ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

According to the International Financial Reporting Standards

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ANNUAL REPORT BY THE BOARD OF DIRECTORS OF
"CORINTH PIPEWORKS PIPE INDUSTRY SINGLE-MEMBER S.A."
ON THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2021

Dear Shareholders,

In the context of the provisions of Law 4548/2018 and the relevant provisions of the Articles of Association of CORINTH PIPEWORKS PIPE INDUSTRY SINGLE-MEMBER S.A. (previously named E.VI.KE. S.A. hereinafter called "Corinth Pipeworks" or the "Company") we hereby submit this Annual Report of the Board of Directors on 2021, namely the period from 1 January 2021 to 31 December 2021.

This Report includes an overview of the financial results and developments of the period, an overview of the important events that took place in 2021, an analysis of the prospects and risks expected during 2022, as well as a presentation of non-financial information.

The Company has a 100% participation in Warsaw Tubulars Trading Sp. Z.o.o. which is established in Poland (hereinafter "WTT"). WTT has a 100% participation in CPW America Co. which is established in Houston, Texas USA. CPW America owns a 19.4% participation in Bellville Tube Company which is also based in Houston, Texas, USA and is consolidated as an associate. Finally, during the year the Company acquired a 4.44% share in DIA.VI.PE.THI.V. S.A., thus increasing its participation in DIA.VI.PE.THI.V. S.A. to 26.20%. The Company and the above participations form Corinth Pipeworks Group or the "Group". These Financial Statements present both the Company's and the Group's financials.

I. Report on the ending year

After the unprecedented decline in energy consumption and prices due to the pandemic outbreak in early 2020, which led to the postponement or cancellation of several fossil-fuel distribution projects, the energy market slowly but steadily recovered and prices in 2021 climbed to very high levels, due to stock depletion and hastily rebounding global demand. Some of the pipeline projects put aside the year before restarted in the second half of 2021, as it was apparent to all that natural gas would still be the main "bridging" fuel towards the energy transition period of the next decades.

Furthermore, over the course of the year Corinth Pipeworks remained focused on research and development initiatives (e.g. green hydrogen transportation, CCS technologies, potential opportunities in the offshore wind sector), tried successfully to enter new geographical markets and continued its rigorous programme of major oil and gas company qualifications and innovative programmes to enhance competitiveness including commencing digitalisation of its processes. In brief, it demonstrated considerable stamina throughout these hard times, strengthening its presence in existing and emerging markets, winning important new onshore and offshore projects and securing an uninterrupted production process all throughout the year.

Despite a revenue decline by 25% relative to its 2020 levels (EUR 230 million in 2021), mainly driven by globally postponed energy projects, Corinth Pipeworks illustrated its resilience as shown mainly by the following actions:

- Efforts to strengthen its presence in new markets in Europe, the Americas, North Africa and Asia, and winning new projects (e.g. INGL offshore project in Israel, Gaz System in Poland, hydrogen certified pipelines for Snam in Italy, offshore projects in the North and Norwegian Sea etc.).
- Increased backlog reaching EUR 350 million by the end of the year, as a result of the successful tendering activity during the last months of 2021
- Strict working capital management which secured necessary liquidity and allowed its operating activities to finance investments that took place during 2021.
- Continuous R&D and innovation strategy, which have positioned the subsidiary at the forefront of the energy transition and solutions on hydrogen transportation.
- Rigorous certification programme by leading oil and gas companies as well as innovative programmes aiming to boost competitiveness and launch process digitalisation.

- Conclusion of the cost optimisation programme that started in Q4 2020.

Remarks on year results

Decreased revenue led to a lower gross profit for 2021 equal to EUR 16 million (from EUR 25 million in 2020) and a subsequent decrease in adjusted EBITDA by 26% for 2021 at EUR 15.4 million (from EUR 20.7 million in 2020).

Finally, as a result of the retrospective implementation of the anti-dumping duty rate equal to 41.4% with a value of Euro 12.8milion, imposed by the US Department of Commerce to CPW America (see par. VI. "Subsequent events after 31 December 2021" below), the Group recorded losses before tax of EUR 14.9 million for 2021, compared to profit before tax of EUR 0.5 million in 2020.

