Metka - EGN Limited

REPORT AND Financial statements

Year ended 31 December 2018

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Company information

Board of Directors:	Antis Kaplanis (Appointed on 20 December 2019) Christos Patsalides (Appointed on 20 December 2019) Nikolaos Papapetrou Spyridon Petratos Paul James Smith (Resigned on 20 December 2019) Ioannis Ballas (Resigned on 20 December 2019)
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 Bank Melli Iran Eurobank Cyprus Ltd National Bank of Greece (ETE)
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 2018.

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 not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6, 28 and 32 of the Financial statements.

Existence of branches
The Company operates additionally through a branch in Greece and in Islamic Republic of Iran.

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1. On 20 December 2019 Mr. Paul James Smith and Mr. Ioannis Ballas were resigned and Mr. Antis Kaplanis and Mr. Christos Patsalides were appointed in their place.

In accordance with the Company's Articles of Association Mr. Antis Kaplanis and Mr. Christos Patsalides retire and being eligible offer themselves 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, were appointed by the Board of Directors in replacement of the previous auditors and a resolution approving their appointment and 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,

Maria Chronia
Secretary

Nicosia, 18 May 2020

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

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 7 to 39 and comprise the statement of financial position as at 31 December 2018, 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 2018, 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 Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), issued by International Ethics Standards Board for Accountants 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.

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 Matters

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.

Comparative figures

The Financial statements of the Company for the year ended 31 December 2017 were audited by another auditor whose report dated 14 March 2019 expressed an unmodified opinion on those Financial statements.

Polyvios Polyviou
Certified Public Accountant and Registered Auditor
for and on behalf of
Grant Thornton (Cyprus) Ltd
Certified Public Accountants and Registered Auditors

Limassol, 18 May 2020

Metka - EGN Limited

Statement of financial position

31 December 2018

	Note	2018 €	2017 As restated €
ASSETS			
Non-current assets			
Property, plant and equipment		**90.873**	40.180
Intangible assets		**10.521**	13.904
Investments in subsidiaries	8	**70.390**	1.410
Derivatives designated as hedging instruments	9	**343.058**	-
Trade and other receivables	12	**-**	260.162
Deferred tax assets	16	**598.046**	-
		1.112.888	315.656
Current assets			
Inventories	11	**36.961**	1.297.060
Trade and other receivables	12	**15.538.534**	13.142.665
Loans receivable	10	**3.804.259**	7.228.688
Derivatives designated as hedging instruments	9	**1.808.575**	-
Cash at bank and in hand	13	**1.558.528**	6.043.325
		22.746.857	27.711.738
Total assets		**23.859.745**	28.027.394
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**1.000**	1.000
Other reserves		**1.852.443**	(285.732)
Accumulated (losses) /retained earnings		**(1.906.698)**	2.261.219
Total equity		**(53.255)**	1.976.487
Non-current liabilities			
Deferred tax liabilities	16	**78.126**	6.912
		78.126	6.912
Current liabilities			
Trade and other payables	17	**7.194.875**	6.751.090
Borrowings	15	**16.499.156**	18.944.133
Current tax liabilities	18	**140.843**	348.772
		23.834.874	26.043.995
Total liabilities		**23.913.000**	26.050.907
Total equity and liabilities		**23.859.745**	28.027.394

On 18 May 2020 the Board of Directors of Metka - EGN Limited authorised these Financial statements for issue.

....	....	....	....
Antis Kaplanis Director	Spyridon Petratos Director	Nikolaos Papapetrou Director	Christos Patsalides Director

The notes on pages 10 to 39 form an integral part of these financial statements.

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Statement of comprehensive income

Year ended 31 December 2018

	Note	**2018** €	2017 As restated €
Revenue	19	**29.514.058**	34.000.076
Cost of sales	20	**(28.147.682)**	(30.674.144)
Gross profit		**1.366.376**	3.325.932
Other operating income	21	**1.500.873**	152.831
Selling and distribution expenses	22	**(474.217)**	(530.273)
Administration expenses	23	**(2.567.845)**	(433.541)
Other expenses	24	**(2.790.632)**	-
Operating (loss)/profit		**(2.965.445)**	2.514.949
Finance income	26	**339.044**	401.264
Finance costs	26	**(1.934.285)**	(1.020.008)
(Loss)/profit before tax		**(4.560.686)**	1.896.205
Tax	27	**392.769**	(315.900)
Net (loss)/profit for the year		**(4.167.917)**	1.580.305
Other comprehensive income			
Exchange difference arising on the translation of foreign branches		**(3.181)**	(35.107)
Net value gains on financial assets		**2.151.633**	-
Actuarial gain / (loss)		**(14.474)**	-
Deferred tax from actuarial gain / (loss)		**4.197**	-
Other comprehensive income for the year		**2.138.175**	(35.107)
Total comprehensive income for the year		**(2.029.742)**	1.545.198

The notes on pages 10 to 39 form an integral part of these financial statements.

