Metka - EGN Limited

REPORT AND Financial statements
31 December 2020

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Contents

Metka - EGN Limited

Board of Directors and other officers

Board of Directors:	Antis Kaplanis Christos Patsalides Nikolaos Papapetrou Stylianos Palikaras (Apointed on 22 July 2020) Spyridon Petratos (Resigned on 22 July 2020)
Company Secretary:	Maria Chronia
Independent Auditors:	Grant Thornton (Cyprus) Ltd Certified Public Accountants and Registered Auditors
Registered office:	Dimitriou Karatasou 15 ANASTASIO MEGARO, Floor 6, Flat 602 2024, Strovolos, Nicosia Cyprus
Bankers:	Piraeus Bank A.E. VTB Bank (Europe) SE Eurobank Cyprus Ltd National Bank of Greece (ETE) UBCI Groupe BNP Paribas
Registration number:	HE 343336

Metka - EGN Limited

Management Report

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2020.

Principal activities and nature of operations of the Company
The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of solar power products and services.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6, 29 and 33 of the financial statements.

Existence of branches
The Company operates additionally through branches in Greece, Islamic Republic of Iran and Tunisia.

On 29 March 2021 the Board of Directors decided to terminate the Company's operations in Iran and to liquidate the Iranian Branch.

Share capital

Authorised Share Capital
On 20 December 2020, the Company's authorised share capital was increased to €2.000 divided to 2.000 shares of €1 each.

Issued Share Capital
On 20 December 2020, the Company made a bonus issue to the sole shareholder of the Company of 1.000 shares of €1 each issued at a premium of €999 per share, by capitalisation of €1.000.000 out of the retained earnings.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2020 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association Mr. Stylianos Palikaras retires and being eligible offer himself for re-election at the next annual general meeting.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors
The Independent Auditors, Grant Thornton (Cyprus) Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Nikolaos Papapetrou
Director

Nicosia, 9 July 2021

Independent Auditor's Report to the Members of Metka - EGN Limited

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Metka - EGN Limited (the ''Company''), which are presented in pages 6 to 40 and comprise the statement of financial position as at 31 December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Metka - EGN Limited as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the ''Auditor's Responsibilities for the Audit of the Financial Statements'' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report to the Members of Metka - EGN Limited (continued)

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors 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.

Grant Thornton

Independent Auditor's Report to the Members of Metka - EGN Limited (continued)

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Polyvios Polyviou
Certified Public Accountant and Registered Auditor
for and on behalf of

Grant Thornton (Cyprus) Ltd
Certified Public Accountants and Registered Auditors

Limassol, 9 July 2021

Metka - EGN Limited

Statement of financial position
31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Property, plant and equipment		**122.741**	102.105
Right-of-use assets	7	**110.700**	174.649
Intangible assets		**50.907**	10.108
Investments in subsidiaries	8	**420.216**	396.051
Deferred tax assets	17	**288.539**	28.581
		993.103	711.494
Current assets			
Inventories and work in progress	11	**15.866.172**	38.565.314
Trade and other receivables	12	**60.743.234**	101.687.264
Loans receivable	10	**32.651.519**	38.293.740
Derivatives designated as hedging instruments	9	**-**	591.494
Cash at bank	13	**18.953.668**	32.957.781
		128.214.593	212.095.593
Total assets		**129.207.696**	212.807.087
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**2.000**	1.000
Share premium		**999.000**	-
Other reserves		**(6.246.634)**	15.423
Retained earnings		**27.751.894**	21.059.734
Total equity		**22.506.260**	21.076.157
Non-current liabilities			
Lease liabilities	16	**41.644**	95.175
Deferred tax liabilities	17	**279.039**	486.752
Provisions for other liabilities and charges	18	**53.709**	38.570
		374.392	620.497
Current liabilities			
Trade and other payables	19	**32.663.711**	96.316.656
Borrowings	15	**67.996.168**	92.393.635
Lease liabilities	16	**62.431**	77.369
Derivative financial instruments	9	**5.140.483**	-
Current tax liabilities	20	**464.251**	2.322.773
		106.327.044	191.110.433
Total liabilities		**106.701.436**	191.730.930
Total equity and liabilities		**129.207.696**	212.807.087

On 9 July 2021 the Board of Directors of Metka - EGN Limited authorised these financial statements for issue.

....
Nikolaos Papapetrou
Director

....
Christos Patsalides
Director

The notes on pages 10 to 40 form an integral part of these financial statements.

Metka - EGN Limited

Statement of comprehensive income
31 December 2020

	Note	**2020** €	2019 €
Revenue	21	**120.913.465**	238.866.559
Cost of sales	22	**102.854.088)**	(209.015.810)
Gross profit		**18.059.377**	29.850.749
Other operating income	23	**268.519**	5.204.869
Administration expenses	24	**(6.498.542)**	(6.415.102)
Other expenses	25	**(1.675.979)**	(148.642)
Operating profit		**10.153.375**	28.491.874
Finance income	27	**1.942.246**	677.925
Finance costs	27	**(4.715.543)**	(2.431.131)
Profit before tax		**7.380.078**	26.738.668
Tax	28	**312.082**	(3.772.236)
Net profit for the year		**7.692.160**	22.966.432
Other comprehensive income			
Exchange difference arising on the translation of foreign branches		**(542.404)**	(272.502)
Net value (losses)/gains on financial assets		**(5.731.977)**	(1.560.139)
Actuarial gain/(loss)		**16.216**	(4.810)
Deferred tax on actuarial (gain)/loss		**(3.892)**	431
Other comprehensive income for the year		**(6.262.057)**	(1.837.020)
Total comprehensive income for the year		**1.430.103**	21.129.412

The notes on pages 10 to 40 form an integral part of these financial statements.

