ANNUAL FINANCIAL REPORT
AS AT 31 DECEMBER 2022

According to the International Financial Reporting Standards

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

https://www.hellenic-cables.com/

General Commercial Registry No.: 240101000

FULGOR
HELLENIC CABLE INDUSTRY S.A.

HELLENIC CABLES
Member of CENERGY HOLDINGS

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A. Management Report by the Board of Directors

MANAGEMENT REPORT
BY THE BOARD OF DIRECTORS OF "FULGOR S.A."
ON THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022

Dear Shareholders,

Based on the provisions of Article 150 of Law 4548/2018 we hereby submit you the Annual Report of the Board of Directors for the year ended on 31.12.2022.

1. Financial Overview for 2022

In 2022, Fulgor S.A. (hereinafter the "Company" or "Fulgor") recorded strong financial performance against the unclear economic and geopolitical backdrop. Throughout the year, the Company's production plants achieved high-capacity utilisation for all production lines, while a set of secured project orders lay firm foundations for future performance. The Company kept on providing effective solutions for challenging energy transfer projects and recorded strong profitability capitalising fully its production capacity.

In detail, the Company's revenue amounted to EUR 631 million for 2022 compared to EUR 585 million in 2021, 8% increase year-on-year. The higher sales volumes of power cables and the execution of submarine cables contracts are the main drivers for such increase.

Gross profit amounted to EUR 48.9 million compared to EUR 52.3 million in 2021, while EBITDA (Earnings before interest, taxes, depreciation and amortisation) were equal to EUR 45.5 million compared to EUR 49.4 million in 2021.

The decrease in operational profitability (a-EBITDA) by EUR 2.3 million is mainly attributed to the different projects mix executed during 2022 compared to 2021 while the operational profitability margin (a-EBITDA margin) was adversely affected by the higher average metal prices (average LME copper price in 2022: EUR 8,334/ton, 2021: EUR 7,881/ton and average LME aluminium price in 2022: EUR 2,559/ton, 2021: EUR 2,101/ton).

Profit before tax amounted to EUR 23.1 million compared to EUR 31.2 million in 2021. The change in profit before tax are mainly attributed to:

- lower operational profitability by EUR 2.3 million;
- machinery impairment of EUR 1.2 million due to withdrawal of machinery from production process;
- higher depreciation costs of tangible and intangible assets by EUR 1.5 million and
- the increased financial cost by EUR 3.2 million. This increase is due to the upward trend of the EURIBOR in 2022 and the increased needs for working capital, which drove average borrowing to higher levels compared to the previous year and, therefore, to higher financial costs.

During 2022, projects awarded in the past by external customers and assigned by the parent company Hellenic Cables were successfully delivered in whole or in part. In particular:

- The production and the installation of the 83 km-long submarine cable for the electrical interconnection between Naxos, Santorini and Thirasia islands in the Aegean Sea, Greece was concluded in 2022, while the final site tests are scheduled during the first half of 2023.

- The first batches of 66kV inter-array cables for the Doggerbank offshore wind farm in the United Kingdom, the world's largest offshore wind farm, were successfully completed. Remaining cable quantities for the same project will be produced and delivered in 2023.
- The production of 70 km XLPE insulated inter-array cables of 66kV for the Vesterhav Nord & Syd offshore wind farms in the North Sea, Denmark was completed.
- The interconnection of Kafireas II Wind Farm with Greece's mainland grid was completed.

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

- Award of the turnkey projects of:
  - Lavrio - Serifos / Serifos - Milos interconnection (phase 4 of the Cyclades' interconnection in Greece, with a total cable length of 170 km);
  - Zakynthos – Kilini (total cable length: 23 km) in Greece and
  - the 105 km export cables contract for Ostwind 3 wind park in Germany awarded by 50Hertz, the first award by 50Hertz for the company.
- Award of the supply of submarine cables and associated accessories for
  - the Sofia offshore wind farm in the United Kingdom (360 km cables of 66kV) and
  - the Hai Long Offshore Wind in Taiwan (140 km XLPE-insulated cables of 66kV). This is the first award in the Asian market for Hellenic Cables.

In 2022, the Company continued to undertake initiatives in order to improve its competitiveness and reduce production costs. These initiatives focus on increasing the efficiency of its production plants by reducing costs per unit of output and reducing the cost of raw materials used to manufacture the Company's products. The award and successful performance of the major projects cited above illustrate the Company's position as one of the leading manufacturers of submarine cables in the offshore energy industry since the above initiatives have enabled the Company and its parent company to provide leading-edge products for highly demanding energy projects.

During 2022, investments amounting to EUR 41.5 were carried out mainly to improve the port infrastructure of the plant in Corinth, debottleneck certain production lines for submarine cables and acquire the necessary area close to the Corinth plant so as to further expand the submarine cables production plants. The primary goal of the investments carried out is to meet the expected high demand in the sector of energy projects as part of "green" development in Europe and other geographical areas.

Net debt increased from EUR 181.2 million compared to EUR 106.2 million following an increase in the needs for working capital, which was increased for the following reasons:

- The geopolitical uncertainty generated by the war in Ukraine necessitated a more cautious approach to supply chain management. Raw materials had to be secured for execution of projects which already awarded resulting in increase of raw material carrying amount.
- Raw material prices increased during the year, indicatively, the average LME Copper went up during 2022 by +6% (from 7,881 EUR/ton to 8,334 EUR/ton) and the corresponding average LME Aluminium price increased by +22% (from 2,101 EUR/ton to 2,559 EUR/ton).
- There were delays in milestone payments for certain projects in execution during Q4 2022.

On 31 December 2022, the Company's current liabilities amounted to EUR 409.7 million (2021: EUR 283.1 million) while short-term receivables amounted to EUR 329.6 million (2021: EUR 266.8 million). However, this fact does not raise any concern because the parent company Hellenic Cables S.A. has provided assurances that it will continue to provide financial support to Fulgor. Moreover, the Company is able to generate robust operating cash flows to meet its needs through its high operational profitability.

2. Financial Ratios and Alternative Performance Measures

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

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

Liquidity ratio	2022	2021
Current assets / Current liabilities	0.80	0.94

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

Gearing ratio	2022	2021
Equity / Debt	0.33	0.51

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

Return on capital employed	2022	2021
Operating results / (Equity + Debt)	11.7%	17.0%

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

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

Return on equity	2022	2021
Profits after tax / Equity	22.3%	32.4%

Profitability:

	2022	2021
Gross Profit Margin (Gross profit/Revenue)	7.7%	8.9%
Net Profit Margin (Profit after tax/Revenue)	2.7%	4.5%
EBITDA*	45,503,023	49,362,878
EBITDA margin* (EBITDA / Revenue)	7.2%	8.4%
a-EBITDA**	49,390,853	51,835,178

	2022	2021
a–EBITDA margin** (a-EBITDA / Revenue)	7.8%	8.9%

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

	2022	2021
Profit before tax	**23,098,896**	**31,210,526**
Adjustments for:		
+ Depreciation & amortisation of property, plant & equipment, right of use assets and intangible assets	10,227,224	8,770,480
- Amortisation of grants	(865,005)	(388,589)
- Interest income	(6,995)	(67,353)
+ Interest expenses and related costs	13,048,904	9,837,814
EBITDA	**45,503,023**	**49,362,878**

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

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

	2022	2021
EBITDA	**45,503,023**	**49,362,878**
Adjustments for:		
+ / - Metal price lag[1]	3,006,171	2,290,244
+ / - (Profits)/Losses from sale of investment property	(340,330)	-
+ / - Impairment of property, plant and equipment	1,221,990	-
+ / - (Profit)/losses from the sale of tangible assets	(1)	(2,257)
a–EBITDA	**49,390,853**	**51,650,866**

(1) Metal price lag originates from:

1. *the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale.*
2. *The effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the cost of sales, due to the costing method used which is weighted average method.*
3. *Certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when the sales price is fixed and the sale actually occurs.*

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

3. Objectives and Outlook for 2023

Further to the robust performance recorded in 2022, the Company is expected to continue to benefit from the significant portfolio of secured projects and from the high-capacity utilisation in Corinth plant, factors that will foster profitability for the upcoming year. Considering the strong backlog, the ability of the Company and its parent company to expand into new markets and the overall growth potential of the offshore cables sector, the outlook for the Company remains positive for 2023.

The electrification momentum in Europe and the increasing demand for grid connections are expected to further fuel the order book. As for the projects business unit, several awards have been secured during the last months and more projects are expected to be awarded in the forthcoming year. To further explore the proven potential of the electrification and the accelerating transition to a low-carbon economy, an investment program of ca. EUR 80 million over a two-year horizon was announced in early 2023. The program includes a major expansion of the subsea cable plant in Corinth, Greece that will double production capacity of submarine cables and provide additional storage.

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

The initiatives taken the last few years have focused on developing a competitive sales network and also on increasing productivity while reducing production cost. Furthermore, through the investments made the last few years, the Company is in a position to seize any opportunities emerging worldwide and rival the top companies of the industry. Finally, the 'European Green Deal', EU's roadmap for sustainable development and climate neutrality by 2050, the promising emerging offshore wind market and the projects already awarded to the Company in the Mediterranean region create a favourable environment for the Company.

Overall, the Company and its parent company remain focused on value growth over volume. Its strategy is to keep creating profit from its unique "energy enabler" role and invest in its production ability to serve to the best possible extent the growing offshore wind and electrification markets.