Statement of changes in equity

Year ended 31 December 2018

	Share capital €	Other reserve €	Translation reserve €	Accumula-ted (losses)/retained earnings €	Total €
Balance at 1 January 2017 as restated	**1.000**	**-**	**(250.625)**	**680.914**	**431.289**
Comprehensive income					
Net profit for the year	-	-	-	1.580.305	1.580.305
Exchange difference arising on the translation of foreign branches	-	-	(35.107)	-	(285.732)
Balance at 31 December 2017/ 1 January 2018 as restated	**1.000**	**-**	**(285.732)**	**2.261.219**	**1.976.487**
Comprehensive income					
Net loss for the year	-	-	-	(4.167.917)	(4.167.917)
Exchange difference arising on the translation of foreign branches	-	-	(3.181)	-	(3.181)
Net value gains on financial assets	-	2.151.633	-	-	2.151.633
Actuarial gain / (loss)	-	(14.474)	-	-	(14.474)
Deferred tax from actuarial gain / (loss)	-	4.197	-	-	4.197
Total comprehensive income for the year	-	2.141.356	(3.181)	(4.167.917)	(2.029.742)
Balance at 31 December 2018	**1.000**	**2.141.356**	**(288.913)**	**(1.906.698)**	**(53.255)**

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 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

Cash flow statement

Year ended 31 December 2018

	Note	2018 €	2017 As restated €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(4.560.686)**	1.896.205
Adjustments for:			
Depreciation of property, plant and equipment		**10.425**	2.573
Exchange difference arising on the translation of non-current assets in foreign currencies		**-**	(27)
Exchange difference arising on the translation of foreign branches		**(3.181)**	(35.107)
Unrealised exchange profit		**-**	(3.672)
Amortisation of computer software		**3.402**	3.502
Profit from the sale of property, plant and equipment		**-**	(16.102)
Interest income	26	**(322.830)**	(397.592)
Interest expense	26	**800.727**	864.750
Unrealised exchange loss		**356.555**	-
		(3.715.588)	2.314.530
Changes in working capital:			
Decrease/(increase) in inventories		**1.260.099**	(1.297.060)
(Increase)/decrease in trade and other receivables		**(2.502.657)**	2.752.830
Increase in trade and other payables		**429.309**	1.392.347
Cash (used in)/generated from operations		**(4.528.837)**	5.162.647
Tax paid		**(337.794)**	(58.021)
Net cash (used in)/generated from operating activities		**(4.866.631)**	5.104.626
Cash flows from investing activities			
Payment for purchase of intangible assets		**(604)**	(15.811)
Payment for purchase of property, plant and equipment		**(61.118)**	(22.256)
Payment for purchase of investments in subsidiaries	8	**(68.980)**	(21)
Loans granted		**(2.973.243)**	(7.075.417)
Loans repayments received		**6.548.655**	-
Proceeds from disposal of intangible assets		**585**	-
Proceeds from disposal of property, plant and equipment		**-**	39.430
Interest received		**200.897**	506
Net cash generated from/(used in) investing activities		**3.646.192**	(7.073.569)
Cash flows from financing activities			
Repayments of borrowings		**(8.750.916)**	-
Proceeds from borrowings		**5.476.968**	6.000.000
Interest paid		**-**	(489)
Net cash (used in)/generated from financing activities		**(3.273.948)**	5.999.511
Net (decrease)/increase in cash and cash equivalents		**(4.494.387)**	4.030.568
Cash and cash equivalents at beginning of the year		**6.042.199**	2.049.954
Effect of exchange rate fluctuations on cash held		**-**	(38.323)
Cash and cash equivalents at end of the year	13	**1.547.812**	6.042.199

The notes on pages 10 to 39 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 a branch in Greece and in Islamic Republic of Iran.