Remarks on the Statement of Financial Position

In 2021, the Group managed to produce significant free cash flows. This fact resulted in a large decline in net debt from EUR 89 million to EUR 68 million as of 31 December 2020. Long-term debt was also partially refinanced with more favourable terms, through the issuance of three bond loans amounting to EUR 21.5 million in total.

Investments

During 2021, the Group made investments totalling EUR 9.5 million which mainly concerned:

- selected strategic and operational investments in logistics equipment to enhance safety, optimise cost basis and improve quality of services and products provided;
- selected investments in productivity optimisation and cost reduction schemes in the Thisvi-based HFI production line.

Alternative Performance Measures and Ratios

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

Liquidity ratio: This ratio is an indicator of how current liabilities are met by current receivables and is calculated by the ratio of current assets to current liabilities. The financials are used as presented in the Statement of Financial Position. This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Liquidity	**2021**	**2020**	**2021**	**2020**
Current assets / Current liabilities	0.93	1.04	0.96	0.99

Leverage ratios: These ratios are an indicator of leverage and each ratio presented below is calculated as follows:

i. by the ratio of equity to debts;
ii. by the ratio of equity to net debt;
iii. by the ratio of net debt to adjusted EBITDA (a-EBITDA). The definitions of EBITDA and adjusted EBITDA are set out in the section on profitability ratios below.

The amounts are used as presented in the Consolidated and Separate Statement of Financial Position, for the Group and the Company, respectively. This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Leverage	**2021**	**2020**	**2021**	**2020**
Equity/Debt	1.18	1.32	1.20	1.25
Equity/Net debt	1.89	1.63	1.84	1.47
Net debt/a-EBITDA	4.42	4.29	4.49	4.49

Return on capital employed: It is a ratio that measures the efficiency with which both debt and equity is employed and is measured by the ratio of operating results to debt and equity.
The amounts are used as presented in the Consolidated and Separate Statement of Financial Position as well as the Consolidated and Separate Statement of Profit or Loss.

This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Return on capital employed	**2021**	**2020**	**2021**	**2020**
Operating results / (Equity + Debt)	-2.9%	4.7%	2.5%	4.5%

Return on equity: It measures the efficiency of the Company's equity and is measured by the net profit/(losses), net of tax to total equity. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position as well as the Consolidated and Separate Statement of Profit or Loss. This ratio is as follows for the ending and the comparable periods:

	GROUP		COMPANY	
Return on equity	**2021**	**2020**	**2021**	**2020**
Net Profit/Equity	-12.1%	-0.8%	-3.8%	-0.9%

Profitability ratios:

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Gross Profit Margin (Gross profit/Sales)	7.0%	8.1%	6.8%	7.5%
Net Profit Margin (Net profit after tax/Sales)	-6.8%	-0.4%	-2.2%	-0.4%
EBITDA	1,390	19,882	14,626	19,777
EBITDA margin* (EBITDA/Sales)	0.6%	6.4%	6.5%	6.4%
a–EBITDA	15,434	20,796	15,828	20,691
a–EBITDA margin** (a-EBITDA/Sales)	6.7%	6.7%	7.0%	6.7%

***EBITDA:** It measures Group and Company profitability before interest, taxes, depreciation and amortisation. It is calculated by adjusting depreciation and amortisation, interest charges and interest income as well as dividends in pre-tax results as indicated in the Statement of Profit or Loss.

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Earnings before taxes	**(14,914)**	**555**	**(1,558)**	**574**
Adjustments for:				
+Depreciation of tangible and intangible assets	8,860	8,826	8,755	8,716
- Amortisation of grants	(77)	(18)	(77)	(18)
+ Net finance expenses	7,571	10,603	7,556	10,588
Dividends	(50)	(83)	(50)	(83)
EBITDA	**1,390**	**19,882**	**14,626**	**19,777**

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

- Exceptional litigation fees and fines
- (Profit)/loss from sale of property, plant & equipment
- Other extraordinary or one-off expenses