4. Non-Financial Information

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

The non-financial ratios for 2022 which are presented in this report comply with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI-Standards). These ratios were chosen strictly on the basis of their relevance to the business, in accordance with the materiality analysis conducted by both the Company and its parent company.

Details on the performance in terms of sustainable development, and the actions of social and operational responsibility of the Company, its parent company Hellenic Cables S.A. and its affiliated Icme Ecab are also set forth in the 2022 Sustainable Development Report of Hellenic Cables. Hellenic Cables S.A. and its subsidiary Fulgor S.A., which operate in Greece, together with Icme Ecab S.A., operating in Romania, make up the Hellenic Cables which represent the cable manufacturing segment of Cenergy Holdings S.A., a company listed on Euronext Brussels Exchange (CENER) and the Athens Stock Exchange. The Sustainable Development Report is an important tool as it reflects the way in which the cables companies respond to major issues and to the expectations of all their stakeholders.

All Sustainable Development Reports (in accordance with the GRI Guidelines), which have been published since 2009 to date, are available on the website (https://www.hellenic-cables.com/).

5. Main Risks and Uncertainties

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

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

- Financial and
- Business risks

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

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

A. Operational and technology risks are defined as the risk of loss resulting from inadequate or failed processes or systems, acts of natural persons or from external events. Operational risks comprise all risks associated with the day-to-day operations of the Company's production plant such as Health & Safety, environmental issues, legal risk (as it refers to processes) but not strategic or reputational risks.

B. Compliance and Reputation risks include possible negative impacts (economic – fines, penalties, etc. and other nature – exclusion from markets, etc.) from non-compliance with existing regulations and standards. Also included are potential impacts on the Company's brand image and business reputation[1], as well as on the accounting risk[2].

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

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

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

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

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

[2] The risk which concerns proper and fair economic and financial reflection of the Company's figures and circumstances, as well as compliance with all related regulations (IFRS, tax laws etc.).

Business risks

Operations and technology

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

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

Product failure risk
Faulty or non-performing products may expose companies to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To proactively mitigate such risk, the Company follows rigorous quality management systems at its plant and maintains appropriate insurance coverage against such claims as well as product liability insurance. Quality control includes, among others, batch or item sample testing, defect capturing monitoring systems spread out in production phases, end-to-end traceability systems, etc.

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

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

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

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

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

Compliance and reputation risks

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

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

Additional details about this particular topic are given in the Non-Financial Report of Hellenic Cables S.A. in the Annual Financial Report and the 2022 Sustainable Development Report of the parent company, which includes such reporting on Fulgor S.A.

Strategic risks

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

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

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

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

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

Financial risks

Credit Risk

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

Trade and other receivables & contract assets

Company's exposure to credit risk is mainly affected by the characteristics of each customer, the demographics of the company's clientèle including the risk of default specific to this market and the country in which customers operate. During 2022, the Company's sales were performed in their majority towards affiliated companies – in particular mainly to Hellenic Cables and Icme Ecab S.A. (subsidiary of Cenergy Holdings S.A., parent company of Hellenic Cables) – or to public utilities and wind park operators, and thus it is considered that there is no particular risk of default.

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

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

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

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

Guarantees

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

Liquidity risk

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

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

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

Market risk

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

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

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

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

Exchange rate risk

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

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

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

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

Interest rate risk

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

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

Capital management

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

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

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

Macroeconomic environment

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

Crisis in Ukraine
The Ukraine crisis began in February 2022 and continues to evolve, worsening the economic conditions in markets through the increased inflation, energy costs and supply chain disruptions

The overall exposure of the Company to Ukraine and Russia is very limited and therefore the Company has not been and is not expected to be substantially affected in the future. Company had no sales exposure to these markets in 2022. Moreover, during 2022 the Company managed to switch from the supply of raw materials currently originating from Russia to alternative markets avoiding in this way any disruption in its supply chain. Finally, the Company has no exposure to Russian banks as far as financing is concerned.

It is worth noting that Company management monitors closely the situation in order to be able to act immediately and restrain any possible disruption.

6. Research and Development

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

The R&D department focuses on the following activities:

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

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

During the last few years, the Company and its parent have been awarded several important projects as their capability enabled them to offer reliable product designs and carry out successfully necessary qualification plans. Among the most notable projects successfully completed are the Naxos - Santorini submarine interconnection, Crete – Peloponnese submarine interconnection and the interconnection of Kafireas II Wind Farm with mainland grid at Evia. Moreover, during 2022, the Company was awarded important contracts involving the design and supply of inter-array cables, as also indicated above. All these projects highlight the competitive capabilities and strong position of Fulgor and its parent company Hellenic Cables S.A. in the medium, high and extra high voltage submarine cables.

At the same time, the Company is engaged in ongoing initiatives to develop next-level DC power cables with reduced loss of power. The development of new products, some of which were launched in 2021, included the design of dynamic submarine cables that are able to function under high mechanical stress, the design of 66kV and 132 kV inter-array submarine cables and the design of submarine cables for electrical interconnection at 275 kV and 400 kV. Finally, special focus is placed at all times on increasing the use of recyclable materials in the production process.

Moreover, during 2022 the Company participated in research programs funded by the EU (Horizon Europe). More specifically, the Company participated in Flotant, NextFloat, Infinite and Musica projects, all aiming primarily to develop new type cables and know-how techniques related to offshore wind parks. Participation of the Company in these projects reveals its role in the accelerating transition to a low-carbon economy.

2021 was another year that the R&D department ensured full compliance with new regulations and customer requirements.

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

In 2022, capital expenditure for trademarks, licences and development projects carried out during the year amounted to EUR 4.9 million (2021: EUR 4.7 million) while total expenses for new product research recognised as expenditure for 2022 amounted to EUR 2.3 million (2021: EUR 1.7 million).

7. Company's Branches

The Company has no branches.

8. Subsequent events

1. On 10 April 2023, the Extraordinary General Meeting of the Company decided to increase the share capital by the amount of EUR 3,168,874.00 to cover its own participation in an investment program in which the company has been included, by virtue of decision no. 128381/26.11.2021 of the Ministry of Development and Investments, aid regime “Aid for the purchase of machinery and equipment” under articles 32-36 of the Law on Development 4399/2016 and by the amount of EUR 65,126.00 to meet the needs for working capital, namely a total increase of EUR 3,234,000.00 through the issue of 1,100,000 new shares with a nominal value of EUR 2.94 each.

2. On 27 April 2023, the Company has signed an EUR 88 million loan agreement with the European Bank for Reconstruction and Development (EBRD. The project is part of the EBRD's Greek Recovery and Resilience Facility (RRF) Co-Financing Framework, implemented as part of the “Greece 2.0” National Recovery and Resilience Plan, funded by the European Union's (EU) NextGenerationEU programme. The loan consists of EUR 62.8 million of EBRD financing, blended with EUR 25.2 million of RRF loans channelled through the Greek Ministry of Finance. The funds will be used to support an up to EUR 110 million investment programme, expanding Fulgor's annual cable production capacity as well as associated working capital outlays once the new production capacity is available, and research & development (R&D) initiatives to be undertaken in the following years. The remaining EUR 22 million (20 per cent) of the project's cost will be covered by Fulgor.

3. On 2 May 2023, the Extraordinary General Meeting of the Company decided to increase the share capital by the amount of EUR 3,519,842.48 to cover its own participation in an investment program in which the company has been included, by virtue of decision no. 113397/25.11.2021 of the Ministry of Development and Investments, aid regime “General Entrepreneurship” under articles 37-41 of Law on Development 4399/2016 (Cycle VI) and by the amount of EUR 8,157.52 to meet the needs for working capital, namely a total increase of EUR 3,528,000.00 through the issue of 1,200,000 new shares with a nominal value of EUR 2.94 each.

9. Conclusions

This report presented Management's view for 2022 performance, the risks and how they are managed, as well as the prospects and development of the Company for 2023.

Athens, 4 May 2023

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

B. Financial Statements

FULGOR

HELLENIC CABLE INDUSTRY S.A.

FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022

HELLENIC CABLES

Member of CENERGY HOLDINGS

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

https://www.hellenic-cables.com/

General Commercial Registry No.: 240101000

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Statement of Profit or Loss and Other Comprehensive Income

Amounts in Euro	**Note**	**2022**	**2021**
Revenue	**5**	631,406,024	585,036,596
Cost of Sales	**6**	(582,536,642)	(532,703,295)
Gross Profit		**48,869,382**	**52,333,302**
Other income	**7**	1,996,920	1,484,170
Selling and distribution expenses	**6**	(4,233,005)	(3,980,075)
Administrative expenses	**6**	(8,191,519)	(7,535,283)
Impairment loss on receivables and contract assets	**27.1**	(98,953)	(7,426)
Other expenses	**8**	(2,202,020)	(1,313,701)
Operating profit		**36,140,804**	**40,980,987**
Finance income	**9**	6,995	67,353
Finance costs	**10**	(13,048,904)	(9,837,814)
Profit before tax		**23,098,896**	**31,210,526**
Income tax	**11**	(6,081,939)	(4,847,233)
Profit after tax		**17,016,956**	**26,363,293**
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Remeasurements of defined benefit liability	**12**	125,226	(125,767)
Related tax		(27,550)	18,244
		97,676	**(107,523)**
Items that are or may be reclassified to profit or loss:			
Cash flow hedges – effective portion of changes in fair value		463,063	(548,781)
Cash flow hedges – reclassified to profit or loss		548,781	906,541
Related tax		(222,606)	(96,838)
		789,238	**260,922**
Other comprehensive income after tax		**886,915**	**153,398**
Total comprehensive income after tax		**17,903,871**	**26,516,692**

The notes on pages 25 to 71 are an integral part of the Financial Statements.

