

NEXANS HELLAS SINGLE MEMBER S.A.
Companies Reg. No.:2176/06/B/86/06, General Commercial Registry No.000282101000
15, Messoghion Av. – GR-115 26 Athens
(Amounts in all tables and notes are in thousand euro, unless otherwise indicated)

NEXANS HELLAS SINGLE MEMBER S.A.

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2020

UNOFFICIAL TRANSLATION

NEXANS HELLAS SINGLE MEMBER S. A.
Industrial Société Anonyme
Companies Reg. No.: 2176/06/B/86/06
General Commercial Registry No.000282101000
Registered office: 15, Messoghion Av. – GR-11526
Athens

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NEXANS HELLAS SINGLE MEMBER S. A.

**STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS
(pursuant to Article 4(2) of Law 3556/2007)**

The undersigned: Athanasios Gavriil - Vice-Chairman of the Board of Directors
& Chief Executive Officer
George Chryssomallis, Board of Directors Member,
hereby declare by virtue of Article 4(2)(c) of Law 3556/2007) that:

- The attached annual Financial Statements that have been prepared in line with the applicable International Financial Reporting Standards give a fair view of assets and liabilities, equity and operating results of the Company for the period 01.01-31.12.2020.
- The attached annual Financial Report of the Board of Directors gives a fair view of the development, performance and position of the Company including a description of the principal risks and uncertainties it faces.

Athens, 03 September 2021

The Vice-Chairman of the Board of Directors
& Chief Executive Officer:

Athanasios Gavriil

Board of Directors Member:

George Chryssomallis

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NEXANS HELLAS SINGLE MEMBER S.A.

**(Companies Register No. 2176/06/B/86/06, General Electronic Commercial Registry
No.000282101000)**

ANNUAL REPORT OF THE BOARD OF DIRECTORS

**(pursuant to the provisions of Codified Law 4548/2018 for the year
from 1 January 2020 to 31 December 2020)**

Ladies and Gentlemen shareholders,

We have the honour to present you the Annual Financial Report that concerns the 46th accounting period from 01.01.2020 to 31.12.2020 and includes: the Financial Statements as at 31st December 2020, namely the Statement of Financial Position, the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the Financial Statements together with this report and the statements of the Board of Directors, and to ask for your approval.

This report includes brief information on NEXANS HELLAS Single-Member S. A., financial data aiming to provide general information about the financial position, results and changes that took place during 2020, as well as important events that took place during the same period and had an effect on the company's financial statements. The main risks and uncertainties which the company may face during the fiscal year 2020 are described and all the transactions carried out between the Company and its related parties are set forth.

A) Business activity and financials in 2020.

During 2020 our company's turnover was reduced compared to 2019 due to the global consequences of the COVID-19 pandemic. Despite the significantly reduced business activity in the construction sector (as a result of the adverse economic and social circumstances) the company implemented a business restructuring plan and managed to record profits.

More specifically, at current metal prices, the sales of the year amounted to €90 million thus being decreased by 9,3% compared to the previous year, while if we consider sales at standard metal prices, the decrease in sales volume reached 8,7% compared to 2019. In order to smooth out the effect of fluctuations in metal purchase price and present the actual development of sales, the company adjusts the level of sales by using a fixed price for basic metals, i.e. copper and aluminium.

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Turnover at current metal prices (amounts in thousand Euros)

	Dec-20	% of sales	Dec-19	% of sales	Change %
Domestic	56.035	62,3%	45.228	45,6%	23,9%
Foreign	33.908	37,7%	53.915	54,4%	-37,1%
Total	89.943	100,0%	99.143	100,0%	-9,3%

Turnover at standard metal prices (amounts in thousand Euros)

	Dec-20	% of sales	Dec-19	% of sales	Change %
Domestic	53.083	62,1%	39.853	42,6%	33,2%
Foreign	32.411	37,9%	53.795	57,4%	-39,8%
Total	85.494	100,0%	93.648	100,0%	-8,7%

During 2020, the Company delivered a number of orders, the most important of which were the following:

- Domestic general market: electric installation and fibre-optic cables
- To Hellenic Electricity Distribution Network Operator S.A.(HEDNO S. A.) – low and medium voltage power cables
- To OTE (Greek Telecom) - copper and fibre-optic cables
- Foreign markets: mainly to the European Union and Africa.

Sales in the General Domestic Market, except for public utilities, dropped because the construction activity was at extremely low levels.

The company's sales to HEDNO were considerably increased due to the execution of an important contract for the supply of power cables while sales to OTE remained stable.

The company's sales to other Group companies and to other international customers dropped due to the consequences of the global recession.

It is the company's standard policy to hedge any risks arising from the fluctuations in market metal prices (i.e. copper and aluminium) by directly linking the market prices of these metals with sale prices to customers.

Company Management focused its strategic priorities on four (4) pillars:

1. creating safe working conditions, in particular due to the COVID-19 pandemic and always in accordance with the guidelines of the competent health authorities;
2. respecting the environment by reducing its energy footprint;
3. improving the competitiveness of its products, by applying new methods and procedures to production, and managing more effectively the other operations by undertaking drastic reorganisation actions aiming to increase considerably profitability;
4. maintaining a high percentage of export sales.

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Company premises:

- Registered office: 15, Messoghion Av., GR-115 26 Athens
- Lamia Plant: Aghia Marina, GR-353 00 Stylida, Fthiotida
- Athens Branch: 50, Ifigenias St. & Pefkon St., GR-141 22 Neo Iraklio
- Thessaloniki Office: 12, Fragkon St., GR-546 26 Thessaloniki

The Company also keeps its partnership with a distributor on the island of Crete (Iraklio Industrial Zone, 4th Building Block, Street I, GR-71601) and in Athens for the storage and distribution of products to meet all needs on the domestic market.

During 2020, the machinery and building premises of our plant in Lamia (Aghia Marina) performed satisfactorily.

As part of the aforementioned drastic reorganisation and streamlining of its operations, the Company took into account market needs, the high level of customer service, optimum management of the operating cost, and partnered with an external warehousing and distribution network for the region of Attica.

Moreover, the Company's branch accommodating Sales Management in Athens was relocated to a new modern building. The office in Thessaloniki, as well as the distribution centre in Crete (Iraklio) maintained their high level of customer service.

OPERATIONS

The sales of the company during 2020 at current metal prices amounted to €90 million in comparison with €99 million in 2019.

Operating earnings before tax, interest, depreciation and amortisation in 2020 recorded a considerable change and amounted to €1.8 million compared to losses of €1,5 million in 2019.

As mentioned in detail in the chapter "Price Fluctuation Risk", the company takes the necessary steps in order to hedge the potential risks from the fluctuation in the prices of raw materials (copper and aluminium). Based on the rules of the International Financial Reporting Standards, the company is also obliged to carry out an accounting assessment of all open contracts traded on the metal exchange.

FINANCIAL FIGURES	Dec-20	Dec-19
Sales at current metal prices	89.943	99.143
Sales at standard metal prices	85.494	93.648
Net earnings before interest, taxes and depreciation	1.830	-1.471
<i>Percentages of sales at standard metal prices</i>	<i>2,1%</i>	<i>-1,6%</i>

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FINANCIAL ACTIVITY RATIOS

Like every year, and having regard to the circumstances, the company focused its efforts on coordinating efficiently all the units concerned, towards achieving the minimum time between the order itself, the completion of the production process and delivery to the customer.

In December 2019, the inventory turnover ratio in days stood at 47 and in December 2020 it was 31.

In December 2019, the receivables turnover ratio in days stood at 86 and in December 2020 it was 54.

RATIOS	Dec-20	Dec-19
Liquidity <i>(Current assets/ Short-term liabilities)</i>	1,27	1,20
Capital Structure <i>(Debt/ Equity)</i>	0,81	1,09
Inventory turnover in days <i>(Inventory/ Sales) x 365 days</i>	31	47
Equity return <i>(Net profits/Equity)</i>	-1,2%	-12,4%
Receivables turnover in days <i>(Receivables/Sales)x365 days</i>	54	86

SOCIAL RESPONSIBILITY, ENVIRONMENT, HEALTH AND SAFETY

Human Rights: The company does not allow any type of discrimination with respect to nationality, race, sex, religion, age, sexual orientation, marital status, disability, political or philosophical beliefs and trade unionism.

Labour standards: The first and foremost priority of Nexans Hellas is to secure a work environment abiding by the highest health and safety specifications. The plant has a Safety Technician and an Occupational Physician while operating an Occupational Health and Safety Committee, consisting of employee representatives. The company made significant investments aimed at improving safety and health in the work place, while employees participate in training programmes on health and safety matters. The company is certified for health and safety management according to OHSAS 18001. We have adopted and apply locally the 15 Golden Safety Rules of our Group and we organise a Safety Day on an annual basis.

The company condemns all forms of forced or child labour and requires from its suppliers and subcontractors to behave accordingly.

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The company organises ongoing training courses for its employees as part of the Continuous Improvement Programme, while employees are evaluated and promoted on the basis of their merits, solely and exclusively according to their skills and performance.

Management of the company strives to maintain good relations with the plant's trade union, to which about half the company's personnel is affiliated, and accurately implements the applicable labour laws.

Environment: Several years ago, the company, being fully aware of its responsibility for environmental protection and sustainable development, developed and applies consistently an environmental management system that is monitored by the central services of Nexans Group in cooperation with external specialised advisers, for which the company has been awarded the EHP (Environment Highly Protected) label. To obtain this label, environmental management and environmental risk management systems must be in place. In the context of this system, Nexans Hellas takes all necessary measures and makes adequate investments to ensure the quality and safety of its manufactured products and production processes applied, so as to eliminate any pollution risk against the environment. The company takes all expedient steps to reduce the consumption of raw materials and energy while all material and packaging waste that arises from production processes is delivered to specialised companies and is forwarded to recycling. For this reason, the company has entered into an agreement with the Hellenic Recovery Recycling Corporation (He.R.R.Co) and has also joined the implementation of EU REACH Regulation which concerns protection from chemical toxic substances and EU RoHS Directive with respect to the content of heavy metals in the company's products. In addition, the company is a founding member of the Board for Sustainable Development falling under the Hellenic Federation of Enterprises and has obtained an Environmental Management Certificate as per ISO 14001. Finally, as part of our Group's relevant actions, at Nexans Hellas we see to the recycling of the water used in the production process, energy saving, gas emissions and copper recycling.

Other measures: Nexans Hellas adopts and is committed to rules of ethics and business conduct so as to promote free competition and avoid any involvement in situations of unfair competition or abuse of competition. The company takes all steps to avoid money laundering and takes active part in the fight against corruption in all sectors of economic and social activity. Thus, employees are prohibited from receiving and offering gifts, gratuities and any type of service related to the company's financial dealings.

The company treats all parties with whom it transacts, such as customers, suppliers, agents and other associates with respect, integrity, transparency and confidentiality. The company manages responsibly all personal data entrusted to the same by its employees and associates in compliance with applicable laws. Finally, Nexans Hellas guarantees equal treatment for all its shareholders, as well as fairness and accuracy of all published financial and business information, and explicitly prohibits the use of inside information by any party.

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RISK MANAGEMENT

The international financial environment and ongoing developments necessitate not only the monitoring of ordinary business activities but also monitoring of the risks resulting from adverse developments.

Nexans Group applies procedures for identifying and managing such risks in order to minimise them. Nexans Hellas follows faithfully the Group practice for risk management and provides continuous training to its executives in this field. Specifically:

The Board of Directors stresses that if any of the events or uncertainties described below arises, they may entail substantial adverse effects on the Company, its financial position and operating results. In addition, it is possible that the Company may also face other risks and uncertainties than those described above. Additional risks and uncertainties that are currently unknown may have an adverse impact on the company's business activities, financial position, operating results and prospects. Finally, the order in which risk factors are listed does not indicate any variation in terms of importance or the likelihood of any of these risks.

- **Risks associated to macroeconomic conditions**

Any adverse developments in the overall economic conditions in Greece may have had an adverse impact on the company and is likely that they will have a negative effect on the company's business activity, financial results and prospects.

The development of business activity, the economic situation and prospects of the company depends on the macroeconomic and political conditions prevailing in Greece.

Greece has faced and still faces major fiscal challenges and structural deficiencies in its economy which had caused concerns in the past.

Moreover, the potential important risks arising from possible adverse economic circumstances in Greece are related to the liquidity of the financial system and business entities, the collectability of their receivables, repayment of existing loan liabilities and/or the fulfilment of terms and financial ratios, the recoverability of deferred tax assets, the valuation of financial instruments, the adequacy of provisions and business continuity.

The Company's sales, results and prospects of growth depend to a large extent on the robustness of the individual operating segments; as a result, if these specific segments show a downturn, the company's sales and results could be negatively affected.