Metka - EGN Limited

Statement of changes in equity
31 December 2020

	Note	Share capital €	Share premium €	Other reserves €	Translation reserve €	Retained earnings €	Total €
Balance at 1 January 2019		**1.000**	**-**	**2.141.356**	**(288.913)**	**(1.906.698)**	**(53.255)**
Comprehensive income							
Net profit for the year		-	-	-	-	22.966.432	22.966.432
Exchange difference arising on the translation of foreign branches		-	-	-	(272.502)	-	(272.502)
Net value losses on financial assets		-	-	(1.560.139)	-	-	(1.560.139)
Actuarial loss		-	-	(4.810)	-	-	(4.810)
Deferred tax on actuarial loss		-	-	431	-	-	431
Total comprehensive income for the year		-	-	(1.564.518)	(272.502)	22.966.432	21.129.412
Balance at 31 December 2019		**1.000**	**-**	**576.838**	**(561.415)**	**21.059.734**	**21.076.157**
Balance at 31 December 2019/ 1 January 2020		**1.000**	**-**	**576.838**	**(561.415)**	**21.059.734**	**21.076.157**
Comprehensive income							
Net profit for the year		-	-	-	-	7.692.160	7.692.160
Exchange difference arising on the translation of foreign branches		-	-	-	(542.404)	-	(542.404)
Net value losses on financial assets		-	-	(5.731.977)	-	-	(5.731.977)
Actuarial loss		-	-	16.216	-	-	16.216
Deferred tax on actuarial loss		-	-	(3.892)	-	-	(3.892)
Total comprehensive income for the year		-	-	(5.719.653)	(542.404)	7.692.160	1.430.103
Transactions with owners							
Issue of bonus share	14	1.000	999.000	-	-	(1.000.000)	-
Total transactions with owners		1.000	999.000	-	-	(1.000.000)	-
Balance at 31 December 2020		**2.000**	**999.000**	**(5.142.815)**	**(1.103.819)**	**27.751.894**	**22.506.260**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. These contributions are payable by the Company for the account of the shareholders.

Cash flow statement
31 December 2020

	Note	2020 €	2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**7.380.078**	26.738.668
Adjustments for:			
Depreciation of property, plant and equipment		**88.926**	87.653
Exchange difference arising on the translation of non-current assets in foreign currencies		**-**	103.186
Exchange difference arising on the translation of foreign branches		**(542.404)**	(272.502)
Amortisation of computer software		**9.586**	4.176
Charge to profit or loss for provisions	18	**15.139**	-
Interest income	27	**(1.942.246)**	(670.225)
Interest expense	27	**3.028.824**	2.251.423
Unrealised exchange loss		**950.800**	143.549
		8.988.703	28.385.928
Changes in working capital:			
Decrease/(increase) in inventories		**23.827.441**	(37.767.105)
Decrease/(increase) in trade and other receivables		**871.649**	(86.243.187)
(Decrease)/increase in trade and other payables		**(45.104.431)**	88.568.966
Cash used in operations		**(11.416.638)**	(7.055.398)
Tax paid		**(2.018.002)**	(521.681)
Net cash used in operating activities		**(13.434.640)**	(7.577.079)
Cash flows from investing activities			
Payment for purchase of intangible assets		**(50.385)**	(3.981)
Payment for purchase of property, plant and equipment		**(45.613)**	(31.718)
Payment for purchase of investments in subsidiaries	8	**(24.165)**	(428.847)
Loans granted		**(45.151.845)**	(35.465.500)
Loans repayments received		**31.620.791**	874.732
Proceeds from disposal of intangible assets		**-**	218
Interest received		**15.878**	791
Net cash used in investing activities		**(13.635.339)**	(35.054.305)
Cash flows from financing activities			
Repayments of borrowings		**(13.864.832)**	(2.803.289)
Payments of leases liabilities		**(72.750)**	(75.475)
Proceeds from borrowings		**27.002.208**	76.919.995
Net cash generated from financing activities		**13.064.626**	74.041.231
Net (decrease)/increase in cash and cash equivalents		**(14.005.353)**	31.409.847
Cash and cash equivalents at beginning of the year		**32.956.813**	1.547.812
Effect of exchange rate fluctuations on cash held		**-**	(846)
Cash and cash equivalents at end of the year	13	**18.951.460**	32.956.813

The notes on pages 10 to 40 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Metka - EGN Limited (the "Company") was incorporated in Cyprus on 19 May 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Dimitriou Karatasou 15, ANASTASIO MEGARO, Floor 6, Flat 602, 2024, Strovolos, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of solar power products and services.