Statement of Financial Position

Amounts in Euro	Note	2022	2021
ASSETS			
Property, plant & equipment	**14**	243,472,037	213,272,087
Right of use assets	**15**	645,485	450,427
Intangible assets	**16**	7,739,461	7,749,311
Investment property	**17**	-	609,154
Contract costs	**13**	161,247	161,247
Other receivables	**20**	252,990	403,676
Non-current assets		**252,271,221**	**222,645,903**
Inventories	**19**	111,284,765	75,834,186
Trade and other receivables	**20**	88,867,061	107,368,920
Contract assets	**13**	72,300,392	28,611,039
Contract costs	**13**	8,809	105,606
Derivatives	**27.2**	463,063	-
Income tax receivables		4,643,928	1,326,382
Cash and cash equivalents	**21**	52,064,805	53,565,498
Total current assets		**329,632,824**	**266,811,631**
Total assets		**581,904,045**	**489,457,534**
EQUITY & LIABILITIES			
EQUITY			
Share capital	**22**	11,373,822	11,373,822
Share premium	**22**	26,206,523	26,206,523
Reserves	**23**	16,082,714	14,635,311
Retained earnings		22,661,443	29,223,425
Total equity		**76,324,502**	**81,439,081**
LIABILITIES			
Loans and borrowings	**24**	64,103,649	92,645,157
Lease liabilities		452,157	282,669
Employee benefits	**12**	991,253	1,012,224
Grants	**26**	12,622,275	12,497,348
Deferred tax liabilities	**11**	17,758,558	18,461,886
Non-current liabilities		**95,927,891**	**124,899,284**
Loans and borrowings	**24**	168,561,430	66,635,956
Lease liabilities		210,844	185,191
Trade and other payables	**25**	232,849,937	202,154,230
Contract liabilities	**13**	8,003,461	11,744,618
Current tax liabilities		-	1,838,296
Derivatives	**27.2**	25,979	560,878
Current liabilities		**409,651,652**	**283,119,169**
Total liabilities		**505,579,543**	**408,018,453**
Total equity and liabilities		**581,904,045**	**489,457,534**

The notes on pages 25 to 71 are an integral part of the Financial Statements.

Statement of Changes in Equity

Amounts in Euro	Share Capital and Share Premium	Fair value reserves	Other reserves	Retained earnings	Total equity
Balance on 1 January 2021	**37,580,345**	**(688,971)**	**13,296,631**	**9,763,625**	**59,951,630**
Profit for the period	-	-	-	26,363,293	**26,363,293**
Other comprehensive income	-	260,922	-	(107,523)	**153,398**
Total comprehensive income	**-**	**260,922**	**-**	**26,255,770**	**26,516,692**
Transactions with owners of the company directly posted through equity					
Transfer of reserves	-	-	1,766,729	(1,766,729)	**-**
Dividends	-	-	-	(5,029,241)	**(5,029,241)**
Total transactions with owners of the company	**-**	**-**	**1,766,729**	**(6,795,970)**	**(5,029,241)**
Balance on 31 December 2021	**37,580,345**	**(428,049)**	**15,063,360**	**29,223,425**	**81,439,081**
Balance on 1 January 2022	**37,580,345**	**(428,049)**	**15,063,360**	**29,223,425**	**81,439,081**
Profit for the period	-	-	-	17,016,956	**17,016,956**
Other comprehensive income	-	789,238	-	97,676	**886,915**
Total comprehensive income	**-**	**789,238**	**-**	**17,114,633**	**17,903,871**
Transactions with owners of the company directly posted through equity					
Transfer of reserves	-	-	658,165	(658,165)	**-**
Dividends	-	-	-	(23,018,450)	**(23,018,450)**
Total transactions with owners of the company	**-**	**-**	**658,165**	**(23,676,614)**	**(23,018,450)**
Balance on 31 December 2022	**37,580,345**	**361,189**	**15,721,525**	**22,661,443**	**76,324,502**

The notes on pages 25 to 71 are an integral part of the Financial Statements.

Statement of Cash Flows

Amounts in Euro	Note	2022	2021
Cash flows from operating activities:			
Profit before tax:		23,098,896	31,210,526
Plus / less adjustments for:			
Depreciation of fixed assets & right of use assets	**14, 15, 16**	10,343,239	8,777,949
Grants amortisation	**7**	(865,005)	(388,589)
Unrealised (Gains)/ loss from valuation of derivatives		13,882	(130,837)
Interest income	**9**	(6,995)	(67,353)
Interest charges and related expenses	**10**	13,048,904	9,837,814
Impairment and loss from write-off of property, plant & equipment	**8**	1,255,746	-
Profit from sale of property, plant & equipment and investment property	**7**	(340,331)	(2,257)
Impairment loss on receivables	**27.1**	98,953	7,426
		46,647,288	**49,244,679**
Changes in:			
- Inventories		(35,450,325)	(21,773,166)
- Trade and other receivables		15,216,765	(63,418,112)
- Contract assets		(43,701,433)	2,087,822
- Trade and other payables		28,915,679	74,478,956
- Contract liabilities		(3,741,157)	4,656,819
- Contract costs		96,797	105,615
- Employee benefits		104,255	46,252
Cash flows from operating activities		***(38,559,420)***	***(3,815,815)***
Interest expense and related costs paid		(11,060,780)	(8,100,710)
Taxes paid		(6,680,220)	-
Net cash inflow/ (outflow) from operating activities		**(9,653,132)**	**37,328,155**
Cash flows from investing activities:			
Acquisition of property, plant & equipment		(41,544,742)	(25,704,889)
Acquisition of intangible assets	**16**	(442,137)	(716,328)
Proceeds from disposal of tangible and intangible assets		1	2,350
Proceeds from disposal of investment property	**17**	1,100,000	-
Interest received	**9**	6,995	67,353
Net Cash inflow/ (outflow) from investing activities		**(40,879,883)**	**(26,351,514)**
Cash flows from financing activities:			
Loans obtained	**24**	85,374,138	35,674,071
Repayment of loans	**24**	(13,978,297)	(22,457,047)
Repayment of lease principal	**24**	(215,847)	(212,287)
Dividends paid		(23,018,450)	(5,029,241)
Grants received	**26**	870,778	42,323
Net cash inflow/ (outflow) from financing activities		**49,032,322**	**8,017,818**
Net (decrease) / increase in cash and cash equivalents		**(1,500,693)**	**18,994,459**
Cash and cash equivalents on 1 January		53,565,498	34,571,039
Cash and cash equivalents on 31 December	**21**	**52,064,805**	**53,565,498**

The notes on pages 25 to 71 are an integral part of the Financial Statements.

Notes to the Financial Statements

1. Information on the Company

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

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

On 31 December 2022, the direct holding of Hellenic Cables in the Company's capital stood at 100%. Cenergy Holdings SA and Viohalco SA/NV indirectly control 100% and 79.78% of the Company's voting rights, respectively.

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

2. Presentation basis of Financial Statements

2.1 Statement of Compliance

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

The Financial Statements were approved by the Board of Directors on 4 May 2023 and have been uploaded on the website at https://www.hellenic-cables.com, in the category Financial Statements/ Financial Statements of Subsidiaries. The Company's General Commercial Registry No. is 240101000.

2.2 Basis of measurement

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

On 31 December 2022, the Company's current liabilities exceeded total current assets by EUR 80 million (31 December 2021: EUR 16 million).

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

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

2.3 Functional currency

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

2.4 Use of estimates and assumptions

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

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

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

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

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

(a) Income tax (note 11 and note 28.3)

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

(b) Inventories (note 19)

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

(c) Impairment of non-financial assets

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

(d) Impairment loss on receivables and contract assets (note 27.1)

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

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

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

(f) Fair value measurement

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

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

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

Level 3: Unobservable inputs for assets and liabilities.

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

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

The Company recognises transfers between fair value levels at the end of the reporting period in which a change took place. Further information on the assumptions of measurement at fair value is included in note 27.

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

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

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

3. New standards, interpretations and amendment to existing standards

Specific new standards, standard amendments and interpretations have been issued, which are mandatory for accounting periods beginning on or after 1 January 2022. The Company's estimate about the effect of the application of such new standards, amendments and interpretations is described below.

Standards and Interpretations mandatory for the current financial year

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

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

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework'

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

Annual Improvements to IFRS 2018-2020

IFRS 9 'Financial instruments'

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 'Leases'

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

IAS 41 'Agriculture'

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

Mandatory standards and Interpretations for subsequent periods

Certain new accounting standards, amendments and interpretations have been put into effect for subsequent periods and had not been adopted at the time these company financial statements were prepared. The Company examines the effect of the new standards and interpretations on its financial statements.