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
EBITDA	**1,390**	**19,882**	**14,626**	**19,777**
Adjustments for:				
+ Exceptional litigation fees and fines	-	-	-	-
+ (Profit)/losses from the sale of tangible assets	-	-	-	-
+ Other extraordinary or one-off expenses	14,044	914	1,202	914
a–EBITDA	**15,434**	**20,796**	**15,828**	**20,691**

The Group's other extraordinary expenses in 2021 mainly concerned the retrospective application of the anti-dumping duty rate of EUR 12.8 million imposed by the US Department of Commerce on CPW America, expenses of EUR 224k. for dealing with the Covid-19 pandemic and expenses of EUR 978k. incurred as part of the Company’s cost optimisation.

As regards 2020, other extraordinary expenses amounted to EUR 467k. for dealing with the Covid-19 pandemic and to EUR 447k. as cost optimisation expenses.

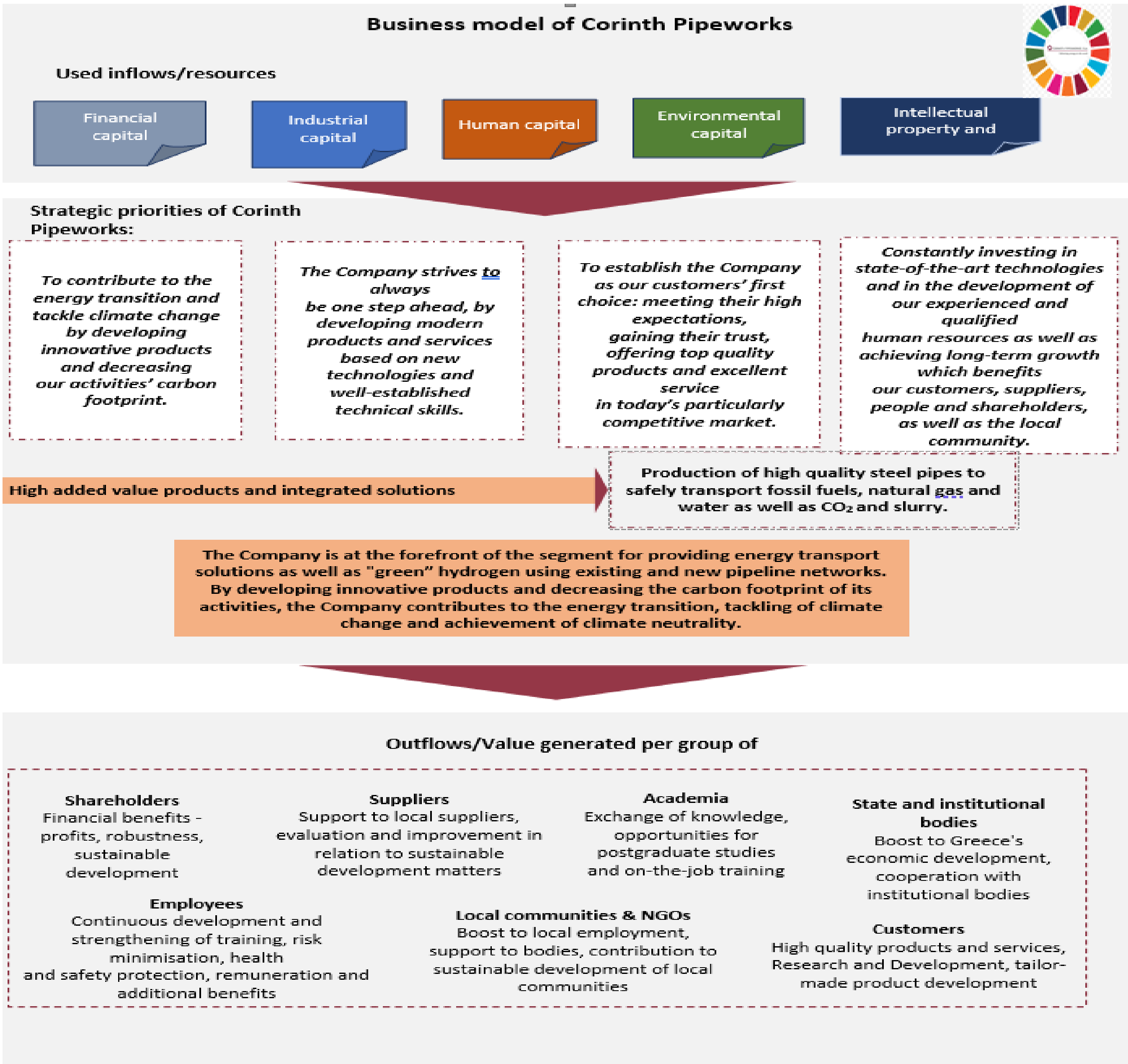
II. Objectives and Outlook for 2022

Corinth Pipeworks has left behind two difficult years and is now ready to benefit from the orders received during the last months of 2021. As global energy demand is growing faster than renewable energy capacity, demand for fossil fuels will rebound and hence, demand for steel pipes is expected to reach higher levels in the near future. CPW remains focused on penetrating new geographical markets and developing new innovative products, e.g. infrastructure for the offshore wind sector, tubes for hydrogen transportation, carbon capture and storage (CCS) technologies etc. Such initiatives along with intensified efforts towards stronger competitiveness will improve the subsidiary’s market position and will lead to awards of new projects and return to profitability. Looking ahead, the energy sector is expected to stabilise at a higher price levels driven by continued geopolitical uncertainty. This, in combination with the solid backlog built during the last quarter of the year, offers a positive outlook for steel pipes segment.

III. Non-Financial Information

Business Model[1]

The principles of Sustainable Development are an integral part of the philosophy that guides the way in which the Company conducts business and are recognised as a prerequisite for its long-term growth along with prosperity of society as a whole. The Company has incorporated factors such as prompt response to market trends and customer needs, maintaining excellent relationships with its partners and the application of technological innovations in its business model and strategy. Through these practices, the Company aims to improve its business performance and to create added value to all its stakeholders. Its operating business model is described below:



[1]*Business model development based on the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC)*