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

As from 1 January 2018, the Company adopted all the IFRSs and International Accounting Standards (IAS), which are relevant to its operations.

The adoption of these Standards had a material effect on the Financial statements as follows:
- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from contracts with customers"

(i) IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward-looking impairment model for financial assets.

3. Adoption of new or revised standards and interpretations (continued)

(i) IFRS 9 "Financial instruments" (continued)

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (either FVTPL or FVPL) and those to be measured at amortized cost. The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

In particular, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9 "Financial Instruments", the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognized in profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedge ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The Company has adopted IFRS 9 with a date of transition of 1 January 2018, which resulted in changes in accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

(ii) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from contracts with customers" and related amendments superseded IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations. The new standard replaces the separate models for recognition of revenue for the sale of goods, services and construction contracts under previous IFRS and establishes uniform requirements regarding the nature, amount and timing of revenue recognition. IFRS 15 introduces the core principle that revenue must be recognised in such a way to depict the transfer of goods or services to customers and reflect the consideration that the entity expects to be entitled to in exchange for transferring those goods or services to the customer; the transaction price.

The new standard provides a principle-based five-step model that must be applied to all categories of contracts with customers. Any bundled goods or services must be assessed as to whether they contain one or more performance obligations (that is, distinct promises to provide a good or service). Individual performance obligations must be recognised and accounted for separately and any discounts or rebates in the contract price must generally be allocated to each of them.

The amendments to IFRS 15 clarify how to identify a performance obligation in a contract, how to determine whether a Company is a principal (that is, the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided) and how to determine whether the revenue from granting a license should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a Company when it first applies the new standard.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these Financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern basis

The Company incurred a loss of €4.167.917 for the year ended 31 December 2018, and, as of that date the Company's current liabilities exceeded its current assets by €1.088.017. However in the financial year ended 31 December 2019, the Company's profitability and financial position improved dramatically. The Board of Directors considering and evaluating the above conditions has concluded that the Company has currently the available resources to enable it to continue as a going concern and meet its obligations as they fall due.

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.

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 recognized 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.

4. Significant accounting policies (continued)

Revenue recognition (continued)

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).

- **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 the Government Social Insurance 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.

4. Significant accounting policies (continued)

Debtors and provisions for bad debts

Bad debts are written off to profit or loss and a specific provision is made, where it is considered necessary. No general provision for bad debts is made. Trade debtors are stated after deducting the specific provision for bad and doubtful debts, if any.

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.

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.

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.

4. Significant accounting policies (continued)

Tax (continued)

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.

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

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.

4. Significant accounting policies (continued)

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.

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.

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.

4. Significant accounting policies (continued)

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.

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 recognized 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.

<u>Equity instruments</u>

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.

4. Significant accounting policies (continued)

Financial assets - Measurement (continued)

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.

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 recognized 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"). Refer to note 32, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 32, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 32, Credit risk section for a description of how the Company determines low credit risk financial assets.

4. Significant accounting policies (continued)

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.

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 (eg 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 cash on hand, 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.

4. Significant accounting policies (continued)

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.

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 as well as future sales of aluminum subject to changes in selling prices. 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.

4. Significant accounting policies (continued)

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.

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. See Note 6 Credit risk section.

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 for a period of greater than 180 days past due.

Share capital

Ordinary shares are classified as equity.

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.

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.

- **Going concern basis**

  The Directors judge that it is appropriate to prepare the Financial statements on the going concern basis.

- **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).

7. Change in accounting policy and correction of error

During the year ended 31 December 2018, the Company changed its accounting policy in respect to the presentation of the financial results, assets and liabilities of its branches to line by line instead of summary presentation.

Moreover, unrecorded income of €36.524 was omitted from the Company's financial statements for the year ended 31 December 2017 and has been corrected in the present financial statements.

