



Annual Financial Report

Of the year from 1 January 2023 until 31 December 2023

According to the International Financial Reporting Standards (“I.F.R.S.”)

**SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A.
Societe Anonyme Reg. No.:7497/01/B/86/164(02) 2-4 Mesogeion Ave, Athens**

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Annual Report of the Board of Directors

The attached Annual Report of the Board of Directors (hereinafter referred to as the "Report" for brevity purposes) relates to the financial year 2023 (01.01.2023 - 31.12.2023). The Report has been drafted and is in line with the relevant provisions of Law 4548/2018.

This Report contains all the relevant legal information required in order to obtain a meaningful briefing on the business during the financial year of SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (Hereinafter referred to as "Company" or "SIDENOR" for brevity purposes).

The thematic sections of the Report and their content are as follows:

I. Significant Events for the financial year 2023

Decisions of the Ordinary General Assembly

At the Ordinary General Assembly of the shareholders that took place in Athens on 24 of July 2023 the following decisions were made:

1. Approval of the annual financial statements for the fiscal year that ended on 31 December 2022 with the reports of them by the Board of Directors and Auditors.
2. Approval of the Board of Directors management and discharge of the auditors from any liability for the year 2022.
3. Approval of the Board of Directors Members' remuneration according to the article 109 par.1 L. 4548/2018.
4. Appointment of an audit firm for the audit of the Company's financial statements for the fiscal year 2023 and approval of the audit fee.

II. Significant Transactions with Related Parties

Related party transactions primarily concern the purchase, sale and processing of finished products (finished and semi-finished) of steel as well as the purchase and sales of investments in associates. Through these transactions, the companies taking advantage of the size of the Group, achieve economies of scale. The Company's trading with its affiliates during 2023 has been made on market terms and in the context of its normal business activity. Transactions between related parties within the meaning of IAS 24 are analyzed as follows:

Amounts in Euro	Sales of Goods and Services	Purchases of goods and services	Receivables from related parties	Liabilities to related parties	Sales of fixed assets	Purchases of fixed assets
Parent	-	117,566	-	-	-	-
VIOHALCO SA	-	117,566	-	-	-	-
Subsidiaries	35,485,323	258,359,763	10,413,775	152,618,369	-	3,797,870
SIDEROM STEEL SRL	3,662,134	-	46,743	-	-	-
SIDERAL SHRK	1,029,248	344,973	374,927	116,513	-	-

ERLIKON SA	12,016,477	97,996	7,208,510	38,682	-	-
SOVEL SA	18,450,722	256,742,423	2,545,772	152,203,222	-	-
STOMANA ENGINEERING SA	139,564	9,920	21,247	1,200	-	-
ETIL SA	181,393	925,070	214,623	15,870	-	3,797,870
PRAKSYS SA	5,785	239,380	1,953	242,881	-	-
Associates	1,468,294	3,555,933	137,421	3,057,250	400	-
DOMOPLEX LTD	884,288	-	119,424	-	-	-
AEIFOROS SA	583,771	1,867,738	17,997	3,047,693	400	-
VIENER SA	-	1,688,195	-	9,556	-	-
METALLOURGIA ATTIKIS SA	235	-	-	-	-	-
Other Related Parties	142,922,015	60,865,193	74,973,501	38,518,581	-	144,344
FLOKOS SA	960	-	-	-	-	-
FULGOR SA	353,303	10,354	324,651	7,768	-	3,343
HELLENIC CABLES SA	115,834	25,083	37,842	38,325	-	22,121
CORINTH PIPEWORKS SA	73,066	5,272,576	5,219	2,804,254	-	-
LESCO OOD	-	23,553	-	-	-	-
ANAMET SA	277,770	3,265,588	22,658	7,164,860	-	-
ELKEME SA	-	201,000	-	186,930	-	-
STOMANA INDUSTRY SA	18,910,646	12,758,114	20,188,430	19,520,539	-	-
SIDEBALK STEEL DOO	2,272,816	-	14,782	-	-	-
VITRUVIT SA	-	261,324	-	5,705	-	1,411
DOJRAN STEEL LLCOP	58,990,491	28,303,787	33,937,100	7,895,341	-	-

PORT SVISHTOV WEST SA	16,159	-	39,942	-	-	-
CABLEL WIRES SA	-	-	559	-	-	-
SYMETAL SA	-	81	-	100	-	-
ELVALHALCOR SA	67,354	420,609	3,432	277,659	-	-
ANOXAL SA	10,395	-	5,250	-	-	-
STEELMET SA	-	2,490,125	-	254,811	-	675
ERGOSTEEL SA	670,982	127,789	237,148	-	-	-
TEPROMKC GMBH	-	2,419	-	976	-	-
VIEXAL SA	-	736,631	2,409	49,658	-	-
ANTIMET SA	32,693,272	1,469,951	9,886,777	-	-	-
STEELMET PROPERTY SERVICES SA	-	229,417	-	54,751	-	6,030
NOVAL PROPERTY REIC	-	399,908	85,685	76	-	-
TEKA SYSTEMS SA	-	2,026,976	156,611	182,271	-	81,800
INOS BALKAN DOO	-	243,891	-	55	-	-
STEELMET FINANCIAL SERVICES SA	-	479,309	598	2,712	-	-
SIDMA ROMANIA SRL	16,805	-	-	-	-	-
SIDMA SA	28,452,162	2,116,709	10,024,408	71,790	-	28,964
Total	179,875,633	322,898,454	85,524,697	194,194,199	400	3,942,214

Remuneration of Management and Board Members

The Remuneration of Management and the Board Members are presented at the following table:

<i>Amounts in Euro</i>	2023	2022
Remuneration of Management and Board Members included in the employee benefits	816,345	676,181

Income from dividends

During the year the Company had income from dividends from the following companies:

Company Name	<i>Amounts in Euro</i>
VIENER SA	517,179
NOVAL PROPERTY REIC	15,120
METALLOURGIA ATTIKIS SA	133,420
	665,719

III. Offices/ Branches/ Manufacturing Units

The Company has the following branches, offices and a manufacturing unit :

- NR Thessaloniki– Veroia 11km, 57008 Diavata – Manufacturing Unit.
- 33 Amarousiou Chalandriou str., 15125 Marousi – Offices.
- NR Athens Korinthos 17km, 19300 Aspropyrgos – Branch.
- Tsigeli Position Gate A, 37100 Almyros – Branch.
- Tsigeli Position Gate B, 37100 Almyros – Branch.
- Tsigeli Position, 37100 Almyros – Branch.
- 252 Peiraios str., 17778 Tauros – Branch.
- Himaras 5, 15125 Marousi – Offices.
- NATO Avenue, Ag. Georgios, 19300 Aspropyrgos – Branch.

The main activity of the unit in the NR Thessaloniki - Veroia is the production and trading of steel products.

IV. Evolution and Performance of the Company

In 2023, the Company's turnover amounted to 460,901 thousand euros compared to 646,494 thousand euros in 2022, presenting a 29% decrease, as a result of reduction in demand and prices of steel products. The results before tax for 2023 amounted to a loss of 20,381 thousand euros compared to profit of 12,974 thousand for 2022.

The administrative and distribution expenses of the Company amounted to (37,882) thousand euros in 2023 compared to (38,408) thousand euros in 2022, while the net finance income for the year amounted to (9,182) thousand euros compared to (9,841) thousand euros in 2022.

Ratios and Alternative Performance Measure Indexes

The Company's Management has adopted, monitors and reports internal and external Ratios and Alternative Performance Measurement Indexes . These indicators provide a comparable picture of the Company's performance and are the basis for decision-making for the management.

Liquidity: It is an indicative measure of the coverage of short-term liabilities by short-term receivables and it is calculated from the ratio of current assets to short-term liabilities. The figures derive from the Statement of Financial Position. For the years 2023 and 2022 the ratio is as follows:

	31.12.2023	31.12.2022
Current Assets / Current Liabilities	0.75	0.85

Leverage: Constitutes an indication of leverage and is calculated by the ratio of equity to debt capital. Amounts are used as presented in the Statement of Financial Position. For 2023 and 2022 is as follows:

	31.12.2023	31.12.2022
Equity / Total Borrowing *	0.07	0.22

*Total Borrowing: Constitutes the total short-term and long-term bond and bank loans, the factoring with right of recourse and the short-term and long-term leasing liabilities.

Return on Capital Employed: Constitutes a measure of the return on equity and loans invested capital and is measured by the ratio of the operating result to the equity plus borrowed funds. Amounts are used as presented in the Income Statement and the Statement of Financial Position. For the years 2023 and 2022, the ratio was as follows:

	31.12.2023	31.12.2022
Operational Result / (Equity + Total Borrowing*)	(7.25%)	12.78%

Profitability:

	31.12.2023	31.12.2022
Gross Profit Margin (Gross Profit / Sales)	3.15%	8.58%
Net Profit Margin (Net Profit / Sales)	(4.43%)	1.30%
EBITDA(€)**	(6,522,638)	27,033,930
EBITDA Margin** (EBITDA / Sales)	(1.42%)	4.18%

**EBITDA: Constitutes the Company's profitability indicator before taxes, financial expenses, depreciation and amortization. It is calculated by adjusting depreciation in operating profit as it is reported in the Income Statement.

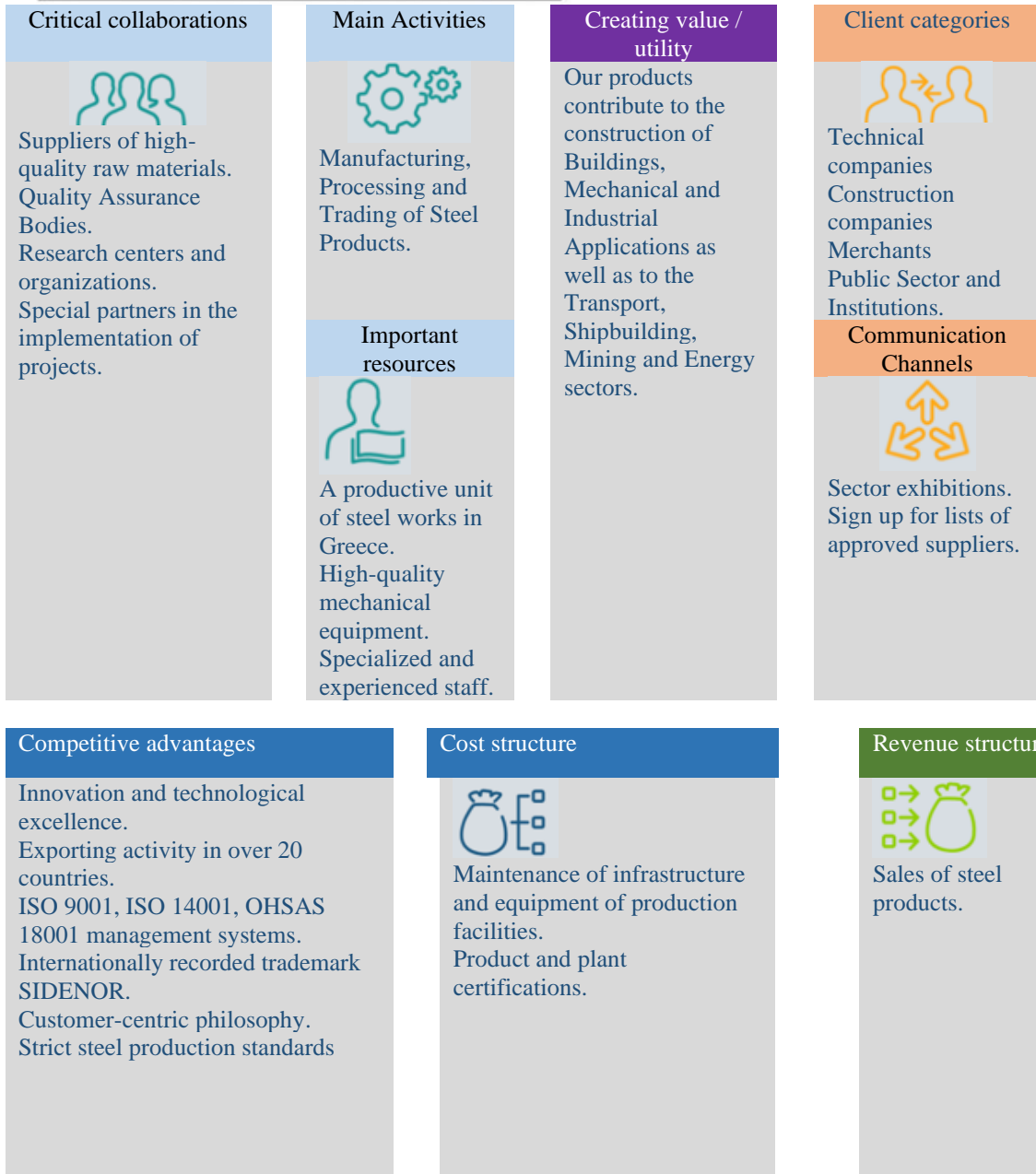
Amounts in Euro	31.12.2023	31.12.2022
Operating profit / (loss)	(11,198,692)	22,814,312
Adjustments for:		
+ Depreciation of tangible fixed assets	3,185,646	2,913,389
+ Depreciation of Investment Property	52,196	52,196
+ Depreciation of right of use assets	1,061,307	906,883
+ Amortization of intangible assets	376,905	347,151
- Amortization of grants	-	-
EBITDA**	(6,522,638)	27,033,930

V. Non-financial information

Business Model

The Company operates in the steel industry, manufacturing, processing and trading of steel products. It is currently one of the largest Greek steel manufacturing companies, with a leading position in Greece as well as in Southeastern Europe.

SIDENOR's business model aims to create value for all stakeholders, such as shareholders, customers, employees, suppliers and the society at large.



Sustainable Development Issues Management – Policies and Systems

The Company has mechanisms and processes for the emergence and management of sustainable development issues with emphasis on safe work, respect for the environment and society while focusing on its economic and sustainable operation. The commitment of Management and the Responsible Management Issues Framework are reflected in the SIDENOR Policy of Sustainable Development.

SUSTAINABLE DEVELOPMENT POLICY (extract)

SIDENOR's Sustainable Development Policy is in agreement with the Company's principles, accountability, integrity, transparency, efficiency and innovation and is determined by the Management, which is committed to the following:

- the implementation of the Policy at all levels and fields of activity of the Company.
- the strict abidance with the existing legislation and the full implementation of the standards, policies, internal instructions and related procedures applied by the Company, as well as other requirements resulting from voluntary agreements, endorsed and accepted by SIDENOR.
- the open, two-way communication with stakeholders in order to recognize and record their needs and aspirations.
- the provision of a healthy and safe working environment for human resources, partners and every visitor.
- the protection of human rights and the provision of a working environment for equal opportunities, without any discrimination.
- the open communication, with transparency, for the Company's stakeholders.
- the continuous effort to reduce the environmental footprint through the implementation of responsible actions and prevention measures in accordance with the Best Available Techniques.
- the cooperation and support of the local society, with the aim of contributing to the sustainable development of the local areas in which it operates.
- the constant pursuit of creating added value for stakeholders.

SIDENOR, in order to strengthen its Sustainable Development operation, has established specific policies and implements appropriate management systems and processes that support responsible operation and determine how the Company's objectives are achieved. In particular, SIDENOR, among other things, has established and implements the following policies and codes:

- Internal Rules of Operation
- Sustainable Development Policy
- Health and Safety Policy at Work
- Environmental Policy
- Human Resource and Human Rights Policy
- Quality Policy
- Code of Ethics and Business Ethics

The Company's integrated management is carried out through the Management Systems it implements. In particular, SIDENOR applies the following certified systems:

- Quality Management System, according to ISO 9001:2015 standard.
- Environmental Management System, according to ISO 14001:2015 standard.
- Energy Management System, according to ISO 50001:2018 standard.
- Sustainable Development System SustSteel, according to Eurofer.
- Occupational Health and Safety System, according to ISO 45001:2018 standard.

The following sections present the results of policies and procedures implemented by SIDENOR, quoting relevant environmental and social performance reports (presentation of relevant non-financial indicators).