Existence of branches

The Company operates additionally through branches in Greece, Islamic Republic of Iran and Tunisia.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements', has been used. The Company's ultimate parent is Mytilineos S.A., a Company incorporated in Greece which prepares consolidated financial statements available for public use that comply with International Financial Reporting Standards as issued by the IASB. These consolidated financial statements can be viewed at https://www.mytilineos.gr.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

4. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Construction Projects Contracts**

  Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year. The expenses that refer to the contract are recognized when occur. Revenue from construction contracts is recognized based on the stage of completion of the project on the reporting date of the Statement of Financial Position. The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense. For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoices until the end of the period.

  When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoices, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoices exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities". In cases where initial estimates may change, revenue, costs and / or completion rates are revised. These revisions may lead to increases or decreases in estimated earnings or costs and are presented in the results of the period in which the reasons for the revision are disclosed by the management.

- **Sale of products**

  Sales of products are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **Rendering of services**

  Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Employee benefits

The Company and its employees contribute to state managed pension fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

4. Significant accounting policies (continued)

Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates, the Euro (€) (its functional currency).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income and then in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income and then in equity.

The assets and liabilities of the Company's foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing on the reporting date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Company's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

4. Significant accounting policies (continued)

Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	4 - 7 years
Right-of-use assets	3 years

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

4. Significant accounting policies (continued)

Intangible assets (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

4. Significant accounting policies (continued)

Leases (continued)

The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. 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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, 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.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;

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, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). The Company's definition of credit impaired assets and definition of default is explained in note 33, Credit risk section.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

4. Significant accounting policies (continued)

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

4. Significant accounting policies (continued)

Derivatives and hedge accounting

The Company uses Derivative financial instruments such as Commodity Futures and Currency Forwards in order to mitigate the risk related to its business activities along with the risk related to the funding of such activities.

At inception of the hedging transaction, the Company validates the hedging relationship between the underlying and the hedging instrument as far as its risk management strategy is concerned. The Company also verifies the hedging efficiency from the beginning of the hedging relationship and on a continuing basis.
All derivative financial instruments are initially recognized at fair value as at the date of settlement and are valued on a mark - to - market basis on each balance sheet date. The result of this valuation is recognized as an asset when positive and as a liability when negative.
When a derivative financial instrument is no longer regarded as hedging instrument any difference in its fair value is recognized in profit and loss.

Cash flow hedges

The Company enters into Cash Flow Hedging transactions in order to cover the risks that cause fluctuations in its cash flows and arise either from an asset or a liability or a forecasted transaction and the change will affect the results. Examples of Company's cash flow hedges include future foreign currency transactions subject to exchange rate changes. Changes in the carrying amount of the effective part of the hedging instrument are recognized in Equity as "Reserve" while the ineffective portion is recognized in the Income Statement. The amounts accrued in equity are transferred to the income statement in the periods in which the hedged items are recognized in the income statement as in a prospective sale. When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all accumulated profit or loss recognized in Equity, stays in Equity until the final settlement of the underlying. If the underlying is not expected to be settled, then any profit or loss recognized in Equity is transferred to profit and loss account.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value. The cost of finished and semi-unfinished products includes all the costs incurred to locate them at their current storage and processing point and consists of raw materials, labor, general industrial costs and packaging costs. The cost of inventories is determined by operating segment and by their nature, using acceptable measurement methods that are consistent with the financial statements’ preparation framework. The cost of inventories does not include financial expenses. Net realizable value is the estimated sales price during the normal course of the company’s business less any relevant sales expenses. Provision for slow moving or depreciated stocks is made when deemed necessary.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

4. Significant accounting policies (continued)

Trade receivables (continued)

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No lifetime expected credit losses and no corresponding allowance for impairment have been recognised during the year.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6. Critical accounting estimates and judgments (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Recoverability of receivables**

  Allowances for doubtful receivables are based on historical date on recoverability of receivables and take into account the expected credit risk. The method, applied by the Company, facilitates calculating the expected credit losses over the life of its receivables. The methods is used on past experience, but is adapted in order to reflect projections for the future financial condition of customers and economic environment. Balancing historical data and future financial conditions with the expected credit losses requires applying significant estimates. The amount of the allowance is recognized as an expense in other operating expenses in the income statement.

- **Budgeting of construction contracts**

  The accounting treatment of revenues and expenses of a construction contract depends on whether the final result of the contract can be estimated reliably (and is expected to generate profit or loss for the beneficiary). When the result of a construction contract can be estimated reliably then all the respective revenues and expenses related to the contract are recognized during the term of the contract. The Company uses the percentage of completion method to determine the appropriate amount of the respective revenue and expense to be recognized in every period. The percentage of completion is calculated as the contracted cost realized over the total budgeted cost of construction for each project. Therefore, significant management estimates are required with regards to the gross result regarding the completed construction (estimated cost of execution).