Due to the above, the comparative information for 2017 has been restated as follows:

	As previously reported	Effect	As restated
ASSETS	€	€	€
Non - current assets			
Property, plant and equipment	14.889	25.291	40.180
Intangible assets	13.208	696	13.904
Investments in subsidiaries	1.410	-	1.410
Trade and other receivables	251.810	8.352	260.162
	281.317	**34.339**	**315.656**
Current assets			
Inventories and work in progress	1.296.879	181	1.297.060
Trade and other receivables	17.894.772	(4.752.107)	13.142.665
Loans receivable	-	7.228.688	7.228.688
Cash at bank and in hand	2.954.289	3.089.036	6.043.325
	22.145.940	**5.565.798**	**27.711.738**
Total assets	**22.427.257**	**5.600.137**	**28.027.394**
EQUITY AND LIABILITIES			
Equity			
Share capital	1.000	-	1.000
Other reserves	-	(285.732)	(285.732)
Accumulated (losses) / retained earnings	1.938.963	322.256	2.261.219
Total equity	**1.939.963**	**36.524**	**1.976.487**
Non - current liabilities			
Borrowings	46.530	(46.530)	-
Deferred tax liabilities	-	6.912	6.912
	46.530	**(39.618)**	**6.912**
Current liabilities			
Trade and other payables	1.422.874	5.328.216	6.751.090
Borrowings	18.944.133	-	18.944.133
Current tax liabilities	73.757	275.015	348.772
	20.440.764	**5.603.231**	**26.043.995**
Total liabilities	**20.487.294**	**5.563.613**	**26.050.907**
Total equity and liabilities	**22.427.257**	**5.600.137**	**28.027.394**

Impact on the statement of comprehensive income for the year ended 31 December 2017:

	As previously reported	Effect	As restated
	€	€	€
Revenue	25.234.663	8.765.413	34.000.076
Cost of sales	(22.885.775)	(7.788.369)	(30.674.144)
Gross profit	**2.348.888**	**977.044**	**3.325.932**
Other operating income	20.064	128.805	148.869
Selling and distribution expenses	(535.485)	5.212	(530.273)
Administration and other (income) / expenses	593.021	(1.026.562)	(433.541)
Operating (loss)/profit	**2.430.450**	**84.499**	**2.514.949**
Net finance costs	(566.804)	(47.978)	(614.782)
(Loss)/profit before tax	**1.859.684**	**36.521**	**1.896.205**
Tax	(315.903)	3	(315.900)
Net (loss)/profit for the year	**1.543.781**	**36.524**	**1.580.305**
Other comprehensive income			
Exchange difference arising on the translation of foreign branches	-	(35.107)	(35.107)
Total comprehensive income for the year	**1.543.781**	**(35.107)**	**1.545.198**

8. Investments in subsidiaries

	2018	2017 As restated
	€	€
Balance at 1 January	**1.410**	1.362
Additions	**68.980**	21
Exchange differences	**-**	27
Balance at 31 December	**70.390**	1.410

8. Investments in subsidiaries (continued)

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2018 Holding %	2017 Holding %
Metka EGN Limited	United Kingdom	Solar Energy	100	100
Metka EGN KZ LLP	Kazakhstan	Solar Energy	100	100
Metka EGN USA LLC	United States of America	Engineering Procurement and Construction	100	
Metka EGN Mexico S. DE. R.L. C.V.	Mexico	Engineering Procurement and Construction	100	
Metka EGN Spain S.L.U	Spain	Engineering Procurement and Construction	100	
Metka EGN France SRL	France	Engineering Procurement and Construction	100	
Viga Renovables SP2 S.L.	Spain	Development of Solar Parks	100	
Viga Renovables SP1 S.L.	Spain	Development of Solar Parks	100	
Metka Korea Co. Ltd	Korea	Development of Solar Parks	100	
Metka General Contractor Co. Ltd	Korea	Engineering Procurement and Construction	100	
Metka EGN Singapore Pte. Ltd	Singapore	Holding of investments	100	
Metka EGN Sardinia S.R.L.	Italy	Development of Solar Parks	100	
Metka EGN Australia PTY Ltd	Australia	Engineering Procurement and Construction	100	

9. Derivatives designated as hedging instruments

Forward foreign currency contract

	2018	2017
	€	€
Assets		
Current portion	**1.808.575**	-
Non-current portion	**343.058**	-
	2.151.633	-

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	EUR Buy €	US$ Sale US$	Agreed exchange rate	Fair value €
31/10/2018	31/12/2019	17.983.471	21.760.000	1,2100	464.637
31/10/2018	31/01/2020	14.809.917	17.920.000	1,2100	343.058
31/10/2018	30/09/2019	10.869.421	13.152.000	1,2100	370.063
31/10/2018	31/10/2019	10.578.512	12.800.000	1,2100	330.614
31/10/2018	29/11/2019	22.479.339	27.200.000	1,2100	643.260