Labor Issues

The Company invests in its human resources as it has recognized the human factor contribution to its successful course and the achievement of its business goals. SIDENOR's main concern is to ensure optimal working conditions and fair reward, with respect for human rights, diversity and equal opportunities for all employees. SIDENOR's human resources policies and initiatives are designed to effectively attract, develop and maintain employees. Constantly oriented to human values, the Company seeks to apply responsible work practices, focusing on important issues such as:

- **ensuring the health and safety of employees and their associates,**
- **preserving jobs,**
- **providing equal opportunities for all employees,**
- **applying objective assessment systems,**
- **providing continuous education and training to employees,**
- **providing additional benefits.**

Labor Indicators

	2023	2022
Number of employees	504	472
Workers' Mobility (Turnover)	9.3%	7.60%
% of women in total human resources	13.1%	12.00%

Turnover rate: percentage of employees leaving (for reasons of resignation, dismissal, retirement, etc.), out of the Company's total human resources.

Policy and related payment and benefits systems have been developed to attract, employ and retain experienced staff, with the necessary skills and abilities that lead to the optimization of the individual and overall performance. The remuneration of each employee reflects the educational background, experience, responsibility, but also the value / weight of the position in the labor market. Additionally, in the context of employee reward and satisfaction, the Company offers a number of additional benefits.

Equal opportunities and respect of human rights

With respect to human rights and with responsibility towards its people, the Company implements a human resources management policy with a view to providing equal opportunities without discrimination based on gender, nationality, religion, age and educational level. SIDENOR is opposed to child labor and condemns all forms of forced and compulsory labor. Additionally, SIDENOR condemns and prevents the development of behaviors that could lead to discrimination, unequal behavior, intimidation or moral harassment, gesture and verbal or physical threat.

As a result of the policies, procedures and control mechanisms in place, during 2023, as in previous years, no cases of child labor or forced labor have been detected and no human rights violation has occurred.

Health and Safety at work

SIDENOR's main consideration since the outbreak of COVID-19 Pandemic, was the protection of the health of its human resources. The Company activated protection mechanisms according to healthcare authorities' guidelines, monitoring closely the latest developments and assessing their impact.

With particular respect to the protection of human life, SIDENOR has set as a priority the design of measures for the anticipation and prevention of accidents. Management's commitment in this field is reflected in the Health and Safety Policy (H & S) established and executed by the Company. The Company complies with relevant legislation and regulations on working conditions and occupational

health and safety, and focuses on the implementation of preventive measures and actions to avoid occupational incidents. SIDENOR implements a certified Occupational Health and Safety Management System (OHSAS 18001), which implements targeted H & S programs for the continuous improvement of the Company in this field. The Company attaches great importance to the training and participation of its employees in related matters. To monitor and evaluate performance in the field of H & S at work, the Company uses internationally applicable and measurable indicators.

Health and safety Indicators

	2023	2022	2021	2020
Event Frequency Index (LTIR)	23.53	4.91	24.25	9.95
Incident severity index (SR)	419.07	139.02	220.30	264.64
Fatal events	-	-	-	-

LTIR: Lost time incident rate (number of security incidents / incidents with a full-time absence of work per 10⁶ working hours)

SR: Severity rate (number of days of absence per 10⁶ hours of work)

Social Issues

The Company's activities aims to have a positive and productive interaction with the social environment in which it operates, to contribute to the country's overall economic development and to benefit local communities through job creation (priority the local area) and business opportunities (we seek cooperation with local suppliers wherever possible). SIDENOR supports organizations, bodies and associations on an annual basis through a variety of sponsorship activities.

Through its activity, SIDENOR produces multiple benefits for the community. In addition to the payment of wages and other benefits to its employees, the Company pays relevant taxes and contributions to the state, and makes continuous investments and payments to the cooperating suppliers of materials and services. In this way, the overall positive impact of the Company on local as well as on wider society is significant.

Anti-corruption and bribery issues

SIDENOR implements an integrated corporate governance framework that aims to ensure the company's transparent, sound and efficient management, which in the long run leads to business and economic growth. The SIDENOR Code of Conduct, the Code of Ethics and Business Ethics, reflect the Company's commitment and position on transparency, anti-corruption and bribery. A Company's recent policy, recently issued, is the Business Ethics and Anti-Corruption Policy.

The Company opposes to any form of corruption and undertakes to operate in an ethical and responsible manner. Although the risk of corruption is low, the Company takes all necessary measures to control and identify possible incidents. As a result of the Company's policies and practices, in 2023, as in previous years, no corruption / bribery incident has occurred.

Environmental issues

The protection of the environment is high on the Company's priorities. With a view to an integrated approach to environmental protection, the Company has set up the appropriate infrastructure and follows systematic environmental management. SIDENOR's commitment in this field is reflected in the environmental policy it has established and follows, and is translated into practice through the implementation of a certified Environmental Management System (ISO 14001) and coordinated programs and actions (e.g. energy saving actions, waste management, reduction of air emissions, etc.), which is being implemented and which aim to the continuously improve the Company's performance on this field.

Environmental indicators

	2023	2022	2021
Specific emissions of CO2 (kg/tn of product)	840	792	676
Specific water consumption (m ³ /tn of product)	2.26	2.1	2.19

Responsible supply chain management

SIDENOR selects and manages its suppliers responsibly. Suppliers are an important group of stakeholders, as they are the source of raw materials and other materials, equipment and services which are essential components of product development. As a recipient of products and services, the Company is responsive to its obligations and is committed to positively influence the supply chain.

The Company's procurement policy follows the policy of strengthening the local economy by offering business opportunities and employment to local suppliers. In the process of evaluating and selecting suppliers, the criterion of locality is considered positively.

Non-financial risks and remedies

The Company operates in an economic and social environment characterized by various risks, financial and non-financial. In this context, it has established procedures for controlling and managing both financial risks and non-financial risks. The main categories of non-financial risks for the Company are the environmental risks and risks associated with H&S at work. The management of these risks is of great importance by the Management of the Company as they involve the risk of directly or indirectly affecting the smooth operation of the Company. The Company's internal rules of operation clearly describe the risk areas and include specific procedures developed under the Prevention Authority for the management of H&S and environmental issues.

Additionally, within the framework of the certified Management Systems implemented by the Company, an assessment is made on an annual basis for the relevant risks. In order to reduce the probability and the significance of the risks in those areas, the Company takes preventive measures, plans and implements specific programs and actions, and monitors its performance through relevant indicators (quality, environment, health and safety at work).

Note:

The non-financial indicators presented in this report, are in line with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI Standards). The selection of these indicators was based on their relevance to the Company's activities.

VI. Main Risks

The Company through the use of its financial instruments is exposed to credit risk, liquidity risk and market risk. This section provides information on the Company's exposure to each of the above risks, the Company's objectives, its policies and procedures for risk measurement and management, and the Company's capital management. More figures for these disclosures are included in the full range of the consolidated financial statements.

The Company's risk management policies are applied to identify and analyze the risks faced by the Company and to set risk-taking limits and to apply controls on them. Risk management policies and related systems are reviewed periodically to incorporate changes observed in market conditions and the Company's activities.

The oversight of compliance with risk management policies and procedures is entrusted to the Internal Audit Department, which carries out regular and extraordinary audits on the implementation of procedures, the findings of which are communicated to the Board of Directors.

Foreign Exchange Risk

The Company operates in Europe, and consequently the majority of its transactions are carried out in Euros.

Interest on loans is in a currency that does not differ from that of the cash flows arising from the Company's operating activities (euro).

The Company's investments in other subsidiaries are not hedged because these foreign exchange positions are considered to be of a long-term nature and have been dominated mainly in euros.

Risk of products' price fluctuation

The purpose of risk management against market conditions, is to manage the Company's exposure to those risks within the framework of acceptable parameters, while optimizing results.

The main market risk lays on the risk of fluctuations in the prices of raw materials (scrap), which determine to a great extent the final price of the products. Company's policy is to record inventories at the lowest value between acquisition cost and net realizable value. In periods of price fluctuation, results are affected by the depreciation of the value of inventory.

Investments

Investments are classified by the Company based on the purpose for which they were acquired.

Management decides the suitable classification of the investment at the time of acquisition. It also estimates that there will be no effect of default on these investments.

Interest rate risk

The Company finances its investments and its working capital requirements through bank and bond loans, which result in interest expense that encumbers its financial results. Upward trends in interest rates will have adverse effects on results, as the Company will incur additional cost of debt. The Company engages interest rate contracts in order to mitigate interest rate risk.

Guarantees

The policy of the Company is not to provide guarantees, except only to subsidiaries or affiliated companies and then only by decision of the Board of Directors.

Capital Management

The policy of the Board of Directors consists of the preservation of a solid capital base, in order to maintain investor, creditor and market confidence in the Company and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Company as the net results divided by the total net position, excluding non-convertible preferred shares. The Board of Directors also monitors the level of dividends paid to the holders of common shares.

The Board of Directors tries to maintain a balance between the higher returns which would have been possible under higher borrowing levels and the advantages associated with the security that a strong and healthy capital position would provide.

		31.12.2023	31.12.2022
Debt Ratio	Non-current Liabilities	0.91	0.79
	Non-current Liabilities + Total Equity		

		31.12.2023	31.12.2022
Index of Assets' Financing	Total Equity	5.46%	16.87%
	Total non-current assets		

The leverage ratios as of 31 December for the years 2023 and 2022 were as follows:

	31.12.2023	31.12.2022
Total borrowing	143,822,307	146,715,561
<i>Minus:</i>		
Cash and Cash equivalents	(1,699,476)	(14,800,352)
Net borrowing	142,122,831	131,915,209
Total Equity	10,747,027	31,734,212
Total capital employed	152,869,859	163,649,421
Leverage rate	93%	81%

The Company does not have a specific own share buyback plan.

During the reported period, no changes occurred at the Company's approach regarding capital management.

Fair value estimation

The fair value of financial components traded in active markets (stock exchanges) (such as derivatives, shares, bonds and mutual funds) are based on the quoted market prices at the balance sheet date. The offer price is used for financial assets, while the bid price is used for financial liabilities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on market conditions existing at each balance sheet date.

The nominal value less impairment provision of trade receivables is assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by the present value of the discounted future cash flows of specific contracts at the current market interest rate price that is available to the Company for similar financial instruments.

Risk of macroeconomic environment

The Company assesses the impact that may result from changes in the global economic environment by evaluating their impact on the markets in which it operates.

The global macroeconomic and financial environment is showing signs of improvement, but some uncertainty remains. The Company's management is continually evaluating the potential impact of any changes in the global macroeconomic and financial environment to ensure that all necessary actions and measures are taken to minimize any impact on the Company's operations.

The Company has reviewed the impact of the current macroeconomic environment on the measurement of non-financial and financial assets.

Management also reassessed the recoverability of trade and other receivables, including intercompany receivables. Management evaluated the impact of the economic environment on the calculation of expected credit losses (ECL) and the impact of credit risk on the amount, timing and uncertainty of future cash flows.

Management continuously assesses the potential impact of any changes in the macroeconomic and financial environment in Greece, taking into account global economic developments, in order to ensure that all necessary measures are taken to minimize the impact on the Company's global operations.

SIDENOR's strong customer base outside Greece minimizes the liquidity risk that may arise from the uncertainty of the economic environment in Greece.

SIDENOR closely monitors developments in both the international and domestic environment on a continuous basis and adjusts its business strategies and risk management policies in a timely manner in order to minimize the impact of macroeconomic conditions on its operations.

Climate Change Risk

The Company understands the importance of global climate change and environmental issues. Climate change risks pose challenges to our operations, including increased energy costs, volatility in energy and fuel prices, disruption of energy supply, non-compliance with relevant environmental legislation and potential damage to our facilities due to extreme weather events, resulting in potential reputational issues and possible operational disruptions.

However, in our efforts to help mitigate such issues, we work systematically to minimize potential negative impacts and proactively address risks in all of our operations. We comply with applicable environmental laws and regulations, incorporate sustainable practices and procedures, and conduct all necessary environmental impact assessments. In addition, we are committed to conducting our business activities in an environmentally responsible manner, recognizing that protecting the environment, conserving energy and conserving natural resources are integral parts of responsible and sustainable business development.

Management has assessed the potential financial impacts associated with the risks. The following assessments have been made in relation to the financial statements:

- The impact of climate change is not expected to be significant to the going concern period and the sustainability of the company in the coming years,
- The impact of climate change on the factors (such as useful lives and depreciation methods) that determine the carrying amount of non-current assets is not expected to be material for the ongoing period .
- The impact of climate change on the cash flow projections used in impairment assessments of the carrying amount of non-current assets is not going to be significant for the going concern period

Management has concluded that there are no further significant financial impacts of the Company's climate change risks on the Financial Statements.

Effects of the energy crisis

The global energy crisis that started in 2021 is characterized by the ongoing energy shortage around the world, but also by the rapid increase in its prices, affecting countries in Europe and Asia.

Greece is facing a significant increase in prices for all forms of energy. The Company was significantly impacted in 2023 by increased energy prices. Energy costs increased by EUR 2.1 million, despite lower consumption compared to the previous financial year.

In order to cope with the effects of the energy crisis, the Company has entered into power purchase agreements (PPAs) in 2023.

However, management is monitoring developments on an ongoing basis and is prepared to take all necessary measures when required.

Possible effects of the crisis in Ukraine, Gaza and Yemen

The Company does not operate in the affected regions, nor does it have a large exposure to commodities affected by the crisis in Yemen, Ukraine and Gaza (such as energy or agriculture), so its financials have not been affected. In any case, because this is an ongoing event, management is monitoring developments and is ready to take the necessary measures if necessary.

Regarding the risks posed by the Red Sea crisis for Yemen, the Company is not exposed to any supply risk. It continuously assesses the situation and its potential impact and immediately takes all necessary and effective measures and actions to minimize any impact on its operations.

Liquidity Risk

The course of the pandemic creates an uncertain financial situation in Greece which may affect the Company's liquidity.

The largest part of the borrowing relates to long-term loans.

The financing of the Company arises solely from Greek financial institutions.

The approach adopted by the Company for liquidity management is to ensure, by holding the absolutely necessary cash and sufficient credit limits from the cooperating banks, that it will have liquidity to meet its obligations when they expire, under normal and difficult conditions, without incurring unacceptable damage or jeopardizing its reputation. At the same time, in order to avoid liquidity risks, the Company carries out a provision for cash flows for a period of one year when the annual budget is drawn up, and a monthly rolling three-month forecast to ensure that it has enough assets to meet its operational needs.

The Company has direct access to funding sources and historically refinance its short-term loan obligations. The Company estimates that the refinancing of its short-term borrowing will continue in the future as in the past if necessary.

The Company continues to maintain the "going concern basis" in the preparation of the financial statements for the year ended 31 December 2023.

Credit rating at cash equivalents based on credit rating company Moody's

Amount in Euro	31.12.2023
A1	1,194
B3	130,839
Ba1	1,147,092
Baa3	417,513
Unrated	60
Total	1,696,698

Operational Risks

Developments that could negatively affect the Greek economy are beyond the control of the Company and Management is not in a position to forecast or foresee any potential impact therefore. Nevertheless, the Company's management, taking into account its export character, which is strengthened by the modern production facilities it holds in Greece, constantly assesses the situation and its possible consequences and takes all the necessary and effective measures and actions on time, minimizing any impact on its activities.

Credit Risk

Credit risk, is the risk of loss to the Company in the event that a customer or third party in a financial instrument transaction, fails to meet its contractual obligations and is primarily related to customer receivables. Credit risk exists also in cash and cash equivalents, in investments and financial derivative contracts.

The Company's exposure to credit risk is mainly affected by the characteristics of each client. Demographics of the Company's customer base, including the default risk of the particular market and the country in which customers operate, have less impact on credit risk as there is no geographical concentration of credit risk.

The Board of Directors has set a credit policy based on which each new client is examined on an individual basis for its creditworthiness, before the usual payment terms are proposed. Credit limits are defined for each customer and are reviewed according to current conditions so that, if necessary, the terms of sales and receipts to be adjusted. Customer credit limits are generally determined on the basis of the insurance limits received for them by insurance companies, and then claims are insured against these limits.