- **Retirement benefits**

  The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on plan assets, future salary increases, mortality rates and future pension increases where necessary. The Company sets these assumptions based on market expectations at the reporting date using best-estimates for each parameter covering the period over which obligations are to be settled. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

7. Right-of-use assets

	Land and buildings €
Cost	
Additions	241.816
Balance at 31 December 2019/ 1 January 2020	**241.816**
Balance at 31 December 2020	**241.816**
Depreciation	
Charge for the year	67.167
Balance at 31 December 2019/ 1 January 2020	**67.167**
Charge for the year	63.949
Balance at 31 December 2020	**131.116**
Net book amount	
Balance at 31 December 2020	**110.700**
Balance at 31 December 2019	**174.649**

Amounts recognised in profit and loss:

	2020 €	2019 €
Depreciation expense on right-of-use assets	**(63.949)**	(67.167)
Interest on obligations under finance leases	**(4.281)**	(6.203)
	(68.230)	(73.370)

8. Investments in subsidiaries

	2020	2019
	€	€
Balance at 1 January	**396.051**	70.390
Additions	**1.809.794**	428.847
Transferred to inventories	**(1.785.629)**	(103.186)
Balance at 31 December	**420.216**	396.051

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2020 Holding %	2019 Holding %
Metka EGN USA LLC	United States of America	Engineering Procurement and Construction	100	100
Metka EGN Limited	United Kingdom	Solar Energy	100	100
Metka EGN KZ LLP	Kazakhstan	Solar Energy	100	100
Metka EGN Mexico D. DE. R.L.C.V.	Mexico	Engineering Procurement and Construction	100	100
Metka EGN Spain S.L.U	Spain	Engineering Procurement and Construction	100	100
Metka EGN France SRL	France	Engineering Procurement and Construction	100	100
Viga Renovables SP2 S.L. *	Spain	Development of Solar Parks	100	100
Viga Renovables SP1 S.L. *	Spain	Development of Solar Parks	100	100
Metka Korea Co. Ltd *	Korea	Development of Solar Parks	100	100
Metka General Contractor Co. Ltd	Korea	Engineering Procurement and Construction	100	100
Metka EGN Singapore Pte. Ltd	Singapore	Holding of investments	100	100
Metka EGN Sardinia S.R.L. *	Italy	Development of Solar Parks	100	100
Metka EGN Australia PTY Ltd	Australia	Engineering Procurement and Construction	100	100
Metka EGN Solar 1 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 2 SL *	Spain		100	100
Metka EGN Solar 3 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 4 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 5 SL *	Spain		100	100
Metka EGN Solar 6 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 7 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 8 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 9 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 10 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 11 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 12 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 13 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 14 SL *	Spain	Solar Energy	100	100
Metka EGN Solar 15 SL *	Spain	Solar Energy	100	100
Metka EGN Apulia S.R.L. *	Italy	Solar Energy	100	100

8. Investments in subsidiaries (continued)

MYSUN S.R.L. *	Italy	Solar Energy	100	100
Metka EGN Solar 16 SL *	Spain	Solar Energy	100	
Metka EGN Solar 17 SL *	Spain	Solar Energy	100	
Metka EGN Solar 18 SL *	Spain	Solar Energy	100	
Metka EGN Solar 19 SL *	Spain	Solar Energy	100	
Metka EGN Solar 20 SL *	Spain	Solar Energy	100	
Metka EGN Solar 21 SL *	Spain	Solar Energy	100	
Metka EGN Solar 22 SL *	Spain	Solar Energy	100	
Metka EGN Solar 23 SL *	Spain	Solar Energy	100	
Metka EGN Solar 24 SL *	Spain	Solar Energy	100	
Metka EGN Solar 25 SL *	Spain	Solar Energy	100	
Metka EGN Solar 26 SL *	Spain	Solar Energy	100	
Metka EGN Solar 27 SL *	Spain	Solar Energy	100	
Metka EGN Solar 28 SL *	Spain	Solar Energy	100	
Metka EGN Solar 29 SL *	Spain	Solar Energy	100	
Metka EGN Solar 30 SL *	Spain	Solar Energy	100	
Metka EGN Solar 31 SL *	Spain	Solar Energy	100	
Metka EGN Solar 32 SL *	Spain	Solar Energy	100	
Metka EGN Solar 33 SL *	Spain	Solar Energy	100	
Metka EGN Solar 34 SL *	Spain	Solar Energy	100	
Metka EGN Solar 35 SL *	Spain	Solar Energy	100	
Metka EGN Solar 36 SL *	Spain	Solar Energy	100	
Metka EGN Solar 37 SL *	Spain	Solar Energy	100	
Metka EGN Solar 38 SL *	Spain	Solar Energy	100	
Metka EGN Solar 39 SL *	Spain	Solar Energy	100	
Metka EGN Solar 40 SL *	Spain	Solar Energy	100	
Metka Cyprus Portugal Holdings, SGPS, LDA *	Portugal	Holding of investments	100	
Metka Cyprus Portugal 2 *	Portugal	Development of Solar Parks	100	
Metka Cyprus Portugal 3 *	Portugal	Development of Solar Parks	100	
Metka EGN Burkina FASO S.A.R.L	Burkina Faso	Development of Solar Parks	100	
Metka EGN Spain Holding 2 SL	Spain	Development of Solar Parks	100	
Croome Airfield Solar Limited *	United Kingdom	Solar Energy	100	
Santiam Investments V Ltd	Cyprus	Solar Energy	100	
Santiam Investments VI Ltd	Cyprus	Solar Energy	100	
Metka EGN Italy S.R.L.	Italy	Development of Solar Parks	100	
Falag Holdings Limited *	United Kingdom	Solar Energy	100	
Metka-EGN RenewCo Holding Limited*	United Kingdom	Solar Energy	100	
Metka EGN TW Holding	United Kingdom	Solar Energy	100	
Metka EGN Singapore Holding Ltd	Singapore	Solar Energy	100	
Metka EGN Holdings 1 Limited	Cyprus	Solar Energy	100	
Metka EGN Central Asia	Uzbekistan	Solar Energy and Development of Solar Parks	100	
Metka EGN Spain Holding 1	Spain	Solar Energy	100	

*: These subsidiaries were used as special purpose vehicles for the development of projects that the Company intends to sell and therefore have been classified as inventories (Note 11).