IFRS 17 'Insurance contracts' and Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023)

IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

IAS 1 (Amendment) "Classification of Liabilities as Current or Non-Current" (effective for annual periods beginning on or after 1 January 2024)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) "Non-current Liabilities with Covenants" (effective for annual periods beginning on or after 1 January 2024)

The new amendments clarify that if the right to defer settlement is subject to the entity complying with specified conditions (covenants), this amendment will only apply to conditions that exist when compliance is measured on or before the reporting date. Additionally, the amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

The 2022 amendments changed the effective date of the 2020 amendments. As a result, the 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and should be applied retrospectively in accordance with IAS 8. As a result of aligning the effective dates, the 2022 amendments override the 2020 amendments when they both become effective in 2024. The amendments have not yet been endorsed by the EU.

IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting Policies) (effective for annual accounting periods beginning on or after 1 January 2023)

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' (effective for annual periods beginning on or after 1 January 2023)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

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

IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

IFRS 16 (Amendment) 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024)

The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. An entity applies the requirements retrospectively back to sale and leaseback transactions that were entered into after the date when the entity initially applied IFRS 16. The amendment has not yet been endorsed by the EU.

4. Significant accounting principles

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

4.1 Foreign currency

Transactions and balances

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

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

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

4.2 Financial instruments

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

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

A. Initial recognition and subsequent measurement of financial assets

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

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

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

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

The Company does not have any financial assets measured at FVTPL on 31 December 2022.

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

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

B. Impairment of financial assets

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

The Company recognises provisions for expected credit losses from:

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

C. Derecognition of financial assets

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

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

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

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

Initial recognition and subsequent measurement of financial liabilities

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

D. Derecognition of financial liabilities

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

E. Offsetting financial assets and financial liabilities

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

4.3 Derivatives and hedge accounting

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

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

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

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

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

A. Fair value hedging

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

B. Cash Flow hedges

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

When a hedging instrument matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to Equity remain as a reserve and are carried forward to the results when the hedge affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to Equity are transferred to the Statement of Profit or Loss.

4.4 Share capital

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

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

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

4.5 Property, plant & equipment

A. Recognition and measurement

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

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

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

B. Subsequent expenditures

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

C. Amortisation and depreciation

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

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

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

4.6 Intangible assets

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

Concessions and industrial property rights

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

Software

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

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

4.7 Investment property

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

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

4.8 Inventories

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

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

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

4.9 Impairment of non-financial assets

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

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

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

4.10 Employee benefits

A. Short-term employee benefits

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

B. Defined-contribution plans

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

C. Defined-benefit plans

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

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

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

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

D. Termination benefits

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

4.11 Provisions

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

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

4.12 Revenue

The Company recognises revenue from the following major sources:

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

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

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

Sale of products

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

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

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

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

Energy projects

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

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

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

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

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

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

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

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

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

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

Rendering of services

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

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

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

Contract costs

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

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

Income from interest

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

4.13 Grants

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

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

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

4.14 Leases

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

Lease accounting policy when the Company is a lessee

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

Right of use assets

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

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

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

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

Lease liabilities

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

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

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

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

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

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

Presentation in Financial Statements

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

4.15 Finance income/expenses

Net financial expenses consist of loan interest charges that are calculated using the effective interest rate method, interest arising from invested cash, income from dividends, as well as foreign exchange gains and losses arising from the Company's financing activities.

Accrued interest is posted to the Statement of Profit or Loss based on the effective interest rate method. Dividend income is posted to the Statement of Profit or Loss on the date dividend distribution is approved.

4.16 Income tax

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

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

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

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

4.17 Borrowing costs

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

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

5. Revenue

A. Significant accounting policy

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

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

For the detailed accounting policy, see Note 4.12.

B. Nature of goods and services

Energy cables projects

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

Power & telecom cables

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

Copper and aluminium wires, and raw materials

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

C. Disaggregation of revenue

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

Primary geographical markets

Amounts in Euro	**2022**	**2021**
Greece	516,896,623	466,409,407
Other European Union countries	110,808,166	116,507,711
Other non-European countries	3,701,236	2,119,479
	631,406,024	**585,036,596**

Major products and service lines

Amounts in Euro	**2022**	**2021**
Energy projects	232,037,278	219,033,608
Power & telecom cables	38,692,971	18,537,837
Sales of wires, raw materials and other products	360,675,775	347,465,151
	631,406,024	**585,036,596**

Timing of revenue recognition

Amounts in Euro	**2022**	**2021**
Revenue recognised at a point in time	399,368,746	366,002,988
Revenue recognised over time	232,037,278	219,033,608
	631,406,024	**585,036,596**

In 2022, the revenue amounted to EUR 631 million, increased by 8% compared to 2021. This change is due to the Company's product, as reflected on the above table, and primarily to the higher sales volumes of power cables compared to 2021, as well as to the different submarine cables contracts that were executed during these two periods.

Revenue expected to be recognised in the future and related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 183 million. The amount of EUR 180 million is expected to be recognised during 2023 while the amount of EUR 3 million is expected to be recognised during 2024-2025 based on the execution time schedules applying to the ongoing energy projects. These amounts include the open contracts on 31 December 2022, which have original expected duration of more than one year.

D. Significant judgments in revenue recognition

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

The most significant of these estimates are described below:

- Contracts involving the supply of a product through the performance of a single task or a set of significant integrated tasks are viewed as being a single performance obligation.

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

6. Expenses by nature

Amounts in Euro	**2022**	**2021**
Cost of inventories recognised as an expense	471,529,279	457,888,240
Employee benefits	27,032,165	20,590,060
Energy	10,701,892	5,993,496
Depreciation and amortisation	10,227,224	8,770,480
Amortisation of contract costs	96,797	105,615
Taxes – duties	679,060	491,721
Insurance premiums	11,124,383	4,329,554
Rental fees	605,213	323,514
Transportation expenses	292,657	400,699
Third party fees and benefits	50,364,276	30,525,753
Commissions	1,573,609	1,120,375
Maintenance	3,631,045	4,005,061
Losses from derivatives	2,688,905	6,671,762
Foreign exchange losses	95,639	19,931
Other	4,319,023	2,982,392
Total cost of sales, selling & distribution and administrative expenses	**594,961,167**	**544,218,653**

The increase in “Third party fees and benefits” is attributed mainly to the increased fees paid to subcontractors for installation services in the context of turnkey contracts executed by the Company during the current year.
Specifically, during 2022 the installation for the submarine interconnection of Naxos-Santorini was undertaken by subcontractors. In contrast, in 2021, installation services were limited while took place only the final installation phase for the interconnection of the Crete – Peloponnese.

In addition, the Company invests in research and development in order to develop value added products and services on an ongoing basis, and to optimise its production processes. Total research and development expenses that were recognised as an expense for 2022 amount to EUR 2,385 thousand (2021: EUR 1,735 thousand) and have been included in the account "Cost of Sales".

The account “Third party fees and benefits” in the table above includes fees of EUR 78,283 paid to the auditors of the Company for the fiscal year 2022.

Employee benefit expenses are analysed as follows:

Amounts in Euro	**2022**	**2021**
Employee remuneration & expenses	21,987,493	17,249,200
Social security expenses	4,358,892	3,510,094
Other employee benefits	2,758,037	2,037,343
Defined benefits plan	180,018	118,968
Total	**29,284,440**	**22,915,605**

The personnel employed on 31 December 2022 numbered 776 persons (2021: 609).

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

Amounts in Euro	**2022**	**2021**
Cost of Sales	25,040,757	19,073,983
Selling and distribution expenses	774,468	620,959
Administrative expenses	1,216,939	895,118
Other expenses	677,564	982,675
Capitalised in assets under construction	1,574,711	1,342,870
Total	**29,284,440**	**22,915,605**

Employee benefits expenses were capitalised due to the continuing investments in improvement of the production capacity of the submarine cables production unit in the Company's plant, and in development projects for certification, licences and new products development.
Employee benefits expenses related to “Other expenses” concern expenditure incurred as part of the measures dealing with the Covid-19 pandemic, as well as to employee benefits expenses that were recharged.

7. Other income

Amounts in Euro	Note	2022	2021
Grants/subsidies of the year		41,599	11,647
Grants amortisation	**26**	865,005	388,589
Gains on sale of fixed assets		1	2,257
Income from expenses recharged		725,160	939,521
Profits from sale of investment property	**17**	340,330	-
Other income		24,825	142,156
Total		**1,996,920**	**1,484,170**

8. Other expenses

Amounts in Euro	Note	2022	2021
Expenses recharged		611,302	938,072
Impairment on property, plant & equipment	**14**	1,221,990	-
Loss from write-offs of property, plant & equipment		33,755	-
Incremental coronavirus costs		105,172	184,313
Other expenses		229,800	191,317
Total		**2,202,020**	**1,313,701**

The line "Incremental coronavirus costs" presented in the table above includes all incremental costs incurred due to the coronavirus pandemic. The "Incremental coronavirus costs" account includes temporary premium payments to compensate employees for performing their normal duties at increased personal risk, charges for cleaning and disinfecting the Company's facilities more thoroughly and more frequently, purchase of medical equipment, engagement of nursery staff, coronavirus detection tests and other expenses directly associated with the coronavirus outbreak.