In monitoring the credit risk of customers, customers are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past receivables issues that have occurred. Customers and other receivables include mainly wholesalers of the Company. Clients classified as "high risk" are placed in a special customer account and future sales must be pre-paid. Depending on the client's background and status, the Company seeks, where possible, interest or other collateral (e.g. letters of guarantee) to secure its claims.

The Company recognizes an impairment provision that represents the measurement of losses and expected losses in relation to customers, other receivables and investments in debt securities. This provision mainly consists of impairment losses on specific receivables and is estimated on the basis of the conditions that they will be realized but not yet finalized.

For intercompany customers, the Company calculates expected credit losses based on the credit risk of the ultimate parent company. For 2023 and 2022, no provision was recorded for intercompany receivables due to an immaterial amount arising from the assessment performed.

Cash and cash equivalents are considered items with low credit risk according to credit exercise that was performed.

VII. Evolution of Activities for 2024

With regard to the impact of the unstable global macroeconomic environment on the outlook for 2024, it is estimated that there will be a limited impact on the Company's financials. In particular for 2024 and based on the data available to date the Company's results are projected to be better than in 2023.

VIII. Events after the date of the Statement of Financial Position

There are no events subsequent to the reporting date of the Financial Statements that have a material effect on the Company's asset structure and financial position that require reporting under IFRS.

Athens, 3 July 2024

The Vice-Chairman of the BoD

Gurulian Aris
ID No AP 075552

Independent Auditor's Report (Translated from the original in Greek)

To the Shareholders of
SIDENOR STEEL INDUSTRY SA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of SIDENOR STEEL INDUSTRY SA (the "Company") which comprise the Statement of Financial Position as at 31 December 2023, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of SIDENOR STEEL INDUSTRY SA as at 31 December 2023 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants as incorporated in Greek legislation, and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, which is further referred to in the "Report on Other Legal and Regulatory Requirements", but does not include the Financial Statements and our auditors' report thereon.

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

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

Responsibilities of the Board of Directors 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 for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 auditors' 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 which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Board of Directors' Report

The Board of Directors is responsible for the preparation of the Board of Directors' Report. Our opinion on the financial statements does not cover the Board of Directors' Report and we do not express an audit opinion thereon. Our responsibility is to read the Board of Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

- (a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Articles 150 and 153 of L. 4548/2018 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2023.
- (b) Based on the knowledge acquired during our audit, relating to SIDENOR STEEL INDUSTRY SA and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 24 July 2023
KPMG Certified Auditors S.A.
AM SOEL 114

Alexandros – Petros Veldekis, Certified Auditor Accountant
AM SOEL 26141

Annual Financial Statement
Of the year from 1 January 2023 until 31 December 2023
According to the International Financial Reporting Standards (“I.F.R.S.”)

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Statement of Financial Position

<i>Amounts in Euro</i>		31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Property, plant and equipment	15	76,452,769	67,846,771
Rights of use assets	16	2,465,887	2,397,733
Intangible assets	17	3,004,255	2,853,928
Investments property	18	1,059,855	1,112,050
Investments in subsidiaries	19	85,829,249	85,829,249
Investments in associates	20	3,045,693	3,045,063
Other investments	21	4,306,682	4,306,679
Deferred tax assets	11	5,182,787	5,045,908
Derivatives	24	279,714	-
Other non-current receivables	13	15,162,155	15,707,096
Total non-current assets		196,789,046	188,145,107
Current assets			
Inventories	12	56,124,057	63,753,257
Trade and other receivables	13	148,400,651	133,447,028
Contract assets		1,049,980	322,616
Income tax receivables	13	3,454,266	3,972,121
Cash and cash equivalents	14	1,699,476	14,800,352
Total current assets		210,728,431	216,295,375
Total assets		407,517,476	404,440,482
EQUITY			
Share Capital	21	7,337,589	7,337,589
Share premium	21	40,100,693	40,100,693
Other reserves	21	7,401,991	7,908,277
Retained earnings/(losses)		(44,093,245)	(23,612,346)
Total Equity		10,747,027	31,734,212
LIABILITIES			
Non-Current Liabilities			
Loans and borrowings	22	110,847,022	114,632,767
Lease liabilities	22	1,392,855	1,565,594
Defined benefit obligations	10	1,925,687	1,688,477
Derivatives	24	928,797	-
Total non-current liabilities		115,094,361	117,886,838
Current liabilities			
Trade and other payables	23	248.639.411	216,419,134
Contract liabilities	6	879.949	1,699,433
Current tax liabilities		574.297	6,183,664
Loans and borrowings	22	30.381.502	29,527,721
Lease liabilities	22	1.200.928	989,479
Total current liabilities		281.676.088	254,819,432
Total liabilities		396.770.449	372,706,269
Total equity and liabilities		407.517.476	404,440,482

The notes of pages 7 to 53 are integral part of these financial statements.

Statement of Comprehensive income

<i>Amounts in Euro</i>		2023	2022
Revenue	6	460,901,102	646,493,949
Cost of sales	8	(446,381,156)	(591,006,504)
Gross Profit		14,519,947	55,487,445
Other income	7	12,248,979	12,075,634
Selling and distribution expenses	8	(20,144,800)	(22,626,719)
Administrative expenses	8	(17,737,158)	(15,781,120)
Impairment loss on receivables and contract assets	13	(85,659)	11,024
Other expenses	7	-	(6,351,952)
Operating profit/(loss)		(11,198,692)	22,814,312
Financial income	9	36,485	13,756
Financial expenses	9	(9,884,663)	(10,122,945)
Income from dividends	27	665,719	268,588
Net financial income/ (cost)		(9,182,459)	(9,840,601)
Profit/(losses) before income tax		(20,381,151)	12,973,710
Income tax expense	11	(20,931)	(4,583,546)
Profit/(losses) for the year		(20,402,082)	8,390,164
Other Comprehensive income/(expense) that will never be reclassified to profit or loss			
Remeasurements of defined benefit liability	10	(101,049)	312,440
Investments in equity instruments - change in fair value	5.3	-	(6,289)
Related tax	11	22,231	(68,737)
Total		(78,818)	237,415
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion		(649,084)	-
Related tax		142,798	-
Total		(506,285)	-
Total other comprehensive income/(expense) after taxes		(585,103)	237,415
Total comprehensive income/(expense) after taxes		(20,987,185)	8,627,579

The notes of pages 7 to 53 are integral part of these financial statements.

Statement of changes in equity

<i>Amount in Euro</i>	Share Capital	Share Premium	Other reserves	Retained Earnings	Total Equity
Balance as of 1 January 2022	7,337,589	40,100,693	7,914,566	(32,246,214)	23,106,633
Profit/(loss) that was recognized directly in equity	-	-	-	243,704	243,704
Fair value reserves	-	-	(6,289)	-	(6,289)
Net profit/(loss) of the period	-	-	-	8,390,164	8,390,164
Total comprehensive income	-	-	(6,289)	8,633,868	8,627,579
Balance as of 31 December 2022	7,337,589	40,100,693	7,908,277	(23,612,346)	31,734,212
Balance as of 1 January 2023	7,337,589	40,100,693	7,908,277	(23,612,346)	31,734,212
Profit/(loss) that was recognized directly in equity	-	-	-	(78,818)	(78,818)
Fair value reserves	-	-	(506,285)	-	(506,285)
Net profit/(loss) of the period	-	-	-	(20,402,082)	(20,402,082)
Total comprehensive income	-	-	(506,285)	(20,480,900)	(20,987,185)
Balance as of 31 December 2023	7,337,589	40,100,693	7,401,991	(44,093,245)	10,747,027

The notes of pages 7 to 53 are integral part of these financial statements.

Statement of Cash Flows

<i>Amounts in Euro</i>	2023	2022
Cash flows from operating activities		
Profit/(loss) after taxes	(20,402,082)	8,390,164
Adjustments for:		
Income tax expense	11 20,931	4,583,546
Depreciation of tangible assets	15 3,185,646	2,913,389
Depreciation of Investment property	18 52,196	52,196
Depreciation of right of use assets	16 1,061,307	906,883
Amortisation of intangible assets	17 376,905	347,151
Net finance cost	9 9,182,459	9,840,601
Losses from write off of property plant and equipment	53,406	165,299
Profit from sale of tangible assets	7 (666)	(884)
Gains on sale of investments	-	(1,059,018)
(Gains)/Losses from foreign exchange differences	172,412	(49,669)
Impairment of inventories	-	965,679
Impairment / (Reversal of Impairment) of investments	7 -	5,841,188
Impairment/ (Reversal of Impairment) of receivables	13 85,659	(11,024)
	(6,211,826)	32,885,502
Changes in working capital:		
Decrease / (Increase) in inventory	7,629,200	6,248,329
Decrease / (Increase) in receivables	(14,494,341)	(28,859,659)
Decrease / (Increase) in contract assets	(727,364)	(322,616)
(Decrease) / Increase in liabilities (excluding banks)	31,920,640	40,677,446
Decrease / (Increase) in contract liabilities	(819,484)	(4,484,064)
(Decrease) / Increase in defined benefit obligation	136,161	(648,204)
	23,644,812	13,907,640
Interest paid	(9,564,885)	(11,883,341)
Income tax paid	(5,100,766)	(7,123,757)
Net cash flows from operating activities	2,767,334	27,786,044
Cash flows from investment activities		
Purchase of tangible assets	15 (11,845,050)	(4,886,272)
Purchase of intangible assets	17 (527,232)	(616,229)
Proceeds from sales of fixed assets	666	3,762
Proceeds from sale of investments	-	45,057,500
Dividends received	809,719	291,733
(Increase) / Decrease in participation in other investments	(3)	
Interests received	36,485	13,756
Net cash flows from investment activities	(11,525,415)	39,864,250
Cash flows from financing activities		
Loans received	24,644,500	128,944,589
Loans settlement	(27,896,243)	(197,461,346)
Payment of lease liabilities	(1,091,053)	(913,384)
Net cash flows from financing activities	(4,342,796)	(69,430,141)

Net increase/(decrease) in cash and cash equivalents		(13,100,876)	(1,779,847)
Cash and cash equivalents on 1 of January	14	14,800,352	16,580,200
Cash and cash equivalents on 31 December		1,699,476	14,800,352

The notes of pages 7 to 53 are integral part of these financial statements.

Notes on Financial Statements

1. General Information

SIDENOR STEEL PRODUCTS MANUFACTURING COMPANY S.A. (hereafter “Sidenor” or “Company”) was set up and headquarters in the Prefecture of Attiki, in the Municipality of Athens, 2-4 Mesogeion Street. The Company’s website address is <http://sidenor.gr/>.

The Company’s duration is set until 31 December 2200 and is recorded at the Hellenic Business Registry with registry number 869901000 former A.M.A.E. 7497/01/B/86/164(02).

The Company operates in Greece and in the broader region of the Balkans and Europe and is a subsidiary of VIOHALCO S.A. which is a listed company at the Euronext Stock Exchange of Brussels and the Athens Stock Exchange. The Company’s financial statements are included in the consolidated financial statements of the parent company VIOHALCO S.A.

The main activities of the Company are the industrial manufacturing and trade of iron and steel products.

The Financial Statements have been approved for publication by the Company’s Board of Directors on 3 July 2024 and are subject to approval by the Regular General Assembly that will convene on 24 July 2024. The Financial Statements are available at the Company’s website.

2. Basis of preparation of financial statements

2.1 Statement of compliance

The Company’s Financial Statements have been composed according to the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) as well as the interpretations of the above, as adopted by the European Union based on the going concern basis.

2.2 Basis of measurement, Functional and presentation currency

The Financial Statements have been composed according to the historical cost basis, except for defined benefit obligations, lease liabilities which are measured at present value and derivatives measured at fair value.

The Financial Statements are presented in euros (€), the Company’s functional currency.

2.3 Going concern basis

The Company’s Management has prepared the Financial Statements on going concern basis, taking into account the financial factors and the extent to which they affect the operation of the Company, as according to existing forecasts and available financial resources, Management has no intention or need to liquidate in the short term assets of the Company. The Company’s forecasts, taking into account possible changes in its commercial performance, create a reasonable expectation to management that the Company has sufficient resources to continue its business activity seamlessly in the near future.

With regard to the impact of the current situation in Ukraine and the unstable macroeconomic environment and the outlook for 2024, it is estimated that there will be a limited impact on the Company’s results. In particular for 2024 and based on the data available to date, the Company’s results are projected to be better than in 2023.

Management has prepared a forecast in which positive operating cash flows are presented for 2024 and the following years. The company until today has adequately fulfilled its obligations.

Therefore, the Company continues to adopt the “going concern basis” when preparing the financial statements for the financial year ended December 31, 2023.

2.4 Use of estimates and assumptions

The preparation of financial statements according to the IFRS, requires the conduct of estimates and the adoption of assumptions from the Management, that could affect the assets’ and liabilities’ balances, as well as the expenses’ and incomes’ amounts. The actual results could differ from the above estimates.

The estimates and the relevant assumptions are re-evaluated at regular intervals. Deviations derived from the accounting estimates are recognized at the period in which they are re-evaluated, if they concern only

the current period, or if they also concern future periods, the deviations affect the current and the future periods.

The accounting estimations made by the Management in the implementation of accounting policies are expected to have the most significant impact on the Company's Financial Statements, are as follows:

- Impairment test on tangible assets
- Measurement of allowance for trade receivables
- Income tax expense
- Measurement of defined benefit obligations
- Net realizable value test
- Impairment testing of investments in subsidiaries and associates
- Deferred tax asset on tax losses and surplus interest expense (thin capitalization)
- Classification and measurement of derivatives arising from the power purchase agreement (PPA)

Information related to the above assumptions and estimates that could have a significant impact on the Company's Financial Statements is described below:

a. Impairment test on tangible assets (note 16)

At the end of each financial year, the Company's Management should assess whether there are any indications of a possible impairment of the value of tangible assets. For the existence of such indications, physical condition, expected use and present value of the estimated future cash flows of the fixed asset are taken into consideration.

b. Measurement of allowance for trade receivables (note 13)

The Company impairs trade receivables according to expected credit losses when there are data or indications which prove that the collection of receivable in total or a part of it is not probable. Company's Management reassess periodically the adequacy of allowance for trade receivables based on assumptions, its judgment and factors related to recoverability of trade receivables.

c. Income tax expense (note 11)

The income tax provision based on IAS 12, is calculated with estimations on the tax paid at the Tax Authorities and includes the current income tax for every accounting period and provision for additional taxes arisen from future tax audits. The final income tax clearance could differ from the relative figures presented in the Financial Statements.

d. Measurement of defined benefit obligations (note 10)

The measurement of defined benefit obligations is based on actuarial methods, the conduct of which requires from the Management to estimate certain factors such as the future increase in employees' salaries, the discount rate of these liabilities, the turnover rate etc. The Management tries on each date of Statement of Financial Position when the provision is revised, to estimate these factors with the best possible way.

e. Net realizable value test (note 12)

The Company uses its judgment derived from its experience in the industry in which it operates to make the best estimate of future selling prices of its inventory. On a consistent basis, the current selling prices prevailing just before and after the date of the Financial Statements are used as the basis for making estimates unless there is certainty that the inventories at the date of the Financial Statements will be disposed of at predetermined dates in the future with the result that the estimated selling prices at those dates are used to make the relevant calculations.

f. Impairment testing of investments in subsidiaries and associates (notes 19, 20)

The Company performs a relevant impairment test of investments in subsidiaries and associates whenever there is an indication of impairment in accordance with the provisions of IAS 36. In order to determine whether there is an indication of impairment requires the calculation of the value in use and fair value less costs to sell of each Cash Generating Unit (CGU). The recoverable amounts of CGUs have been determined for impairment testing purposes, based on the calculation of their value in use, which requires estimates. For the value-in-use calculation, the estimated cash flows are prepaid at their present value using a discount rate, which reflects current market assessments of the time value of money, as well as the risks associated with the specific GGU. Cash forecasts based on management-approved business plans are used in the calculation. These business plans and cash flow projections usually cover a period of five years. Cash flows beyond the period over which the projections are available, are extrapolated on the basis of estimated growth rates.

g. Deferred tax asset on tax losses and surplus interest expense (thin capitalization) (note 11)

Deferred tax asset is recognized for all unused tax losses, to the extent that it is possible to have sufficient taxable profits that will offset these tax losses and for surplus interest expense (thin capitalization) which will be offset with future tax profits without time limit. For determining the amount of deferred tax assets that can be recognized, significant judgements and estimates are required, based on future taxable profits together with future tax planning strategies that will be followed.

h. Classification and measurement of derivatives arising from the power purchase agreement (PPA) (note 23)

During 2023, the Company entered into a long-term power purchase agreement ("PPA"), which is supported by various renewable energy assets ("renewable energy assets"), to reduce its exposure to energy price volatility. Information on the accounting treatment of the agreement is provided in note 23.