Many of the company's customers use the manufactured cables as a component of their products or in products undertaken for their customers. The Company's ability to sell its products depends on the overall economic conditions, including the users' final expenditure with respect to electricity transmission and distribution infrastructures, industrial production assets, new constructions, the building sector, information technology and the maintenance or overhaul of communication networks. During recession periods of the aforementioned segments, it is likely that the company will face a drop in its sales and results.

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- **Price risk**

The volatility of the price of copper, aluminium and other raw materials, as well as of fuels and energy could have a negative impact on the company's sales and results. The cost of copper and aluminium, i.e. the most important raw materials used by the company to manufacture its products, is subject to significant changes caused by the conditions of supply and demand in metal exchanges, weather conditions, political and economic variables, as well as other unknown and unforeseeable variables. Further, the fuels and energy required for the operation of the company's plant are also subject to significant volatility.

The core raw materials in the cables sector (copper and aluminium) concern products whose prices are quoted on the London Metal Exchange. Therefore, purchases and sales are affected by international price fluctuations. To hedge the risk from changes in metal prices, Management of the Company purchases the contained metal under the same terms applicable to sales to customers. Sales are divided into 2 categories:

A) sales based on confirmed customer orders;

B) sales based on forecasts for the domestic market.

To reduce the risk arising from the volatility of raw materials cost, the Company monitors constantly its open position in metal stock and enters into raw materials futures and forward contracts (derivatives) whenever necessary, to hedge this risk and limit the extent of its exposure to price fluctuations.

These contracts have different maturity dates, depending on the date of the expected purchase of such metals. The valuation of the company's open positions on 31 December 2020 and 31 December 2019 is as follows (amounts in thousand €):

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31 December 2020

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Copper	Buy	250	1.489	1.580	91
Aluminium	Sale	(550)	(926)	(885)	41
			563	695	132
Copper	Sale	(50)	(316)	(316)	0
Aluminium	Sale	(375)	(583)	(605)	(22)
			(899)	(921)	(22)
Total			(336)	(226)	110

31 December 2019

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Copper	Buy	150	852	821	(31)
Aluminium	Buy	(425)	(634)	(680)	(46)
Total			218	141	(77)

The above valuation profits/(losses) as well as the realised profits of closing metal futures are posted to the cost of goods sold given that the purchase cost of raw materials, in respect of which metal derivatives are concluded, is also posted to the cost of goods sold.

The copper, aluminium and fibre-optic cables market is extremely competitive and calls for major investments in research and technology and some competitors may enjoy comparative advantages. Many products of the company are manufactured according to common specifications and, therefore, may be easily replaced by competitive products. Consequently, the company is subject to competition on many markets based on the price, quality, range of product family, available stocks, timely delivery, customer service, the environmental effects of the products, as well as the company's capacity to respond promptly to its customers' needs. The company estimates that its competitors will keep on improving the design and performance of their products and will launch new products with competitive prices and features. Therefore, the company must keep on investing in product development, productivity improvement, and

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customer service and support to remain competitive. Moreover, any increase in competitive product imports could have a negative effect on the company's sales in any market.

Due to its export orientation, the company is exposed to economic, political and other risks in third countries.

In the year ended 31 December 2020, 38% of sales and 39% of receivables of the company were channelled into exports. Some countries run a greater risk in terms of eventual social and political destabilisation, international conflicts, government interventions, changes in regulatory requirements, unfavourable treatment of foreign companies, terrorist attacks, natural disasters and eventual pandemics for which they lack the necessary resources to deal with emergencies.

The economic developments in the countries where the company exports products, including future economic changes or crises (such as high inflation, considerable currency devaluation, voting of exchange control measures or capital controls), could also have adverse effects on the company's financial position and results.

The company relies on independent distributors and retailers for the non-exclusive sale of its products, who may, at their discretion, cease to buy the company's products.

The company maintains partnerships with distributors and retailers. Such distributors and retailers are under no contractual obligation to distribute the company's products on an exclusive basis or for a specific period of time. Therefore, said distributors and retailers may decide to purchase competitive products or cease to promote the company's products at any time. Any simultaneous loss of major distributors or retailers could have an impact on the company's ability to approach end users and may also impact negatively its business results. Moreover, any eventual liquidity problems of one or more major distributors or retailers could have a negative effect on the company's sales.

- **Environmental obligations could eventually have adverse effects on the Company's operation and results**

The company is subject to European and Greek laws and regulations on the protection of the environment, which govern its operation and the use, handling, disposal and restoration of environmental pollution. The environmental liability risk is linked with the company's production activities. Under certain conditions, in accordance with environmental laws, the company could be held jointly and severally liable for the restoration of any pollution from toxic substances and heavy metals in the company's facilities and in third-party sites with whom the company collaborates regarding waste disposal. The company could be also held liable for any consequences arising from human exposure to these substances or other environmental disasters. The company makes adequate investments to minimise the environmental pollution risk arising from its production process. The company has adopted the REACH regulation of the European Union with respect to protection from chemical toxic substances, and the RoHS Directive of the European Union on the content of heavy metals in its products. Nevertheless, there can be no assurance that the cost of compliance with environmental laws, EU regulations, laws and requirements on health and safety will not generate additional future expenses which could have a substantial adverse effect on the company's financial results.

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- **Credit Risk**

The company is exposed to the credit risk of customers and commercial partners and to their financial capacity to pay timely their liabilities.

Trade receivables are broken down as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Domestic customers	9.120	11.170
Foreign customers	287	5.793
Receivables from affiliated parties	5.078	6.445
Cheques receivable (post-dated)	0	1.111
	<u>14.485</u>	<u>24.519</u>
Less: provisions for doubtful debts	<u>(1.290)</u>	<u>(1.168)</u>
Total	<u>13.195</u>	<u>23.351</u>

On 31 December 2020, promptly serviced trade receivables amounted to €12.799 (€17.501 for 2019). As for the receivables remaining open beyond credit limits over 30 days, a statistic provision for doubtful debts is set up depending on the age of the receivable. On 31 December 2020, the amount of the said receivables came to €1.686 (€7.018 for 2019) and the respective provision to €1.290 (€1.168 for 2019). The total amount of receivables also includes receivables that are past due, but are not considered as doubtful. The company impairs its trade receivables when there is information or indications that imply that the collection of the relevant receivable overall or by part is not likely. The company's Management carries out a periodic re-evaluation of the adequacy of the provision for doubtful accounts, in combination with its credit policy and taking into account data from the Legal Department which arise from processing historical data and recent developments on cases the Department manages, adjusts the provision raised for doubtful receivables.

These receivables are broken down per age as follows:

	<u>31.12.2020</u>	<u>31.12.2019</u>
30-60 days	1	3.291
60-90 days	2	969
90+ days	1.683	2.657
Sub total	<u>1.686</u>	<u>6.917</u>
Cheques receivable (post dated)	0	101
Total	<u>1.686</u>	<u>7.018</u>

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The provisions for doubtful debts for the period ended on 31 December 2020 are broken down as follows:

1 January 2019	1.111
Additional Provision	<u>57</u>
31 December 2019	<u>1.168</u>
Adjusted balance 31 December 2018	<u>1.168</u>
Deletions of period	(21)
Additional Provisions of period	<u>143</u>
31 December 2019	<u><u>1.290</u></u>

The additional provision for the year is included in the Administrative and Selling expenses.

The company's policy is to enter into contracts with counterparties meeting top credit rating criteria while in the case of credit risk the company seeks more collateral. Moreover, in an attempt to restrain losses from eventual default of its customers, the company collaborates with a credit insurance company of Nexans Group through which it insures a part of its receivables from foreign and domestic customers. The amount of insurance depends on the credit rating of each customer, as evaluated by the insurance company.

Nevertheless, any negative financial results of customers and commercial partners or their negative assessments about their future income may result in them not paying in good time, paying in part or not paying at all their liabilities in order to seek a renegotiation of the contractual terms, or even withdraw from the company's commercial network, all of which could lead to an eventual drop in the company's income and impact adversely its financial results.

- **Interest rate fluctuation risk:** During the first nine months of 2020, the company received short-term financing from the affiliated company Nexans Financial Treasury Services and limited financing from the domestic market, in order to meet its current needs for working capital.

Such short-term financing was provided by the affiliated company Nexans Services at a borrowing rate established on the basis of a mix of ratios and factors, always in line with the transfer pricing rules.

- **Foreign exchange risk:** The vast majority of transactions, contracts and orders of the company are executed in Euro. For the trade receivables and liabilities made in foreign exchange, Management constantly monitors the fluctuations in exchange rates and assesses whether the respective positions must be adopted so as to hedge the resultant risks. In this context, Management enters into futures and forward contracts (derivatives) so as to limit the extent of its exposure to fluctuations of exchange rates.

- **Liquidity Risk:** Liquidity risk is dealt with by ensuring adequate cash and cash equivalents, availability of sufficient financing and by the capacity to close open positions. Due to the dynamic nature of the activities, the cash management department aims at flexible financing through authorised credit lines. The contractual maturity dates of trade and other receivables and loans refer to a period less than one year. It is also highlighted that the Share Capital Increase that took place during a previous fiscal year has had a positive effect and helped minimise the liquidity risk.

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- **Fair value:** The amounts presented in the financial statements with respect to cash, trade receivables, liabilities and loans approach their respective fair values due to their characteristics and their short-term maturity.

Fair values of derivatives are based on market valuation.

- **Capital risk management:** With respect to capital management, the company aims to ensure problem-free operation in the future so as to provide satisfactory yields to shareholders and benefits to other contracting parties as well as to ensure the ideal capital allocation at the lowest capital cost. To this effect, the company monitors consistently the working capital so as to keep external financing at the lowest possible levels.

	<i>Amounts in thousands Euro</i>	
	<u>31/12/2020</u>	<u>31/12/2019</u>
Total loans	0	13.919
Less: Cash	(8.601)	(3.578)
Net debt	(8.601)	10.341
Total equity	32.638	33.062
Total capital	24.037	43.403
Leverage ratio	-36%	24%

ORDERS

Orders backlog as at the end of 2020 amounted to €21 million, compared to the amount of €38 million at 2019 year-end. It is stressed that this backlog amount does not take into account the sales which are made over the counter.

INVESTMENTS

The value of the company's investments in fixed assets in 2020 amounted to €1,310 thousand compared to €9.393 thousand in 2019. In 2020 the depreciation amounted to €1.433 thousand.

Our investments are mainly directed to new products in order to satisfy market and customers requirements, while some investments were intended for the upgrade and/or replacement of existing production lines. A significant part of our investments concerns safety, environmental protection, material recycling and reduction in energy consumption.

It is noted that the company made a significant investment in the segment of fibre optics as detailed in the chapter "Subsequent events".

EXPENSES FOR RESEARCH, DEVELOPMENT, SALES PROMOTION AND OTHER SERVICES

Our company participates constantly in Nexans Group's Research & Development programmes. Research & Development are related to the promotion of new products and to the improvement of existing products in terms of both quality and technical capabilities. Moreover, new techniques and production methods are developed, on the one hand to increase productivity and, on the other, to introduce the use of new environment friendly material.

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In addition, the Group has elaborated major cutting-edge programmes that concern investments in environmental protection and improvement of health and safety at plants. Nexans Hellas takes part in these programmes and makes full use of the know-how provided.

The contribution of the company to the Group's global Research & Development programme and the expenses for product promotion and services for 2020 amounted to €1.774 thousand.

There are 4 Nexans Research & Development Centres entrusted with carrying out upstream research activities, in conjunction with external partners such as universities and external research centres and organisations. They work for all of Nexans' business units and are therefore fully financed by the Group. These Centres are based in France (Lyon and Lens), in Nuremberg in Germany and in Jincheon County in South Korea.

Furthermore, our above contribution to this international programme also covers the marketing and sales network established in certain countries, which leads to a better co-ordination of Group companies in these markets and will reinforce our sales.

TREASURY STOCK

On 31.12.2020 there was no treasury stock.

PERSONNEL

The company's total workforce on 31 December 2020 and 2019 was 266 and 262, respectively. As a whole, there were 22 departures and 26 new employees were hired during the financial year. Particularly note the positive balance in the employment of Nexans Hellas, at a time of sharp rise of unemployment throughout Greece.

REAL ESTATE

The land and buildings belonging to the company remained unchanged during the year.

IMPORTANT EVENTS**COVID-19**

In early 2020, the COVID-19 pandemic broke out on a worldwide scale, which gave rise to significant risks against the employees' health and safety, changes in global supply and demand, including Greece and other countries in which the company operates. The return to full economic stability depends to a large extent on the duration of the pandemic, as well as on the actions and decisions taken by the Greek and foreign governments.

A summary of the effects and mitigating measures is presented below.

NEXANS HELLAS SINGLE MEMBER S.A.**Companies Reg. No.:2176/06/B/86/06, General Commercial Registry No.000282101000**

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Health and Safety

- The first and foremost concern of the company is to ensure the health and safety of its employees and partners/visitors. Ever since the pandemic broke out, the company has remained vigilant and has not stopped working together with the competent health authorities in order to adjust the mitigating measures immediately and effectively. Meanwhile, our personnel and visitors are continuously updated and mobilised, using all technological means, in order to ensure the maximum possible effectiveness in terms of precaution.