Sustainable Development matters - Management Policies and Systems

The Company has put in place mechanisms and processes for highlighting and maintaining sustainable development issues with emphasis on work safety, environmental protection and society, while focusing on economic and sustainable operation. Management's commitment and the issues responsible management framework are reflected in the Code of Conduct and Business Ethics, and in the Sustainable Development Policy established and implemented by the Company.

In detail, the Company's Code of Conduct and Business Ethics is presented on the website: *https://www.cpw.gr/about-us/code-of-conduct/*

Wishing to reinforce its sound operation and driven by Sustainable Development, the Company has established specific policies and puts into practice adequate management systems and procedures that uphold responsible operation and define the way in which its goals are achieved. More specifically, the Company has established and implements the following codes and policies:

- Code of Conduct and Business Ethics
- Sustainable Development Policy
- Health and Safety, Environment & Energy Policy
- Human Rights and Labour Practices Policy
- Quality Policy
- Suppliers Code of Conduct
- Integrity and Transparency and regulation of Procurement
- Business Ethics and Anti-Corruption Policy
- Personal Data Protection Policy
- Regulation of internal operations

Integrated management of the Company's material issues is ensured through the Management Systems implemented by the same. The Company applies the following certified systems:

- Quality Assurance System as per ISO 9001:2015
- Environmental Management System as per ISO 14001:2015
- Energy Management System compliant with ISO 50001:2018
- Occupational Health and Safety Management System as per ISO 45001:2018
- Accredited laboratory testing centre compliant with Hellenic Body for Standardisation (ELOT) EN ISO/IEC 17025:2017

Material issues

Corinth Pipeworks assesses the top material issues arising from its operation and activity for each Sustainable Development pillar recognised. The assessment of these issues, which is based on the guidelines of the Global Reporting Initiative (GRI Standards), on the industry-specific reporting standard of the Sustainability Accounting Standards Board (SASB) and on international organisation AccountAbility's AA1000 Standard, is an important tool in finalising the Company's annual action plan and in shaping the content of the annual Sustainable Development Report.

Moreover, acknowledging how important it is to develop actions that seek to contribute to the achievement of the United Nations Sustainable Development Goals (SDG), the Company has associated its material issues with the SDGs.