10. Non-current loans receivable

	2018	2017
	€	€
Balance at 1 January	**7.228.688**	-
New loans granted	**2.973.243**	7.075.417
Repayments	**(6.548.655)**	-
Accrued interest	**121.933**	228.085
Exchange difference	**29.050**	(74.814)
Balance at 31 December	**3.804.259**	7.228.688

	2018	2017
	€	€
Loans to related parties (Note 29.4)	**3.804.259**	7.228.688
	3.804.259	7.228.688
Less current portion	**(3.804.259)**	(7.228.688)
Non-current portion	**-**	-

10. Non-current loans receivable (continued)

The loans are repayable as follows:

	2018	2017
	€	€
Within one year	**3.804.259**	2.943.312
Between one and five years	**-**	4.285.376
	3.804.259	7.228.688

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

	2018	2017
	€	€
United States Dollars	**1.305.689**	409.390
Euro	**2.430.354**	2.802.432
British Pounds	**68.216**	4.016.866
	3.804.259	7.228.688

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

11. Inventories

	2018	2017 As restated
	€	€
Spare parts and other consumables	**36.961**	1.297.060
	36.961	1.297.060

The cost of inventories recognised as expense and included in "cost of sales" amounted to €20.473.736 (2017: €21.936.831).

Inventories are stated at cost.

12. Trade and other receivables

	2018	2017 As restated
	€	€
Trade receivables	**5.022.258**	11.717.452
Contract retentions	**35.187**	-
Less: credit loss on trade receivables	**(474.217)**	-
Trade receivables - net	**4.583.228**	11.717.452
Receivables from own subsidiaries (Note 29.3)	**841.587**	47.549
Receivables from related parties (Note 29.3)	**931.822**	1.172.974
Deposits and prepayments	**99.613**	847
Advances to suppliers	**3.154.158**	-
Accrued income	**4.440.614**	-
Other receivables	**1.148.798**	390.106
Refundable VAT	**338.714**	73.899
	15.538.534	13.402.827
Less non-current receivables	**-**	(260.162)
Current portion	**15.538.534**	13.142.665

The Company has recognized a loss of €474.217 (2017: € -) for the impairment of its trade receivables during the year ended 31 December 2018. The loss has been included in selling and distribution costs in profit or loss.

Movement in provision for impairment of receivables:

	2018	2017
	€	€
Balance at 1 January	**-**	-
Impairment losses recognised on receivables	**474.217**	-
Balance at 31 December	**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 and in hand

	2018	2017 As restated
	€	€
Cash at bank and in hand	**1.558.528**	6.043.325
	1.558.528	6.043.325

13. Cash at bank and in hand (continued)

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

	2018	2017 As restated
	€	€
Cash at bank and in hand	**1.558.528**	6.043.325
Bank overdrafts (Note 15)	**(10.716)**	(1.126)
	1.547.812	6.042.199

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 32 of the Financial statements.

14. Share capital

	2018 Number of shares	2018 €	2017 As restated Number of shares	2017 As restated €
Authorised				
Ordinary shares of €1 each	**1.000**	**1.000**	1.000	1.000
		€		€
Issued and fully paid				
Balance at 1 January	**1.000**	**1.000**	1.000	1.000
Balance at 31 December	**1.000**	**1.000**	1.000	1.000

15. Borrowings

	2018	2017
	€	€
Balance at 1 January	**18.944.133**	12.079.132
Additions	**5.476.968**	6.000.251
Repayments	**(8.741.326)**	-
Accrued interest expense	**800.727**	864.750
Exchange difference	**18.654**	-
Balance at 31 December	**16.499.156**	18.944.133

	2018	2017 As restated
	€	€
Current borrowings		
Bank overdrafts (Note 13)	**10.716**	1.126
Loans from subsidiaries (Note 29.6)	**6.286.760**	-
Loan from parent company (Note 29.6)	**10.201.680**	18.943.007
	16.499.156	18.944.133

16. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 27). The applicable corporation tax rate in the case of tax losses is 12,5%.