Entrepreneurship

- The overall effect of the pandemic on the economy of each country in which the company operates, as well as the duration of the recession and lockdown measures taken on a case-by-case basis, remain uncertain. At the same time, the respective governments, at country level and within the EU on a wider scale, have taken extensive measures to support local economies and limit any potential risks of recession.
- Since the Covid-19 pandemic broke out in mid February 2020 in Greece, the resultant lockdown measures in the domestic market since end March 2020 until mid May 202 and since early November 2020 up to date have affected the segment in which the company operates and, therefore, the Company's sales. Company sales during the period from January to December 2020 (including the months when the lockdown was in effect) registered a considerable drop compared to the corresponding previous period, in line with the downward performance of the market. Also, the extensive and continuous restrictions imposed in 2020 caused an important increase in the purchase prices of raw materials on a worldwide scale. Company Management works together with the Group's services and closely monitors the respective costs and promptly changes prices if and when necessary so as to not affect its financial results. Company Management has established a multifarious set of actions which have already been put in place ever since the pandemic broke out in all operating segments such as: Health and safety, personnel management, production, supply chain, reduction of working capital, cost accounting, sales, transaction cycle, use of credit risk and liquidity risk hedging instruments to address any potential risks.
- As far as the liquidity level is concerned, the Company has taken additional measures to maintain the necessary liquidity level based on the circumstances and taking into account the support provided by the parent company, if necessary. As part of the aforementioned drastic reorganisation and streamlining of its operations, the Company took into account market needs, the high level of customer service, optimum management of the operating cost, and partnered with an external warehousing and distribution network for its products for the region of Attica. Moreover, the Company's branch accommodating Sales Management in Athens was relocated to a new modern building.
- The investment plan is regularly carried out without being affected by the impacts of the pandemic.
- The company remains focused on Group targets (as announced in February 2021) so as to become a major player in future electrification (Electrify the Future).

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SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In addition to the subsidiaries and associated companies, Management members and executives are considered to be related parties within the meaning of IAS 24. The transactions, income and expenses with related parties for the period 01.01.2020 to 31.12.2020 as well as the balances of their receivables and liabilities on 31.12.2020 are broken down in the table below.

Amounts in thousand Euro - At current metal prices

Income (sales of goods)	01/01-31/12/2020
Other affiliated parties	30.744
Total	30.744
Other affiliated parties	4
Total	4
Expenses (purchases of goods)	
Other affiliated parties	19.211
Total	19.211
Expenses (purchases of services)	
Other affiliated parties	2.415
Total	2.415
Financial expenses	
Other affiliated parties	222
Total	222
Benefits to the Management	
Fees for BoD members	178
Total	178

NEXANS HELLAS SINGLE MEMBER S.A.

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Closing balances originating from sales-purchases of goods, services, loans:

Amounts in thousand Euro - At current metal prices

Receivables from affiliated parties	31/12/2020
Other affiliated parties	5.081
Total	5.081
Payables to affiliated parties	
Other affiliated parties	8.654
Total	8.654

RESULTS - CONCLUSIONS

Dear shareholders,

We present to you the Financial Statements of NEXANS HELLAS SINGLE-MEMBER S.A. for the financial year 2020. These Financial Statements have been drawn up in accordance with the International Financial Reporting Standards, as adopted by the European Union.

The results of NEXANS HELLAS SINGLE-MEMBER S.A. for the year ended on 31.12.2020 are as follows:

	EUR Million - 2020
* Sales	89.9
* Losses before taxes	0.4
* Net losses	0.4

Finally, we wish to express our thanks to all our personnel for their outstanding cooperation. However, we mostly wish to thank our Shareholder and our customers for their full and continued confidence in our company during these challenging times.

Athens, 03 September 2021

The Board of Directors

NEXANS HELLAS SINGLE MEMBER S. A.

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(Amounts in all tables and notes are in thousand euro unless otherwise indicated)

NEXANS HELLAS SINGLE MEMBER S.A.

ANNUAL FINANCIAL STATEMENTS ACCORDING TO INTERNATIONAL FINANCIAL

REPORTING STANDARDS

AS AT 31 DECEMBER 2020

(1 January - 31 December 2020)

NEXANS HELLAS SINGLE MEMBER S. A.

Industrial Société Anonyme

Companies Reg. No.: 2176/06/B/86/06

General Commercial Registry No.000282101000

Registered office: 15, Messoghion Av. – GR-11526

Athens

NEXANS HELLAS SINGLE MEMBER S.A.

Companies Reg. No.:2176/06/B/86/06, General Commercial Registry No.000282101000

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NEXANS HELLAS SINGLE MEMBER S.A.			
<i>ANNUAL FINANCIAL STATEMENTS</i>			
INCOME STATEMENT			
FOR THE YEAR JANUARY 1st TO DECEMBER 31st 2020			
	Notes	1/1-31/12 2020	1/1-31/12 2019
INCOME:			
Net sales		89.943	99.143
Cost of goods sold	6	(84.037)	(96.653)
Gross profit		5.906	2.490
Administrative and selling expenses	7	(5.414)	(5.254)
Impairment of trade receivables	13	(143)	(57)
Other income/ (expenses)		(193)	(333)
Operating profit/(loss)		156	(3.154)
Financial income/(expenses)	8	(676)	(612)
Net financial result		(676)	(612)
Net income/(loss) from FX differences		97	(842)
PROFITS/ (LOSS) BEFORE TAX		(423)	(4.608)
Income taxes	9	17	520
NET INCOME/ (LOSS) AFTER TAX		(406)	(4.088)
Attributable to:			
Shareholders of the company		(406)	(4.088)
OTHER INCOME			
Actuarial profit/(loss) after deferred taxes		(18)	(104)
TOTAL OTHER INCOME		(18)	(104)
TOTAL OTHER INCOME OF PERIOD		(424)	(4.192)
Profit / (loss) before taxes, financial, investment results and total depreciation		1.815	(1.471)

The accompanying notes on pages 26-67 are an integral part of the financial statements.

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NEXANS HELLAS SINGLE MEMBER S.A.			
<i>ANNUAL FINANCIAL STATEMENTS</i>			
BALANCE SHEET			
31 DECEMBER 2020			
	Notes	31 December 2020	31 December 2019
ASSETS			
Long-term assets			
Tangible fixed assets	9	26.383	26.700
Assets with the right to use	11	1.177	344
Intangible fixed assets	10	160	81
Other long-term receivables		113	70
Deferred tax income	8	1.617	1.594
Total long-term assets		29.450	28.789
Current assets:			
Stocks	12	7.186	12.491
Trade receivables	13	13.195	23.351
Advance payments and other receivables	14	631	926
Derivatives	21	136	1
Cash	16	8.601	3.578
Total current assets		29.749	40.347
TOTAL ASSETS		59.199	69.136
EQUITY AND LIABILITIES			
Equity			
Share capital	17	28.746	28.746
Share Premium	17	3.085	3.085
Retained Earnings		(12.009)	(11.585)
Reserves	18	12.816	12.816
Total equity		32.638	33.062
Long-term liabilities:			
Provisions for staff benefits	20	2.103	2.135
Liabilities from leases - long-term		967	176
Total long-term liabilities		3.070	2.311
Short-term liabilities:			
Suppliers	23	18.318	16.226
Derivatives	21	25	300
Short-term loans	24	0	13.919
Accrued and other short-term liabilities	25	4.219	2.876
Leasing liabilities - short term		220	173
Provisions	22	709	269
Total short-term liabilities		23.491	33.763
TOTAL LIABILITIES AND EQUITY		59.199	69.136



The accompanying notes on pages 26-67 are an integral part of the financial statements.

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**NEXANS HELLAS SINGLE MEMBER S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR JANUARY 1st TO DECEMBER 31st 2020**



Attributable to the company's shareholders

	Share capital	Share premium	Reserves	Retained earnings	Total Equity
Balance as at 1 January 2020	28.746	3.085	12.816	(11.585)	33.062
Profit/(loss) after taxes	0	0	0	(406)	(406)
Other income	0	0	0	(18)	(18)
Total Other Income of Period	0	0	0	(424)	(424)
Balance as at 31 December 2020	28.746	3.085	12.816	(12.009)	32.638

**STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2019**

	Share capital	Share premium	Reserves	Retained earnings	Total Equity
Balance as at 1 January 2019	28.746	3.085	12.816	(7.393)	37.254
Change in accounting method	0	0	0	0	0
Readjusted balance as at 1 January 2019	28.746	3.085	12.816	(7.393)	37.254
Profit/(loss) after taxes	0	0	0	(4.088)	(4.088)
Other income	0	0	0	(104)	(104)
Total Other Income of Period	0	0	0	(4.192)	(4.192)
Balance as at 31 December 2019	28.746	3.085	12.816	(11.585)	33.062


The accompanying notes on pages 26-67 are an integral part of the financial statements.

NEXANS HELLAS SINGLE MEMBER S.A.

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NEXANS HELLAS SINGLE MEMBER S.A.			
CASH FLOW STATEMENT			
FOR THE YEAR JANUARY 1st TO DECEMBER 31st 2020			
	Notes	31 December 2020	31 December 2019
Cash flow from operating activities			
Net Income before tax		(423)	(4.608)
Plus/ (Less) adjustments for:			
Depreciation		1.433	1.479
Depreciation of assets with the right to use		226	204
Deletion of assets		0	350
Provisions		971	(342)
Foreign exchange differences customers/vendors		10	(113)
(Profit) / Loss of assets sales		(4)	0
Profit/(Loss, Income, Expenses) from investing activities		(18)	(12)
Interest charges and related expenses		694	624
(Profit)/ Loss from derivatives valuation		(411)	151
Operating profit/ (Loss) before changes in working capital		2.478	(2.267)
Decrease/ (increase) in stocks		5.117	(1.062)
Decrease/ (increase) in receivables		10.264	(3.065)
(Decrease)/ increase in liabilities (excl. loans)		3.554	8.868
Less:			
Interest charges and related expenses paid		(817)	(505)
Indemnities paid	20	(256)	(187)
Cash inflows from operating activities (a)		20.340	1.782
Cash flow from investing activities:			
Purchase of intangible and tangible fixed assets	9,10	(1.309)	(9.474)
Proceeds from sales of tangible and intangible assets		123	123
Interests received		18	12
Cash outflows from investing activities (b)		(1.168)	(9.339)
Cash flow from financing activities			
Proceeds from issued / undertaken loans		0	8.899
Loan repayment		(13.919)	0
Repayments of liabilities from financial leases (amortization)		(220)	(199)
Cash outflows from financing activities (c)		(14.139)	8.700
Net increase/ (decrease) in cash and cash equivalents (a)+(b)+(c)		5.033	1.143
FX differences on cash items		(10)	52
Cash at the beginning of the period		3.578	2.383
Cash at the end of the period	16	8.601	3.578

The accompanying notes on pages 26-67 are an integral part of the financial statements.

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NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. COMPANY PROFILE:

The company was set up in 1973 under the name "MANULI HELLAS CABLES INDUSTRIAL S. A." with funds imported from abroad in accordance with Legislative Decree 2687/1953. On 2.1.1991, the Company's name changed into ALCATEL CABLES HELLAS INDUSTRIAL S.A. and on 14.11.2000 it changed again its name into NEXANS HELLAS INDUSTRIAL S. A. Since 09.03.2020 the company's new name is NEXANS HELLAS SINGLE-MEMBER S. A.

It is a company operating in the production of all types of cables. Specifically, the company manufactures energy cables, low, medium and high voltage cables, paper or plastic telecommunications cables, as well as bare conductors of copper, aluminium and aluminium alloys. The company also manufactures fibre-optic land and submarine cables.

The company's seat is at 15, Messoghion Avenue, GR- 11526, Athens while its principal establishment and manufacturing plant are located in Aghia Marina, Fthiotida. Pursuant to the company's Articles of Association, its effective term is set at 50 years, starting from legal publication of the decision on its establishment in SA & LLC Bulletin No. 558/20.4.1973 of the Government Gazette.

Nexans Hellas is part of international Nexans Group which is based in Paris.

French Nexans Participations is the unique shareholder with a stake of 100,00%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation: These financial statements have been prepared pursuant to International Financial Reporting Standards (hereinafter IFRS) and the Interpretations of the International Financial Reporting Interpretations' Committee (IFRIC), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

The accounting principles used in the preparation and presentation of the Annual Financial Statements comply with those used in the preparation of the Company's financial reporting on 31 December 2019. The Financial Statements have been posted on the company's website, www.nexans.gr.

The Financial Statements have been prepared under the historical cost principle, save land and buildings which, on the date of transition to International Financial Reporting Standards (1 January 2004), were measured at historical acquisition cost plus adjustments under Law 2065/92 by that date and this value was used as deemed cost on that date like measurement at fair value of financial derivative instruments.