3. New standards, interpretations and amendments of existing standards

A. Standards and Interpretations obligatory for the current financial year

From 1st January 2023 the Company/Company has adopted all amendments in IFRS as these were adopted by the European Union ("EU") which relate to its operations. These Amendments and Interpretations did not have a significant impact on the financial statements of the Company.

The following Standards, amendments and interpretations have been issued from International Accounting Standards Board (IASB) , have been adopted by the EU and they are effective from annual periods beginning on or after 1st January 2023.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments):**

In February 2021, IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of financial statements. More specifically, companies are required to disclose material accounting policy information rather than their significant accounting policies.

According to the updated definition of material accounting policy as published by the IASB in October 2018, accounting policy information is material if when considered together with other information included in an entity's financial statements, it can be reasonably expected to influence decisions that the primary users of general purposes financial statements make on the basis of those financial statements. Additionally, IFRS Practice Statement 2 amendments include guidance and additional examples on the application of materiality to accounting policy disclosures.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):**

In February 2021, IASB issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. (Amendments):**

In May 2021, IASB issued amendment to IAS 12 in order to specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations, transactions for which entities recognize both an asset and a liability, In specific cases, the entities were exempted from the recognition of deferred tax on initial recognition of both an asset and a liability. The amendments clarify that the initial recognition exemption does not apply, and entities are required to recognize deferred tax on these transactions.

- **IAS 12 International Tax reform-Pillar Two (Amendments)**

In May 2023, IASB published the amendments to IAS 12 in order to provide a temporary exemption from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two model rules, as well as targeted disclosures for affected entities. The temporary exemption is to be applied immediately upon the issue of those amendments by IASB and retrospectively in accordance with International Accounting Standard 8 Accounting Policies, Changes in Accounting Estimates and Errors ('IAS 8'). The disclosure requirements are to be applied to annual reporting periods beginning on or after 1 January 2023. An entity is not required to apply the disclosure requirements in interim financial reports for interim periods ending on or before 31 December 2023.

- **IFRS 17 "Insurance Contracts" and amendments to IFRS 17**

In May 2017, IASB issued a new Standard IFRS 17, which replaces the interim standard IFRS 4. The scope of the IASB's project was the development of a single principle-based Standard for the accounting of all types of insurance contracts, including any reinsurance contracts that an entity holds. This single principle-based Standard will improve the comparability of the financial information between companies, jurisdictions, and capital markets. IFRS 17 sets out the recognition, measurement, and disclosure requirements that an entity should apply in the financial information related to insurance contracts issued and reinsurance contracts held.

- **IFRS 17 Initial Application of IFRS 17 and IFRS 9- Comparative Information (Amendments)**

The amendment is a transitional choice in relation to the comparative information in the classification of financial assets in the first application of IFRS 17. The amendment therefore, aims to prevent temporary accounting imbalances between financial assets and insurance contract liabilities and improve the usefulness of comparative information for the users of the financial statements.

Application of the above amendments has had no impact on the Company's Financial Statements on the amounts recognized in previous periods.

B. New international financial reporting standards, amendments and interpretations to standards that have not yet been endorsed or adopted by the EU

The following New Standards, Amendments and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods starting 1st January 2023. The Company does not intend to early adopt the following New IFRS, Amendments and Interpretations. The Board of directors expects that the adoption of these standards or interpretations in the future periods will not have material effect on the financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (Amendments) The amendments are effective for annual periods on or after 01 January 2024.**

In January 2020, IASB issued amendments to IAS 1 clarifying the requirements for the classification of the liabilities as current and non-current. In particular, the amendments clarify that one of the criteria for the classification of a liability as non-current is the entity’s right to defer settlement for at least 12 months after the reporting date. The amendments clarify the meaning of a right to defer settlement, the requirement of this right to exist at the reporting date and that management intend in relation to the option to defer the settlement does not affect current or non-current classification.

Additionally, in July 2020, IASB issued an amendment providing clarifications for the classification of debt with covenants and deferring the effective date of the January 2020 amendments of IAS 1 by one year.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments). The amendments are effective for annual periods on or after 01 January 2024.**

The amendments are intended to clarify the requirements of accounting by a seller-lessee regarding measuring the lease liability arising in a sale and leaseback transactions. An entity applies the amendment retrospectively in cases of sale and leaseback transactions entered into after the date of the initial application of IFRS 16.

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures (Amendments). The amendments are effective for annual periods on or after 01 January 2024.**

In May 2023, IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to be provided by entities in relation to their supplier finance arrangements. The amendments have not yet been endorsed by the EU.

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments). The amendments are effective for annual periods on or after 01 January 2025.**

In August 2023, IASB published amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” which require companies to provide more useful information in their financial statements when a currency is not exchangeable to another currency. The amendments introduce a definition of the “exchangeability” of a currency and provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable. Also, additional disclosures are required in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments have not yet been endorsed by the EU.

4. Material accounting policies

The accounting policies applied during the preparation and presentation of the present Financial Statements are consistent with the accounting policies applied during the preparation of the Financial Statements of the period end 31 December 2022.

The most significant accounting policies and methods used for the preparation of the financial statements are presented below:

4.1 Tangible assets

Tangible assets are presented at cost less subsequent depreciation and impairment. Acquisition cost may also include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other tangible assets is calculated using the straight-line method with equal interim charges during the term of the items’ useful life so as to delete their cost at their residual values as follows:

Buildings	10-33 years
Mechanical equipment	5-35 years
Vehicles	6-7 years
Furniture and other equipment	3-8 years

Tangible assets' residual values and useful lives are subject to review, if appropriate, at each balance sheet date.

When an asset's carrying amount is greater than its estimated recoverable amount, the difference (impairment) is written down immediately as an expense at the Statement of Comprehensive Income.

Upon sale of tangible assets, any difference between the proceeds and their book value is recorded as profit or loss at the Statement of Comprehensive Income.

Financial expenses that concern the construction of assets are capitalized for the period required for the completion of the constructions. All other financial expenses are recognized at the Statement of Comprehensive Income.

4.2 Intangible Assets

The intangible assets acquired independently are recognized at their acquisition cost, while the intangible assets acquired through businesses purchase, are recognized at their fair value on their acquisition date. Subsequently, they are measured at this amount less accumulated depreciations and/or amortizations and reductions. Their useful life can be limited or infinite. The cost for intangible assets with limited useful life is depreciated during their useful life period, based on the straight-line method. The depreciation starts at the day the intangibles assets are available for use.

Intangible assets with infinite useful life are not depreciated but they are periodically (at least annually) subjected in revaluation for possible reduction of their value, based on the guidelines of IAS 36 "impairment of assets". Residual values are not recognized. Their useful life is estimated on an annual base.

Acquired computer software licenses are measured at the acquisition cost less any accumulated amortization, less any accumulated impairment. Amortization expenses are conducted based on the straight-line method over their estimated useful lives, which is three to five years.

Costs associated with developing or maintaining computer software programs are recognized as an expense in the Income Statement as incurred.

4.3 Investment property

The investment property includes land and buildings owned by the Company for long-term rent collection and are not used by the Company. The investment property is recorded at cost less accumulate depreciation and amortization. When the property carrying amount is greater than its estimated recoverable amount, the difference (impairment) is written down immediately as an expense at the results. The land included in investments property is not depreciated. The depreciations of the buildings are calculated based on the straight-line method during their useful life period.

Profits or losses arisen from the use of investments (calculated as the difference between the net cash inflow from their use and their accounting value) are recognized at the Income Statement during their use period.

4.4 Investment in subsidiaries, associates and joint ventures

The Company measures its investments in subsidiaries, associates and joint ventures at their acquisition cost less any impairments.

4.5. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, when certain events imply that their book value may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever indications incur that their carrying amount may not be recoverable. Recoverable amount is the higher among that of an asset's fair value less costs to sell and that of value in use (current cash flow value that is expected to be created based on the management's estimation for the future financial and operational conditions). Impairment loss is recognized in income statement in the year it incurred. For the purposes of assessing impairment, assets are grouped at the lowest possible units of cash flow generation. Impairments recognized in non-financial assets (other than goodwill) are reviewed at each reporting date for potential reversal. In this case the recoverable amount of the assets is redefined, and the impairment loss is reversed by retrieving the carrying amount of the asset at its recoverable amount, to the point that it does not exceed the carrying amount of the asset, that would have been determined (net from depreciations or impairments) if the impairment loss had not been recorded in previous years.

4.6 Financial assets and liabilities

4.6.1 Initial recognition and measurement

The initial recognition of the trade receivables takes place at the time it is created. All the other financial items of the assets and liabilities are initially recognized when the Company becomes part of the conventional provisions of the relevant financial instrument.

Financial assets which are not measured at fair value through profit or loss (unless they are trade receivables with no significant financial component, that are initially measured at amortized cost) are initially measured at fair value increased with related transaction costs.

4.6.2 Presentation and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured either at: a) its amortized cost b) or at its Fair Value through Other Comprehensive Income (FVOCI) c) or at its Fair Value Through Profit and Loss (FVPL).

Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets all of the following conditions:

- **It is not designated by Management as an asset measured at FVTPL**
- **is held within a business model whose objective is to hold assets to collect contractual cash flows 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 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 (except derivatives held for hedging purposes) not classified as measured at amortized cost or 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 amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For the subsequent measurement of financial assets and liabilities, the following accounting principles are applied:

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in Total Income Statement.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial Liabilities

Financial liabilities are classified as measured at amortized cost.

All financial liabilities (excluding derivatives held for hedging purposes) are subsequently valued at amortized costs using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in the Total Income Statement as well as any gain or loss from any write-off.

4.6.3 Impairment of financial assets

The Company recognizes impairment provisions for expected credit losses for all aforementioned financial assets, excluding those measured at their fair value through profit and loss.

For the definition of the expected credit losses in relation to the trade receivables, the Company applies the simplified approach as prescribed in the IFRS 9. According to this approach, the Company recognizes the expected credit losses from the initial recognition and for all life time of the trade receivables. (expected lifetime losses).

The losses are recognized in the results and reflected in a provision account. When the Company estimates that there are no realistic prospects of the asset's recovery, the relevant amounts are written off. If the amount of the impairment loss is decreased subsequently and the decrease is related to an event after the impairment recognition, then the impairment loss previously recognized is reversed through results.

The trade and other receivables of the Company, excluding those for which impairment provision has been recorded are considered to be collectible.

4.6.4 Derecognition

Financial Assets

The Company derecognizes a financial asset when:

- **the contractual rights to the cash flows from the financial asset expire, or**
- **it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.**

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in Total Income Statement.

4.6.5 Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to set-off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.7 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost is determined by applying the method of weighted average cost. Financial expenses are not included in the inventories' acquisition cost. The net realizable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs. Provisions for slow-moving or obsolete stock are formed, when deemed necessary.

4.8 Cash and cash equivalents

The cash and cash equivalents include cash, deposits and other short-term investments of high liquidity with expiry date of up to three months, which can be directly converted to specific amounts of cash and which are subjected to non-significant risk of value fluctuation.

4.9 Share Capital

Common shares are classified as equity.

Direct expenses attributable to the issuance of new shares appear following the subtraction of the relevant income tax, as a deduction in Equity.

Treasury share acquisition cost is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Any gain or loss on the sale of treasury shares net of other expenses and taxes directly attributable to the transaction, appears as a reserve in equity.

4.10 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI.

The current tax is calculated based on tax laws in force on the date of the Financial Statements' reporting date and concerns the anticipated paid tax of the period's taxable revenue, as well as any adjustments in previous years' income tax. The Management evaluates periodically the positions in the tax statements, concerning situations where the tax law is subject to interpretation and forms relevant provisions, when deemed necessary, compared to the amounts anticipated to be paid at the tax authorities.

Deferred income tax is determined from the temporary differences between the carrying amount and the tax base of the assets and liabilities on the financial statements. Deferred income tax is not accounted a) if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss, b) when the temporary differences in investments in subsidiaries are not reversed, c) at the initial recognition of goodwill. Deferred tax is determined using the tax rates at the date of preparation of the financial statements that will be effective when the asset will be liquidated or the liability will be settled. The calculation of future tax rates is based on laws in force on the Financial Statements' reporting date.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the use of the temporary difference that creates the deferred tax asset. The deferred tax assets are decreased when the relevant tax benefit is implemented.

The deferred tax assets and liabilities are offset when there is a lawful right for the current tax assets and liabilities to be offset and when they are related to income taxes that are imposed by the same tax authority.

4.11 Employee benefits

The employee benefits after termination of service include defined-benefits plans as well as defined-contributions plans and healthcare plans after the termination of service.

(a) Benefits after termination of service

Defined-contributions plan is a pension program, to which the Company pays fixed contributions to a third legal person without other obligations. The Company has no legal or deemed obligation to pay additional contributions if the invested assets are inadequate to deal with the anticipated benefits for the employees' service concerning the current and previous periods. A defined-benefits plan is a pension plan that is not a defined-contribution plan.

Usually the defined benefits programs define the amount of pension benefit that an employee will receive after his retirement, that depends on many factors as age, years of professional experience and compensation.

The liability recognized in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of the plan's assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates of interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension plan.

The current service cost of the defined benefits program is recognized at the Income Statement, excluding the case of being included at the cost of an asset. The current service cost reflects the increase in defined benefits obligation that derives from the employees' occupation during the period, as well as changes due to curtails or settlements.

The cost of previous work experience is recorded directly at the Income Statement.

The net interests' cost is calculated as the net amount between the liability of the defined benefits program and the fair value of the program's assets by the discount rate. This cost is included in the Income Statement at the employee benefit.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity through credit or debit of other comprehensive income in the period in which they arise.

For the defined contributions programs, the Company pays contributions to public or private insurance funds either necessarily, or conventionally or voluntarily. After the contributions' payment no further commitments arise for the Company. The contributions are recognized as employee contributions' cost, when they are rendered payable. The prepaid contributions are recognized as assets at the depth that the prepayment will lead to decrease in future payments or cash refund.

(b) Termination Benefits

The employment termination benefits are paid when the employees leave before their retirement date. The Company registers these benefits either when it is committed, or when it terminates the employees' employment according to a detailed program for which there is no chance of withdrawal, or when these benefits are offered as a motive for voluntary leaves. The employment termination benefits due 12 months after the Financial Statements reporting date are prepaid.

(c) Short-term benefits

Short term employee benefits both in money and kind are accounted for as expense when accrued.

4.12 Grants

Government grants are recognized at their fair value when there is reasonable assurance that the grant will be collected, and the Company will comply with all attached conditions.

Government grants that are related to costs, are deferred and recognized at the results so as to be matched with the costs they are intended to compensate except if preconditions for the collection of grant are fulfilled after the fulfillment of the related costs. In this case, government grant is recognized when it is considered collectible.

Government grants that relate to tangible assets purchase, are included in non-current liabilities as deferred government grants and transferred as expenses at the profit and loss statement with the straight-line method according to the useful life for the relevant assets.

4.13 Provisions

Provisions are recognized when:

- i. There is a present legal or constructive obligation as a result of a past event.
- ii. It is probable that economic outflow will be required for the settlement of the obligation.
- iii. The amount required can be reliably estimated .