The 2021 Sustainable Development Report of Corinth Pipework includes a more detailed presentation of material issues, the respective performance indicators and their correlation with the UN Global Sustainable Development Goals (Agenda 2030). The Company's Sustainable Development Report is available on the following website: https://www.cpw.gr/media-center/Publications/

Business Excellence Programme "BEST"

In July 2019, the Company launched the implementation of an innovative business excellence programme called "BEST" combined with management policies, procedures and relevant systems. The implementation of this programme aims to ensure continuous improvement of its operations and procedures, more efficient -i.e. no losses - operation of its production plants as well as the development of its employees and reinforcement of their everyday tasks. Moreover, BEST programme gives priority to the decrease in energy consumption, more effective use of resources and materials in conjunction with a decrease in inventories and broader product management cost, thus making a dynamic contribution to decreasing the environmental impact of its activities.

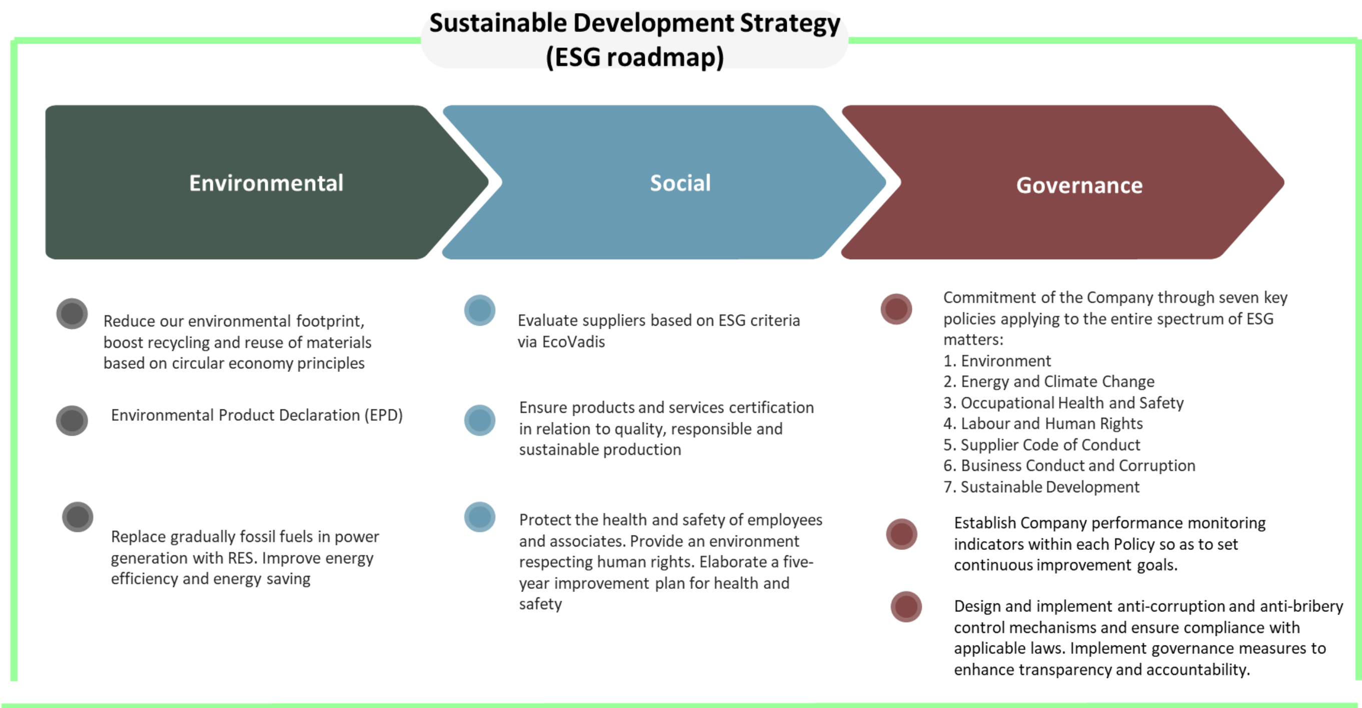
A team consisting of executives of Company departments and divisions has been set up and plays an important role in the effective management of Sustainable Development issues. Corinth Pipeworks' Sustainable Development team is responsible for the development and implementation of an annual action plan per priority area, as well as for monitoring and recording material issues in relation to stakeholders.