Moreover, the Financial Statements of the company have been prepared according to the "going concern" principle, having considered all the macroeconomic and microeconomic factors and their effect on the company's smooth operation.

- 2.2 Comparative information and rounding up/down:** Certain comparative items were reclassified to become comparable with the corresponding items of the current year. Any possible differences in amounts referred to in the financial statements and respective amounts included in the notes are due to rounding.
- 2.3 Approval of Financial Statements:** On 03 September 2021, the Board of Directors of NEXANS Hellas Single-Member S.A. approved the annual financial statements for the period ended on 31 December 2020, which are subject to approval by the Ordinary General Shareholders Meeting of the company that will take place as per legal requirements.
- 2.4 New standards, standard amendments and interpretations:** Specific new standards, standard amendments and interpretations have been issued, which are mandatory for accounting periods beginning on or after 1 January 2020. The Company's estimate about the effect of the application of such new standards, amendments and interpretations is described below.

Standards and Interpretations mandatory for the current financial year

IFRS 3 (Amendments) "Definition of business combination"

The new definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. It also clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Finally, it introduces an optional test (or optional concentration test) to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

IAS 1 and IAS 8 (Amendments) "Definition of materiality"

The amendments clarify the definition of material and how it should be applied, supplementing the definition with guidelines which until now were featured elsewhere in IFRS. In addition, the clarifications attached to the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) "Interest Rate Benchmark Reform"

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. Moreover, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Mandatory standards and Interpretations for subsequent periods

IFRS 17 “Insurance contracts” and Amendments to IFRS 17 (effective for annual periods beginning on or after 01 January 2023)

IFRS 17 was published in May 2017 and, together with the Amendments to IFRS 17 published in June 2020, replaces IFRS 4. IFRS 17 establishes principles for recognition, measurement and presentation of those insurance contracts falling under the scope of the standard, and the relevant disclosures. The standard aims to ensure that an entity provides relevant information which gives a fair view of these contracts. The new standard resolves the problems of comparability which existed under IFRS 4 since it requires all insurance contracts to be accounted for in a consistent manner. Insurance liabilities will be measured at present value and not at historical cost. The European Union has not yet adopted this standard.

IFRS 16 (Amendment) “Covid-19-Related Rent Concessions (effective for annual accounting periods beginning on or after 1 June 2020)

The amendment permits lessees (but not lessors), as a practical expedient, not to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

IFRS 4 (Amendment) “Extension of the Temporary Exemption from Applying IFRS 9” (applying to annual accounting periods beginning on or after 1 January 2021)

This amendment changes the fixed expiry date for the temporary exemption included in IFRS 4 “Insurance contracts” from applying IFRS 9 “Financial instruments” so that entities be obliged to implement IFRS 9 for annual periods beginning on or after 1 January 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) “Interest Rate Benchmark Reform - Phase 2” (effective for annual periods beginning on or after 1 January 2021)

These amendments supplement those issued in 2019 and are focused on the effects on financial statements when a company replaces an old interest rate benchmark with an alternative interest rate benchmark as a result of the reform. More specifically, the amendments refer to how a company will account for changes to contractual cash flows of financial instruments, how it will account for changes to hedging relationships and to the information it must disclose.

IAS 16 (Amendment) “Property, Plant and Equipment - Proceeds before intended use” (effective for annual accounting periods beginning on or after 1 January 2022)

This amendment prohibits a company from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the company is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities. The amendment has not yet been adopted by the European Union.

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IAS 37 (Amendment) “Onerous Contracts – Cost of Fulfilling a Contract” (effective for annual accounting periods beginning on or after 1 January 2022)

The amendment clarifies that the ‘costs to fulfil a contract’ includes the direct cost of fulfilling this contract and an allocation of other costs that relate directly to fulfilling the contract. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been adopted by the European Union.

IFRS 3 (Amendment) "Reference to the Conceptual Framework" (applying to annual accounting periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Lastly, it should be clarified that the acquirer must not recognise contingent assets as defined in IAS 37 on the acquisition date. The amendment has not yet been adopted by the European Union.

IAS 1 (Amendment) “Classification of Liabilities as Current or Non-Current” (effective for annual periods beginning on or after 01 January 2023)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights in force at the end of the reporting period. Classification is not affected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment has not yet been adopted by the European Union.

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

The amendments require companies to provide information about their material accounting policies and provide guidance about the concept of materiality when this applies to disclosures of accounting policies. These amendments have not yet been adopted by the European Union.

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

The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. These amendments have not yet been adopted by the European Union.

Annual Improvements to IFRS Standards 2018-2020 (effective for annual accounting periods beginning on or after 01 January 2022)

The amendments set out below include changes to four IFRSs. These amendments have not yet been endorsed by the EU.

IFRS 9 “Financial Instruments”

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

IFRS 16 “Leases”

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

IAS 41 “Agriculture”

The amendment has removed a requirement for entities to exclude cash flows from taxation when measuring fair value pursuant to IAS 41.

3. MAIN ACCOUNTING PRINCIPLES:

The main accounting principles adopted in the preparation of the financial statements attached hereto are described below. These principles have been consistently applied through the years presented.

3.1 Functional and presentation currency and conversion of foreign currencies: The functional and presentation currency used by NEXANS Hellas Single-Member S.A. in its financial statements is Euro. Transactions in other currencies are converted into Euro by using the applicable exchange rates on the transaction date. On the date financial statements are prepared, the monetary items of both assets and liabilities denominated in other currencies are adjusted so as to reflect current exchange rates.

The profits and losses arising from transactions in foreign currencies and from the year-end valuation of monetary items in foreign currencies are posted to the attached income statements, save those transactions qualifying as cash flow hedging, which are presented in equity.

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3.2 Intangible assets: Intangible fixed assets consist mainly of software programs and are measured at acquisition cost less any provisions for impairment, and are depreciated based on their estimated useful life, which has been set at three years, pursuant to the straight-line method.

3.3 Tangible Fixed Assets: Tangible fixed assets are measured at acquisition cost less accumulated depreciation and any provisions for impairment, save fields and land that are presented at acquisition cost less any impairment. Acquisition cost includes all expenses that are directly associated with the acquisition of tangible assets. Subsequent expenses are posted as an increase in the book value of the tangible assets or as a separate fixed asset to the extent it is probable that economic benefits will flow to the company and the respective cost can be measured reliably. Repair and maintenance cost is recognised through profit or loss when incurred.

Tangible assets are deleted at the time of sale or withdrawal or when no other economic benefits are expected from their continued use. The profits or losses arising from such deletion are included in the results of the year during which the said fixed asset is deleted.

Depreciation of tangible fixed assets is calculated according to the straight-line method corresponding to the respective useful life of the relevant fixed assets. The percentages used are the following:

<u>Category</u>	<u>Annual percentage</u>
Buildings	2.5%-5%
Machinery and equipment	3%-10%
Vehicles	20%
Furniture and other fixtures	20%-33%

3.4 Impairment of non-financial assets: Save intangible assets with an indefinite useful life which are tested in terms of impairment at least on an annual basis, the book values of other long-term assets are tested in terms of impairment wherever certain events or changes in circumstances indicate that their book value may not be recoverable. Whenever the book value of an asset exceeds its recoverable amount, the respective loss arising from its impairment is posted to the income statement. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less any additional, direct costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset's constant use and from the proceeds on its disposal at the end of its estimated useful life. For the purpose of impairment testing, items of assets are grouped at the lowest level for which cash flows may be recognised separately.

3.5 Inventories: Inventories are valued at the lower between cost and net realisable value. The cost of finished and semi-finished products includes all expenses incurred in bringing the inventories to their present location and condition and comprises raw materials, labour cost, general industrial expenditure (based on proper operating capacity without including any borrowing costs) and packaging. The cost of raw materials and finished products is fixed on the basis of weighted average quarterly cost formula. Net realisable value of finished goods is the estimated selling price in the ordinary course of business less the estimated costs of completion

and the estimated costs necessary to make the sale. Net realisable value of raw materials is equal to the estimated replacement cost in the Company's ordinary course of business. A provision for slow-moving or obsolete inventories is set up when necessary.

3.6 Trade and other receivables: The short-term accounts receivable are initially recognised at their fair value which is equal to the invoice value and are subsequently measured at unamortised cost based on the effective interest rate method following provisions for any non-receivable balances. The long-term accounts receivable (balances beyond the regular credit lines) is measured at unamortised cost using the effective interest rate method. The Company has established criteria regarding the provision of credit to customers, which are in general based on the size of each customer's activity while assessing the respective financial information. On each date financial statements are drafted, collectability of accounts receivable is assessed either by customer, when there are objective signs that the company is not able to collect all amounts due based on contractual terms, or on the basis of historical trends, statistics and expected future events, and the relevant provision for impairment is raised. The amount of impairment is recorded as an expense in the income statement. The balance of the specific provision for doubtful debts is adjusted accordingly on each date financial statements are prepared so as to reflect the estimated relevant risks. Each deletion of customers' balances is charged to the existing provision for doubtful debts. The company's policy consists in not writing off any receivables until the company has recourse to all possible legal remedies for their collection.

Cash: The Company considers time deposits and other highly liquid investments that have a maturity of less than three months to be equal to cash.

For cash flow statements to be prepared, cash consists of cash on hand and deposits with banks as well as cash as defined above.

3.7 Loans: All loans are posted initially at fair value less the expenses for loan acquisition. Following the initial posting, loans are carried at the unamortised cost by applying the effective interest rate method. Loans in foreign currency are evaluated using the closing rate at each balance sheet date.

3.8 Borrowing costs: Borrowing costs are recognised as an expense when incurred.

3.9 Income recognition: Income is recognised to the extent it is probable that economic benefits will flow to the Company and the respective amounts can be measured reliably. Income is recognised as follows:

Contract assets

The company manufactures power and telecommunications cables and in particular low, medium and high voltage electric cables, copper and fibre-optic telecommunication cables, and overhead conductors made of copper, aluminium and aluminium alloys. Moreover, the Company manufactures cables and wires for industrial applications, machinery cables, cables for oil and gas facilities, cables for transports, photovoltaic systems and wind farms as well as land and submarine fibre-optic cables. Revenue from sale of cables and other products is

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recognised when control is transferred to customers, usually upon delivery, and there is no unfulfilled obligation that could affect acceptance of such good by the customer. Wherever the respective selling price is subject to adjustments linked with fluctuations in the price of market metals, income is subject to contractual positive or negative adjustments, for which a provision is raised in income statement (net sales) and in transit debit and credit balances respectively until their final settlement. Any differences between the adjustments that have been posted to accounting books and final settlement are posted to the results of the year during which settlement takes place.

Receivable is recognised when there is an unconditional right of the economic entity to receive the consideration for any contractual obligations performed vis-à-vis customers. Contract assets are recognised when the company has fulfilled its obligations to customers, before payment by customers or before payment becomes due. Usually, payment is due within 30 – 90 days. A contract liability is recognised when the entity receives consideration from a customer (prepayment) or when the entity maintains a right on the consideration which is unreserved (deferred asset) prior to performance of contractual obligations and transfer of goods or services. A contractual obligation is derecognised when contractual obligations are performed and revenue is recognised through profit or loss.

Interest

Interest income is recognised on an accrual basis.

3.10 State Insurance plans: The staff of the Company is mainly covered by the Single Social Security Body which concerns the private sector and grants retirement and medical benefits. All employees are obliged to contribute part of their monthly salaries to the Fund while part of the total contribution is covered by the Company. At the time of retirement, the pension fund is responsible to pay retirement benefits to employees. Therefore, the Company has no legal or constructive obligation to pay future benefits on the basis of this plan.

3.11 Provisions for employee benefits

Defined-benefit plans: Defined benefit plans determine the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recorded in the statement of financial position for this plan is the present value of the defined benefit obligation on the reporting date less the fair value of the plan's assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is calculated by discounting the expected future cash outflows using the government bond market rates. The current service cost of defined benefit plans is recognised in the income statement. The current service cost reflects the increase in the defined benefit obligation deriving from employee service during the year and also from changes due to redundancy or settlements.

Past service cost is directly recognised in profit or loss.

Net interest expense is calculated as the net amount between the liability for the defined benefit plan and the fair value of plan assets multiplied by the discount rate. This cost is included in employee benefits in the income statement.

Actuarial gains and losses arising from empirical adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they arise.

Staff leaving indemnities: Staff leaving indemnities are payable when the company terminates employment before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company records a liability at the earliest of the following dates: a) if the company can no longer withdraw the offer of those benefits and b) when the entity recognises costs of restructuring that is within the scope of IAS 37 including payment of employment termination benefits.

3.13 Current and Deferred Income Tax: The expenditure for income tax includes (a) the current income tax payable in respect of the company's taxable profits as restated in its tax returns, (b) additional taxes and surcharges imposed following tax audits as well as (c) deferred income taxes according to enacted tax rates.