9. Derivatives designated as hedging instruments

Forward foreign currency contract

	2020	2019
	€	€
Assets		
Current portion	**-**	591.494
	-	591.494

	2020	2019
	€	€
Liabilities		
Current portion	**5.140.483**	-
	5.140.483	-

It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The following table presents the details of forward foreign currency contracts outstanding as at the reporting date:

Deal date	Expiry date	GBP Buy GBP	EUR Buy €	AUD Buy AUD	EUR Sale €	US$ Sale US$	Agreed exchange rate	Fair value €
04/06/2020	29/04/2021	-	-	7.204.611	-	5.000.000	0,6940	468.169
05/06/2020	29/04/2021	-	-	2.863.278	-	2.000.000	0,6985	175.557
05/06/2020	29/04/2021	-	-	1.430.615	-	1.000.000	0,6990	87.133
05/06/2020	29/04/2021	-	-	2.858.368	-	2.000.000	0,6997	172.460
02/06/2020	29/04/2021	-	-	7.272.727	-	5.000.000	0,6875	511.133
03/06/2020	29/04/2021	-	-	7.262.164	-	5.000.000	0,6885	504.470
06/11/2020	30/06/2021	-	-	4.135.079	-	3.000.000	0,7255	163.545
06/11/2020	31/12/2021	-	-	6.852.800	4.000.000	-	1,6457	127.255
27/11/2020	31/12/2021	-	-	10.000.000	6.137.417	-	1,6294	132.025
11/12/2020	31/12/2021	-	-	5.000.000	3.086.801	-	1,6198	47.827
29/12/2020	31/03/2021	8.800.000	-	-	9.691.630	-	0,9080	108.296
29/12/2020	31/03/2021	-	-	11.534.292	7.144.188	-	1,6145	123.114
11/06/2020	29/04/2021	-	-	1.449.275	-	1.000.000	0,6900	98.903
11/06/2020	29/04/2021	-	-	1.451.168	-	1.000.000	0,6891	100.096
11/06/2020	29/04/2021	-	-	2.910.784	-	2.000.000	0,6871	205.521
31/07/2020	30/06/2021	-	16.794.021	-	-	20.000.000	1,1909	540.183
16/12/2020	29/10/2021	1.995.418	-	-	-	2.700.000	1,3531	25.635
17/12/2020	29/10/2021	6.500.000	-	-	7.170.040	-	0,9066	42.656
06/11/2020	30/06/2021	-	-	819.700	500.000	-	1,6394	15.720
06/11/2020	31/12/2021	-	-	37.200.331	-	27.000.000	0,7258	1.477.001
29/12/2020	31/03/2021	-	8.332.314	-	-	10.215.000	1,2260	13.785
								5.140.483

10. Loans receivable

	2020	2019
	€	€
Balance at 1 January	**38.293.740**	3.804.259
New loans granted	**45.151.845**	35.465.500
Repayments	**(31.620.791)**	(874.732)
Accrued interest	**1.438.124**	585.218
Exchange difference	**(950.800)**	74.744
Loans transferred to inventories (Note 11)	**(1.128.298)**	(761.249)
Set off with loans payables	**(18.532.301)**	-
Balance at 31 December	**32.651.519**	38.293.740

	2020	2019
	€	€
Loans to related parties (Note 30.4)	**32.651.519**	38.293.740
	32.651.519	38.293.740
Less current portion	**(32.651.519)**	(38.293.740)
Non-current portion	**-**	-

The loans are repayable as follows:

	2020	2019
	€	€
Within one year	**32.651.519**	38.293.740

The Company's loans receivable are denominated in the following currencies:

	2020	2019
	€	€
United States Dollars	**9.601.676**	9.687.474
Euro	**22.248.512**	12.316.235
Australian Dollars	**760.777**	16.290.031
Singapore Dollar	**40.554**	-
	32.651.519	38.293.740

The fair values of current receivables approximate to their carrying amounts as presented above.

11. Inventories and work in progress

	2020	2019
	€	€
Projects under development	**14.066.468**	38.281.706
Spare parts and other consumables	**1.799.704**	283.608
	15.866.172	38.565.314

The cost of inventories recognised as expense and included in "cost of sales" amounted to €93.654.778 (2019: €190.681.875).

Inventories are stated at cost.