When various similar liabilities occur, the probability of an outflow to be required during clearance is defined with the test of the liabilities class in total. A provision is recognized even if the probability of outflow concerning any item included in the same liabilities' class, could be small.

The provisions are measured at the present value of the expense that is probable to be required for the settlement of the liability, using as discount rate, a before-tax rate that reflects the current market estimation for the all-time value of money and the relevant liability risks. The increase in the provision caused by the passage of time is recorded as interest expense.

4.14 Revenue from contracts with customers

The Company's revenues are derived from the sale of merchandise, products and by-products of wire processing (wire, fencing mesh and welding products).

The Company recognizes revenue, excluding interest and dividend income and other related income from financial instruments recognized under IFRS 9, upon the transfer of promised services to customers in

amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods based on the following five-step approach:

Step 1: Identify the contract for the sale of the goods.

Step 2: Identify the separate performance obligations arising from the contract with the customer.

Step 3: Determination of the transaction price.

Step 4: Allocate the transaction price to the obligations under the contract.

Step 5: Recognition of revenue as the entity satisfies its obligations under the contract with the customer.

Revenue is recognized, in accordance with IFRS 15, at the amount that the entity expects to be entitled to as consideration for the transfer of services when the customer obtains control of the services, specifying the timing of the transfer of control - either at a point in time or over time.

Revenue is defined as the amount that an entity expects to be entitled to in exchange for the services or goods transferred to a customer, excluding amounts received on behalf of third parties (value added tax, other sales taxes). Variable amounts are included in the price and are calculated either by the 'expected value' method or by the 'most likely amount' method.

The Company recognizes revenue when (or as) it satisfies its performance obligation to perform a contract by transferring the goods or services promised to the customer. The time of transfer of ownership is usually when the goods have been shipped to the customer's location, unless otherwise specified in the terms agreed with the customer. The terms governing contracts with international customers are consistent with international commercial terms - Incoterms.

The Company has determined that there is a single performance obligation, which is the sale to the customer of the related goods. The Company has concluded that the revenue from the sale of products meets the criteria to be recognized at a specific point in time since it does not meet the criteria to be recognized over time. The price of the transaction is fixed and agreed with the client.

A receivable from the customer is recognized when there is an unconditional right for the entity to receive the consideration for the performed obligations of the contract to the customer.

The Company does not enter into contracts where the period between the sale of goods promised to the customer and payment by the customer exceeds one year. Therefore, the Company does not adjust the transaction price for the time value of money.

The Company provides volume discounts to customers based on the limits specified in the contracts between them. The majority of the discounts are settled within the fiscal year.

Contract liability

Where the Company receives a price from the customer (prepayment) prior to the performance of the sales contract obligations, a contract liability is recognized. The contract liability is de-recognized when the obligations of the contract are performed and the revenue is recorded in the statement of comprehensive income.

Contract asset

At the end of the financial year the Company recognizes a contract asset for accrued revenue not yet invoiced to Customers, which is included in Contractual assets in the Statement of Financial Position. When the relevant invoice is issued to customers, the Company recognizes a related receivable as the issue of the invoice is the point at which the Company's right to consideration becomes unconditional (as only the passage of time is required for such consideration to become payable). The Company's right becomes unconditional once the relevant invoices are issued.

The Company assesses contract assets for impairment in accordance with IFRS 9.

Revenue from services is a distinct performance obligation where revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the entity's performance obligation as the entity performs. The transaction price is agreed with the customer and does not include variable consideration. Progress is determined using the cost-to-cost method.

4.15 Leases

At the start of the contract date, the Company estimates if the contract is or includes a lease. A contract is or includes a lease if the contract transfers the use right control of a recognized asset for a certain period and price.

The Company as a lessor

Leases to which the lessor does not transfer substantially all the economic risks and rewards arising from ownership of the leased asset are classified as operating leases. When the assets are leased on an operating lease, the asset is included in the statement of financial position on the basis of the nature of the asset. Rental income from operating leases is recognized under the terms of the lease using the straight line method.

A lease that transfers substantially all the economic benefits and risks arising from ownership of the leased asset is classified as financial lease.

Assets under finance lease are de-recognized and the lessor recognizes a receivable equal to the net investment in the lease. The lease receivable is discounted using the effective interest rate method and the book value is adjusted accordingly. Lease receivable increase on the basis of interest on the finance lease receivable and decrease with the collection of rent.

The Company as a lessee

The Company recognizes lease liabilities for the leases payments and assets with use rights that represent the right of use of the underlying assets.

i. Right of use assets

The Company recognizes assets with right of use during the start date of the lease period (the date that the underlying asset is available for use). Concerning the subsequent measurement, the Company applies the cost method for measurement of right of use assets. Consequently, the right of use assets will be measured at the cost after deducting the accumulated depreciations and accumulated impairment losses and will be adjusted due to re-measurement of the lease liability. The right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.16 Profits and dividends distribution

The allocation of the profits for the year and the recognition of dividends' distribution obligation are recognized in the financial statements upon receipt of the final approval by the General Assembly of Shareholders.

4.17 Transactions in foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. Gain and losses from exchange differences that occur from the settlement of such transactions during the period and the conversion of currency items expressed in foreign currency with the current exchange rate at the reporting date of the financial statements are recognized at the Income Statement. During their allocation at the Income Statement, the exchange differences follow the nature of the exchanges from which they derived.

4.18 Rounding of numbers

The numbers contained in these financial statements have been rounded to Euro. Due to this fact, differences that may exist, are due to these rounding.

4.19 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 exchange rate with foreign currencies (mainly USD or GBP), as also from the coverage of interest risk due to the change of interests (Euribor).

The results from the settled operations of financial risk management are recognized through profit or loss when they are realized (stock market results on copper, aluminium and foreign currency contracts). Derivatives are initially and subsequently recognized at their fair value. The method by which profits and losses are recognized depends on whether derivatives are designated as a fair value or cash flow hedging instrument. Derivatives are recognized 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 realized, the profits or losses accrued to Equity are transferred to the statement of profit or loss.

5. Financial Risk Management

5.1 Financial risk factors

The Company due to its activities is exposed to financial risks such as market risk (changes in exchange rates, interest risk), credit risk and liquidity risk. The general program of risk management focuses on the non-predictability of the financial markets and expects to minimize the probable negative impact of the financial markets' volatility on the Company's financial performance.

The risk management is conducted by the Company's Management. The Management defines, evaluates and takes measures in order to offset the financial risks.

The Company's risk management policies are applied to identify and analyze the risks faced by the Company and to set risk-taking limits and to apply controls on them. Risk management policies and related systems are reviewed periodically to incorporate changes observed in market conditions and the Company's activities.

The oversight of compliance with risk management policies and procedures is entrusted to the Internal Audit Department, which carries out regular and extraordinary audits on the implementation of procedures, the findings of which are communicated to the Board of Directors.

(a) Market risk

Foreign exchange risk (Note 25)

The Company does not face foreign exchange risk as most of its transactions are in euros.

Interest on loans is in a currency that is not different from that of cash flows resulting from the Company's operating activities (EUR).

The Company's investments in other subsidiaries are not hedged because these foreign exchange positions are considered to be of a long-term nature and have been made mainly in euro.

Risk of prices

The main risk of the market is the risk of volatility in the prices of raw materials (scrap) which significantly shape the final price of products. The Company's policy is to present inventories at the lowest price between the acquisition cost price and net realizable value. In periods of price fluctuation the results are affected by the depreciation of the value of stocks.

Cash flow risk and fair value due to interest rate fluctuations

The Company finances its investments, as well as its working capital needs through bank lending and bond loans, thus burdening its results with debt interest. Increased interest rate trends will have a negative impact on results, as the Company will be charged with additional borrowing costs.

The impact of changes in interest rates on Statement of Comprehensive income, is presented on Note 26.

(b) Credit risk (Note 25)

Credit risk is the risk of loss of the Company in the event that a customer or third party in a financial instrument transaction does not fulfill its contractual obligations and is primarily related to customer claims. Credit risk exists both in cash and cash equivalents, investments and financial derivative contracts.

The Company's exposure to credit risk is mainly influenced by the characteristics of each customer. Demographics of the Company's customer base, including the default risk that characterizes the specific market and the country in which customers operate, have less impact on credit risk, as there is no geographical concentration of credit risk.

The Board of Directors has set a credit policy based on which each new client is examined on an individual basis for its creditworthiness, before the usual payment terms are proposed. Credit limits are defined for each customer and are reviewed according to current conditions so that, if necessary, the terms of sales and receipts to be adjusted. Customer credit limits are generally determined on the basis of the insurance limits received for them by insurance companies, and then claims are insured against these limits.

In monitoring the credit risk of customers, customers are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past receivables issues that have occurred. Customers and other receivables include mainly wholesalers of the Company. Clients classified as "high risk" are placed in a special customer account and future sales must be pre-paid. Depending on the client's background and status, the Company seeks, where possible, interest or other collateral (e.g. letters of guarantee) to secure its claims.

For intercompany customers, the Company calculates expected credit losses based on the credit risk of the ultimate parent company. For 2023 and 2022, no additional provision was recorded for intercompany receivables due to an insignificant amount arising from the assessment performed.

The Company records impairment provision representing the measurement of losses and expected losses in relation to customers, other receivables and investments in securities. This provision consists mainly of impairment losses on specific claims and are estimated on the basis of the conditions data to be realized but have not yet been finalized.

Cash and cash equivalents are considered items with low credit risk according to credit exercise that was performed.

(c) Liquidity risk (Note 25)

The largest part of the borrowing relates to long-term loans.

The financing of the Company arises solely from Greek financial institutions.

The approach adopted by the Company for liquidity management, is to ensure, by holding the absolutely necessary cash and sufficient credit limits from the cooperating banks, that it will have liquidity to meet its obligations when they expire under normal and difficult conditions without incurring unacceptable damage or jeopardizing its reputation. At the same time, in order to avoid liquidity risks, the Company carries out a provision for cash flows for a period of one year when the annual budget is drawn up, and a monthly rolling three-month forecast to ensure that it has enough assets to meet its operational needs.

The Company has direct access to funding sources and historically refinance its short-term loan obligations. The Company estimates that the refinancing of its short-term borrowing will continue in the future as in the past if necessary.

5.2 Capital Management

The Board of Directors has as policy to preserve a solid capital base, in order to maintain investor, creditor and market confidence in the Company and to allow the future expansion of its activities. The Board of Directors monitors the return on capital, which is defined by the Company as the net results divided by the total net position, excluding non-convertible preferred shares. The Board of Directors also monitors the level of dividends paid to the holders of common shares.

No changes concerning the Company's approach on capital management occurred during the period.

5.3 Fair values measurement

The Company uses the following classification for measurement and disclosure of the fair value of the assets and liabilities:

- Level 1: Quoted markets prices (without modification or adjustment) for the financial assets traded in active stock markets.
- Level 2: Observable data for the valued asset or liability beyond the level 1 prices, as trading prices for similar products, trading prices in non-active markets or other data that are either observable or can be supported by observable data (for example prices that derive from observable data) for almost the total duration of the financial instrument.
- Level 3: Data for the valued asset or liability that are not based on observable market data (not observable data). If for the calculation of fair value, observable data are used that require significant adjustments, based on non-observable data, then the calculation belongs to level 3. Level 3 includes financial instruments whose value is defined with evaluation models, discount of cash flows and similar techniques as well as products whose fair value definition calls for significant judgement or estimation from the Management.

The various levels have been defined as follows:

<i>Amounts in euro</i>		31.12.2023		
	Level 1	Level 2	Level 3	Total
Other Investments	1,485,288	-	2,821,394	4,306,682
Total	1,485,288	-	2,821,394	4,306,682

<i>Amounts in euro</i>		31.12.2022		
	Level 1	Level 2	Level 3	Total
Other Investments	5,150	-	4,301,529	4,306,679
Total	5,150	-	4,301,529	4,306,679

The Company's holdings classified as level 1 relate to participations in listed companies in Greece.

Measurement process

Financial management undertakes the measurement of the financial assets and fair values of the third level required for financial reporting. The process is performed once a year in accordance with the Company's annual reporting dates.

The movement in Other Investments is as follows for 2023 and 2022:

<i>Amounts in euro</i>	2023	2022
Balance at 1 January	4,306,679	156,503
Transfer	-	1,780,686
New participations	3	2,375,779
Change in fair value through the statement of comprehensive income	-	(6,289)
Balance at 31 December	4,306,682	4,306,679

Fair value of financial items in assets and liabilities measured at the amortized cost.

The carrying amount of the loans approaches the fair value, as the discount impact is not significant.

The fair value of the following financial items of assets and liabilities approaches their carrying value:

- Trade and other receivables
- Other non-current receivables
- Cash and Cash equivalents
- Trade and other payables
- Contract liabilities
- Other non-current liabilities
- Loans and borrowings

The nominal value of the trade receivables less the provisions for bad debt, it is estimated that approaches their fair value. Also, the nominal value of the liabilities it is estimated that approaches their fair value due to the short-term nature of these accounts.

5.4 Economic risk

Risk of macroeconomic environment

The Company assesses the impact that may result from changes in the global economic environment by evaluating their impact on the markets in which it operates.

The global macroeconomic and financial environment is showing signs of improvement, but some uncertainty remains. The Company's management is continually evaluating the potential impact of any changes in the global macroeconomic and financial environment to ensure that all necessary actions and measures are taken to minimize any impact on the Company's operations.

The Company has reviewed the impact of the current macroeconomic environment on the measurement of non-financial and financial assets.

Management also reassessed the recoverability of trade and other receivables, including intercompany receivables. Management evaluated the impact of the economic environment on the calculation of expected credit losses (ECL) and the impact of credit risk on the amount, timing and uncertainty of future cash flows.

Management continuously assesses the potential impact of any changes in the macroeconomic and financial environment in Greece, taking into account global economic developments, in order to ensure that all necessary measures are taken to minimize the impact on the Company's global operations.

SIDENOR's strong customer base outside Greece minimizes the liquidity risk that may arise from the uncertainty of the economic environment in Greece.

SIDENOR closely monitors developments in both the international and domestic environment on a continuous basis and adjusts its business strategies and risk management policies in a timely manner in order to minimize the impact of macroeconomic conditions on its operations.

Climate Change Risk

The Company understands the importance of global climate change and environmental issues. Climate change risks pose challenges to our operations, including increased energy costs, volatility in energy and fuel prices, disruption of energy supply, non-compliance with relevant environmental legislation and potential damage to our facilities due to extreme weather events, resulting in potential reputational issues and possible operational disruptions.

However, in efforts to help mitigate such issues, the Company works systematically to minimize potential negative impacts and proactively address risks in all of its operations. The company complies with applicable environmental laws and regulations, incorporate sustainable practices and procedures, and conduct all necessary environmental impact assessments. In addition, the Company is committed to conducting our business activities in an environmentally responsible manner, recognizing that protecting the environment, conserving energy and preserving natural resources are integral parts of responsible and sustainable business development.

Management has assessed the potential financial impacts associated with the risks. The following assessments have been made in relation to the financial statements:

- The impact of climate change is not expected to be material to the going concern period and the sustainability of the company in the coming years,
- The impact of climate change on the factors (such as useful lives and depreciation methods) that determine the carrying amount of non-current assets
- The impact of climate change on the cash flow projections used in impairment assessments of the carrying amount of non-current assets.

Management has concluded that there are no further significant financial impacts of the Company's climate change risks and opportunities on the Financial Statements.

Effects of the energy crisis

The global energy crisis that started in 2021 is characterized by the ongoing energy shortage around the world, but also by the rapid increase in its prices, affecting countries in Europe and Asia.

Greece is facing a significant increase in prices for all forms of energy. The Company was significantly impacted in 2023 by increased energy prices. Energy costs increased by EUR 3.1 million, despite lower consumption compared to the previous financial year.

In order to cope with the effects of the energy crisis, the Company has entered into power purchase agreements (PPAs) in 2023.

However, management is monitoring developments on an ongoing basis and is prepared to take all necessary measures when required.