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 2017	-
Charged/(credited) to:	
Statement of comprehensive income (Note 27)	6.912
Balance at 31 December 2017	**6.912**
Charged/(credited) to:	
Statement of comprehensive income (Note 27)	71.214
Balance at 31 December 2018	**78.126**

Deferred tax assets

	Tax losses €
Balance at 1 January 2017	-
Balance at 31 December 2017/ 1 January 2018	**-**
Charged/(credited) to:	
Statement of comprehensive income (Note 27)	598.046
Balance at 31 December 2018	**598.046**

17. Trade and other payables

	2018	2017 As restated
	€	€
Trade payables	**5.072.786**	5.759.065
Prepayments from clients	**43.054**	197.383
Social insurance and other taxes	**50.265**	59.831
Staff costs accrued	**30.293**	-
Accruals	**66.175**	128.712
Other creditors	**486.867**	273.710
Payables to fellow subsidiaries (Note 29.5)	**550.404**	-
Payables to related parties (Note 29.5)	**895.031**	332.389
	7.194.875	6.751.090

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

18. Current tax liabilities

	2018	2017 As restated
	€	€
Corporation tax	**26.844**	66.844
Overseas tax	**113.999**	281.928
	140.843	348.772

19. Revenue

	2018	2017 As restated
	€	€
Sales of products	**-**	21.259.961
Rendering of services	**138.336**	84.399
Constructions	**29.375.722**	12.655.716
	29.514.058	34.000.076

20. Cost of sales

	2018	2017
	€	€
Raw materials and consumables used	**20.473.736**	21.936.831
Staff costs	**147.965**	-
Subcontracted work	**6.992.051**	8.400.020
Services received	**192.355**	159.118
Licenses and taxes	**5.874**	-
Sundry expenses	**335.701**	178.175
	28.147.682	30.674.144

21. Other operating income

	2018	2017 As restated
	€	€
Provision of services to related parties (Note 29.1)	**1.372.831**	-
Gain from sale of property, plant and equipment	**-**	16.102
Foreign exchange profit	**125.491**	-
Sundry operating income	**2.551**	136.729
	1.500.873	152.831

22. Selling and distribution expenses

	2018	2017
	€	€
Specific provision for bad debts (Note 12)	**474.217**	-
Sundry expenses	**-**	523.739
Seminar & Conference expenses	**-**	6.534
	474.217	530.273

23. Administration expenses

	2018	2017 As restated
	€	€
Staff costs	**119.174**	-
Rent	**9.612**	-
Licenses and taxes	**1.628**	-
Sundry expenses	**199.324**	361.531
Auditors' remuneration	**18.000**	2.500
Legal fees	**282.937**	6.149
Other professional fees	**1.923.343**	57.286
Amortisation of computer software	**3.402**	3.502
Depreciation	**10.425**	2.573
	2.567.845	433.541

24. Other expenses

	2018	2017 As restated
	€	€
Provision of services by third parties	**1.900.154**	-
Provision of services by related parties (Note 29.2)	**71.147**	-
Foreign exchange losses	**819.331**	-
	2.790.632	-

25. Staff costs

	2018	2017 As restated
	€	€
Salaries	**246.895**	-
Social security costs	**20.244**	-
	267.139	-
Average number of employees	**33**	-

26. Finance income/(costs)

	2018	2017 As restated
	€	€
Interest income	**338.139**	397.592
Exchange profit	**905**	3.672
Finance income	**339.044**	401.264
Interest expense	**(800.727)**	(864.750)
Sundry finance expenses	**(1.133.558)**	(155.258)
Finance costs	**(1.934.285)**	(1.020.008)
Net finance costs	**(1.595.241)**	(618.744)

27. Tax

	2018	2017 As restated
	€	€
Corporation tax	**-**	66.650
Overseas tax	**205.277**	249.250
Deferred tax - credit (Note 16)	**(598.046)**	-
(Credit)/charge for the year	**(392.769)**	315.900

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 29%.

Iran

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

28. 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 of the countries in which the Company is operating 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.

29. Related party transactions

The Company is controlled by Mytilineos S.A., incorporated in Greece, which is listed in Athens Stock Exchange and owns 50,1% of the Company's shares. Upon the signing of these financial statements, Mytilineos S.A owns 100% of the Company's shares.