Projects under development comprise of:

	2020	2019
	€	€
Investment in subsidiaries (Note 8)	**1.785.629**	103.186
Loans to subsidiaries classified as inventories (Note 10)	**1.128.298**	761.249
Working capital provided to subsidiaries classified as inventories	**11.152.541**	37.417.271
Total	**14.066.468**	38.281.706

12. Trade and other receivables

	2020	2019
	€	€
Trade receivables	**6.858.521**	2.558.160
Contract retentions	**98.865**	200.994
Less: credit loss on trade receivables	**(461.486)**	(474.217)
Trade receivables - net	**6.495.900**	2.284.937
Receivables from own subsidiaries (Note 30.3)	**172.569**	327.451
Receivables from related parties (Note 30.3)	**36.501.615**	69.996.802
Deposits and prepayments	**32.221**	41.530
Advances to suppliers	**4.515.814**	5.204.997
Accrued income	**9.427.729**	22.437.993
Other receivables	**1.104.692**	277.383
Refundable VAT	**2.492.694**	1.116.171
	60.743.234	101.687.264

The Company does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	2020	2019
	€	€
Balance at 1 January	**474.217**	474.217
Reduction of general provision	**(12.731)**	-
Balance at 31 December	**461.486**	474.217

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

13. Cash at bank

	2020	2019
	€	€
Cash at bank	**18.953.668**	32.957.781
	18.953.668	32.957.781

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2020	2019
	€	€
Cash at bank and in hand	**18.953.668**	32.957.781
Bank overdrafts (Note 15)	**(2.208)**	(968)
	18.951.460	32.956.813

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 33 of the financial statements.

14. Share capital

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
Authorised				
Ordinary shares of €1 each	**1.000**	**-**	1.000	1.000
Issued and fully paid				
Balance at 1 January	**1.000**	**1.000**	1.000	1.000
Issue of shares	**1.000**	**1.000**	-	-
Balance at 31 December	**2.000**	**2.000**	1.000	1.000

Authorised Share Capital

On 20 December 2020, the Company's authorised share capital was increased to €2.000 divided to 2.000 shares of €1 each.

Issued Share Capital

On 20 December 2020, the Company made a bonus issue to the sole shareholder of the Company of 1.000 shares of €1 each issued at a premium of €999 per share, by capitalisation of €1.000.000 out of the retained earnings.

15. Borrowings

	2020	2019
	€	€
Balance at 1 January	**92.393.635**	16.499.156
Additions	**27.002.208**	76.910.247
Repayments	**(13.864.832)**	(2.803.289)
Accrued interest expense	**3.017.768**	1.748.758
Exchange difference	**-**	38.763
Set off with loans receivable	**(18.532.301)**	-
Set off with trade and other receivables from related parties	**(22.020.310)**	-
Balance at 31 December	**67.996.168**	92.393.635

15. Borrowings (continued)

	2020	2019
	€	€
Current borrowings		
Bank overdrafts (Note 13)	**2.208**	968
Loans from subsidiaries (Note 30.6)	**32.484**	28.765.894
Loan from parent company (Note 30.6)	**67.961.476**	63.626.773
	67.996.168	92.393.635

16. Lease liabilities

	Minimum lease payments		The present value of minimum lease payments	
	2020	2019	**2020**	2019
	€	€	**€**	€
Not later than 1 year	**69.875**	78.550	**62.431**	77.369
Later than 1 year and not later than 5 years	**36.250**	100.975	**41.644**	95.175
	106.125	179.525	**104.075**	172.544
Future finance charges	**(2.050)**	(6.981)	**-**	-
Present value of lease liabilities	**104.075**	172.544	**104.075**	172.544

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

17. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 28). The applicable corporation tax rates in the case of tax losses for the Cyprus Company is 12,5%, 24% for the Greek Branch, 25% for the Iranian Branch and 25% for the Tunisian Branch.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Temporary tax differences
	€
Balance at 1 January 2019	78.126
Charged/(credited) to:	
Statement of comprehensive income (Note 28)	408.626
Balance at 31 December 2019/ 1 January 2020	**486.752**
Charged/(credited) to:	
Statement of comprehensive income (Note 28)	(207.713)
Balance at 31 December 2020	**279.039**

17. Deferred tax (continued)

Deferred tax assets

	Temporary tax differences €
Balance at 1 January 2019	598.046
Charged/(credited) to:	
Statement of comprehensive income (Note 28)	(569.896)
Other comprehensive income	431
Balance at 31 December 2019/ 1 January 2020	**28.581**
Charged/(credited) to:	
Statement of comprehensive income (Note 28)	263.850
Other comprehensive income	(3.892)
Balance at 31 December 2020	**288.539**

18. Provisions for other liabilities and charges

	Pension and other post retirement obligations €
Balance at 1 January 2019	24.712
Charged/(credited) to profit or loss	13.858
Balance at 31 December 2019/ 1 January 2020	**38.570**
Charged/(credited) to profit or loss	15.139
Balance at 31 December 2020	**53.709**

The amounts included in the statement of financial position include the following:

	2020 €	2019 €
Provisions to be used after more than twelve months	**53.709**	38.570

19. Trade and other payables

	2020 €	2019 €
Trade payables	**21.900.247**	82.646.511
Prepayments from clients	**-**	986.819
Social insurance and other taxes	**171.505**	217.727
Staff costs accrued	**-**	735
Accruals	**8.517.324**	9.992.761
Other creditors	**22.969**	87.392
Payables to fellow subsidiaries (Note 30.5)	**141.729**	135.200
Payables to related parties (Note 30.5)	**1.909.937**	2.249.511
	32.663.711	96.316.656

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

20. Current tax liabilities

	2020	2019
	€	€
Corporation tax	**26.504**	2.060.787
Special contribution for defence	**97**	290
Overseas tax	**437.650**	261.696
	464.251	2.322.773

21. Revenue

	2020	2019
	€	€
Sales of goods	**21.893.107**	63.059.900
Rendering of services	**1.994.170**	26.488
Sales of products	**48.283.222**	-
Constructions	**48.742.966**	175.780.171
	120.913.465	238.866.559