9. Finance income

Amounts in Euro	2022	2021
Interest income	2,347	1,603
Foreign exchange losses	4,648	65,750
Total	**6,995**	**67,353**

10. Finance costs

Amounts in Euro	2022	2021
Interest expenses and related costs	13,048,904	9,837,814
Total	**13,048,904**	**9,837,814**

Finance costs increased by 33% compared to 2021 as a result of the increased working capital needs, which drove average debt levels higher versus last year, and higher interest rates due the increase in EURIBOR rates, especially during the second half of the year.

11. Income tax

A. Amounts recognised in the Statement of Profit or Loss

Amounts in Euro	**2022**	**2021**
Income tax	(7,035,423)	(1,838,296)
Deferred tax	953,484	(3,008,937)
	(6,081,939)	**(4,847,233)**

B. Reconciliation of applicable tax rate

Amounts in Euro	**2022**	**2021**
Profit before tax	**23,098,896**	**31,210,526**
Tax calculated using the applicable tax rates (2022: 22%, 2021: 22%)	*(5,081,757)*	*(6,866,316)*
Non-deductible tax expenses	(366,898)	(106,425)
Tax-exempt income	101,103	100,952
Recognition of tax-exempt reserves	-	660,000
Change in prior year income tax	(1,263,942)	(148,814)
Incremental R&D tax incentives	529,556	343,127
Change in tax rate	-	1,170,244
Total income tax for the period	**(6,081,939)**	**(4,847,233)**
Actual tax rate	**(26.33%)**	**(15.53%)**

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

Pursuant to article 46 of Law 4712/2020, the R&D expenditure may be deducted from taxable income when incurred, by 200%. The Company makes use of the above tax provision and the expected tax benefit is presented in the line “Incremental R&D tax incentives” of the table above.

C. Deferred tax

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

2022

Amounts in Euro	Balance on 1 January 2022	Recognised in profit or loss	Recognised in OCI	Change in tax rate – Recognised in profit or loss	Change in tax rate – Recognised in OCI	Balance on 31 December 2022
Property, plant and equipment	(10,332,611)	(1,770,402)	-	-	-	(12,103,012)
Right of use assets	3,835	18	-	-	-	3,854
Intangible assets	(21,752)	28	-	-	-	(21,724)
Investment property	40,393	-	-	-	-	40,393
Derivatives	123,392	3,054	(222,606)	-	-	(96,160)
Loans and borrowings	(1,166,877)	272,221	-	-	-	(894,656)
Employee benefits	222,689	22,936	(27,550)	-	-	218,076
Provisions	-	33,066	-	-	-	33,066
Contracts with customers	(7,519,671)	(1,136,163)	-	-	-	(8,655,834)
Other	87,302	(89,036)	-	-	-	(1,734)
Thin capitalisation interest	101,412	(101,412)	-	-	-	-
Tax losses	-	3,719,174	-	-	-	3,719,174
Total	**(18,461,886)**	**953,484**	**(250,155)**	**-**	**-**	**(17,758,558)**

2021

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

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

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

The tax losses to be carried forward amount to EUR 16.9 million. On 31 December 2022, the Company has recognised a deferred tax asset on all the aforementioned tax losses carried forward because Management believes that the recoverability of such asset in the future is certain. Management is mainly based on the following:

- the expected profitability during the following years, due to the existing backlog of orders, which secures a steady high utilisation of the Company's plant;
- the achievement of tax profitability in the past; and

- the initiatives undertaken in order to take advantage of the expected growth in energy sector and especially the high demand for new offshore projects.

12. Employee benefits

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

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

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

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

The provision for employee benefit obligation is presented in the financial statements pursuant to IAS 19 “Employee Benefits” and is based on an independent actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity for the years 2022 and 2021 respectively.

A. Changes in the present value of the obligation

Amounts in Euro	2022	2021
Changes in net liability recognised in Statement of Financial Position		
Balance on 01 January	1,012,224	840,205
Benefits paid	(75,763)	(72,716)
Amounts recognised in profit or loss	180,018	118,968
Amounts recognised in OCI	(125,226)	125,767
Balance on 31 December	**991,253**	**1,012,224**
Amounts included in profit or loss		
Current service cost	151,525	109,378
Past service cost during the period	-	(31,755)
Interest cost	1,850	2,297
Curtailment/ settlement/ termination cost	26,643	39,047
Total amounts included in profit or loss	**180,018**	**118,968**
Amounts included in OCI		
Actuarial loss/(gain) - demographic assumptions	-	2,237
Actuarial loss/(gain) - financial assumptions	(202,904)	66,613
Actuarial loss/(gain) - experience in the period	77,678	56,917
Total amounts included in OCI	**(125,226)**	**125,767**

During 2022, the Company paid a total amount equal to EUR 75,763 (2021: EUR 72,716) for compensation to employees who were either dismissed or departed on a voluntary basis. These particular payments generated an additional cost of EUR 26,643 (2021: EUR 39,047) for the Company, which is equal to the excess amount of the benefit paid compared to the corresponding expected liability and it was recorded as "Curtailment/ settlement/ termination cost".

B. Actuarial assumptions

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

	2022	2021
Discount rate	3.68%	0.20%
Inflation	2.80%	2.10%
Future wage increase	3.00%	3.10%
Plan duration	5.18	5.86

C. Sensitivity analysis

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

Amounts in Euro	Increase	Decrease
Discount rate (0.5% movement)	-2.6%	2.5%
Future salary growth (0.5% movement)	2.5%	-2.6%

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2022, the liability would have been increased by EUR 34,694 for the Company.

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

D. Expected maturity analysis

Amounts in Euro	2022	2021
Up to 1 year	190,718	174,577
Between 1 and 2 years	80,562	39,504
Between 2 and 5 years	263,475	238,141
Over 5 years	673,532	572,098
Total	**1,208,287**	**1,024,320**

13. Contract assets, Contract liabilities and Contract costs

A. Balances of receivables and liabilities from contracts

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

Amounts in Euro	31 December 2022	31 December 2021
Contract assets	72,300,392	28,611,039
Contract liabilities	8,003,461	11,744,618

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

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

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

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

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

Amounts in Euro	Note	Contract assets	Contract liabilities
Balance on 1 January 2022		**28,611,039**	**11,744,618**
Revenue recognised and included in the balance of contract liabilities at year beginning		-	(10,570,675)
Increases due to advances, excluding the amounts recognised as revenue during the period		-	6,829,518
Amounts invoiced during the year and transferred to receivables		(19,542,348)	-
Increases due to change in progress measurement		63,243,782	-
Loss of impairment period	**27.1**	(12,081)	-
Balance on 31 December 2022		**72,300,392**	**8,003,461**

B. Contract costs

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

Therefore, on 31 December 2022 the Company had recorded an amount of EUR 170 thousand as contract costs (31 December 2021: EUR 267 thousand).

Contract costs are recognised as expenses in the cost of sales when the relevant revenue is recognised. During the current year, there was no impairment loss related to contract cost, while the amortisation of contract costs recorded during the year amounted to EUR 97 thousand (2021: EUR 106 thousand).

14. Property, plant and equipment

Amounts in Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Cost					
Balance on 01/01/2021	**51,581,887**	**162,737,200**	**4,829,160**	**32,756,386**	**251,904,633**
Additions	187,475	3,203,820	623,813	21,234,532	25,249,639
Disposals	-	(1,110)	(1,082)	-	(2,192)
Reclassifications*	9,422,968	24,937,646	-	(36,162,965)	(1,802,351)
Balance on 31/12/2021	**61,192,330**	**190,877,556**	**5,451,891**	**17,827,953**	**275,349,729**
Balance on 01/01/2022	**61,192,330**	**190,877,556**	**5,451,891**	**17,827,953**	**275,349,729**
Additions	8,864,292	3,154,306	635,852	28,476,821	41,131,271
Disposals / Write offs	-	(172,298)	(4,456)	-	(176,754)
Reclassifications*	1,389,406	2,496,847	25,991	(4,733,672)	(821,429)
Balance on 31/12/2022	**71,446,028**	**196,356,411**	**6,109,278**	**41,571,101**	**315,482,818**
Depreciation/Impairment					
Balance on 01/01/2021	**(11,598,377)**	**(39,617,462)**	**(3,279,591)**	**-**	**(54,495,430)**
Depreciation	(1,239,583)	(5,914,402)	(430,326)	-	(7,584,310)
Disposals / Write offs	-	1,017	1,082	-	2,099
Balance on 31/12/2021	**(12,837,960)**	**(45,530,847)**	**(3,708,835)**	**-**	**(62,077,642)**
Balance on 01/01/2022	**(12,837,960)**	**(45,530,847)**	**(3,708,835)**	**-**	**(62,077,642)**
Depreciation for the year	(1,369,163)	(6,935,872)	(549,111)	-	(8,854,147)
Impairment loss	-	(1,221,990)	-	-	(1,221,990)
Reclassifications	8,451	(8,451)	-	-	-
Disposals	-	138,543	4,456	-	142,999
Balance on 31/12/2022	**(14,207,123)**	**(53,550,168)**	**(4,253,489)**	**-**	**(72,010,780)**
Carrying amount					
On 31/12/2021	**48,354,370**	**145,346,709**	**1,743,056**	**17,827,953**	**213,272,087**
On 31/12/2022	**57,238,905**	**142,806,243**	**1,855,789**	**41,571,101**	**243,472,037**

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

A. Mortgages on fixed assets

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

B. Fixed assets under construction

Fixed assets under construction concern mainly machinery which has not been installed as well as improvements to the port infrastructure in the Corinth-based plant, which had not been completed by 31 December 2022.

