b>	<b>(1,942)</b>
<b>Net other income-expenses</b>	<b>(822)</b>

**7. Expenses by Nature**

EUR	<b>01.08.2019- 31.12.2019</b>
Cost of inventories recognized as an expense	1,218,232
Employee benefits	161,623
Energy	23,435
Depreciation and amortisation	74,273
Taxes - duties	4,078
Other insurance expenses	2,540
Rental fees	6,530
Transportation costs (goods and materials)	35,349
Promotion & advertising	4,620
Third party fees and benefits	534,035
Storage and packing	360
Production tools	1,656
Maintenance expenses	3,779
Travel and personnel transport expenses	29,760
Shared utility expenses	26
Other expenses	25,342
<b>Total</b>	<b>2,125,639</b>

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

EUR	<b>01.08.2019- 31.12.2019</b>
Employee remuneration & expenses	100,684
Social security expenses	40,921
Defined benefit plan expenses	636
Other employee benefits	19,382
<b>Total</b>	<b>161,623</b>

The number of employees at the end of the current year was 19.

**8. Financial Income - Cost**

EUR	<b>01.08.2019- 31.12.2019</b>
<b>Expenses</b>	
Interest expenses	121,625
Other bank commissions	1,075
Interest lease liabilities (ex operating leasing)	128
Total	<b>122,827</b>



**9. Fixed Assets**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
<b><u>Cost</u></b>							
<b>Balance as at 1 August 2019</b>	-	-	-	-	-	-	-
Additions	4,981	13,811	6,282	1,389	13,964	234,224	<b>274,650</b>
Disposals	-	(400)	-	(166)	-	-	<b>(566)</b>
Absorption	58,781	1,402,238	636,278	1,971	5,604	1,803,948	<b>3,908,819</b>
<b>Balance as at 31 December 2019</b>	<b>63,762</b>	<b>1,415,648</b>	<b>642,559</b>	<b>3,194</b>	<b>19,568</b>	<b>2,038,172</b>	<b>4,182,903</b>
<b><u>Accumulated depreciation</u></b>							
<b>Balance as at 1 January 2019</b>	-	-	-	-	-	-	-
Depreciation of the period	-	(40,164)	(19,329)	(378)	(12,177)	-	<b>(72,049)</b>
Disposals	-	-	-	69	-	-	<b>69</b>
Absorption	-	(17,882)	(2,328)	-	(3,896)	-	<b>(24,106)</b>
<b>Balance as at 31 December 2019</b>	<b>-</b>	<b>(58,046)</b>	<b>(21,657)</b>	<b>(308)</b>	<b>(16,073)</b>	<b>-</b>	<b>(96,085)</b>
<b>Carrying amount as at 31 December 2019</b>	<b>63,762</b>	<b>1,357,602</b>	<b>620,902</b>	<b>2,885</b>	<b>3,495</b>	<b>2,038,172</b>	<b>4,086,818</b>

**(a) Assets under Construction**

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

**10. Intangible Assets**

EUR	Software	Total
<b>Cost</b>		
<b>Balance as at 1 August 2019</b>	-	-
Absorption	9,144	<b>9,144</b>
<b>Balance as at 31 December 2019</b>	<b>9,144</b>	<b>9,144</b>
<b>Accumulated amortization and impairment</b>		
<b>Balance as at 1 August 2019</b>	-	-
Amortization for the period	(1,143)	<b>(1,143)</b>
Absorption	(1,372)	<b>(1,372)</b>
<b>Balance as at 31 December 2019</b>	<b>(2,515)</b>	<b>(2,515)</b>
<b>Carrying amount as at 31 December 2019</b>	<b>6,629</b>	<b>6,629</b>

**11. Income Tax**

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

Reconciliation of effective tax rate:

**Amounts recognised in profit or loss**

<i>EUR</i>	<b>2019</b>
Deferred Tax (Expense)/Income	(181,344)
<b>Tax Expense</b>	<b>(181,344)</b>

**Reconciliation of effective tax rate**

<b>Accounting Profit/loss (-) before income tax</b>	<b>(428,528)</b>
Tax rate in Greece	24%
At statutory income tax rate	108,019
Non-deductible expenses for tax purposes	(289,363)
	<b>40%</b>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(181,344)</b>