Deferred income tax relates to all temporary differences between the carrying amount of assets and liabilities on the balance sheet date, and the tax base of assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences:

A deferred tax asset is recognised in respect of all deductible temporary differences and deferred tax losses to the extent it is probable that a tax benefit will be realised in the future, which will be recognised on the temporary differences generating the deferred tax assets.

Deferred tax assets are assessed on each date financial statements are prepared and are reduced to the extent it is estimated that there will not be enough taxable profits in respect of which part or all deferred tax assets may be used.

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the deferred tax asset (liability) is realised (settled). The tax rates (and tax laws) used must have been enacted or substantially enacted by the balance sheet date.

Current and deferred taxes are recognised in equity, if the items to which they relate are credited or charged directly to equity, and not in the statement of other comprehensive income.

Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets against current tax liabilities and when deferred tax assets and deferred tax liabilities concern the same tax authority.

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

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Lease accounting by lessees

The Company applies a single approach to recognition and measurement of all leases (save short-term leases). The Company recognises lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

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

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

The Company has in place lease agreements for means of transport and other equipment used in its activities. Lease contracts may contain lease and non-lease components. The Company has chosen to not separate non-lease components from lease components and instead will account for all lease and non-lease components as a single lease.

The right-of-use assets are subject to a test for impairment as described in accounting policy “2.9 Impairment of non-financial assets”.

ii. Lease liabilities

At the commencement date of the lease, the Company measures the lease liability at the present value of the rents which are payable over the lease term. Rents consist of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. To discount lease payments, the Company applies the Company’s incremental borrowing rate given that the interest rate implicit in the lease cannot be readily determined.

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

Lease accounting by lessors

When assets are leased in the context of finance leases, the present value of receivable lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as non-accrued financial income.

When assets are leased in the context of operating leases, they are presented in the statement of financial position pursuant to the nature of each asset. Rental income under operating leases is recognised in the results using the straight-line method over the term of the lease. A breakdown of the company's leases is included in Note 11 while the effect from first-time adoption of the standard on the company is described in note 3.23.

3.15 Provisions and contingent liabilities: A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on a monthly basis and adjusted so as to reflect the current value of the expenditure required to settle the obligation. As regards the provisions that will be settled in the long run when the effect of the time value of money is material, the respective amounts are calculated by discounting the expected future cash flows using a pre-tax discount rate that reflects the current market assessments of the time value of money and, if necessary, the risks specific to the liability. A contingent liability is not recognised in financial statements but is disclosed unless the possibility of an outflow of resources comprising economic benefits is remote. A contingent asset is not recognised in financial statements, but is disclosed when an inflow of economic benefits is probable.

3.16 Joint Ventures: Controlled operations concern the joint production and sale of cables. Joint ventures have no share capital. Each joint venturer has the necessary fixed assets and inventories and undertakes the expenses required for meeting its obligations based on the contracts. The income, expenses and other asset and liability items of the joint ventures relating to the Company's operations are posted and presented in the Company's financial statements as provided for by IAS 31. No contingent assets, liabilities or commitments arise from the joint ventures.

3.17 Financial Instruments

Financial assets

Initial recognition and measurement

The company measures financial assets initially at fair value by adding transaction costs. Trade receivables are initially measured at the transaction price as specified in IFRS 15. Financial assets with embedded derivatives are reviewed as a whole when examining whether their cash flows consist only in payment of principal and interest. According to the provisions of IFRS 9, securities are further measured at amortised cost or at fair value through other comprehensive income, or at fair value through profit or loss. Classification is based on two criteria: a) the business model for managing financial assets; and b) the contractual cash flows of an

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instrument if they represent "solely payments of principal and interest" (SPPI criterion) on the principal amount outstanding.

Subsequent measurement

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

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

On 31 December 2019, the company had no assets measured at fair value through other comprehensive income or any assets measured at fair value through profit or loss.

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

De-recognition of financial assets

The Company de-recognises a financial asset when and only when the contractual rights on the financial asset's cash flows expire or transfers the financial asset and the transfer qualifies for de-recognition.

Reclassification of financial assets

Financial assets are reclassified on rare occasions and only when the company decides to amend the business model applicable to the management of such financial assets.

Impairment

The company recognises provisions for impairment for expected credit losses in relation to all financial assets. Expected credit losses are based on the difference between contractual cash flows and all cash flows the company expects to receive. The difference is discounted using an assessment of the initial effective rate of the financial asset. In relation to trade receivables, the company applied the simplified approach of the standard and calculated expected credit losses based on lifetime ECLs of such assets.

As for the remaining financial assets, ECLs are calculated based on losses in the next 12 months. The 12-month ECLs are a portion of lifetime ECLs of financial assets which arise from the likelihood of an asset defaulting in the next 12 months from the reporting date. In case credit risk is considerably increased compared to initial recognition, the provision for impairment will be based on lifetime ECLs of the asset.

Financial liabilities

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are initially measured at fair value less transaction cost in the case of loans and payables. For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost. Loans are designated as short-term liabilities unless the Company has the right to defer the settlement of its obligation for at least 12 months from the balance sheet date. Bank overdrafts are included in short-term borrowing in the balance sheet and investment activities in the statement of cash flows.

Derecognition of financial liabilities

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

Offsetting financial assets and financial liabilities

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

3.18 Financial derivatives: The Company uses financial derivatives and in particular foreign exchange and metal futures so as to hedge the risks arising from fluctuations in exchange rates and metal (copper, aluminium and lead) price.

Financial derivative instruments are recognised at fair value on the date financial statements are prepared. The fair value of futures contracts is calculated by reference to the current prices of contracts with the corresponding maturity dates (first-level valuation under IFRS 7).

Any changes in the fair value of derivatives that can be used in hedge accounting and are highly effective, are recognised and posted directly to equity in the case of cash flow hedges. In the case of effective fair value hedges, they are recognised through profit or loss.

Wherever the forecast future transactions or liabilities being hedged lead to the recognition of an asset or liability, the profits and losses that had been posted to equity (cash flow hedges) are incorporated in the initial cost valuation of such assets or liabilities.

Otherwise, amounts shown in equity are transferred to year results and are recognised as income or expense during the year in which the expected hedged transactions affect the income statement.

While certain derivatives are classified as effective hedging instruments according to corporate policies, they do not have the characteristics required for hedge accounting pursuant to the provisions of IAS 39 and, therefore, the profits or losses arising from changes in the fair value of

such instruments are posted directly to the period's results. This is the kind of derivatives the company had on 31 December 2020.

3.19 Fair value measurement: The Company must disclose the basis of determining the fair value of financial instruments that are presented in the Balance Sheet. The only financial instruments at fair value held by the Company are derivative financial instruments that are detailed in note 21. These financial instruments are measured in "Level 1" of the hierarchy of fair values as described in IFRS 7. The "Level 1" fair value hierarchy refers to fair values based on data that are available in active markets.

3.20 Important estimates and judgments of Management: For financial statements to be prepared pursuant to IFRS, Management should proceed to estimates and assumptions affecting the amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements as well as the amounts of income and expenses during the year. The estimates and assumptions are based on the best possible knowledge of the company's Management about the current circumstances and actions.

The estimates and judgments made by Management are reviewed continually and are based on historic data and expectations of future events that are deemed reasonable on the basis of existing circumstances. The company makes estimates and assumptions about the outcome of future events. Estimates and assumptions that involve significant risk to induce substantial adjustments to the book values of assets and liabilities in the next 12 months are as follows:

Income tax expense

Estimation is required by the company for the calculation of the provision for income tax. There are many transactions and calculations for which the final level of tax is uncertain. If the final tax differs from the initially recognised tax, the difference will affect the income tax and the provision for deferred taxation of the period. Moreover, Management is required to make significant estimates about the amount of deferred tax assets that may be recognised based on the eventual time and amount of future taxable profits in conjunction with the company's tax planning.

Provision for doubtful debts

To calculate expected credit losses, the company applies the simplified approach of IFRS 9, according to which the provision for losses is always measured at an amount equal to lifetime expected credit losses (ECL) in relation to trade receivables and contract assets.

The company has raised a provision for doubtful debts to cover adequately the loss that can be reliably estimated and originates from these receivables. The company's Management carries out a periodic re-evaluation of the adequacy of the provision for doubtful receivables, in combination with its credit policy and taking into account data from the Legal Department, which arise from processing historical data and recent developments on cases the Department manages. The provision already raised is further adjusted by charging the profit or loss of each fiscal year. Receivables are written off from receivable accounts through the provision set up.

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Litigation

The company recognises a provision for judicial cases based on information from the company's Legal Department. The final outcome of the cases is uncertain.

Contingent liabilities

The company recognises provisions for contractual obligations to its clients, which are estimated based on historical and statistical data that arose from the resolution of similar past cases.

Provision for employee benefits

The obligation to provide retirement benefits to the personnel is defined according to a study of independent actuaries. The final liability may differ from the liability of the actuarial calculation due to different actual data related to the discount rate, inflation rate, salary increases, demographics and other data.

3.21 Dividend distribution: Dividend distribution to the company's shareholders is imposed by law and is recognised as liability in the financial statements of the year during which it is approved by the General Shareholders Meeting.

Distribution is posted directly to equity, following approval.

3.22 Offsets: Financial items of Assets and Liabilities are offset and the net amount is shown in the Balance Sheet when there is an applicable legal right to offset them and the intention to pay them on an offsetting basis.

4. PAYROLL COST:

The payroll cost included in the financial statements attached hereto is broken down as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Salaries and wages	6.895	6.670
Employer's contributions	1.720	1.709
Expenses for staff retirement compensation (Note 20)	200	186
Other staff expenses	523	419
Total payroll	9.338	8.984
Less: expenses incorporated in production cost (Note 5)	(7.185)	(6.780)
Payroll expenses (Note 6)	2.153	2.204

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5. COST OF GOODS SOLD

The cost of goods sold included in the financial statements attached hereto is as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Change of stocks & Cost of material sold	70.332	82.255
Payroll expenses & Other staff expenses (Note 4)	7.185	6.780
Outside services	872	827
Energy	1.417	1.424
Rents (leasing and premises)	23	10
Insurance	193	194
Repairs - Maintenance	316	479
Transport/Sales' fares	1.514	2.253
Depreciation of production	1.416	1.458
Depreciation of assets with the right of use (Note 11)	113	32
Agents Commissions	190	310
Others	466	631
Σύνολο	<u>84.037</u>	<u>96.653</u>

6. ADMINISTRATIVE AND SELLING EXPENSES

The administrative and selling expenses included in the financial statements attached hereto are as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Payroll (Note 4)	2.153	2.204
Administrative expenses	1.774	1.493
Other professional fees	346	352
Depreciation	17	21
Depreciation of assets with the right of use (Note 11)	113	172
Rents	115	6
Repairs and maintenance	328	336
Outside services received	176	180
Taxes - duties	71	45
Advertising and promotion expenses	16	35
Consumables	9	14
Other Expenses	296	396
Σύνολο	<u>5.414</u>	<u>5.254</u>

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7. FINANCIAL INCOME/ (EXPENSES)

The net financial income/(expenses) shown in the financial statements attached hereto is(are) broken down as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Short-term loan interest	(675)	(611)
Leasing financial costs	(19)	(13)
Total financial expenses	(694)	(624)
Interests on current and long term accounts and other interests	18	12
Total financial income	18	12
Net financial income/(expenses)	(676)	(612)

8. INCOME TAXES

Pursuant to tax laws, the tax rate applicable to companies for the fiscal year 2020 was set at 24% as it was in 2019.

The provision for income taxes presented in the Statement of Comprehensive Income is as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Current income taxes		
-Deferred income taxes	17	520
Total provision for income taxes presented in the income statement	17	520

The reconciliation of the provision for income taxes specified following application of the Greek tax rate to revenues before tax is summarised as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Net Income (Losses) before income taxes	(423)	(4.608)
Proportionate income taxes calculated using the applicable tax rate (24%)	102	1.106
Restatement of taxes proportionate to tax loss	0	(326)
Effect on deferred tax due to the change of tax rate from 28% to 24%	0	(191)
Non deductible expenses	(85)	(69)
Income taxes presented in the income statement	17	520

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Greek tax laws and the relevant provisions are subject to interpretations by tax authorities. Income tax returns are submitted annually but the profits or losses stated for taxation purposes are of provisional nature until tax authorities examine the tax returns and books of the taxpayer concerned, at which time the respective tax liabilities will be settled. Tax losses, to the extent they are recognised by tax authorities, may be used to set off the profits of the five fiscal years following the relevant year.

For the fiscal years 2011 until 2015, Greek Sociétés Anonymes and Limited Liability companies, the Annual Financial Statements of which are obligatorily audited by Statutory Auditors registered in the public Register of Law 3693/2008, must obtain an Annual Certificate, as stipulated in Article 82(5) of Law 2238/1994. This certificate is issued following a Tax Audit conducted by the same Statutory Auditor or Audit Firm that has audited the Annual Financial Statements. Following completion of the tax audit, the statutory auditor or audit firm issues a Tax Compliance Report for the company, together with an Appendix of Detailed Information & Data. No later than 10 days from the closing date for approval of the company's Financial Statements by the General Meeting of the Shareholders, the aforementioned Report and the relevant Appendix are electronically submitted to the Ministry of Finance by the statutory auditor or audit firm. The Ministry of Finance can later select a sample of at least 9% of the companies that will be re-audited by the Ministry's competent audit services.