The amount of EUR 4.7 million which was reclassified from the property, plant and equipment under construction in 2022 mostly relates to the completion of investments in the upgrade of Corinth-based plant's production capacity.

The borrowing costs capitalised during 2022 and related to the Company's property, plant and equipment under construction amounted to EUR 344 thousand (2021: EUR 522 thousand) and concerned the acquisition of new machinery. The discount rate used was 4.08%.

C. Impairment Loss

The Company tested for impairment tangible assets and recognised impairment loss of EUR 1,222 thousand with respect to machinery which was recognised at the recoverable amount. The recoverable amount was set equal to the value of machinery in case they are recycled ("scrap value"). Such machinery is impaired due to technological obsolescence and retirement from Company's operations. The amount of loss was recognised in in the Statement of Profit or Loss as "Other expenses" (note 8).

15. Right of use assets & Lease Liabilities

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

A. Amounts recognised in the Statement of Financial Position

Right of use assets:

Amounts in Euro	**Means of transport**	**Total**
Cost		
Balance on 01/01/2021	**896,488**	**896,488**
Additions	131,661	131,661
Terminations	(25,055)	(25,055)
Balance on 31/12/2021	**1,003,094**	**1,003,094**
Depreciation/ Impairment		
Balance on 01/01/2021	**(350,810)**	**(350,810)**
Depreciation	(216,556)	(216,556)
Terminations	14,700	14,700
Balance on 31/12/2021	**(552,667)**	**(552,667)**
Carrying amount		
Balance on 31/12/2021	**450,427**	**450,427**
Cost		
Balance on 01/01/2022	**1,003,094**	**1,003,094**
Additions	432,000	432,000
Terminations	(108,816)	(108,816)
Adjustments	10,483	10,483
Balance on 31/12/2022	**1,336,760**	**1,336,760**
Depreciation/ Impairment		
Balance on 01/01/2022	**(552,667)**	**(552,667)**
Depreciation	(215,676)	(215,676)
Modifications	77,069	77,069
Balance on 31/12/2022	**(691,275)**	**(691,275)**
Carrying amount		
Balance on 31/12/2022	**645,485**	**645,485**

Lease liabilities:

Carrying amount	**31/12/2022**	**31/12/2021**
Long-term lease liabilities	452,157	282,669
Current lease liabilities	210,844	185,191
	663,001	**467,861**

In 2022, total cash outflow for lease payments including interest amounted to EUR 236 thousand (2021: EUR 233 thousand).

B. Amounts recognised in the Statement of Profit or Loss

	2022	2021
Depreciation of right of use assets	215,676	216,556
Interest expense	20,274	20,378
Variable rental expenses	9,290	5,633
Rental expenses of low-value contracts	50,590	27,986
Short-term rental expenses	537,167	284,750
Profit due to difference between value of contract asset and lease liability at the time of early termination	(321)	(509)
Other expenses of lease contracts	16,626	6,921

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

16. Intangible assets

Amounts in Euro	Trademarks and licenses	Software	Other	Total
Cost				
Balance on 01/01/2021	**6,797,242**	**1,573,827**	**282,216**	**8,653,285**
Additions	541,198	175,131	-	716,328
Reclassifications	1,409,700	392,651	-	1,802,351
Balance on 31/12/2021	**8,748,140**	**2,141,608**	**282,216**	**11,171,964**
Balance on 01/01/2022	**8,748,140**	**2,141,608**	**282,216**	**11,171,964**
Additions	364,845	77,292	-	442,137
Reclassifications	386,101	435,327	-	821,429
Balance on 31/12/2022	**9,499,086**	**2,654,228**	**282,216**	**12,435,530**
Depreciation/ Impairment				
Balance on 01/01/2021	**(1,669,892)**	**(569,249)**	**(206,427)**	**(2,445,568)**
Depreciation	(691,250)	(273,412)	(12,420)	(977,083)
Balance on 31/12/2021	**(2,361,142)**	**(842,662)**	**(218,847)**	**(3,422,651)**
Balance on 01/01/2022	**(2,361,142)**	**(842,662)**	**(218,847)**	**(3,422,651)**
Depreciation	(886,340)	(374,656)	(12,420)	(1,273,416)
Balance on 31/12/2022	**(3,247,482)**	**(1,217,317)**	**(231,267)**	**(4,696,067)**
Carrying amount				
On 31/12/2021	**6,386,997**	**1,298,946**	**63,369**	**7,749,311**
On 31/12/2022	**6,251,604**	**1,436,909**	**50,948**	**7,739,461**

17. Investment property

Amounts in Euro	2022	2021
Opening balance	**609,154**	**609,154**
Disposals	(609,154)	-
Closing balance	**-**	**609,154**

In 2022 the Company disposed a land property held for investment purposes. The total amount collected from such disposal amounted to EUR 1,100 thousand while profit of EUR 340 thousand was recorded in the “Other income” account in Statement of Profit or Loss (Note 7).

18. Investments in other entities and joint ventures

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

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

The Company has a stake of 70.27% in Fulgor S.A. – Asso.subsea Joint Venture in partnership with Asso.subsea Limited. The purpose of this joint operation is to carry out the project involving the supply and installation of a submarine cable as well as the supply and installation of onshore cables, optical fibres, spare parts and necessary components for Lavrion interconnection to Kafireas Wind Farm.

19. Inventories

Company inventories are analysed as follows:

Amounts in Euro	2022	2021
Raw materials, auxiliaries, spare parts & consumables	65,786,718	39,220,827
Finished goods	8,118,433	7,068,503
Semi-finished goods	22,832,203	19,940,855
Merchandise	5,448,533	3,413,927
By-products & scrap	9,098,878	6,190,075
	111,284,765	**75,834,186**

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

On 31 December 2022, the Company did not record write-down for inventories since the prices of copper, aluminium and other metals traded in the LME were at the same or even higher levels compared to the average valuation price of such metals in the Company’s inventories.

The consumption of inventories charged to the operating results of the year for the Company amounts to EUR 471.5 million (2021: EUR 457.9 million).

20. Trade and other receivables

Current liabilities:

Amounts in Euro	2022	2021
Trade receivables	21,596,989	17,223,311
Less: Impairment losses	(1,159,711)	(1,125,071)
	20,437,279	**16,098,240**
Receivables from related parties	54,442,374	77,367,915
Other debtors	8,040,069	7,773,362
Less: Impairment losses	(321,994)	(269,762)
Other advance payments	58,956	-
Current tax assets	3,168,470	5,460,636
Other short-term receivables	3,041,909	938,529
	88,867,061	**107,368,920**

The line «Other debtors» in the table above includes an amount of EUR 7.2 million for 2022 (2021: EUR 7 million), which concerns government grants that have been recognised but have not been collected yet.

Long term receivables:

Amounts in Euro	2022	2021
Receivables from related parties	108,362	87,106
Other short-term receivables	144,628	316,570
	252,990	**403,676**

21. Cash and cash equivalents

Amounts in Euro	2022	2021
Cash in hand	899	572
Bank deposits	52,063,906	53,564,926
	52,064,805	**53,565,498**

Out of the above bank deposits of EUR 52,063,906 (2021: EUR 53,564,926), an amount of EUR 13,950 (2021: EUR 15,215) is denominated in foreign currency and has been valuated according to the Euro / foreign currency rate on 31 December 2022. Foreign exchange differences were posted in the Statement of Profit or Loss and Other Comprehensive Income for the year.

22. Share capital

The Company's share capital amounts to EUR 11,373,822 (31/12/2021: EUR 11,373,822) and is divided into 3,868,647 (31.12.2021: 3,868,647) shares with a nominal value of EUR 2.94 each.

The share premium of EUR 26,206,523 (31.12.2021: EUR 26,206,523) is a supplement to the share capital and arose from the issue of shares in exchange for cash at a value higher than their nominal value (premium).

23. Reserves

Amounts in Euro	**2022**	**2021**
Statutory reserve	3,477,344	2,159,179
Hedging reserve	361,189	(428,049)
Special reserve	816,803	816,803
Tax-exempt reserve	11,427,378	12,087,378
	16,082,714	**14,635,311**

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

Hedging reserve: The hedging reserve includes the effective portion of changes in the fair value of the financial derivatives qualified as hedging instruments when applying hedge accounting. This reserve is further presented in the Statement of Profit or Loss when the hedging outcome will affect profit or loss.

Special reserve: Special reserve has been set aside according to special provisions of incentive laws and especially refer to the Company's participation in the financing of investments falling under incentive laws. After the lapse of ten years from completion of the investments they concern, the Company may transfer them to a balance carried forward or capitalise them.

Tax-exempt reserve: The untaxed reserve has been set aside during previous years in accordance with special provisions of incentive laws. In case this reserve is distributed, it will be taxed using the tax rate applying at such time.

During the previous years, the Company had made investments totalling EUR 33 million approximately, falling under incentive Law 3908/2011. Pursuant to this law, the Company has the right to establish an untaxed reserve of up to EUR 1.98 million from accounting profits that it will earn in future years. This right shall expire during 2025.