22. Cost of sales

	2020	2019
	€	€
Raw materials and consumables used	**93.654.778**	190.681.875
Staff costs	**673.385**	752.508
Subcontracted work	**6.832.176**	15.678.000
Services received	**1.309.227**	1.341.306
Licenses and taxes	**19.759**	26.293
Sundry expenses	**364.763**	535.828
	102.854.088	209.015.810

23. Other operating income

	2020	2019
	€	€
Provision of services to related parties	**92.233**	444.130
Reduction of general provision	**12.731**	-
Foreign exchange profit	**23.502**	4.706.618
Sundry operating income	**140.053**	54.121
	268.519	5.204.869

24. Administration expenses

	2020	2019
	€	€
Staff costs	**248.389**	87.865
Rent	**17.292**	10.936
Licenses and taxes	**82.230**	65.644
Sundry expenses	**313.781**	656.775
Stationery and printing	**3.950**	8.962
Subscriptions and contributions	**520**	670
Sundry staff costs	**3.565**	6.061
Auditors' remuneration for the statutory audit of annual accounts	**23.000**	24.494
Auditors' remuneration - prior years	**5.000**	15.000
Legal fees	**728.834**	1.030.507
Other professional fees	**4.512.346**	3.759.594
Overseas travelling	**315.550**	638.355
Services received	**145.573**	18.410
Amortisation of computer software	**9.586**	4.176
Depreciation	**88.926**	87.653
	6.498.542	6.415.102

25. Other expenses

	2020	2019
	€	€
Provision of services by third parties	**3.760**	5.093
Foreign exchange losses	**1.672.219**	143.549
	1.675.979	148.642

The amount of €1.445.836 included in the foreign exchange loss relates to the effect of the realisation of hedging position for one of the Company's project.

26. Staff costs

	2020	2019
	€	€
Salaries	**746.415**	671.542
Social security costs	**172.803**	160.178
Pensions cost	**2.556**	8.653
	921.774	840.373
Average number of employees	**40**	33

27. Finance income/(costs)

	2020	2019
	€	€
Interest income	**1.942.246**	670.225
Exchange profit	**-**	7.700
Finance income	**1.942.246**	677.925
Net foreign exchange losses	**(278.485)**	-
Interest expense	**(3.028.824)**	(2.251.423)
Sundry finance expenses	**(1.408.234)**	(179.708)
Finance costs	**(4.715.543)**	(2.431.131)
Net finance costs	**(2.773.297)**	(1.753.206)

28. Tax

	2020	2019
	€	€
Corporation tax - current year	**-**	2.200.591
Corporation tax - prior years	**(190.963)**	-
Overseas tax	**350.271**	593.124
Defence contribution - current year	**4.039**	-
Deferred tax - (credit)/charge (Note 17)	**(471.562)**	978.521
Overseas tax - prior years	**(3.867)**	-
(Credit)/charge for the year	**(312.082)**	3.772.236

Cyprus

The Company is subject to corporation tax on its taxable profits at the rate of 12,5%. The profits of the Company's branches in Greece and Iran are excluded from the Company's taxable profits and are not subject to corporation tax in Cyprus.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Greece

The Company's branch in Greece is subject to corporation tax in Greece on its taxable profits at the rate of 24%.

Iran

The Company's branch in Iran is subject to corporation tax in Iran on its taxable profits at the rate of 25%.

28. Tax (continued)

Tunisia

The Company's branch in Tunisia is subject to corporation tax in Tunisia on its taxable profits at the rate of 25%.

29. Operating Environment of the Company

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

30. Related party balances and transactions

The Company is controlled by Mytilineos S.A., incorporated in Greece, which is listed in Athens Stock Exchange and owns 100% of the Company's shares.

The related party balances and transactions are as follows:

30.1 Revenue and other income

	Nature of transactions	**2020** €	2019 €
• Subsidiaries			
Interest income from subsidiaries included in finance income / (costs) (Note 27)	Finance	**1.438.124**	585.218
Provision of services from subsidiaries included in other operating income (Note 23)	Trade	**92.233**	425.000
Revenue from subsidiaries included in constructions (Note 21)	Trade	**23.156.864**	68.444.847
• Other related parties			
Revenue from other related parties included in constructions and rendering of services (Note 21)	Trade	**-**	73.013
		24.687.221	69.528.078

30. Related party balances and transactions (continued)

30.2 Purchases and other expenses

	Nature of transactions	2020 €	2019 €
• Subsidiaries			
Interest expense from subsidiaries included in finance income / (costs) (Note 27)	Finance	**325.731**	528.865
Other professional fees from subsidiaries included in administration expenses (Note 24)	Trade	**-**	847.814
Subcontracted work from subsidiaries included in cost of sales (Note 22)	Trade	**-**	315.789
• Controlling parties			
Interest expense from controlling parties included in finance income / (costs) (Note 27)	Finance	**3.395.182**	1.225.093
Purchases from controlling parties included in cost of sales (Note 22)	Trade	**180.000**	814.018
		3.900.913	3.731.579

30.3 Receivables from related parties (Note 12)

Name	Nature of transactions	2020 €	2019 €
• Subsidiaries	Trade	**172.569**	327.451
• Other related parties	Trade	**36.501.615**	69.996.802
		36.674.184	70.324.253

The balances with related parties are interest free and unsecured.