The movement in deferred tax can be presented as follows:

<i>EUR</i>	<b>Net balance at 1 August 2019</b>	<b>Recognised in profit or loss</b>	<b>Net Balance at 31 December 2019</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
Property, plant and equipment	-	(170,925)	<b>(170,925)</b>	-	(170,925)
Intangible assets	-	201	<b>201</b>	201	-
Inventories	-	(11,198)	<b>(11,198)</b>	-	(11,198)
Employee benefits	-	578	<b>578</b>	578	-
<b>Tax assets/liabilities (-) before set-off</b>	-	<b>(181,344)</b>	<b>(181,344)</b>	<b>779</b>	<b>(182,124)</b>
Set-off tax			-	(779)	779
<b>Net tax assets/liabilities (-)</b>			<b>(181,344)</b>	-	<b>(181,344)</b>

## 12. Inventories

<i>EUR</i>	<b>31.12.2019</b>
Finished goods	43,500
Semi-finished goods	506,995
Work in progress	258,920
Raw and auxiliary materials	296,977
Consumables	1,008
Packaging materials	5,032
<b>Total</b>	<b>1,112,432</b>

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

## 13. Trade and Other Receivables

<i>EUR</i>	<b>31.12.2019</b>
<b>Current Assets</b>	
Trade receivables	130,335
Receivables from related entities	246,315
<b>Trade receivables</b>	<b>376,650</b>
Other down payments	4,490
Tax assets	49,582
Other receivables	5,244
<b>Total</b>	<b>435,966</b>
<b>Total receivables</b>	<b>435,966</b>

## 14. Cash and Cash Equivalents

On 31.12.2019, the cash and cash equivalents amounted to 464,013 euros.

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

## 15. Share capital and reserves

<i>EUR</i>	
<b>Balance as at 1 August 2019</b>	-
Special reserve	400,000
<b>Balance as at 31 August 2019</b>	<b>400,000</b>

**(a) Share capital and special reserve**

The Company's share capital was initially set at five hundred thousand euros (€ 500,000.00), divided into fifty thousand (50,000) shares of Euros ten (€ 10.00) each. Following the decision of the General Assembly dated 02.12.2019, the share capital of the Company decreased by an amount of Euro 400,000, with the simultaneous cancellation of forty thousand (40,000) shares in order to form a special reserve that will offset its cumulative losses.

**16. Loans and Obligations**

<i>EUR</i>	<u>31/12/2019</u>
<b>Non-current</b>	
Lease liabilities (ex. operating leases)	6,629
<b>Total</b>	<u>6,629</u>
<b>Current</b>	
Unsecured bank loans	3,219,339
Lease liabilities (ex. operating leases)	3,323
<b>Total</b>	<u>3,222,662</u>
<b>Total loans and borrowings</b>	<u>3,229,290</u>

The maturities of non-current loans are:

<i>EUR</i>	<u>31.12.2019</u>
Between 1 and 2 years	3,711
Between 2 and 5 years	2,918
<b>Total</b>	<u>6,629</u>

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

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

**17. Liabilities for employee's retirement benefits**

According to the Hellenic Labor Law, employees are entitled to compensation in the event of dismissal or retirement of an amount related to the employee's salary, length of service and way of leaving (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the compensation that would be payable in case of unjustified dismissal.

The Company considers that this is a defined benefit plan and charges the results for accrued benefits in each period with a corresponding increase in the pension liability. Benefit payments to retirees in each period are charged against this liability. The Company's employee benefit obligation as at 31 December 2019 amounted to Euro 2,409.00.

## 18. Trade payables and other liabilities

<i>EUR</i>	<b>31.12.2019</b>
Suppliers	213,732
Social Security funds	17,484
Amounts due to related parties	2,590,491
Sundry creditors	6,924
Accrued expenses	4,910
Other Taxes	213,732
<b>Total</b>	<b>2,833,540</b>

## 19. Financial assets

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

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

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

### (a) Credit Risk

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

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

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

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

The financial assets subject to credit risk are as follows:

<i>EUR</i>	<b>2019</b>
Customers (Current assets)	<u>435,966</u>
<b>Total</b>	<b><u>435,966</u></b>
<i>Less:</i>	
Downpayments	(4,490)
Tax assets	(49,582)
Other receivables	<u>(5,244)</u>
<b>Total</b>	<b><u>(59,316)</u></b>
<b>Financial assets entailing credit risk</b>	<b><u>376,650</u></b>

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

<i>EUR</i>	<b>2019</b>
Neither past due nor impaired	<u>376,650</u>
Overdue	
- Up to 6 months	-
- Over to 6 months	-
<b>Total</b>	<b><u>376,650</u></b>

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

## (b) Liquidity Risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2019, the Company had an amount of Euro 464 thousand and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

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

	<b>31.12.2019</b>				
<i>EUR</i>	<b>Carrying amount</b>	<b>Up to 1 yr</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Total</b>
Bank loans	3,219,339	3,248,212	-	-	3,248,212
Lease liabilities	9,952	2,784	2,784	4,408	9,976
Trade and other payables	2,833,540	2,833,540	-	-	2,833,540
<b>Total</b>	<b>6,062,830</b>	<b>6,084,536</b>	<b>2,784</b>	<b>4,408</b>	<b>6,091,728</b>

### (c) Foreign Exchange Risk

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

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

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

EUR	31.12.2019	
	EURO	Total
Trade and other receivables	435,966	<b>435,966</b>
Cash & cash equivalents	464,013	<b>464,013</b>
Loans and Borrowings	(3,229,290)	<b>(3,229,290)</b>
Trade and other payables	(2,833,540)	<b>(2,833,540)</b>
<b>Net Assets - (Liabilities)</b>	<b>(5,162,851)</b>	<b>(5,162,851)</b>

### (d) Interest Rate Risk

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

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

EUR	31.12.2019
<b>Variable-rate Instruments</b>	
Financial liabilities	3,229,290
<b>Total</b>	<b>3,229,290</b>

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

Variable interest rate	2019	
	Profit & Loss	
EUR	0.25% increase	0.25% decrease
Financial liabilities	(8,073)	8,073
<b>Cash flow sensitivity (net)</b>	<b>(8,073)</b>	<b>8,073</b>



### (e) Capital Management

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

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

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

### 20. Fair Value of Financial Assets

The fair value has the following hierarchy levels:

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

For the financial year of 2019 there was no difference between the fair and the book value of loans. The book value of Company's loans relates to loans in Euro.

### 21. Contingent Liabilities / Assets

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

### 22. Related parties

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

<i>EUR</i>	<u>2019</u>
<b>Sale of goods</b>	
Parent	1,507,607
Other	8,737
<b>Total</b>	<u><b>1,516,345</b></u>
<b>Sale of fix assets</b>	
Parent	420
<b>Total</b>	<u><b>420</b></u>

**Purchase of goods**

Parent	757,983
<b>Total</b>	<b><u>757,983</u></b>

**Purchase of services**

Parent	121,656
Other	8,489
<b>Total</b>	<b><u>130,146</u></b>

**Purchase of fixed assets**

Parent	39,581
Other	27,863
<b>Total</b>	<b><u>67,444</u></b>

*EUR*
**2019**

Fees - benefits to the members of the Board of Directors and executives

	25,668
<b>Total</b>	<b><u>25,668</u></b>

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

*EUR*
**2019**
**Receivables from related parties**

Parent	237,578
Other	8,737
<b>Total</b>	<b><u>246,315</u></b>

**Liabilities to related parties**

Parent	2,550,510
Other	39,514
<b>Total</b>	<b><u>2,590,024</u></b>

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

**23. Effect of IFRS 16**

The mandatory adoption of IFRS 16 for the period started from 1st January 2019 resulted for Company to recognize Right of Use of assets and finance lease liabilities (ex. operating), regarding the leases that Company considered as lessor. The liabilities measured to the present value of the remaining lease payments discounted by the incremental borrowing rate, approximately 4%, on 1st January 2019. The Right of Use of assets recognized to an amount equal to the Finance Lease Liabilities (ex. operating). The leases above related to rental for cars. The movement in the RoU of assets presented below:

EUR	<b>Transportation equipment</b>	<b>Total</b>
Cost		
<b>Balance as at 1 August 2019</b>	-	-
Absorption	11,680	<b>11,680</b>
<b>Balance as at 31 December 2019</b>	<b>11,680</b>	<b>11,680</b>
<b>Accumulated depreciation</b>		
<b>Balance as at 1 August 2019</b>	-	-
Depreciation of the period	(1,081)	<b>(1,081)</b>
Absorption	(1,298)	<b>(1,298)</b>
<b>Balance as at 31 December 2019</b>	<b>(2,379)</b>	<b>(2,379)</b>
<b>Carrying amount as at 31 December 2019</b>	<b>9,301</b>	<b>9,301</b>

During the fiscal year, the company recognized financial costs regarding finance lease (ex-operating) amounted to EUR 128 and included in the statement of profit and loss EUR 6.5 thousand related to rental fees for low value assets or short-term rents under the provisions of IFRS 16.

## 24. Company transformation

On 08.08.2019 completed the transformation of the branch in Pogoni-Ioannina, into a newly founded company limited by shares under the trade name "EPIRUS METALWORKS SINGLE MEMBER S.A." pursuant to 07.08.2019 decision with ref. no 131569/30-11-2017 of the Ministry of Development and Investments. As company's transformation date determined to 01.08.2019, as the closest to the end of period, following the appropriate approvals and considering the decision of the Ministry of Development and Investments. The financial performance of the Company presented below:

1. For the period until the Company's transformation
2. For the duration after the Company's transformation
3. The aggregated amount of the above aforementioned periods

EUR	Until the Company's transformation 10.02.2019-31.07.2019	After the Company's transformation 01.08.2019 - 31.12.2019	Total
Revenue	1,303,828	1,799,208	3,103,036
Cost of sales	(1,410,972)	(1,960,177)	(3,371,149)
<b>Gross profit</b>	<b>(107,143)</b>	<b>(160,969)</b>	<b>(268,112)</b>
Other Income	-	1,120	1,120
Selling and Distribution expenses	(59,946)	(34,146)	(94,092)
Administrative expenses	(32,160)	(131,316)	(163,476)
Other Expenses	-	(1,942)	(1,942)
<b>Operating profit / (loss)</b>	<b>(199,251)</b>	<b>(327,253)</b>	<b>(526,503)</b>
Finance Costs	-	(122,827)	(122,827)
<b>Net Finance income / (cost)</b>	<b>-</b>	<b>(122,827)</b>	<b>(122,827)</b>
<b>Profit/(Loss) before income tax</b>	<b>(199,251)</b>	<b>(450,079)</b>	<b>(649,330)</b>
Income tax expense	-	(181,344)	(181,344)
<b>Profit/(Loss) for the year</b>	<b>(199,251)</b>	<b>(631,424)</b>	<b>(830,674)</b>

At the transformation date acquired assets and liabilities as presented below, according to the valuation report of "ABACUS AUDIT & BUSINESS SOLUTIONS S.A.".

EUR

ASSETS	10/02/2019
<b>Non current</b>	
Property, Plant and equipment	3,016,414
Other long term receivables	2,000
<b>Total non-current assets</b>	<b>3,018,414</b>
<b>Current</b>	
Inventory	744,072
<b>Total current assets</b>	<b>744,072</b>
<b>Total Assets</b>	<b>3,762,486</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Trade payables	54,334
Loans and borrowings	3,208,152
<b>Total Liabilities</b>	<b>3,262,486</b>
<b>Net Assets acquired</b>	<b>500,000</b>

## 25. Subsequent events

1. On 14.02.2020, the share capital increase was completed and was certified by the Board of Directors of the Company, according to the decision of the General Assembly of the Company on 02.12.2019, by the amount of Euro 455,500.00 with the issuance of forty five thousand five hundred and fifty (45,550) new registered shares with a nominal value of ten (€10.00) euros each. The Company's share capital amounted to five hundred and fifty five thousand five hundred euros (€ 555,500) and is divided into fifty five thousand five hundred and fifty (55,550) shares with a nominal value of ten euros (€ 10.00) each.
2. The Company considers that the appearance of COVID-19 does not create any uncertainties regarding its ability to continue as going concern, in any level of its supply chain. Its investment plan remains the same, its assets do not consider any trigger event for impairment as its exposure to credit risk is limited. Management has provided all the appropriate actions and has been established a general plan that faces any risk factor in order to secure its smooth course.