24. Loans and borrowings

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

Amounts in Euro	2022	2021
Non-current liabilities		
- Bank loans	2,016,851	2,787,365
- Bond loans	62,086,797	89,857,792
	64,103,649	**92,645,157**
Current liabilities		
- Bank loans	125,362,574	47,511,251
- Factoring with recourse	9,002,035	5,990,433
- Bond loans	34,196,821	13,134,272
	168,561,430	**66,635,956**
Total loans & borrowings	**232,665,078**	**159,281,113**

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

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

				31/12/2022	31/12/2021
	Currency	**Average interest rate 2022**	**Maturity year**	**Carrying amount**	**Carrying amount**
Short-term borrowings	Euro	3.31%	2023	124,590,837	46,436,665
Long-term borrowings	Euro	5.00%	2027	64,103,649	92,645,157
Factoring with recourse	Euro	2.70%	2023	9,002,035	5,990,433
Current portion of long-term bank loans	Euro	3.00%	2023	771,736	1,074,586
Current portion of bond loans	Euro	3.34%	2023	34,196,821	13,134,272
				232,665,078	**159,281,113**

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

During 2022, the Company received new bank and bond loans in Euro, which amounted to EUR 85.4 million, and paid back loans of EUR 14.0 million. The new loans concerned the following:

- A new five-year bond loan of EUR 5 million received by a Greek bank, to finance investment and other operating needs of the company;
- Withdrawals of short-term loans from existing and new revolving credit facilities of short-term bank loans under similar terms and conditions for project financing also took place.

In addition, has agreed with a major Greek bank for a bond loan of EUR 19 million with an initial 7-year term from the date of signing. On 31 December 2022, an equal amount was received by the bank as ‘bridge financing’ and presented as short-term loan. This bond loan agreement was signed during Q1 2023.

On 31 December 2022, the Company had assigned invoices of EUR 55,204,439 (31/12/2021: EUR 43,744,478) with recourse for which financing of EUR 9,002,035 had been obtained (31/12/2021: EUR 5,990,433). The Company has available credit lines that can be used to meet its treasury planning needs.

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

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

Mortgages in favour of banks have been raised on the company's property, plant and equipment (see note 28.2).

Contractual maturity of loan liabilities including the proportionate interest is analysed in note 27.2.

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

Amounts in Euro	2022			2021		
	Loans & Borrowings	**Lease liabilities**	**Total**	**Loans & Borrowings**	**Lease liabilities**	**Total**
Total balance of loans & borrowings and lease liabilities on 1 January	**159,281,113**	**467,861**	**159,748,974**	**144,491,480**	**559,125**	**145,050,605**
Changes from financing activities:						
Loans received	85,374,138	-	85,374,138	35,674,071	-	35,674,071
Repayment of loans	(13,978,297)	-	(13,978,297)	(22,457,047)	-	(22,457,047)
Repayment of lease principals	-	(215,847)	(215,847)	-	(212,287)	(212,287)
Total changes from financing activities	**71,395,841**	**(215,847)**	**71,179,994**	**13,217,023**	**(212,287)**	**13,004,737**
Other changes:						
Interest expense	8,346,515	20,274	8,366,789	6,320,086	20,378	6,340,464
Interest paid	(6,702,154)	(20,274)	(6,722,429)	(5,105,373)	(20,378)	(5,125,752)
Interest capitalised	343,763	-	343,763	522,392	-	522,392
New leases	-	432,000	432,000	-	131,661	131,661
Modifications	-	10,483	10,483	-	-	-
Terminations	-	(31,788)	(31,788)	-	(10,355)	(10,355)
Other changes	-	293	293	(164,495)	(283)	(164,778)
Total balance of loans & borrowings and lease liabilities on 31 December	**232,665,078**	**663,001**	**233,328,080**	**159,281,113**	**467,861**	**159,748,974**

25. Trade and other payables

Amounts in Euro	**2022**	**2021**
Suppliers	85,848,258	75,589,557
Payables to related parties	52,047,344	15,280,746
Notes payable	87,215,731	106,671,122
Sundry creditors	824,698	489,233
Accrued expenses	4,458,645	2,693,920
Social security funds	1,232,281	840,883
Other taxes and duties	1,222,981	588,769
	232,849,937	**202,154,230**

The line "Notes payable" includes an amount of EUR 87,215,731 (2021: EUR 106,671,122) which concerns structured payable arrangements related to purchases of primary raw materials.

26. Grants

The movement of grants during the years 2022 and 2021 is as follows:

Amounts in Euro	**2022**	**2021**
Balance on 01 January	**12,497,348**	**12,843,614**
Grants amortisation	(865,005)	(388,589)
New grants received during the year	870,778	42,323
New grants for which receipt is pending	119,154	-
Balance on 31 December	**12,622,275**	**12,497,348**

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

During 2022, the Company recognised an amount of EUR 119 thousand as receivable from grants given that the Company has met all formal and substantial terms pertaining to the specific grants. The above amount is expected to be received during the next year and is presented in the account "New grants for which receipt is pending" in the table above.

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

During 2022, the Company received a grant of EUR 871 thousand related to research and development of new innovative products.

27. Financial instruments

Financial risk management

General

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

- Credit Risk
- Liquidity risk
- Market risk
- Risk of macroeconomic and financial environment

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

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

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

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

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

Credit Risk

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

Trade and other receivables & contract assets

Company's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The statistics associated with the Company's customer base, including the default risk that exists in a specific market and country where customers are in operation, have a limited effect on credit risk since there is no geographic concentration of credit risk. With the exception of the parent company Hellenic Cables, its Romania-based affiliated company Icme Ecab, and Independent Power Transmission Operator S.A. (ADMIE) - on whose behalf construction contract work is performed and Management believes that there is no credit risk- no customer participates in the Company's revenues by more than 10%, while no customer has any open balance higher than 10% of all receivables.

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

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

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

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

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

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

Liquidity risk

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

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

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

Market risk

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

A) Metal price fluctuation risk

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

b) Exchange rate risk

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

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

c) Interest rate risk

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

Risk of macroeconomic and financial environment

The Company closely monitors and evaluates on a continuous basis the developments in the international and domestic environment and timely adapts its business strategy and risk management policies in order to minimise the impact of the macroeconomic conditions on its operations.

Crisis in Ukraine

The Ukraine crisis began in February 2022 and continues to evolve, worsening the economic conditions in markets through the increased inflation, energy costs and supply chain disruptions.

The overall exposure of the Company to Ukraine and Russia is very limited and therefore the Company has not been and is not expected to be substantially affected in the future. Company had no sales exposure to these markets in 2022. Moreover, during 2022 the Company managed to switch from the supply of raw materials currently originating from Russia to alternative markets avoiding in this way any disruption in its supply chain. Finally, the Company has no exposure to Russian banks as far as financing is concerned.

It is worth noting that Company management monitors closely the situation in order to be able to act immediately and restrain any possible disruption.

27.1 Credit risk

Exposure to credit risk

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

Amounts in Euro	**2022**	**2021**
Trade and other receivables - Non-current assets	252,990	403,676
Trade and other receivables - Current assets	88,867,061	107,368,920
Contract assets	72,300,392	28,611,039
	161,420,443	**136,383,635**
Less:		
Advance payments	(58,956)	-
Current tax assets	(3,168,470)	(5,460,636)
Other short-term receivables	(3,041,909)	(938,529)
Total	**155,151,109**	**129,984,470**

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

Amounts in Euro	**2022**	**2021**
Greece	102,810,388	82,832,394
Other European Union countries	51,581,832	46,523,851
Other European countries	58,042	9,917
Other countries	700,847	618,308
Total	**155,151,109**	**129,984,470**

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

Impairment losses

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

Amounts in Euro	2022	2021
Neither past due nor impaired	154,931,211	129,846,149
- Overdue up to 6 months	218,931	138,321
- Overdue over 6 months	967	-
Total	**155,151,109**	**129,984,470**

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

Amounts in Euro	2022			2021		
	Trade and other receivables	**Contract assets**	**Total**	**Trade and other receivables**	**Contract assets**	**Total**
Balance on 01 January	1,394,833	62,174	1,457,007	1,401,202	48,380	1,449,581
Amounts recognised in the Statement of Profit or Loss						
Impairment loss	86,872	12,081	98,953	45,863	13,795	59,658
Reversal of provision for impairment	-	-	-	(52,232)	-	(52,232)
	86,872	**12,081**	**98,953**	**(6,369)**	**13,795**	**7,426**
Other movements						
Write-offs	-	-	-	-	-	-
Balance on 31 December	**1,481,705**	**74,255**	**1,555,960**	**1,394,833**	**62,174**	**1,457,007**

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

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

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

The expected loss rates are updated at every reporting date.