The following transactions were carried out with related parties:

29.1 Revenue and other income

	Nature of transactions	2018 €	2017 €
• Subsidiaries			
Interest income from subsidiaries included in finance income / (costs) (Note 26)	Finance	**97.248**	-
Provision of services from subsidiaries included in other operating income (Note 21)	Trade	**1.372.831**	-
• Other related parties			
Revenue from other related parties included in revenue (Note 19)	Trade	**803.675**	-
		2.273.754	-

29.2 Purchases and other expenses

	Nature of transactions	2018 €	2017 €
• Subsidiaries			
Interest expense from subsidiaries included in finance income / (costs) (Note 26)	Finance	**45.175**	-
Purchases from subsidiaries included in cost of sales (Note 20)	Finance	**147.965**	-
Provision of services from subsidiaries included in other expenses (Note 24)	Trade	**71.147**	-
• Controlling parties			
Interest expense from controlling parties included in finance income / (costs) (Note 26)	Finance	**695.569**	-
		959.856	-

29.3 Receivables from related parties (Note 12)

Name	Nature of transactions	2018 €	2017 As restated €
• Subsidiaries	Trade	**841.587**	47.549
• Other related parties	Trade	**931.822**	1.172.974
		1.773.409	1.220.523

The balances with related parties are interest free and unsecured.

29. Related party transactions (continued)

29.4 Loans to related parties (Note 12)

	2018	2017
	€	€
• Subsidiaries		
Loans to subsidiaries - EUR	**2.353.583**	2.649.260
Loans to subsidiaries - Interest EUR	**76.771**	153.173
Loans to subsidiaries - USD	**1.280.743**	406.481
Loans to subsidiaries - Interest USD	**24.946**	2.908
Loans to subsidiaries - GBP	**48.000**	3.944.862
Loans to subsidiaries - Interest GBP	**20.216**	72.004
	3.804.259	7.228.688

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

29.5 Payables to related parties (Note 17)

Name	Nature of transactions	2018 €	2017 As restated €
• Controlling parties	Trade	**401.366**	162.389
• Other related parties	Trade	**493.665**	170.000
• Subsidiaries	Trade	**550.404**	-
		1.445.435	332.389

The balances with related parties are interest free and unsecured.

29.6 Loans from related parties (Note 15)

	2018	2017 As restated
	€	€
• Controlling parties		
Loans from controlling parties - EUR	**9.962.975**	18.000.000
Loans from controlling parties - Interest EUR	**238.705**	943.007
• Subsidiaries		
Loans from subsidiaries - EUR	**3.612.400**	-
Loans from subsidiaries - Interest EUR	**15.724**	-
Loans from subsidiaries - USD	**2.633.188**	-
Loans from subsidiaries - Interest USD	**25.448**	-
	16.488.440	18.943.007

The interest rate on the loans from controlling parties ranges from 4,12% - 6% and are payable on demand.

The interest rate on the loans from subsidiaries ranges from 4% - 4,50% and are payable on demand.

30. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

31. Commitments

The Company had no capital or other commitments as at 31 December 2018.

32. Financial risk management

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

32.1 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 and contract assets.

(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.

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:

	2018	2017
Bank group based on credit ratings by Moody's	**€**	€
Caa2	**9.990**	-
Caa1	**1.264.915**	4.084.520
Baa3	**238.669**	-
Caa-C	**28.176**	1.958.805
	1.541.750	6.043.325

32.2 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.

32. Financial risk management (continued)

32.2 Liquidity risk (continued)

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 2018	Carrying amounts	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	10.716	10.716	10.716	-	-	-
Trade and other payables	5.633.000	5.633.000	5.633.000	-	-	-
Payables to related parties	940.975	940.975	940.975	-	-	-
Loans from subsidiaries	3.804.259	3.836.957	3.836.957	-	-	-
Loan from parent company	10.201.680	10.447.714	10.447.714	-	-	-
	20.590.630	**20.869.362**	**20.869.362**	**-**	**-**	**-**

31 December 2017	Carrying amounts	Contractual cash flows	1 year or less	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	1.126	1.126	1.126	-	-	-
Trade and other payables	6.230.158	6.230.158	6.230.158	-	-	-
Payables to related parties	332.389	332.389	332.389	-	-	-
Loans from subsidiaries	7.228.688	7.562.645	7.562.645	-	-	-
Loan from parent company	18.943.007	18.999.253	18.999.253	-	-	-
	32.735.368	33.125.571	33.125.571	-	-	-

32.3 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, Australian Dollars, Kazakhstan Tenge and the Singapore Dollars. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Sensitivity analysis

A 10% strengthening of the Euro against the above mentioned currencies at 31 December 2018 would not have a material increase / (decrease) in equity and profit or loss.

33. Events after the reporting period

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

33. Events after the reporting period (continued)

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2018.

Independent auditor's report on pages 3 to 5