Possible effects of the crisis in Ukraine, Gaza and Yemen

The Company does not operate in the affected regions, nor does it have a large exposure to commodities affected by the crisis in Yemen, Ukraine and Gaza (such as energy or agriculture), so its financials have not been affected. In any case, because this is an ongoing event, management is monitoring developments and is ready to take the necessary measures if necessary.

Regarding the risks posed by the Red Sea crisis for Yemen, the Company is not exposed to any supply risk. It continuously assesses the situation and its potential impact and immediately takes all necessary and effective measures and actions to minimize any impact on its operations.

6. Revenue

The geographical allocation of sales and their analysis per category is presented at the following tables:

<i>Amounts in euro</i>	2023	2022
Sales of goods & products (at a point in time)	448,491,818	599,889,818
Rendering of services	287,365	193,036
Sales of scrap and raw materials (at a point in time)	11,663,136	45,206,264
Other	458,783	1,204,830
Total	460,901,102	646,493,949

The decrease in sales is due to the decrease in demand and prices of steel products.

<i>Amounts in Euro</i>	2023	2022
Greece	326,554,666	370,797,314
European Union (without Greece)	46,080,698	185,278,211
Other European Countries	88,265,739	90,418,423
Total	460,901,102	646,493,949

The Company's turnover, for the financial year 2023, amounted to 460,901 thousand euros compared to 646,494 thousand euros in 2022, showing a decrease of 29 % as a result of the reduction of the demand and prices of steel products .

Contract liabilities

<i>Amounts in Euro</i>	Customer Advances	Deferred income	Total
Balance on 1 January 2022	4,305,447	1,878,051	6,183,498
Recognized revenue included in the contract liabilities at the period start	(4,305,447)	(1,878,051)	(6,183,498)
New contract liabilities outstanding at the period end	1,699,434	-	1,699,434
Balance on 31 December 2022	1,699,434	-	1,699,434

<i>Amounts in Euro</i>	Customer Advances	Deferred income	Total
Balance on 1 January 2023	1,699,434	-	1,699,434
Recognised revenue included in the contract liabilities at the period start	(1,699,434)	-	(1,699,434)
New contract liabilities outstanding at the period end	879,949	-	879,949
Balance on 31 December 2023	879,949	-	879,949

7. Other income/expenses

The other income analysis for the Company is the following:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Grants of the Fiscal Year	114,778	66,485
Rental income	311,880	314,490
Compensations	795	-
Income from costs recharged	10,865,527	9,228,493
Gain from sale of Fixed assets	666	884
Gain from sale of investments	-	1,569,782
Income from other activities	40,599	46,318
Other income	914,734	849,183
Total	12,248,979	12,075,634

The other expenses analysis for the Company is the following:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Loss from sale of investments in associate company	-	510,764
Impairment of investment in subsidiary	-	5,841,188
Total	-	6,351,952

8. Expenses by nature

The analysis of expenses by nature is the following:

<i>Amounts in Euro</i>	2023			
	Cost of Sales	Selling and distribution expenses	Administrative expenses	Total
Cost of inventories recognized as an expense	407,229,080	121,178	50,731	407,400,990
Employee benefits	11,189,632	4,828,118	7,834,529	23,852,279
Energy	16,403,239	243,804	227,567	16,874,610
Depreciation and amortisation	3,589,948	332,639	753,467	4,676,054
Taxes - duties	87,234	192,333	390,049	669,616
Credit insurance expenses	-	908,444	22,670	931,114
Other insurance expenses	728,128	171,962	191,154	1,091,244
Rental fees	65,744	473,421	377,767	916,932
Transportation costs (goods and materials)	551,552	6,906,803	177,198	7,635,553
Promotion & advertising	5,903	259,217	367,946	633,066
Third party fees and benefits	2,989,093	1,092,207	4,417,357	8,498,656
(Gains)/losses from derivatives	50,156	-	-	50,156
Storage and packing	735	24,597	-	25,332
Production tools	367,380	44,154	17,659	429,193
Commissions	-	2,813,007	-	2,813,007
Foreign exchange differences	26,492	-	-	26,492
Maintenance expenses	2,220,119	734,346	1,604,375	4,558,841
Travel and personnel transport expenses	478,032	254,443	324,557	1,057,031
Royalties	8,354	116,991	156,836	282,181
BOD Fees	-	-	181,447	181,447
Shared utility expenses	390,333	161,475	266,099	817,907
Other expenses	-	465,663	375,750	841,413
Total	446,381,156	20,144,800	17,737,158	484,263,114

<i>Amounts in Euro</i>	2022			
	Cost of Sales	Selling and distribution expenses	Administrative expenses	Total
Cost of inventories recognized as an expense	552,671,518	167,200	116,802	552,955,520
Employee benefits	10,628,622	5,047,754	6,944,516	22,620,892
Energy	14,385,272	195,697	178,247	14,759,216
Depreciation and amortisation	3,237,074	294,324	688,220	4,219,618
Taxes - duties	133,416	172,138	304,589	610,142
Credit insurance expenses	-	802,118	19,697	821,814
Other insurance expenses	400,260	294,931	133,479	828,670
Rental fees	79,084	425,747	330,123	834,954
Transportation costs (goods and materials)	425,363	8,430,047	192,396	9,047,807
Promotion & advertising	13,564	246,460	353,244	613,268
Third party fees and benefits	5,165,261	1,472,620	4,033,419	10,671,300
Storage and packing	2,126	83,878	142	86,146
Production tools	708,995	25,169	14,513	748,677
(Gains)/losses from derivatives	(162,870)	-	-	(162,870)
Commissions	-	2,993,725	-	2,993,725
Foreign exchange differences	35,328	6	11	35,344
Maintenance expenses	2,206,951	541,445	829,761	3,578,157
Travel and personnel transport expenses	436,351	180,327	232,577	849,255
Royalties	5,200	140,367	187,122	332,689
BOD Fees	-	15,446	94,554	110,000
Shared utility expenses	556,665	232,799	209,481	998,945
Other expenses	78,324	864,523	918,226	1,861,073
Total	591,006,504	22,626,719	15,781,120	629,414,343

During the fiscal year 2023, the Company entered into a hedge of foreign exchange risk from foreign currency commodity purchases using derivative financial instruments. The result of clearing the derivatives is presented in cost of sales in the line "(Gains)/losses on derivatives".

The open positions of forward contracts in foreign currency at the balance sheet date are not significant.

The total decrease in expenses is due to the decrease in sales compared to 2022.

9. Finance income and costs

The analysis for the Company's financial income and expenses is the following:

<i>Amounts in Euro</i>	2023	2022
Finance income		
Interest income	36,485	13,756
Total	36,485	13,756
Finance costs		
Interest expenses	7,699,766	8,766,702
Guarantee commissions	41,003	61,850
Other bank commissions	111,597	165,365

Amortization of loan fees	171,398	-
Interest expense on factoring with recourse	944,990	563,622
Interest expense on factoring without recourse	802,793	445,310
Interest lease liabilities	113,116	120,095
Total	9,884,663	10,122,945

10. Employee benefits

The employee benefits analysis of the Company is the following:

<i>Amounts in Euro</i>	2023	2022
Salaries and wages	16,106,545	16,301,339
Social security expenses	3,929,386	3,317,496
Defined benefit plan expenses	923,910	1,054,891
Other employee benefits	2,892,437	1,947,166
Total	23,852,279	22,620,892

The increase is due to an increase in the number of staff compared to the previous year.

The breakdown of the above costs in the company's operations is as follows:

<i>Amounts in Euro</i>	2023	2022
Cost of sales	11,189,632	10,628,622
Selling and distribution expenses	4,828,118	5,047,754
Administrative expenses	7,834,529	6,944,516
Total	23,852,279	22,620,892

The Company's number of employees on 31 December 2023 was 491 (2022: 472).

Employee benefits due to termination of service

The defined benefits liabilities derive from the requirements of the Law 2112/1920 as modified by the Law 4635/2019.

According to decision adopted in May 2021 by the IFRS Interpretations Committee differentiates the way in which the Basic Principles of IAS 19 were applied in Greece.

The application of this final decision to the attached Financial Statements results in the distribution of benefits over the last 16 years until the retirement date of the employees following the scale of Law 4093/2012.

Law 4808/2021 equates the compensation of daily wage employees with salaried employees.

The amounts recognized in the statement of financial position as well as the changes in the net defined benefits liability during the year are as follows:

a) Changes in the present value of the liability for the Company

<i>Amounts in Euro</i>	2023	2022
Balance on 1 January	1,688,477	1,352,713

Amounts recognized in profit or loss

Current Service cost	198,551	171,572
Interest cost	54,755	2,412
Past service costs	-	580,589
Settlement/Curtailment/Termination loss/(gain)	670,604	300,317
	923,910	1,054,891

Amounts recognized in Equity through Statement of other comprehensive income

Adjustments due to changes in financial assumptions	54,367	(215,049)
Experience adjustments in liabilities	113,677	(59,756)
Adjustments from changes in demographic assumptions	3,755	-
Other adjustments to Equity	(70,749)	(37,635)
	101,049	(312,440)
	(787,749)	(406,687)
Benefits paid	(787,749)	(406,687)
	1,925,687	1,688,477
Balance on 31 December		

b) Actuarial assumptions

The basic assumptions on which the actuarial study was based for the provision calculation are the following:

	2023	2022
Discount rate	3.10%	3.65%
Inflation rate	2.00%	2.80%
Salary growth rate	3.00%	3.00%
Plan duration	5.39	5.24

c) Sensitivity analysis

The sensitivity analysis that shows for each actuarial assumption how the liability of defined provisions would be affected from these changes is the following:

	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(2.57%)	2.69%	(2.49%)	2.61%
Salary growth rate (0.5% movement)	2.47%	(2.39%)	2.42%	(2.34%)
0.0% withdrawal rate	0.82%	0.00%	0.66%	0.00%

11. Income tax Expense

The Greek tax legislation and the relevant provisions are subject to interpretations from the tax authorities. The income tax statements are submitted to the tax authorities on an annual basis, but the profits or losses stated for tax reasons, remain temporarily outstanding until the tax authorities audit the tax statements and books of the taxpayer. Based on these audits, the relevant tax liabilities will be finalized.

Tax losses to the degree they are accepted by the tax authorities can offset future profits for a period of up to five years from the year they resulted from.

Income tax, as recorder in Income Statement for the years ended in 31 December 2023 and 31 December 2022 is analyzed as follows:

Amounts recognized in Income Statement

Amounts in Euro	2023	2022
Current tax	-	(4,389,706)
Changes in tax related to prior years	7,219	-
Deferred tax	(28,150)	(193,840)
Total	(20,931)	(4,583,546)

Amounts recognized at the Statement Comprehensive Income

	2023		
	Before tax	Tax (expense)/benefit	After tax
Recognized actuarial gains/(losses)	(101,049)	22,231	(78,818)
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	(649,084)	142,798	(506,285)
	(750,132)	165,029	(585,103)
	2022		
	Before tax	Tax (expense)/benefit	After tax
Recognized actuarial gains/(losses)	312,440	(68,737)	243,704
	312,440	(68,737)	243,704

According to the amendment of Article 71 of Law 4172/2013 to Article 119 of Law 4799/2021 the percentage of the advance payment to be certified in the income tax return of legal entities is set at 80% for tax years from 2021 onwards.

The Company's income tax differs from the theoretical amount that would result using the current tax rate on the Company's results. The difference is as follows:

Reconciliation of effective tax rate

Amounts in Euro		2023		2022
Accounting profit/(losses) before tax		(20,381,151)		12,973,710
Current tax calculated with the tax rates in force	(22%)	4,483,853	(22%)	(2,854,216)
Non-deductible expenses for tax purposes	(5%)	(1,005,417)	(13%)	(1,723,766)
Tax exempt income	0%	-	0%	59,089
Derecognition of previously recognised deferred tax assets	7%	(2,045,146)	-	-
Permanent Differences	10%	(1,461,439)	-	-

Change in tax from previous years	(0%)	7,219	0%	(64,653)
Tax recognized in statement of profit or loss	(0%)	(20,931)	(35%)	(4,583,546)

The corporate income tax rate in Greece was set at 22% for 2023 and 2022.

Unaudited tax years

The Company remains unaudited from tax authorities from financial year 2010 up to current year. However, according to tax legislation regarding the limitation period of the tax years, the tax administration may issue an administrative assessment, estimation or correction of tax within five (5) years of the end of the year in which the deadline for filing a declaration expires. Therefore, the Company's Management considers the tax liabilities for the financial years ended December 31, 2017 as definitive.

Furthermore, the Company has received tax compliance certificate for the fiscal years 2011 up to 2022 with an unqualified opinion from its external auditor according to Greek tax legislation (2011-2013 and according to the provisions of Article 82A of Law 2238/1994 and 2014-2022 according to the provisions of article 65A of Law 4174/2013).

In additions, based on risk analysis criteria, the Greek tax authorities may select the Company for tax audit in the context of the audits they carry out on companies that have received tax compliance certificates with the agreement of the auditor. In this case, the Greek tax authorities have the right to carry out a tax audit of the uses they choose, taking into account the work for the issue of the tax compliance certificate.

The Company has not received an audit order for the tax years 2018 to 2022 except for a partial tax audit mandate for the period 01/04/2022-29/02/2024.

For the financial year ended 31 December 2023, the work of ensuring tax compliance by the statutory auditor under the provisions of 65A of the Code of Tax Procedure (Law 4174/2013 as applicable) is under way and expected to be completed after the issuance of financial statements of 2023. During the completion of tax audit, Company's Management does not expect any additional tax liabilities other than those recorded and reflected in the Financial Statements.

Based on the above, the Company does not expect any additional taxes and surcharges in the context of the audit of Greek tax authorities for financial years 2018 up to 2023.

Deferred tax expense

The deferred tax assets and liabilities are offset when there is legally enforceable right for the current tax assets to be offset against the current tax liabilities and when the deferred income taxes concern the same tax authority. The offset amounts are the following:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Deferred tax assets	11,624,500	11,424,627
Deferred tax liabilities	(6,441,712)	(6,378,719)
Net deferred tax	5,182,788	5,045,908

The differences that create the deferred tax assets and liabilities are not expected to be reversed at the following year.

The changes in deferred assets and liabilities within the year without taking into account the balances offset in the same tax authority are the following:

<i>Amounts in Euro</i>	Balance on 1 January 2022*	Profit or Loss Statement	Statement of other comprehensive income	Balance on 31 December 2022*
Tangible assets and investments property	(5,866,967)	(70,763)	-	(5,937,730)
Intangible assets	(6,343)	(65,581)	-	(71,924)
Rights of use assets	(612,786)	243,919	-	(368,868)
Lease liabilities	654,256	(252,674)	-	401,582
Provisions	(197)	-	-	(197)
Employee benefits	297,597	142,605	(68,737)	371,465
Thin capitalization	10,770,278	(120,600)	-	10,649,679
Deferred income	77,881	(77,881)	-	-
Total	5,308,485	(193,840)	(68,737)	5,045,908

<i>Amounts in Euro</i>	Balance on 1 January 2023	Profit or Loss Statement	Statement of other comprehensive income	Balance on 31 December 2023
Tangible assets and investments property	(5,937,730)	(119,061)	-	(6,056,790)
Intangible assets	(71,924)	(75,002)	-	(146,926)
Rights of use assets	(368,868)	131,068	-	(237,799)
Lease liabilities	401,582	(140,918)	-	260,664
Provisions	(197)	-	-	(197)
Employee benefits	371,465	29,955	22,231	423,651
Thin capitalization	10,649,679	(2,045,146)	-	8,604,532
Derivatives	-	-	142,798	142,798
Carryforward tax loss	1	2,187,581	-	2,187,582
Total	5,045,908	(28,150)	165,029	5,182,787

*The comparative amounts have been restated due to the change in IAS 12 Income Taxes: Deferred tax related to Assets and Liabilities arising from single transaction (Amendments to IAS 12).

In 2014, the provisions of No. 49 of Law 4172/2013 on thin capitalization were applied for the first time according to which, the limit of deduction of excess interest expenses, is set as a specific percentage of the tax EBITDA of each Company (30% after 2016).