A detailed report is included in the Company's Annual Sustainable Development Report at: https://www.cpw.gr/media-center/Publications/

ESG Roadmap (Sustainable Development Roadmap)

With the ultimate goal of maintaining its leading position across the segment and getting fully aligned with global trends for a climate neutral society, the Company has adopted a long-term sustainable development business approach. In this context and as part of the wider Viohalco Group, the Company has created an Environment, Social and Governance Roadmap ("ESG Roadmap") by assessing all related risks and opportunities and integrating all these matters into its business strategy.

Such Roadmap has been developed in line with the European Green Deal and its requirements, the climate neutrality goals set by the European Union for 2050, the strict regulatory framework within which the Company operates, as well as a wide range of sustainability considerations such as climate change and its effects, water availability, responsible supply chain, health and safety, as well as the latest challenges in the energy sector that may affect the Company.



Labour and social matters

The Company applies merit-based procedures to select, train and reward employees to develop their skills. Combined with the effective application of its policies, the Company has developed a Code of Conduct and Business Ethics which forms the framework of principles for the Company's smooth operation and serves as a key tool for shaping a unified corporate culture. Constantly oriented towards human values, the Company seeks to apply responsible work practices, focusing on important issues such as:

- ensuring of the health and safety of its employees and associates
- ensuring ongoing training and education
- providing equal opportunities for all employees
- applying fair and objective evaluation systems
- maintaining the working culture.

Key elements of Human Resources

Personnel profile per gender	2019	2020	2021
Male	467	444	411
Female	50	49	38
Total	**517**	**493**	**449**

Personnel profile per gender and age	2019			2020			2021		
	<30	30-50	51+	<30	30-50	51+	<30	30-50	51+
Male	29	318	120	22	317	105	16	274	121
Female	5	40	5	5	38	6	5	27	6
Total	**34**	**358**	**125**	**27**	**355**	**111**	**21**	**301**	**127**

Personnel profile per gender and seniority	2019			2020			2021		
	Άνδρες	Γυναίκες	Σύνολο	Άνδρες	Γυναίκες	Σύνολο	Άνδρες	Γυναίκες	Σύνολο
Senior executives	8	1	**9**	9	1	**10**	6	1	**7**
Managers and Professionals	68	18	**86**	74	20	**94**	70	17	**87**
White-collar workforce	23	25	**48**	20	22	**42**	16	15	**31**
Blue-collar workforce and foremen	368	6	**374**	341	6	**347**	316	5	**321**

Combating the Covid-19 pandemic

Having the protection of its employees' and associates' health and safety as its utmost priority, Corinth Pipeworks took a number of preventative and effective measures while also securing its uninterrupted operation. In this context and fully aligned with the applicable requirements and guidelines of the National Public Health Organisation (EODY) and the Labour Inspectorate, Corinth Pipeworks elaborated a plan to combat the pandemic, thus securing the health and safety of its people. The integrated plan to combat the pandemic includes:

- Assessment of the coronavirus-generated occupational risk
- Emergency plan for incidents of coronavirus infection
- Preparation of prevention and protection measures against the coronavirus
- Personnel information and training on sound protection and how to deal with the coronavirus
- PCR testing on a regular basis for the employees
- Continuous support to the employees throughout the pandemic to protect their physical and mental health

In order to address promptly and in good time all coronavirus incidents, the Company elaborated an emergency plan while also adopting and implementing all necessary measures in order to prevent the coronavirus from spreading (mandatory use of mask, determination of maximum capacity on company buses to 50% and counting of passengers/bus, personnel temperature measurements, weekly disinfection of the production plants, setting up of a crisis management team etc.). The prevention and management measures that were put in place aimed at shielding the Company's plants so as to provide optimum protection of the workforce's health.