Management believes that the provision raised on 31 December 2022 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

27.2 Liquidity risk

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

Amounts in Euro	2022				
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total 31.12.2022**
Bank loans & factoring with recourse	137,117,762	-	-	-	**137,117,762**
Lease liabilities	231,926	181,423	289,835	-	**703,184**
Bond loans	36,803,879	18,258,778	51,913,246	-	**106,975,903**
Derivatives	25,979	-	-	-	**25,979**
Contract liabilities	8,003,461	-	-	-	**8,003,461**
Trade and other payables	232,849,937	-	-	-	**232,849,937**
Total	**415,032,945**	**18,440,201**	**52,203,081**	**-**	**485,676,226**

Amounts in Euro	2021				
	Up to 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total 31.12.2021**
Bank loans & factoring with recourse	54,812,120	868,713	2,170,555	31,478	**57,882,866**
Lease liabilities	201,569	130,029	164,461	-	**496,059**
Bond loans	16,098,253	35,651,317	37,507,926	28,413,084	**117,670,580**
Derivatives	560,878	-	-	-	**560,878**
Contract liabilities	11,744,618	-	-	-	**11,744,618**
Trade and other payables	202,154,230	-	-	-	**202,154,230**
Total	**285,571,667**	**36,650,060**	**39,842,942**	**28,444,562**	**390,509,231**

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

27.3 Exchange rate risk

Exposure to foreign exchange risk

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

31/12/2022

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	15,067	-	-	**15,067**
Cash and Cash equivalent	13,017	933	-	**13,950**
Trade and other payables	(1,246,378)	(102,570)	-	**(1,348,947)**
	(1,218,294)	**(101,637)**	**-**	**(1,319,931)**
Derivatives for hedging of the above risks (Nominal value)	1,403,112	-	-	**1,403,112**
	184,818	**(101,637)**	**-**	**83,181**

31/12/2021

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

The exchange rates used per fiscal year are as follows:

	Average rate		**Spot rate at year-end**	
	2022	**2021**	**2022**	**2021**
USD	1.0530	1.1827	1.0666	1.1326
GBP	0.8528	0.8596	0.8869	0.8403

Sensitivity analysis

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

	Profit or loss		Equity	
Amounts in Euro	**Improvement**	**Weakening**	**Improvement**	**Weakening**
2022				
USD (10% change)	20,535	(16,802)	20,535	(16,802)
GBP (10% change)	(11,293)	9,240	(11,293)	9,240
2021				
USD (10% change)	525,712	(430,128)	525,712	(430,128)
GBP (10% change)	(44,834)	36,683	(44,834)	36,683

27.4 Interest rate fluctuation risk

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

Amounts in Euro	**2022**	**2021**
Fixed-rate instruments		
Liabilities	36,784,686	40,082,666
Variable-rate instruments		
Liabilities	196,543,394	119,666,307
	233,328,080	**159,748,973**

Cash flow sensitivity analysis for floating rate financial instruments

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

	31/12/2022		**31/12/2021**	
Effect on Euro in operating results and Equity	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Variable-rate financial instruments	(364,401)	364,401	(100,207)	100,207

27.5 Fair value measurement

Fair value compared to book value

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

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

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

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

- 84% of loans refer to variable rate loans and borrowings. Variable interest rates are close to a significant extent to current market rates.
- 16% of loans refer to fixed rate loans and specifically a bond loan with a nominal value of EUR 42 million on the date of initial disbursement, which had been assessed at EUR 25.9 million according to IFRS 9 upon initial recognition. On 31 December 2022, Management estimated that the fair value of this loan approximates its book value, which amounted to EUR 36.8 million.

The Company has not assumed liabilities embedded in credit instruments (notes payable) with an open balance on 31 December 2022.

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

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

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

Amounts in Euro	2022			2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative financial assets	463,063	-	-	-	-	-
Derivative financial liabilities	-	(25,979)	-	(548,781)	(12,097)	-
Total	**463,063**	**(25,979)**	**-**	**(548,781)**	**(12,097)**	**-**

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

28. Commitments and contingent liabilities

28.1 Commitments

Capital commitments:

Amounts in Euro	2022	2021
Property, plant and equipment	6,525,537	3,046,580

28.2 Contingent liabilities

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

Amounts in Euro	2022	2021
Guarantees given for securing payables to suppliers	-	8,174
Mortgages and statutory notices of mortgage on fixed assets (nominal value)	49,000,000	49,000,000
Guarantees given for securing the performance of contracts with customers	44,682,682	55,833,872
Guarantees for grants	4,356,000	4,356,000
Other liabilities	2,990,000	6,990,000
	101,028,682	**116,188,047**

28.3 Unaudited tax years

Greek tax laws and the relevant provisions are subject to interpretations by tax authorities and administrative courts. Income tax returns are submitted each year. The profits and losses declared for taxation purposes remain temporarily open until tax authorities audit the tax returns and books of the taxpayer at which time the relevant taxation obligations will be finalised.
According to applicable tax laws (article 36 of Law 4174/2013), Greek tax authorities may impose additional taxes and fines following their audit, within the prescribed statute-barring period which, in principle, is set at five years from the end of the following year which sees the expiration of the deadline for submitting the income tax return. Based on the above, in principle and based on the general rule, the years up to 2016 are considered as prescribed.

Annual tax certificate

As of 2011 onwards, all entities whose annual financial statements must be mandatorily audited shall obtain an Annual Tax Certificate, as provided for in article 82 of Law 2238/1994 and article 65A of Law 4174/2013. The Annual Tax Certificate is issued by the same statutory auditor or audit firm which audits the Company's annual financial statements. Following completion of the tax audit, the statutory auditor or the audit firm issues a Tax Compliance Report to the Company and, subsequently, the statutory auditor or the audit firm submits it online to the Ministry of Finance.

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

The relevant tax compliance certificates for 2017 and 2018 were issued "without qualifications regarding matter of emphasis" by “KPMG Certified Auditors SA”, i.e. the Company’s statutory auditor, for those years. As for 2019 and 2020, a tax compliance certificate was issued on the basis of "unqualified opinion regarding matter of emphasis" while a tax compliance certificate with unqualified opinion was issued for the Company for 2021 by "PricewaterhouseCoopers S.A. Auditing Company- Certified Public Accountants S.A." (PWC), i.e. the Company's statutory auditor.

As for 2022, the Company has elected to be tax audited by Chartered Accountants, as provided for in Article 65A of Law 4174/2013. This audit is ongoing and the relevant tax compliance report is expected to be granted after the financial statements on the year ended 31 December 2022 are published. It is estimated that the audit result will not have a significant effect on the financial statements.

In addition, based on risk analysis criteria, the Greek tax authorities may select the Company for tax audit in the context of audits conducted to companies that received tax compliance certificates upon agreement of the chartered accountant. In this case, Greek tax authorities are entitled to audit the years they will choose in tax terms, having regard to the work for the issue of such tax compliance certificate. The Company has not received any order for the audit of unaudited years by the tax authorities. The Company does not expect any additional taxes or surcharges from the audit by Greek tax authorities.

29. Related parties transactions

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

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

A. Transactions with the parent company*

	2022	2021
Receivables	1,522,185	29,809,675
Liabilities	35,460,885	-
Sales of products and other income	274,634,423	246,202,048
Purchases of products and other expenses	93,252,082	80,060,348

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

B. Transactions with subsidiaries of VIOHALCO SA/NV Group

	2022	2021
Receivables	53,028,551	47,645,346
Liabilities	16,586,460	15,280,746
Sales of products and other income	163,934,906	172,970,916
Purchases of products and other expenses	57,089,858	38,863,965

C. BoD members

	2022	2021
Fees & benefits	113,213	133,321

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

30. Subsequent events

1. On 10 April 2023, the Extraordinary General Meeting of the Company decided to increase the share capital by the amount of EUR 3,168,874.00 to cover its own participation in an investment program in which the company has been included, by virtue of decision no. 128381/26.11.2021 of the Ministry of Development and Investments, aid regime "Aid for the purchase of machinery and equipment" under articles 32-36 of the Law on Development 4399/2016 and by the amount of EUR 65,126.00 to meet the needs for working capital, namely a total increase of EUR 3,234,000.00 through the issue of 1,100,000 new shares with a nominal value of EUR 2.94 each.

2. On 27 April 2023, the Company has signed an EUR 88 million loan agreement with the European Bank for Reconstruction and Development (EBRD. The project is part of the EBRD's Greek Recovery and Resilience Facility (RRF) Co-Financing Framework, implemented as part of the "Greece 2.0" National Recovery and Resilience Plan, funded by the European Union's (EU) NextGenerationEU programme. The loan consists of EUR 62.8 million of EBRD financing, blended with EUR 25.2 million of RRF loans channelled through the Greek Ministry of Finance. The funds will be used to support an up to EUR 110 million investment programme, expanding Fulgor's annual cable production capacity as well as associated working capital outlays once the new production capacity is available, and research & development (R&D) initiatives to be undertaken in the following years. The remaining EUR 22 million (20 per cent) of the project's cost will be covered by Fulgor.

3. On 2 May 2023, the Extraordinary General Meeting of the Company decided to increase the share capital by the amount of EUR 3,519,842.48 to cover its own participation in an investment program in which the company has been included, by virtue of decision no. 113397/25.11.2021 of the Ministry of Development and Investments, aid regime "General Entrepreneurship" under articles 37-41 of Law on Development 4399/2016 (Cycle VI) and by the amount of EUR 8,157.52 to meet the needs for working capital, namely a total increase of EUR 3,528,000.00 through the issue of 1,200,000 new shares with a nominal value of EUR 2.94 each.

* *

Athens, 4 May 2023

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

C. Audit Report by Independent Chartered Accountant

Independent auditor's report

To the Shareholders of "Fulgor S.A."

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of Fulgor S.A. (Company) which comprise the statement of financial position as of 31 December 2022, the statements of profit or loss, comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2022, the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018**.**

Basis for opinion

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

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

Independence

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

Other Information

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

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

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2022 is consistent with the financial statements,

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

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

Athens, 9 May 2023
The Certified Auditor Accountant

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

Socrates Leptos - Bourgi
SOEL Reg. No 41541