The Company has recognized deferred tax asset of EUR 8,604 thousand as of 31 December 2023 for surplus interest expense that can be offset against future tax profits without time limitation.

Also, the Company has recognized a deferred tax asset of EUR 2,187 thousand at December 31, 2023 for tax losses expected to be offset against future tax profits over the following 5 years.

12. Inventories

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Merchandise	8,633,113	13,883,074
Finished goods	12,955,567	12,381,376
Semi-finished goods	3,686,189	4,477,036
By-products & scrap	45,687	35,607
Raw and auxiliary materials, consumables, packaging materials	24,109,041	27,699,264
Spare Parts	6,694,460	6,242,580
Total	56,124,057	64,718,936
Less: revaluation difference in Net Realisable Value		
Merchandise	-	(108,109)
Finished goods	-	(686,553)
Semi-finished goods	-	(171,018)
Total	-	(965,679)
Total	56,124,057	63,753,257

The inventories' cost recorded as expense at the cost of sales amounts to Euro 407,229 thousand (2022: 552,672 thousand). Refer to note 8.

13. Trade and other receivables

Trade and other receivables are analyzed as follows on 31 December 2023 and 2022:

<i>Amounts in Euro</i>		31.12.2023	31.12.2022
Trade receivables		35,900,387	36,076,426
Cheques and notes receivables & cheques overdue		20,991,048	29,409,546
Trade receivables from related parties	27	69,227,715	62,659,877
Less: Impairment provisions		(7,417,357)	(7,331,698)
Net receivables from customers		118,701,794	120,814,151
Other downpayments		1,954,041	276,485
Current tax claims		4,758,459	3,676,755
Other receivables from related parties	27	161,318	51,294
Other debtors		25,162,389	10,821,693
Receivables from dividends		-	144,000
Less: Impairment losses		(2,337,351)	(2,337,351)
Total current trade and other receivables		148,400,651	133,447,028
Non-current receivables from related parties		15,085,683	15,039,156
Other non-current receivables		76,472	667,939
Total receivables		163,562,806	149,154,123

The increase in other receivables is due to increased revenues from auctions of greenhouse gas emission allowances for 2023 and increased settlements for 2022 and 2021 presented as a deduction in energy expenses.

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Contract assets from Related Parties	1,049,980	322,616
Total	1,049,980	322,616

Contract assets as at 31.12.2022 were invoiced in full during 2023.

The trade and other receivables are expected to be collected within a year from the reporting date of the Financial Statements, excluding amount of 15,162,155 Euros that concerns long-term receivables from related parties and guarantees provided to third parties, in the context of the Company's activities with maturity date after 2023.

The change in impairment losses of the trade and other receivables is analyzed as follows:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Balance on 1 January	(9,669,049)	(9,680,072)
Impairment loss on trade receivables	(85,659)	-
Impairment (charge) / reversal on provision for trade receivables	-	11,024
Balance on 31 December	(9,754,707)	(9,669,049)

14. Cash and Cash Equivalents

The Cash and Cash Equivalents of the Company are analyzed as follows for 31 December 2023 and 2022:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Cash in hand and at banks	2,778	1,750
Short – term bank deposits	1,696,698	14,798,603
Total	1,699,476	14,800,352

Credit rating at cash equivalents based on credit rating company Moody's

The creditworthiness of the banks that the Company cooperates with, was as follows on 31 December 2023:

<i>Amounts in Euro</i>	31.12.2023
A1	1.194
B3	130.839
Ba1	1.147.092
Baa3	417.513
Unrated	60
Total	1,696,698

15. Tangible assets

<i>Amounts in Euro</i>	Fields-Plots	Buildings	Machinery	Transportation Equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance on 1 January 2022	11,482,891	28,815,731	152,049,257	659,433	7,592,592	1,487,933	202,087,838
Additions	-	314,420	1,436,272	149,383	316,990	2,669,206	4,886,272
Disposals	-	-	-	(848)	(8,273)	-	(9,121)
Write offs	-	-	(242,553)	-	-	-	(242,553)
Reclassifications	-	263,672	852,604	134,651	-	(1,250,927)	-
Balance on 31 December 2022	11,482,891	29,393,823	154,095,581	942,620	7,901,309	2,906,212	206,722,435
Accumulated Depreciation							
Balance on 1 January 2022	-	(17,641,018)	(110,706,701)	(487,278)	(7,210,777)	-	(136,045,773)
Depreciation of the period	-	(482,827)	(2,173,758)	(42,580)	(214,223)	-	(2,913,389)
Disposals	-	-	-	848	5,164	-	6,011
Write offs	-	-	77,487	-	-	-	77,487
Balance on 31 December 2022	-	(18,123,845)	(112,802,972)	(529,010)	(7,419,837)	-	(138,875,664)
Carrying amount as of 31 December 2022	11,482,891	11,269,978	41,292,609	413,610	481,472	2,906,212	67,846,771

<i>Amounts in Euro</i>	Fields-Plots	Buildings	Machinery	Transportation Equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance on 1 January 2023	11,482,891	29,393,822	154,095,581	942,620	7,901,309	2,906,212	206,722,435
Additions	-	195,423	1,728,096	65,327	350,439	9,505,766	11,845,050
Disposals	-	-	-	(20,130)	(1,209)	-	(21,338)
Write offs	-	-	(83,293)	-	(1,750)	-	(85,043)
Reclassifications	-	527,446	517,589	86,491	83,549	(1,215,075)	-
Balance on 31 December 2023	11,482,891	30,116,691	156,257,973	1,074,309	8,332,337	11,196,902	218,461,103
Accumulated Depreciation							
Balance on 1 January 2023	-	(18,123,846)	(112,802,972)	(529,010)	(7,419,837)	0	(138,875,665)
Depreciation of the period	-	(512,894)	(2,354,531)	(52,158)	(266,063)	0	(3,185,646)
Disposals	-	-	-	20,130	1,209	0	21,338
Write offs	-	-	29,887	-	1,750	0	31,637
Balance on 31 December 2023	-	(18,636,739)	(115,127,616)	(561,039)	(7,682,941)	0	(142,008,334)
Carrying amount as of 31 December 2023	11,482,891	11,479,953	41,130,357	513,270	649,396	11,196,902	76,452,770

The additions mainly concern mechanical equipment to improve the productivity of the Thessaloniki plant.

The Company believes that all of the assets meet the criteria to be considered as a Cash Generating Unit.

Property, plant and equipment are tested for impairment when events and circumstances indicate that their depreciable value may no longer be recoverable. If the carrying amount of property, plant and equipment exceeds its recoverable amount, the excess amount represents an impairment loss, which is charged directly to the income statement as an expense.

In 2023, due to significant losses of the period, the Company proceeded with an asset impairment exercise that did not result in an impairment as the recoverable amount as determined using the discounted cash flow method is higher than the carrying value of the assets.

16. Right of Use assets

<i>Amounts in Euro</i>	Fields-Plots	Machinery	Transportation equipment	Total
Cost				
Balance on 1 January 2022	21,604	4,102,206	1,169,250	5,293,061
Additions	41,677	-	578,109	619,786
Terminations	-	-	(179,962)	(179,962)
Balance on 31 December 2022	63,282	4,102,206	1,567,397	5,732,884
Accumulated depreciation				
Balance on 1 January 2022	21,604	(1,995,668)	(484,305)	2,501,577
Depreciation of the period	(4,321)	(665,223)	(237,339)	(906,883)
Terminations	-	-	73,309	73,309
Balance on 31 December 2022	(25,926)	(2,660,890)	(648,335)	(3,335,151)
Carrying amount on 31 December 2022	37,356	1,441,316	919,061	2,397,733

<i>Amounts in Euro</i>	Fields-Plots	Machinery	Transportation equipment	Total
Cost				
Balance on 1 January 2023	63,282	4,102,206	1,567,397	5,732,884
Additions	-	-	1,148,064	1,148,064
Terminations	-	-	(38,594)	(38,594)
Balance on 31 December 2023	63,282	4,102,206	2,676,866	6,842,354
Accumulated depreciation				
Balance on 1 January 2023	(25,926)	(2,660,890)	(648,335)	(3,335,151)
Depreciation of the period	(7,471)	(665,223)	(388,613)	(1,061,307)
Terminations	-	-	19,991	19,991
Balance on 31 December 2023	(33,397)	(3,326,113)	(1,016,957)	(4,376,467)
Carrying amount on 31 December 2023	29,885	776,093	1,659,909	2,465,887

17. Intangible assets

<i>Amounts in Euro</i>	Software	Other	Total
<u>Cost</u>			
Balance on 1 January 2022	3,576,305	-	3,576,305
Additions	616,229	-	616,229
Balance on 31 December 2022	4,192,534	-	4,192,534
<u>Accumulated Depreciations</u>			
Balance on 1 January 2022	(991,460)	5	(991,455)
Depreciations of the period	(347,151)	-	(347,151)
Balance on 31 December 2022	(1,338,611)	5	(1,338,606)
Carrying Amount on 31 December 2022	2,853,923	5	2,853,928

<i>Amounts in Euro</i>	Software	Other	Total
<u>Cost</u>			
Balance on 1 January 2023	4,192,534	-	4,192,534
Additions	527,232	-	527,232
Balance on 31 December 2023	4,719,766	-	4,719,766
<u>Accumulated Depreciations</u>			
Balance on 1 January 2023	(1,338,611)	5	(1,338,606)
Depreciations of the period	(376,905)	-	(376,905)
Balance on 31 December 2023	(1,715,516)	5	(1,715,511)
Carrying Amount on 31 December 2023	3,004,250	5	3,004,255

In 2023, software additions relate to installation of software for Integrated Warehouse System in order to reduce cost and increase productivity as well as the installation of software for improvement of business planning (Integrated Business Planning System) and the installation of the single platform for the management and monitoring of the Company's investment projects (Enterprise Project Portfolio Management) in order to better manage projects in terms of cost and schedule.

18. Investments in property

<i>Amounts in Euro</i>	2023	2022
Cost		
Balance on 1 January	4,030,507	4,030,507
Balance on 31 December	4,030,507	4,030,507
Accumulated Depreciations		
Balance on 1 January	(2,918,458)	(2,866,261)
Depreciations of the period	(52,196)	(52,196)
Balance on 31 December	(2,970,653)	(2,918,457)
Carrying amount on 31 December	1,059,855	1,112,050

Real estate investments relate to industrial buildings which the Company leases to its subsidiary ERLIKON.

19. Investments in subsidiaries

The movement of investments in subsidiaries is as follows:

<i>Amounts in Euro</i>	2023	2022
Balance on 1 January	85,829,249	134,427,937
Sales	-	(42,757,500)
Impairments	-	(5,841,188)
Balance on 31 December	85,829,249	85,829,249

The subsidiaries are presented in the below table with direct and non-direct participation percentages:

Company Name	Country of establishment	Acquisition Cost	Accumulated Impairment	Balance at 31.12.2023	Percentage of Direct Participation 31.12.2023	Percentage of Direct Participation 31.12.2022	Percentage of Direct and Indirect Participation 31.12.2023	Operating segment
SOVEL SA ERLIKON	Greece	64,421,608	-	64,421,608	64.01%	64.01%	64.40%	Steel
WIRE PROCESSING SA	Greece	9,074,636	-	9,074,636	99.18%	99.18%	99.18%	Steel
ETIL SA.	Greece	1,650,608	-	1,650,608	100.00%	100.00%	100.00%	Steel
PRAXIS SA	Greece	80,600	-	80,600	61.00%	61.00%	61.00%	Steel
SIDEROM STEEL SLR	Romania	8,685,526	(500,000)	8,185,526	100.00%	100.00%	100.00%	Steel
SIDERAL S.H.P.K.	Albania	8,475,500	(6,341,188)	2,134,312	99.45%	99.45%	99.45%	Steel
STOMANA ENGINEERING S.A.	Bulgaria	281,959	-	281,959	1.00%	1.00%	100.00%	Steel
DOJRAN STEEL DOOEL	Republic of North Macedonia	-	-	-	-	-	64,01%	Steel
PRAKSIS BG	Bulgaria	-	-	-	-	-	61,00%	Steel
ANTIMET	Greece	-	-	-	-	-	76,33%	Steel
Total		92,670,437	(6,841,188)	85,829,249				

20. Investments in associates

<i>Amounts in Euro</i>	2023	2022
Balance on 1 January	3,045,693	8,443,141
Reclassifications to other investments	-	(1.780.686)
Contribution to AMK Noval	-	(805,997)
Sales	-	(2,810,764)
Balance on 31 December	3,045,693	3,045,693

The associates of the Company are the following:

Company Name	Country of establishment	Acquisition Cost	Accumulated Impairment	Balance at 31.12.2023	Percentage Participation 31.12.2022 & 31.12.2023	Operating segment
VIENER SA	Greece	166,837	-	166,837	20.67%	Steel
METALLOURGI A ATTIKIS SA.	Greece	805,997	-	805,997	50.00%	Steel
AEIFOROS SA.	Greece	538,507	-	538,507	23.00%	Steel
DOMOPLEX LTD	Cyprus	3,234,352	(1,700,000)	1,534,352	45.00%	Steel
		4,745,693	(1,700,000)	3,045,693		

21. Share capital and other reserves

The Company's share capital on 31 December 2023 amounts to EUR 7,337,589 consisting of 1,094,740 shares of 6.70 Euros nominal value each. The Company's Share Capital remained unchanged compared to 2022.

The movement of reserves for the years 2023 and 2022 is as follows:

<i>Amounts in Euro</i>	Statutory Reserves	Hedging reserves	Special Reserves	Other fair value reserves	Tax exempt reserves	Total
1 January 2022	243,820	-	566,597	-	7,104,148	7,914,565
Redistributions	-	-	-	(6,289)	-	(6,289)
31 December 2022	243,820	-	566,597	(6,289)	7,104,148	7,908,276
1 January 2023	243,820	-	566,597	(6,289)	7,104,148	7,908,276
Investments in equity securities-change in fair value	-	(506,285)	-	-	-	(506,285)
31 December 2023	243,820	(506,285)	566,597	(6,289)	7,104,148	7,401,991

Based on Greek tax legislation, tax-free reserves are exempted from income tax, provided that they are not distributed to the shareholders.

Pursuant to Law 4172, paragraph 12, and in respect of the non-distributed or non-capitalized reserves of the legal persons referred to in Article 45 of the Code of Civil Procedure as they were formed up to 31 December 2013 and which arose as a result of their exemption pursuant to of the provisions of Law 2238/94 -from 1 January 2014 unless they are distributed or capitalized, they shall be offset at the end of each tax year with taxable losses of any kind and if they have been incurred during the last 5 years until they have been exhausted.

22. Loans and borrowings

The total Company's loans and borrowings at the reporting date was as follows:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Non-Current		
Secured Bond Issues	106,858,722	114,632,767
Unsecured Bond Issues	3,988,300	-
Lease Liabilities	1,392,855	1,565,594
Total	112,239,877	116,198,361
Current		
Secured bank loans	19,842	4,646,381
Unsecured bank loans	6,117,780	40,900
Current portion of secured bond issues	8,038,466	8,028,134
Current portion of unsecured bond issues	1,041,509	-
Recourse factoring	15,163,906	16,812,306
Lease Liabilities	1,200,928	989,479
Total	31,582,430	30,517,200
Total loans and borrowings	143,822,307	146,715,561

The maturity dates for borrowings are as follows:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Until 1 year	31,582,430	30,517,200
Between 1 and 2 years	9,251,475	8,669,613
Between 2 and 5 years	29,479,887	24,842,200
Over 5 years	73,508,515	82,686,548
Total	143,822,307	146,715,561

In accordance with the terms of the loan agreements, the Company is required to comply with financial and non-financial covenants and such compliance is monitored on an annual basis. Management has considered the measures to be taken to mitigate the risk associated with potential non-compliance and expects that in the event of non-compliance with these covenants, waivers will be granted as have been granted in the past when requested.

Loans are presented in the financial statements in accordance with their repayment schedule.