30.4 Loans to related parties (Note 10)

	2020 €	2019 €
• Subsidiaries		
Loans to subsidiaries - EUR	**21.687.674**	12.124.075
Loans to subsidiaries - Interest EUR	**560.838**	192.160
Loans to subsidiaries - USD	**9.269.340**	9.460.083
Loans to subsidiaries - Interest USD	**332.336**	227.391
Loans to subsidiaries - AUD	**216.598**	16.124.363
Loans to subsidiaries - Interest AUD	**544.179**	165.668
Loans to subsidiaries - SGD	**39.682**	-
Loans to subsidiaries - Interest SGD	**872**	-
	32.651.519	38.293.740

The loans to the related companies carry an effective interest rate of 4% and are payable on demand.

30.5 Payables to related parties (Note 19)

Name	Nature of transactions	2020 €	2019 €
• Controlling parties	Trade	**1.295.221**	1.187.482
• Other related parties	Trade	**392.936**	382.936
• Subsidiaries	Trade	**363.509**	814.293
		2.051.666	2.384.711

The balances with related parties are interest free and unsecured.

30. Related party balances and transactions (continued)

30.6 Loans from related parties (Note 15)

	2020	2019
	€	€
• Controlling parties		
Loans from controlling parties - EUR	**65.000.000**	62.401.680
Loans from controlling parties - Interest EUR	**2.961.476**	1.225.093
• Subsidiaries		
Loans from subsidiaries - EUR	**31.371**	27.047.814
Loans from subsidiaries - Interest EUR	**1.113**	449.585
Loans from subsidiaries - USD	**-**	1.177.263
Loans from subsidiaries - Interest USD	**-**	91.232
	67.993.960	92.392.667

The interest rate on the loans from controlling parties ranges from 2,98% - 3,90% and are payable on demand.

The interest rate on the loans from subsidiaries carry an effective interest rate of 4% and are payable on demand.

31. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020.

32. Commitments

As at 31 December 2020, the Company had the following commitments quaranteed by letters of credit issued by the Company's bank to suppliers:

	2020	2019
	€	€
Letters of quarantee in GBP	**5.181.461**	-
Letters of quarantee in USD	**13.142.123**	-
Letters of quarantee in EUR	**26.006.447**	-
	44.330.031	-

33. Financial risk management

Financial risk factors
The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

33.1 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

33. Financial risk management (continued)

33.1 Credit risk (continued)

(i) Risk management (continued)

Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- cash and cash equivalents

The table below shows an analysis of the Company's bank deposit by the credit rating of the bank in which they are held:

	2020	2019
Bank group based on credit ratings by Moody's	**€**	€
Caa2	**1.229.264**	1.473.259
Caa1	**15.237.979**	31.465.376
Baa3	**1.891**	2.228
Caa-C	**-**	961
Aa3	**2.484.534**	15.957
	18.953.668	32.957.781

33.2 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2020	Carrying amounts	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than5 years	Unspecified
	€	€	€	€	€	€	€
Lease liabilities	104.075	106.125	69.875	36.250	-	-	-
Trade and other payables	21.923.216	21.923.216	21.923.216	-	-	-	-
Payables to related parties	1.606.950	1.606.950	1.606.950	-	-	-	-
Loans from subsidiaries	32.484	33.783	-	-	-	-	33.783
Loan from parent company	67.961.476	70.568.784	-	-	-	-	70.568.784
	91.628.201	**94.238.858**	**23.600.041**	**36.250**	**-**	**-**	**70.602.567**

33. Financial risk management (continued)

33.2 Liquidity risk (continued)

31 December 2019	Carrying amounts	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than5 years	Unspecified
	€	€	€	€	€	€	€
Lease liabilities	172.544	179.525	72.750	65.375	41.400	-	-
Trade and other payables	83.721.457	83.721.457	83.721.457	-	-	-	-
Payables to related parties	480.244	480.244	480.244	-	-	-	-
Loans from subsidiaries	28.765.894	30.275.605	-	-	-	-	30.275.605
Loan from parent company	63.626.773	65.954.599	-	-	-	-	65.954.599
	176.766.912	180.611.430	84.274.451	65.375	41.400	-	96.230.204

33.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, British Pounds and Australian Dollars. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities		**Assets**
	2020	2019	**2020**	2019
	€	€	**€**	€
United States Dollars	**(4.923.813)**	(78.898.812)	**22.619.841**	25.835.373
Australian Dollars	**(40)**	(11.864)	**742.808**	16.352.624
British Pounds	**(197.998)**	(477.180)	**112.783**	1.585
	(5.121.851)	(79.387.856)	**23.475.432**	42.189.582

Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2020 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

		Equity		**Profit or loss**
	2020	2019	**2020**	2019
	€	€	**€**	€
United States Dollars	**-**	-	**(1.608.730)**	4.823.949
Australian Dollars	**-**	-	**(67.524)**	(1.485.524)
British Pounds	**-**	-	**7.747**	43.236
	-	-	**(1.668.507)**	3.381.661

33.4 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

34. Events after the reporting period

On 29 March 2021 the Board of Directors decided to terminate the Company's operations in Iran and to liquidate the Iranian Branch.

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