The tax audit for the years 2011-2018 was completed by PricewaterhouseCoopers S.A. without giving rise to any important tax liabilities other than those posted and presented in the financial statements.

For the ending fiscal year 2020, the tax audit is being carried out by the audit firm PricewaterhouseCoopers SA in accordance with Article 65a of Law 4172/2013 (ITC). By conducting this tax audit, the Company's management does not expect any significant tax liabilities other than those recorded and reported in the financial statements.

Deferred income tax relates to the temporary differences between the carrying amount and the tax base of assets and liabilities and is calculated according to the applicable income tax rate.

Balance at beginning, 1 January 2019	1.054
Charge to operating results	520
Charge to other total income	20
Balance as at 31 December 2018	1.594
Charge to operating results	17
Charge to other total income	6
Balance as at 31 December 2020	1.617

The deferred tax assets and liabilities presented in the accompanying Statement of Financial Position are broken down as follows:

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	<u>31/12/2020</u>	<u>31/12/2019</u>
Deferred tax liability		
- Tangible assets	(1.142)	(1.205)
- Valuation of derivatives (metals & coins)	(27)	0
Gross deferred tax liability	<u>(1.169)</u>	<u>(1.205)</u>
Deferred tax asset		
- Derivatives valuation (metals & currencies)	0	72
- Provisions-Accrued and other short-term liabilities	716	236
- Staff compensation due to retirement	505	512
- Tax losses carried forward	1.530	1.975
- Others	35	4
Gross deferred income tax asset	<u>2.786</u>	<u>2.799</u>
Net deferred income tax	<u><u>1.617</u></u>	<u><u>1.594</u></u>

The greatest portion of deferred taxes is recoverable over a period higher than 12 months from the financial position date. Deferred tax assets arising from tax losses and expected to be fully recovered before expiring are broken down in the table below based on the Company's strategic plan for the period 2020-2024:

Tax losses 2017 (end 2022)	461
Tax losses 2018 (end 2023)	2.759
Tax losses 2019 (end 2024)	3.155
Total tax loss carried forward 2017-2019	<u><u>6.375</u></u>

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9. TANGIBLE FIXED ASSETS

						Fixed assets under construction (FAUC)	Total
31 December 2020	Land	Buildings and facilities	Machinery and equipment	Transporta tion means	Furniture and other equipment		
COST							
1st January 2020	2.555	7.862	39.239	485	1.277	9.205	60.623
Additions	0	2	928	0	0	300	1.230
Sales/ deletions	0	0	(123)	0	0	0	(123)
31 December 2020	2.555	7.864	40.044	485	1.277	9.505	61.730
DEPRECIATION							
1st January 2020	0	(6.616)	(25.695)	(461)	(1.151)	0	(33.923)
Period's depreciation	0	(89)	(1.297)	(9)	(38)	0	(1.433)
Sales/ deletions	0	0	9	0	0	0	9
31 December 2020	0	(6.616)	(25.696)	(461)	(1.151)	0	(35.347)
UNAMORTISED VALUE							
31 December 2020	2.555	1.248	14.348	24	126	9.505	26.383
31 December 2019	Land	Buildings and facilities	Machinery and equipment	Transporta tion means	Furniture and other equipment	Fixed assets under construction (FAUC)	Total
COST							
1st January 2019	2.555	7.862	39.829	532	1.157	1.102	53.037
Additions	0	0	539	0	92	8.762	9.393
Carried forward from FAUC	0	0	631	0	28	(659)	0
Sales/ deletions	0	0	(1.760)	(47)	0	0	(1.807)
31 December 2019	2.555	7.862	39.829	532	1.157	1.102	60.623
DEPRECIATION							
1st January 2019	0	(6.527)	(25.631)	(499)	(1.120)	0	(33.777)
Period's depreciation	0	(89)	(1.350)	(9)	(31)	0	(1.479)
Sales/ deletions	0	0	1.286	47	0	0	1.333
31 December 2019	0	(6.527)	(25.631)	(499)	(1.120)	0	(33.923)
UNAMORTISED VALUE							
31 December 2019	2.555	1.335	14.198	33	37	1.102	26.700

There are no restrictions on the ownership or transfer or other charges on the Company's real estate. Moreover, no other item of land, buildings and machinery has been designated as guarantee for other liabilities.

On 30 December 2020, Nexans had no contractual liabilities for the purchase of tangible fixed assets.

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10. INTANGIBLE ASSETS

Transactions related to intangible assets are as follows:

31 December 2020	Software and others
COST	
1st January 2020	<u>1.592</u>
Additions	79
31 December 2020	<u>1.671</u>
DEPRECIATION	
1st January 2020	<u>(1.511)</u>
31 December 2020	<u>(1.511)</u>
UNAMORTISED VALUE	
31 December 2020	<u><u>160</u></u>

31 December 2019	Software and others
COST	
1st January 2019	<u>1.511</u>
Additions	81
31 December 2019	<u>1.592</u>
DEPRECIATION	
1st January 2019	<u>1.511</u>
31 December 2019	<u>(1.511)</u>
UNAMORTISED VALUE	
31 December 2019	<u><u>81</u></u>

11. RIGHT-OF-USE ASSETS

Right-of-use assets are broken down as follows:

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31 December 2020	<u>Buildings and facilities</u>	<u>Machinery and equipment</u>	<u>Transportation means</u>	<u>Total</u>
COST				
1st January 2020	146	0	402	548
Additions	273	737	116	1.126
Sales/ deletions	(146)	0	(147)	(293)
31 December 2020	273	737	371	1.381
DEPRECIATION				
1st January 2020	(88)	0	(116)	(204)
Period's depreciation	(63)	(53)	(110)	(226)
Sales/ deletions	146	0	80	226
31 December 2020	(5)	(53)	(146)	(204)
UNAMORTISED VALUE				
31 December 2020	268	684	225	1.177

<u>Υποχρεώσεις απο μισθώσεις</u>	<u>31/12/2020</u>
Liabilities from leases	220
Long-term liabilities from leases	967

Interest on lease liabilities amounts to €18. Total cash outflows for leases in 2020 amounted to €239.

12. INVENTORIES

Inventories are analysed as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Finished and semi-finished goods	3.371	5.940
Raw materials and consumables	4.221	6.529
Merchandise	294	534
	7.886	13.003
<u>Less:</u> provision for slow turnover rate and obsolete inventories	(700)	(512)
	7.186	12.491

13. TRADE RECEIVABLES

Trade receivables are broken down as follows:

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	<u>31/12/2020</u>	<u>31/12/2019</u>
Domestic customers	9.120	11.170
Foreign customers	287	5.793
Receivables from affiliated parties	5.078	6.445
Cheques receivable (post-dated)	0	1.111
	<u>14.485</u>	<u>24.519</u>
Less: provisions for doubtful debts	<u>(1.290)</u>	<u>(1.168)</u>
Total	<u>13.195</u>	<u>23.351</u>

The provisions for doubtful accounts for the period ended on 31 December 2020 are broken down as follows:

1 January 2019	1.111
Additional Provision	<u>57</u>
31 December 2019	<u>1.168</u>
Adjusted balance 31 December 2018	<u>1.168</u>
Deletions of period	(21)
Additional Provisions of period	<u>143</u>
31 December 2019	<u><u>1.290</u></u>

14. DOWN PAYMENTS & OTHER RECEIVABLES

Down payments and trade receivables are broken down as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Price positive adjustments	7	353
Prepayable and withholding taxes	23	25
Accrued income	29	30
Prepaid expenses	10	33
Down payments	63	54
Staff loans and down payments	11	9
Others	<u>488</u>	<u>422</u>
Total	<u><u>631</u></u>	<u><u>926</u></u>

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15. RELATED PARTY DISCLOSURES**i) Transactions with related parties:**

Nexans Hellas Single-Member S.A. is a subsidiary of Nexans Participations S. A., which holds 100,00% of the share capital. Nexans France S. A., seated in Paris, France, is Nexans Group's parent company. There are no other majority shareholders holding a significant part of the share capital of Nexans Hellas Single-Member SA.

The balances of accounts with affiliated entities of Nexans Group are as follows:

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Receivables from:		
Nexans Logistics Ltd.	3.188	1.950
Nexans France	821	316
Nexans Deutschland Industries GmbH	186	814
Nexans IKO Sweden	546	3.246
Nexans Suisse	0	11
Opticable	337	0
Nexans Polska Sp.	0	108
	<u>5.078</u>	<u>6.445</u>
	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Balance of customers' downpayments		
Nexans Iberia SL	0	5
	<u>0</u>	<u>5</u>

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Liabilities to:		
Nexans France	8.233	6.699
Nexans Italia SpA	27	12
Nexans Deutschland Industries GmbH	15	30
Nexans Turkey	75	0
Nexans Interface	63	13
Opticable	53	201
Nexans Power Accessories Germany GmbH	1	1
Nexans Sweden AB	38	12
Nexans Logistics	8	0
Nexans Financial Services	141	0
	<u>8.654</u>	<u>6.968</u>

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Transactions with affiliated entities for the period ended on 31 December 2020 and 2019 are broken down as follows:

	Sales to associated companies	
	31 Dec 2020	31 Dec 2019
Stocks, raw materials and consumables:		
Nexans Logistics Ltd.	12.728	13.695
Nexans Italia SpA	4	42
Nexans France	1.663	1.358
Nexans Deutschland Industries GmbH	4.584	13.357
Nexans Suisse	42	538
Nexans Norway	88	121
Nexans Network Solutions	8	4
Nexans IKO Sweden	10.257	9.837
Nexans Colombia SA	0	43
Opticable	903	220
Nexans Polska Sp.	467	315
	30.744	40.067

	Sales to associated companies	
	31 Dec 2020	31 Dec 2019
Commercial services:		
Nexans France	4	1
	4	1

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	Purchases from associated companies	
	31 Dec 2020	31 Dec 2019
Stocks, raw materials and consumables:		
Nexans France	17.397	36.890
Nexans Italia SpA	91	316
Nexans Logistics	22	0
Nexans Deutschchland	31	58
Nexans Benelux	21	0
Nexans Turkey	626	687
Nexans Network Solutions	1	2
Opticable	471	465
Nexans Suisse	8	850
Nexans Power Accessories Germany GmbH	1	2
Nexans Sweden AB	449	443
Nexans Interface	92	133
	19.210	39.846

	Purchases from associated companies	
	31 Dec 2020	31 Dec 2019
Commercial services:		
Nexans France	2.175	1.962
Nexans Financial Trading Services	223	1
Nexans Deutschchland	15	30
Nexans Interface	0	9
Nexans Turkey	2	0
Nexans Iberia	0	19
	2.415	2.021

	Loans from associated companies	
	31 Dec 2020	31 Dec 2019
Nexans Services (Note 24)	0	10.034
	0	10.034

	Expenses to associated companies	
	31 Dec 2020	31 Dec 2019
Nexans Services	222	34
	222	34

The transactions with the Joint Venture in which Nexans Hellas Single-Member S.A.Participated (see note 29) in 2020 are as follows:

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J/V "JOINT VENTURE NEXANS - ATERMON FOR HEDNO 2014"

	31.12.2020	31/12/2019
Sales (excl. VAT):	1	110
Expenses (excl. VAT):	0	4
Receivables:	3	4

Sales and services to affiliated companies are carried out at standard market prices. Open ending balances are unsecured and cash-settled. No guarantees have been provided or received for the above receivables. For the period ended on 31 December 2020, the Company has not raised any provisions for doubtful accounts relating to amounts due from affiliated companies.

ii) Fees of management executives:

The fees paid to the company's executives and Board of Directors for the periods ended on 31 December 2020 and 31 December 2019 are as follows:

	<u>31/12/2020</u>	<u>31/12/2019</u>
Employee short-term benefits	151	200
Employer's contributions	27	27
Total fees paid to managers	<u>178</u>	<u>227</u>

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	<u>31.12.2020</u>	<u>31.12.2019</u>
Sight deposits in Euro	8.575	3.357
Sight deposits in foreign currency	26	221
Total	<u>8.601</u>	<u>3.578</u>

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Credit rating of cash:

Rating	31.12.2020	31.12.2019
AA-	139	114
A+	4.910	1.080
B-	341	0
CCC+	3.211	2.384
Total	8.601	3.578

17. SHARE CAPITAL AND SHARE PREMIUM

On 31 December 2020, the Company's share capital amounted to €28.746 divided into 22.996.875 ordinary registered shares with a nominal value of €1,25 each. The share premium of €3.085 resulted from the issue of share capital in past years at a value higher than share's nominal value. The company's share capital is fully paid up.