The actual weighted average interest rates at the date of the Financial Statements are as follows:

	31.12.2023	31.12.2022
Bank Debt (current) – EUR	6.92%	5.50%
Bonds – EUR	6.68%	5.01%

The increase in the borrowing rate is due to the increase in Euribor compared to 2022.

The movement of loans for the years 2023 and 2022 is as follows:

<i>Amounts in Euro</i>	Bond Loans	Bank Loans	Recourse factoring	Lease Liabilities	Total
Balance on 1 January 2022	164,530,994	41,191,877	8,714,770	2,956,192	217,393,833
New Loans/Leases	120,847,053	-	8,097,536	619,786	129,564,375
Terminations	-	-	-	(107,521)	(107,521)
Repayments	(160,957,143)	(36,504,203)	-	(913,384)	(198,374,730)
Interest expense	6,973,683	1,793,020	563,622	120,095	9,450,420
Interest repayments	(8,733,686)	(1,793,412)	(563,622)	(120,095)	(11,210,816)
Balance on 31 December 2022	122,660,901	4,687,281	16,812,306	2,555,073	146,715,561

<i>Amounts in Euro</i>	Bond Loans	Bank Loans	Recourse factoring	Lease Liabilities	Total
Balance on 1 January 2023	122,660,901	4,687,281	16,812,306	2,555,073	146,715,561
New Loans/Leases	5,000,000	19,644,500	-	1,148,063	25,792,564
Loans expenses	171,398	-	-	-	171,398
Terminations	-	-	-	(18,301)	(18,301)
Repayments	(7,957,143)	(18,290,700)	(1,648,400)	(1,091,053)	(28,987,296)
Interest expense	7,440,386	259,380	944,990	113,116	8,757,872
Interest repayments	(7,388,545)	(162,840)	(944,990)	(113,116)	(8,609,492)
Balance on 31 December 2023	119,926,997	6,137,621	15,163,906	2,593,783	143,822,307

23. Trade and other payables

The trade and other payable balance based on their current or non-current classification is as follows:

<i>Amounts in Euro</i>		31.12.2023	31.12.2022
Suppliers		48,053,876	36,708,708
Social security funds		917,415	1,040,562
Amounts due to related parties	27	193,844,531	164,386,678
Sundry creditors		1,877,844	470,774
Accrued expenses		2,564,510	3,159,394
Accrued expenses from related parties	27	349,667	9,651,741
Other taxes		1,031,567	1,001,278
Total current liabilities		248,639,411	216,419,134
Total liabilities		248,639,411	216,419,134

24. Derivatives

The following table shows the carrying amount of derivatives:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Non-current assets		
Electricity swaps	279,714	-
Total	279,714	-
Non-current liabilities		
Interest rate swaps	928,797	-
Total	928,797	-

Interest rate swaps

Borrowings at variable interest rates exposes the Company to interest rate risk (cash flow risk). The Company has entered into interest rate swaps to hedge against interest rate fluctuations by converting the floating rate of the loan to a fixed rate, thereby reducing this volatility risk.

Interest rate swaps involve the exchange, at specified dates, of amounts of money equal to the difference between a contractual fixed interest rate calculated on a principal amount and a variable interest rate calculated on the same principal amount. By carefully selecting the floating rate and the principal of the swap, a floating-rate loan is in fact converted into a fixed-rate loan.

These derivatives are classified as 'level 2' financial instruments

The maturity and notional value of the interest rate swaps held by the Company correspond to the maturity and notional value of the underlying assets/liabilities (hedged items).

Power purchase agreements

During 2023, the Company entered into a long-term power purchase agreement ("PPA") backed by various renewable energy assets ("renewable energy assets") to reduce its exposure to energy price volatility.

The PPA provides for two different arrangements involving physical delivery of electricity in the first two years (period A), with financial settlement of the difference between the fixed price of the PPA and the electricity market price, and non-physical delivery of renewable electricity thereafter and until the end of the PPA (period B), as generated by specific renewable energy assets (e.g. photovoltaic installations) not yet built, with financial settlement of the difference between the fixed price of the PPA and the electricity market price.

Period A of the PPA has been assessed, in accordance with IFRS 9, as an own-use agreement and has been accounted for as an executory contract, as it includes a pricing mechanism that is considered to be closely related to the risks of the power purchase agreement.

Period B of the PPA was assessed to include a derivative financial instrument as it represents a power swap derivative with no option as it is not considered to be closely related to the power purchase agreement.

On initial recognition, the fair value of this embedded derivative without option is zero, reflecting the adjustment incorporated into the fair value of the embedded derivative of the PPA on 'day one' in accordance with IFRS 9 B4.3.

The fair value of the derivative financial instruments resulting from the Power Purchase Agreement (PPA), which relates to power swaps entered into during 2023, amounts to EUR 0.3 million. These derivatives are classified as "level 3" financial instruments and meet the criteria for an eligible hedging instrument in a cash flow hedge. Therefore, the effective portion of the change in fair value of this derivative is recognized in the "hedging reserve" through the Statement of Comprehensive Income.

The valuation techniques and related assumptions are analysed as follows :

Type	Valuation technique	Significant unobservable input	Correlation between key unobservable inputs and fair value measurement
Interest rate swaps	Market comparison technique: Fair values are based on prices provided by the brokers with whom the Company cooperates.	-	-

Electricity swaps Probability-weighted fair value based on the discounting of expected future cash flows resulting from the Power Purchase Agreement (PPA).

- Projected energy efficiency assumption (i.e. P50) for electricity generation from specific RES included in the relevant contracts.
- Probabilities associated with each scenario as to which RES will be operated.
- Counterparty credit risk used as an additional element in determining the discount rate.
- The estimated fair value will increase/(decrease) based on the development of future electricity prices & the difference between these prices and the fixed price provided for in the relevant contract.

25. Financial instruments

The analysis of the financial risks the Company is exposed to, and which are described at the note 5.1 is as follows:

a. Credit Risk

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Trade and other receivables	163,562,806	149,154,123
Contract assets	1,049,980	322,616
Total	164,612,787	149,476,740
<i>Less:</i>		
Down payments	(1,954,041)	(276,485)
Current tax claims	(4,758,459)	(3,676,755)
Other receivables	(25,162,389)	(10,821,693)
Total	(31,874,889)	(14,774,934)
Financial assets with credit risk	132,737,897	134,701,806

Ageing analysis of trade receivables and contract assets

31.12.2023

<i>Amounts in Euro</i>	Balances prior impairment	Impairment on Trade receivables	Balance after impairment on trade receivables
Neither past due nor impaired	91,522,602	(426,980)	91,095,622
Past due in days	-	-	-
-0-90	3,736,871	-	3,736,871
-90-180	14,005,400	-	14,005,400
-180-360	21,971,205	(408,485)	21,562,720
->360	11,256,526	(8,919,242)	2,337,284
Total	142,492,604	(9,754,707)	132,737,897

31.12.2022

<i>Amounts in Euro</i>	Balances prior impairment	Impairment on Trade receivables	Balances after impairment on trade receivables
Neither past due nor impaired	102,294,533	(314,710)	101,979,822
Past due in days	-	-	-
- 0-90	7,803,905	-	7,803,905
- 90-180	19,110,231	-	19,110,231
- 180-360	6,606,649	(798,802)	5,807,847
- >360	8,555,537	(8,555,536)	0
Total	144,370,855	(9,669,049)	134,701,806

The allowance for expected credit losses for trade receivables and contract assets are calculated at individual 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 in macroeconomic factors effecting the credit risk, such as country risk and customers' industry related risks. Expected loss rates are updated at every reporting date.

Part of the Company's trade receivables are insured either through letters of guarantee or with an insurance company.

The insured balances before impairment provisions are presented below:

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Not insured balances with related parties	85,524,697	78,072,944
	7,159,359	7,106,870
Balances fully or partially in default		
Insured balances	32,628,186	35,956,829
Not insured balances	17,180,362	23,234,212
Total	142,492,604	144,370,855

Analysis of the allowance on the above balances

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Not insured balances with related parties	(1,720,810)	1,763,131
Balances fully or partially in default	(7,159,359)	7,106,870
Insured balances	(3,710)	(3,522)
Not insured balances	(870,829)	(795,526)
Total	(9,754,707)	(9,669,049)
Financial assets entailing credit risk	132,737,897	134,701,806

The Company's historical losses amount to less than 1% of sales and are calculated based on actual losses for the years 2018 to 2022 divided by total sales for the years 2018 to 2022.

For intercompany customers, the Company calculates expected credit losses based on the credit risk of the ultimate parent company. For 2023 and 2022, no additional provision was recorded for intercompany receivables due to an insignificant amount arising from the assessment performed.

b. Liquidity risk

The following table summarizes the maturity dates of financial liabilities at 31.12.2023 and 31.12.2022 based on payments under the related contracts at unmatured prices.

<i>Amounts in Euro</i>		2023				
	Balance 31.12.2023	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank loans	21,301,528	21,301,528	-	-	-	21,301,528
Bond issues	119,926,997	17,095,884	16,406,067	47,299,241	82,366,047	163,167,239
Leases liabilities	2,593,783	1,298,521	619,023	877,102	-	2,794,647
Contract liabilities	879,949	879,949	-	-	-	879,949
Trade and other payables	248,639,411	248,639,411	-	-	-	248,639,411
Derivatives	928,797	-	928,797	-	-	928,797
Total	394,270,465	289,215,293	17,953,888	48,176,343	82,366,047	437,711,571

<i>Amounts in Euro</i>		2022				
	Balance 31.12.2022	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Bank loans	21,499,587	21,499,587	-	-	-	21,499,587
Bond issues	122,660,901	14,087,865	13,635,442	39,067,581	93,305,207	160,096,095
Leases liabilities	2,555,073	1,077,013	1,029,562	596,955	-	2,703,530
Contract liabilities	1,699,434	1,699,434	-	-	-	1,699,434
Trade and other payables	216,241,148	216,241,148	-	-	-	216,241,148
Total	364,656,143	254,605,047	14,665,004	39,664,537	93,305,207	402,239,794

c. Foreign exchange rate risk

<i>Amounts in Euro</i>		2023			
	EUROS	USD	GBP	Other	Total
Trade and other receivables	163,561,601	-	1,205	-	163,562,806
Contract assets	1,049,980	-	-	-	1,049,980
Cash and cash equivalents	1,691,514	7,962	-	-	1,699,476
Total assets	166,303,096	7,962	1,205	-	166,312,263

Loans and borrowings and lease liabilities	143,822,307	-	-	-	143,822,307
Trade and other payables	248,606,311	33,100	-	-	248,639,411
Contract liabilities	879,949	-	-	-	879,949
Total liabilities	393,308,568	33,100	-	-	393,341,668
Net total risk	(227,005,472)	(25,138)	1,205	-	(227,029,405)

<i>Amounts in Euro</i>	2022				Total
	EUROS	USD	GBP	Other	
Trade and other receivables	149,152,919	-	1,205	-	149,154,123
Contract assets	322,616	-	-	-	322,616
Cash and cash equivalents	14,799,332	1,020	-	-	14,800,352
Total assets	164,274,867	1,020	1,205	-	164,277,092
Loans and borrowings and lease liabilities	146,715,561	-	-	-	146,715,561
Trade and other payables	216,386,034	33,100	-	-	216,419,134
Contract liabilities	1,699,434	-	-	-	1,699,434
Total liabilities	364,801,029	33,100	-	-	364,834,129
Net total risk	(200,526,161)	(32,080)	1,205	-	(200,557,037)

The amounts presented at the column "EUROS" are included for total agreement purposes.

The exchange rates used per year are the following:

	Exchange rate in Euro on	
	31/12/2023	31/12/2022
USD	1.10500	1.06661
GBP	0.869050	0.8869

Sensitivity analysis

<i>Amounts in Euro</i>	Profit or loss	
	Strengthening	Weakening
2023		
USD (10% movement)	2.285	(2.793)
GBP (10% movement)	(110)	134
2022		
USD (10% movement)	2.916	(3.564)
GBP (10% movement)	(110)	134

d. Interest Rate Risk

<i>Amounts in Euro</i>	Profit or loss	
	Increase by 0.25%	Decrease by 0.25%
Impact in Euro on 31.12.2023		
Financial instruments of variable rate	(353,071)	353,071
Impact in Euro on 31.12.2022		
Financial instruments of variable rate	(360,401)	360,401

26. Contingent liabilities

The Company has contingent liabilities analyzed as follows:

<i>Amount in Euro</i>	31.12.2023	31.12.2022
Guarantees to secure liabilities to suppliers	5,057,386	4,022,629
Guarantees to secure the good performance of contracts with clients	611,941	611,941
Mortgages and statutory notices of mortgage issued against lots & buildings	192,001,645	186,801,666
Pledges on inventory	40,000,000	40,000,000
Guarantees for factoring with recourse	15,461,517	19,627,312
Other Liabilities	55,622,000	8,266,000
Total	308,754,488	259,329,547

Granted mortgages and prenotations (land and buildings) relate to collaterals for bond loan.

The pledges on inventory amount is collateral for bond loan.

Other liabilities relate to loans to related parties guaranteed by the Company.

At the Balance sheet date there are no significant pending court cases against the Company.

The general assessment of the legal advisers on these cases is that no obligation to pay at the Company's future expense is expected to arise, and due to this reason no provision has been made.

27. Transactions with related parties

Related parties of the Company are considered the subsidiaries and associates of the Company, the executive Members of its Board of Directors as well as the subsidiaries and associates of VIOHALCO Group. These transactions are analyzed as follows:

<i>Amount in Euros</i>	2023	2022
Sales of goods		
Subsidiaries	26,790,044	47,698,867
Associates	1,113,870	3,561,346
Other Related Parties	140,866,685	197,358,434
	168,770,599	248,618,648
Sales of services		
Subsidiaries	8,695,279	7,503,084
Associates	354,424	281,682
Other Related Parties	2,055,330	1,704,554
	11,105,034	9,489,320
Sales of fixed assets		
Associates	400	-
Other Related Parties	-	3,132
	400	3,132
Purchases of goods		
Subsidiaries	257,272,528	322,727,638
Associates	2,509,815	13,274,416
Other Related Parties	48,502,004	65,013,129
	308,284,347	401,015,184
Purchases of Services		
Parent	117,566	221,514
Subsidiaries	1,087,235	2,286,795
Associates	1,046,117	2,289,897

Other Related Parties	12,363,189	10,414,253
	14,614,107	15,212,459
Purchases of fixed assets		
Subsidiaries	3,797,870	549,970
Other Related Parties	144,344	492,649
	3,942,214	1,042,619

<i>Amounts in Euro</i>	2023	2022
Remuneration of Management and Board Members		
Remuneration of Management and Board Members included in the employee benefits	816.345	676,181
	816.345	676,181

<i>Amounts in Euro</i>	31.12.2023	31.12.2022
Receivables from Related Parties		
Subsidiaries	9,564,652	12,786,934
Associates	119,424	603,072
Other Related Parties	74,790,641	64,410,493
	84,474,717	77,800,498
Liabilities to related parties		
Parent	-	167,264
Subsidiaries	152,618,369	142,270,642
Associates	3,057,250	2,839,199
Other Related Parties	38,518,581	29,053,781
	194,194,199	174,330,887

<i>Amounts In Euro</i>	31.12.2023	31.12.2022
Contract assets from related parties		
Subsidiaries	849,124	213,348
Associates	17,997	15,219
Other related parties	182,860	94,050
	1,049,980	322,616

Income from dividends

During the year the Company had income from dividends from the following companies:

Company Name	Amount (Euro)
VIENER S.A	517,179
METALLOURGIA ATTIKIS S.A	15,120
DOMOPLEX LTD	133,420
	665,719

28. Events after the date of the Financial Position Statement

There are no events subsequent to the reporting date of the Financial Statements that have a material effect on the Company's asset structure and financial position and to which require reporting under IFRS.

Athens 3 July 2024

Vice – Chairman of
the BoD

Authorized Director

Chief Financial Officer

Gurulian Aris
ID No AP 075552

Karadeloglou Antonios ID
No. AK 22152

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