18. STATUTORY, UNTAXED AND SPECIAL RESERVES

The statutory, tax-free and special reserves are broken down as follows:

	31/12/2020	31 Dec 2019
Statutory reserve	2.177	2.177
Untaxed and specially taxed reserves	269	269
<u>Untaxed reserves of special laws and others</u>		
especially:		
-Law 1892/1990 (Article 23b)	3.291	3.291
-Law 2601/1998	5.956	5.956
-Others	1.123	1.123
	10.370	10.370
Total	12.816	12.816

Statutory reserve: Pursuant to Greek commercial laws, every year companies should establish statutory reserve equal to 5% of the year's profits until such reserve is equal to 1/3 of the nominal share capital. Distribution of statutory reserve is prohibited while the company is active.

Untaxed and specially taxed reserves: Reserves arising from untaxed revenues and specially taxed reserves concern interest income and gains on sale of participating shares not listed on any stock exchange, which are exempted from taxation or are taxed by withholding tax at source. In addition to any taxes paid in advance, these reserves are subject to taxation in case they are distributed. During this phase, the company does not intend to distribute the reserves in question and therefore the respective deferred taxes were not recorded in accounting books.

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Special-law untaxed reserves and other special reserves: Special law untaxed reserves concern undistributed profits which are exempted from taxation by virtue of special provisions of development laws (provided that there are sufficient profits for their formation). These reserves mainly concern investments and are not distributed. No deferred taxes have been recorded in the accounting books.

19. DIVIDENDS

Pursuant to the provisions of Greek commercial laws, companies are obliged to distribute each year a first dividend corresponding at least to 35% of post-tax earnings and after the establishment of the statutory reserve required by law. Greek commercial laws also allow the distribution of dividends to shareholders provided that the equity of the company – as shown in the balance sheet following such distribution – is not less than owner's equity plus non-distributed reserves.

20. EMPLOYEE BENEFITS

a) State Insurance plans: The Company's contributions to social security funds for the period ended on 31 December 2020 were posted to expenses and stood at €1.708 (€1.729 for the period ended on 31 December 2019).

b) Defined-benefit plans: Pursuant to the provisions of Greek Labour Law, employees are entitled to compensation in case they are dismissed or retire, the level of which varies depending on the salary, years of service and the way the employee withdraws (dismissal or retirement) from work. No employees resigning or dismissed on justified grounds are entitled to compensation. The compensation payable in case of retirement is equal to 40% of the compensation that would be payable in case of unjustified dismissal. Pursuant to the practice applying in Greece, these plans are not financed and constitute defined benefit plans pursuant to IAS 19. The Company charges accrued benefits to the results during each period by increasing accordingly the retirement liability. Benefits paid to pensioners during each period are charged to this liability.

The posting in the net liability in the balance sheets attached hereto is as follows:

	<u>31.12.2019</u>	<u>31.12.2018</u>
Net liability at beginning of year	2.135	2.012
Actual benefits paid by the company	(256)	(187)
Expenses recognised in income statement (Note 4)	200	186
Recognition of actuarial loss/(gain) on total income	24	124
Net liability at year end	<u>2.103</u>	<u>2.135</u>

The liabilities of the company arising from its obligation to pay retirement compensation were fixed through actuarial studies which are compiled at the end of each fiscal year by an independent company of internationally acknowledged actuaries. The transactions involving the relevant items as at 31 December 2020 and 31 December 2019 are as follows:

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Accountant notifications according to IAS 19

Period	31/12/2020	31/12/2019
Present value of obligations		
Present value of non funded liabilities	2.103	2.135
Net liability in the balance sheet	2.103	2.135

Constituents of results

Cost of service	159	125
Financial cost	6	21
Depreciation of actuarial loss / (gain)	35	40
Standard charge to the results	200	186
Recognition of actuarial loss / (gain) on total income	24	124
Total charge to the total income	224	310

Net liabilities / (income) in the Balance Sheet

Net liability at beginning of period	2.135	2.012
Profits paid directly by the company	(256)	(187)
Total cost recognised	200	186
Net liability in the Balance Sheet before restatement	2.079	2.011
Recognition of actuarial loss / (gain) on other income	24	124
Net liability in balance sheet	2.103	2.135

Constituents of net retirement periodic cost

Net liability at beginning of period	2.135	2.012
Cost of service	159	125
Financial cost	6	21
Profits paid directly by the company	(256)	(187)
Additional payments or expenses / (revenue)	35	40
Actuarial loss / (profit)	24	124
Current value of liability at end of period	2.103	2.135

Main assumptions:

Discount rate	0,60%	0,70%
Percentage of fees increase	1,80%	1,80%

Average of future working life	16,0	16,0
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The discount rate is in compliance with the respective performance of treasury bonds within the Eurozone. The payments made for the period ended on 31 December 2020 amounted to €256 (€187 for the year ended on 31 December 2019).

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21. DERIVATIVE FINANCIAL INSTRUMENTS**Forward exchange contracts and currency futures contracts**

The Company enters into forward exchange contracts to hedge the exchange risk arising from the collection of receivables and payment of suppliers in foreign currencies. These contracts have different maturity dates, depending on the date of the expected collection or payment. The valuation of the company's open positions on 31 December 2020 and 31 December 2019 is as follows:

31 December 2020

Currency	Buy/Sale	Forward buy/ (Forward sale) amount	Forward buy/ (Forward sale) price	Current price	Valuation profit/(loss)
USD	Sale	(148)	(124)	(120)	4
			(124)	(120)	4
USD	Buy	148	123	120	(3)
			123	120	(3)
Total			(1)	0	1

31 December 2019

Currency	Buy/Sale	Forward buy/ (Forward sale) amount	Forward buy/ (Forward sale) price	Current price	Valuation profit/(loss)
USD	Sale	(53)	(47)	(46)	1
			(47)	(46)	1
RON	Sale	(327)	(68)	(68)	0
ZAR	Sale	(98.492)	(5.958)	(6.181)	(223)
			(6.026)	(6.249)	(223)
Total			(6.073)	(6.295)	(222)

Forward metal contracts: The Company enters into metal (copper and aluminium) contracts in order to hedge the foreign exchange risk arising from fluctuations in the price of the above metals. These contracts have different maturity dates, depending on the date of the expected purchase of such metals. The valuation of the company's open positions on 31 December 2020 and 31 December 2019 is as follows:

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31 December 2020

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Copper	Buy	250	1.489	1.580	91
Aluminium	Sale	(550)	(926)	(885)	41
			563	695	132
Copper	Sale	(50)	(316)	(316)	0
Aluminium	Sale	(375)	(583)	(605)	(22)
			(899)	(921)	(22)
Total			(336)	(226)	110

31 December 2019

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Copper	Buy	150	852	821	(31)
Aluminium	Buy	(425)	(634)	(680)	(46)
Total			218	141	(77)

The above valuation profits as well as the realised profits of closing metal futures are posted to the cost of goods sold given that the purchase cost of raw materials, in respect of which metal derivatives are concluded, is also posted to the cost of goods sold.

Following the amendment of IFRS 7 for the year 2019, the company must disclose the basis for determining the fair value of financial instruments that are presented in the Balance Sheet. Derivative financial instruments are the only financial instruments at fair value held by the company. These financial instruments are measured in "Level 1" of the hierarchy of fair values as described in IFRS 7. The "Level 1" fair value hierarchy refers to fair values based on inputs that are available in active markets.

22. PROVISIONS

Provisions for the twelve-month period ended on 31 December 2020 and 31 December 2019 are as follows:

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	31/12/2020	31/12/2019
Provisions for penalty clauses	81	22
Provisions for sales	283	174
Provisions for legal matters	196	35
Provisions for restructuring	149	18
Other provisions	0	20
Total	709	269

	Balance 31.12.2019	Additions	Use of provision	Balance 31.12.2020
Provisions for restructuring	18	233	(102)	18
Provisions for penalty clauses	22	59	0	22
Other provisions	229	583	(333)	229
Total	269	875	(435)	269

23. TRADE LIABILITIES

Trade liabilities are broken down as follows:

	31/12/2020	31/12/2019
Domestic suppliers	3.227	3.669
International suppliers	6.437	5.589
Intercompany obligations	8.654	6.968
Total	18.318	16.226

Analysis of financial means:

	31.12.2020	
Liabilities	< 1 year	> 1 year
Domestic suppliers	3.227	0
International suppliers	6.437	0
Intercompany obligations	8.654	0
Total	18.318	0

24. SHORT-TERM LOANS**i) Other short-term loans**

The company keeps credit limits with banks totalling €46.500. The Company uses part of these credit lines during the fiscal year. Note that the total credit line of €46.500, which had been granted by Greek banks to the company, includes €10.500 to meet the needs of short-term borrowing. The remaining

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credit line, i.e. the amount of €36.000, has been granted for other transactions such as issue of letters of guarantee, assignment of receivables, etc.

On 31 December 2020 and 31 December 2019 the remaining short-term bank loans amounted to €0 and €3.885 respectively.

The interest rate is adjusted on a daily basis. The weighted average rate of short-term borrowing for 2020 stood at 4.35% (as in 2019).

	<u>31/12/2020</u>	<u>31/12/2019</u>
Open balance	0	3.885
Average weighted interest	3,70%	4,35%
Guaranties	None	None

ii) Loans from affiliated entities

	<u>Loans from associated companies</u>	
	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Nexans Services (Note 24)	0	10.034
	<u>0</u>	<u>10.034</u>
Paid until	-	February 2020
Average weighted interest	3,70%	3,70%
Guaranties	None	None

The interest applicable to all short-term loans on 31 December 2020 totalled €675 (€611 on 31 December 2019) and is included in interest charges of the accompanying income statement (Note7). The fair value of loans is approximately equal to their book value.

25. ACCRUED AND OTHER SHORT-TERM LIABILITIES

The amount presented in the statement of financial position attached hereto is broken down as follows:

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	<u>31/12/2020</u>	<u>31/12/2019</u>
Customer downpayments	8	65
Taxes payable save income tax	777	799
Social security contributions	395	408
Expenses accrued	723	445
Staff remuneration payable	208	326
Negative price adjustments	2.091	746
Others	17	87
Total	<u>4.219</u>	<u>2.876</u>

Customer down-payments refer to the company's obligation to deliver products to third parties. Revenue will be recognised through profit or loss upon delivery of the order. Revenue corresponding to prior-year customer down-payments has been recognised in the current year.

26. FINANCIAL RISK MANAGEMENT

Due to its robust international activities, the company is exposed to financial risks such as market risks (changes in exchange rates, interest rate, and metal buying prices), credit risk, cash flow risk and fair value risk from changes in interest rates. The risk management program of the company focuses on the incapacity to foresee accurately the financial markets and seeks to minimise any eventual negative effect on its financial performance.

The company employs financial derivative instruments such as metal and exchange futures and forward contracts in order to hedge its exposure to the specific risks. Risk management is carried out by the liquid assets management department in co-operation with procurement department which assesses and hedges the financial risks in cooperation with the Group services faced with such risks. The Board of Directors provides instructions and guidance on the general management of risks such as credit risk, fair value, interest rate and exchange risks.

- I. Price fluctuation risk:** The volatility of the price of copper, aluminium and other raw materials, as well as of fuels and energy could have a negative impact on the company's sales and results. The cost of copper and aluminium, i.e. the most important raw materials used by the company to manufacture its products, is subject to significant changes caused by the conditions of supply and demand in metal exchanges, weather conditions, political and economic variables, as well as other unknown and unforeseeable variables. Further, the fuels and energy required for the operation of the company's plant are also subject to significant volatility.

The core raw materials in the cables sector (copper and aluminium) concern products whose prices are quoted on the London Metal Exchange. Therefore, purchases and sales are affected by international price fluctuations. To hedge the risk from changes in metal prices, Management of the Company purchases the contained metal under the same terms applicable to sales to customers. Sales are divided into 2 categories:

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A) sales based on confirmed customer orders;

B) sales based on forecasts for the domestic market.

To reduce the risk arising from the volatility of raw materials cost, the Company monitors constantly its open position in metal stock and enters into raw materials futures and forward contracts (derivatives) whenever necessary, to hedge this risk and limit the extent of its exposure to price fluctuations.

These contracts have different maturity dates, depending on the date of the expected purchase of such metals. The valuation of the company's open positions on 31 December 2020 and 31 December 2019 is as follows (amounts in thousand €):

31 December 2020

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Copper	Buy	250	1.489	1.580	91
Aluminium	Sale	(550)	(926)	(885)	41
			563	695	132
Copper	Sale	(50)	(316)	(316)	0
Aluminium	Sale	(375)	(583)	(605)	(22)
			(899)	(921)	(22)
Total			(336)	(226)	110

31 December 2019

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Copper	Buy	150	852	821	(31)
Aluminium	Buy	(425)	(634)	(680)	(46)
Total			218	141	(77)

The above valuation profits/(losses) as well as the realised profits of closing metal futures are posted to the cost of goods sold given that the purchase cost of raw materials, in respect of which metal derivatives are concluded, is also posted to the cost of goods sold.

The copper, aluminium and fibre-optic cables market is extremely competitive and calls for major investments in research and technology and some competitors may enjoy comparative advantages.

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Many products of the company are manufactured according to common specifications and, therefore, may be easily replaced by competitive products. Consequently, the company is subject to competition on many markets based on the price, quality, range of product family, available stocks, timely delivery, customer service, the environmental effects of the products, as well as the company's capacity to respond promptly to its customers' needs. The company estimates that its competitors will keep on improving the design and performance of their products and will launch new products with competitive prices and features. Therefore, the company must keep on investing in product development, productivity improvement, and customer service and support to remain competitive. Moreover, any increase in competitive product imports could have a negative effect on the company's sales in any market.

Due to its export orientation, the company is exposed to economic, political and other risks in third countries.

In the year ended 31 December 2020, 38% of sales and 39% of receivables of the company were channelled into exports. Some countries run a greater risk in terms of eventual social and political destabilisation, international conflicts, government interventions, changes in regulatory requirements, unfavourable treatment of foreign companies, terrorist attacks, natural disasters and eventual pandemics for which they lack the necessary resources to deal with emergencies.

The economic developments in the countries where the company exports products, including future economic changes or crises (such as high inflation, considerable currency devaluation, voting of exchange control measures or capital controls), could also have adverse effects on the company's financial position and results.

The company relies on independent distributors and retailers for the non-exclusive sale of its products, who may, at their discretion, cease to buy the company's products.

Distributors and retailers account for a considerable part of the company's sales. Such distributors and retailers are under no contractual obligation to distribute the company's products on an exclusive basis or for a specific period of time. Therefore, said distributors and retailers may decide to purchase competitive products or cease to promote the company's products at any time. Any simultaneous loss of major distributors or retailers could have an impact on the company's ability to approach end users and may also impact negatively its business results. Moreover, any eventual liquidity problems of one or more major distributors or retailers could have a negative effect on the company's sales.

- II. Credit risk:** The company is exposed to the credit risk of customers and commercial partners and to their financial capacity to pay timely their liabilities.

Trade receivables are broken down as follows:

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	<u>31/12/2020</u>	<u>31/12/2019</u>
Domestic customers	9.120	11.170
Foreign customers	287	5.793
Receivables from affiliated parties	5.078	6.445
Cheques receivable (post-dated)	0	1.111
	<u>14.485</u>	<u>24.519</u>
Less: provisions for doubtful debts	<u>(1.290)</u>	<u>(1.168)</u>
Total	<u>13.195</u>	<u>23.351</u>

On 31 December 2020, promptly serviced trade receivables amounted to €12.799 (€17.501 for 2019). As for the receivables remaining open beyond credit limits over 30 days, a statistic provision for doubtful debts is set up depending on the age of the receivable. On 31 December 2020, the amount of the said receivables came to €1.686 (€7.018 for 2019) and the respective provision to €1.290 (€1.168 for 2019). The total amount of receivables also includes receivables that are past due, but are not considered as doubtful. The company impairs its trade receivables when there is information or indications that imply that the collection of the relevant receivable overall or by part is not likely. The company's Management carries out a periodic re-evaluation of the adequacy of the provision for doubtful receivables, in combination with its credit policy and taking into account data from the Legal Department, which arise from processing historical data and recent developments on cases the Department manages, adjusts the provision raised for doubtful receivables.

These receivables are broken down per age as follows:

	<u>31.12.2020</u>	<u>31.12.2019</u>
30-60 days	1	3.291
60-90 days	2	969
90+ days	1.683	2.657
Sub total	<u>1.686</u>	<u>6.917</u>
Cheques receivable (post dated)	0	101
Total	<u>1.686</u>	<u>7.018</u>

The provisions for doubtful debts for the period ended on 31 December 2020 are broken down as follows:

1 January 2019	1.111
Additional Provision	57
31 December 2019	<u>1.168</u>
Adjusted balance 31 December 2018	<u>1.168</u>
Deletions of period	(21)
Additional Provisions of period	143
31 December 2019	<u>1.290</u>

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The additional provision for the year is included in the Administrative and Selling expenses.

The company's policy is to enter into contracts with counterparties meeting top credit rating criteria while in the case of credit risk the company seeks more collateral. Moreover, in an attempt to restrain losses from eventual default of its customers, the company collaborates with a credit insurance company of Nexans Group through which it insures a part of its receivables from foreign and domestic customers. The amount of insurance depends on the credit rating of each customer, as evaluated by the insurance company.

Nevertheless, any negative financial results of customers and commercial partners or their negative assessments about their future income may result in them not paying in good time, paying in part or not paying at all their liabilities in order to seek a renegotiation of the contractual terms, or even withdraw from the company's commercial network, all of which could lead to an eventual drop in the company's income and impact adversely its financial results.

- III. Interest rate fluctuation risk:** During the first nine months of 2020, the company received short-term financing from the affiliated company Nexans Financial Treasury Services and limited financing from the domestic market, in order to meet its current needs for working capital.

Such short-term financing was provided by the affiliated company Nexans Services at a borrowing rate established on the basis of a mix of ratios and factors, always in line with the transfer pricing rules.

- IV. Foreign exchange risk:** The vast majority of transactions, contracts and orders of the company are executed in Euro. For the trade receivables and liabilities made in foreign exchange, Management constantly monitors the fluctuations in exchange rates and assesses whether the respective positions must be adopted so as to hedge the resultant risks. In this context, Management enters into futures and forward contracts (derivatives) so as to limit the extent of its exposure to fluctuations of exchange rates.

- V. Liquidity Risk:** Liquidity risk is dealt with by ensuring adequate cash and cash equivalents, availability of sufficient financing and by the capacity to close open positions. Due to the dynamic nature of the activities, the cash management department aims at flexible financing through authorised credit lines. The contractual maturity dates of trade and other receivables and loans refer to a period less than one year. It is estimated that the Share Capital Increase has had a positive effect on minimising the liquidity risk.

- VI. Fair value:** The amounts presented in the financial statements with respect to cash, trade receivables, liabilities and loans approach their respective fair values due to their characteristics and their short-term maturity.

Fair values of derivatives are based on market valuation.

- VII. Capital risk management:** With respect to capital management, the company aims to ensure problem-free operation in the future so as to provide satisfactory yields to shareholders and benefits to other contracting parties as well as to ensure the ideal capital allocation at the lowest capital cost. To this effect, the company monitors consistently the working capital so as to keep external financing at the lowest possible levels. It is noted that the Share Capital Increase has had a positive effect on dealing with the capital management risk.

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	<u>31/12/2020</u>	<u>31/12/2019</u>
Total loans	0	13.919
Less: cash	<u>(8.601)</u>	<u>(3.578)</u>
Net debt	10.341	2.518
Total equity	<u>33.062</u>	<u>37.255</u>
Total capital	43.403	39.773
Leverage ratio	24%	6%

27. CONTINGENT RECEIVABLES

On 31 December 2020, the Company had no contingent receivables.

28. CONTINGENT LIABILITIES**(a) Penalties and court cases:**

On 31.12.2020, there were actions, out-of-court notices and in general future claims against the Company in the ordinary course of its business which totalled €837. A provision totalling €196 has been raised for such cases and is included in the item of long-term liabilities “Provisions” (see note 22). Management and the legal advisors of the company estimate that the final settlement of these cases will not have any major effect on the company’s financial position other than the provision already raised.

(b) Commitments:**(i) Guarantees:**

On 31 December 2020, the Company had the following contingent liabilities:

- It had issued performance bonds totalling €3.584 thousand.
- It had provided guarantees for participating in various tenders, which totalled €103.
- It had issued performance bonds totalling €140.

(iii) Capital commitments:

On 31 December 2020, the Company had no commitments for capital expenditures.

29. JOINT VENTURES

On 31 December 2020, the joint venture named “JOINT VENTURE NEXANS – ATERMON FOR HEDNO 2014” was active. The purpose of the joint venture is to supply and install underground cables in the context of tender notice No. ΔΔ-202. The total cost of the project is €8.890. The execution of the project will take approximately 2,5 years. This particular joint venture concerns the joint agreement about a specific activity as described above. The amount proportionate to Nexans Hellas Single-Member S.A. is equal to €5.130 (57,7%).

The transactions with the Joint Venture in which Nexans Hellas Single-Member S.A. participated (see note 15) in 2020 are as follows:

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J/V "JOINT VENTURE NEXANS - ATERMON FOR HEDNO 2014".

	31.12.2020	31/12/2019
Sales (excl. VAT):	1	110
Expenses (excl. VAT):	0	4
Receivables:	3	4

30. IMPORTANT EVENTS**COVID-19**

In early 2020, the COVID-19 pandemic broke out on a worldwide scale, which gave rise to significant risks against the employees' health and safety, changes in global supply and demand, including Greece and other countries in which the company operates. The return to full economic stability depends to a large extent on the duration of the pandemic, as well as on the actions and decisions taken by the Greek and foreign governments.

A summary of the effects and mitigating measures is presented below.

Health and Safety

- The first and foremost concern of the company is to ensure the health and safety of its employees and partners/visitors. Ever since the pandemic broke out, the company has remained vigilant and has not stopped working together with the competent health authorities in order to adjust the mitigating measures immediately and effectively. Meanwhile, our personnel and visitors are continuously updated and mobilised, using all technological means, in order to ensure the maximum possible effectiveness in terms of precaution.

Entrepreneurship

- The overall effect of the pandemic on the economy of each country in which the company operates, as well as the duration of the recession and lockdown measures taken on a case-by-case basis, remain uncertain. At the same time, the respective governments, at country level and within the EU on a wider scale, have taken extensive measures to support local economies and limit any potential risks of recession.
- Since the Covid-19 pandemic broke out in mid February 2020 in Greece, the resultant lockdown measures in the domestic market since end March 2020 until mid May 202 and since early November 2020 up to date have affected the segment in which the company operates and, therefore, the Company's sales. Company sales during the period from January to December 2020 (including the months when the lockdown was in effect) registered a considerable drop compared to the corresponding previous period, in line with the downward performance of the market. Also, the extensive and continuous restrictions imposed in 2020 caused an important increase in the purchase prices of raw materials on a worldwide scale. Company Management works together with the Group's services and closely monitors the respective costs and promptly changes prices if and when necessary so as to not affect its financial results. Company Management has established a multifarious set of actions which have already been put in place ever since the pandemic broke out in all operating segments such as: Health and safety, personnel management, production, supply chain,

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reduction of working capital, cost accounting, sales, transaction cycle, use of credit risk and liquidity risk hedging instruments to address any potential risks.

- As far as the liquidity level is concerned, the Company has taken additional measures to maintain the necessary liquidity level based on the circumstances and taking into account the support provided by the parent company, if necessary. As part of the aforementioned drastic reorganisation and streamlining of its operations, the Company took into account market needs, the high level of customer service, optimum management of the operating cost, and partnered with an external warehousing and distribution network for its products for the region of Attica. Moreover, the Company's branch accommodating Sales Management in Athens was relocated to a new modern building.
- The investment plan is regularly carried out without being affected by the impacts of the pandemic.
- The company remains focused on Group targets (as announced in February 2021) so as to become a major player in future electrification (Electrify the Future).

31. SUBSEQUENT EVENTS

According to law 4799/2021, which was published in May 2021, the corporate income tax rate in Greece will be reduced from 24% to 22% from the year 2021 onwards. The expected effect of the change in the tax rate from 24% applicable for the year 2020 to 22% for the year 2021 is negative € 140, mainly due to the transferred tax losses.

In May 2021, the IFRS Interpretation Committee published a decision on the agenda in relation to Employee Benefits and in particular the reimbursement of service benefits (IAS 19 Employee Benefits). The company expects this decision to be fully implemented by 31.12.2021. The deduction from the implementation of this decision cannot be estimated reliably at the present time. These will result to a change in accounting policy which will be applied retroactively on 31.12.2021.

There are no other significant events after 31 December 2020 that could materially affect the company's results for the year ended on that date.

The Vice-chairman of the BoD and Chief
Executive Officer

ATHANASIOS GAVRIIL
ID Card No.AK 488502/2012
Police Precinct LAMIA

Board of Directors member

GEORGE CHRYSOMALLIS
ID Card No.H 242608/1962
ATHENS POLICE PRECINCT

For the Accounting Department

AGELOS KYRITSIS
ID Card No.AA 977582/2005
STYLIDA POLICE PRECINCT
LICENCE No. Body of Chartered Accountants
0086461, Grade A



Independent auditor's report

To the Shareholders of "NEXANS HELLAS S.A."

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of "NEXANS HELLAS S.A." (Company) which comprise the statement of financial position as of 31st December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31st December 2020, 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 and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

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

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

Independence

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

Other Information

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

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

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2020 is consistent with the financial statements,



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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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



Athens, 6 September 2021

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Despoina Marinou
The Certified Auditor
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