Continuous coronavirus testing: In order to maintain a safe work environment and in line with the coronavirus prevention and management plan, Corinth Pipeworks conducted systematically polymerase chain reaction (PCR) tests to its employees. Those employees found at the working place on the specific date the tests were carried out got a test. Overall, 4,381 tests were performed, thus contributing significantly to the sound management of the coronavirus pandemic by the Company.

Wishing to ensure sound prevention and management of this unprecedented situation that arose due to Covid-19, the Company developed a number of training and information seminars aiming to inform the employees and collaborating contractors. The Company created a number of e-learning courses regarding stress management, remote work and optimum coronavirus management. Additionally, the personnel were updated on a periodic basis through emails and notice boards on various topics such as testing, proper use of face mask, proper use of masks in common areas, coronavirus symptoms and diagnosis.

Employee evaluation and development

The Company uses a modern and interactive system – SuccessFactors platform - as a tool to manage human resources issues, which simplifies all HR procedures for the employees themselves and the Company's competent department. Annual evaluation and selection of training programmes take place, among others, through the system.

The evaluation taking place through SuccessFactors platform helps recognise the employees' high performance, make communication with their evaluators stronger, identify their training needs and set professional and personal goals. During 2021, all staff members of the Company were evaluated including senior executives, managers, administrative employees and foremen as well as workers.

The training programmes prepared and implemented are both in-house and external, and are associated with the input arising from the evaluation procedure. They may refer to the acquisition of specialised training and/or the development of soft skills.

Training data	*Measurement unit*	*2019*	*2020*	*2021*
Total training hours (participations x hours)	#	**8.339**	**2.821**	**4.271**
Managers	#	486	247	1.807
Senior executives	#	1.044	324	27
Executives, white-collar workforce and blue-collar workforce & foremen	#	6.809	2.251	2.438
Participation in in-house training programmes	#	1.396	250	1.617
Participation in third-party seminars-conferences	#	832	569	129
Total participation in training programmes	#	2.228	819	1.746
Training programmes carried out	#	378	159	252

Equal opportunities and respect for human rights
Corinth Pipeworks takes steps to maintain a working environment that will stand out not only for the high level of its executives and employees but also for equal opportunities for development, respect for diversity and safeguarding of human rights. The Company applies procedures that incorporate impartial criteria to hiring, remuneration, promotion and training which do not discriminate on the basis of gender, nationality, age, marital status or other characteristics.

Corinth Pipeworks has incorporated in the relevant human rights procedure the provisions required for addressing any issues that may arise while specifying the responsibilities and powers of executives and employees, in compliance with the principles of the UN Global Compact on the protection of human rights.

Occupational health and safety
Top priority and primary concern of Corinth Pipeworks is to protect the health and safety of its people and partners. In this context, the Company makes sure all necessary safety measures are adhered to, seeking to achieve the goal of "Zero accidents". In line with the efforts to manage effectively all relevant issues, a comprehensive occupational health and safety management system (OHSMS) certified to the ISO 45001:2018 international standard is implemented. This System focuses on prevention and ongoing application of measures to minimise occupational risks and accidents, and to promote a culture of prevention.

The Company attaches great importance to the training and participation of its employees in related matters. In order to monitor and evaluate performance in the field of health and safety at work, the Company uses internationally applicable and measurable indicators.

Health and Safety Indicators
Severity Rate (SR) was improved during 2021 compared to last year, bearing testimony to the efforts of all people in the Company to create a safer working environment.

	2019	**2020**	**2021**
Incidents frequency rate (LTIR) [(1)]	1,0	1,7	1,7
Incidents severity rate (SR) [(2)]	106	119	27
Fatal accidents	0	0	0

[(1)]*LTIR: Lost time incident rate (number of lost time accidents/incidents relating to safety issues per million (1,000,000) hours worked)*

[(2)] *SR: Severity rate (number of lost work days/working man-hours per million (1,000,000) hours worked)*

SR was improved during 2021 compared to last year, bearing testimony to the efforts of all people in the Company to create a safer working environment.

Social matters

The Company strives for its business activities to be in a positive and productive interaction with the social environment in which it operates, to contribute to the overall development of the country and to benefit local communities through job creation (priority is given to the recruitment of employees from the local area) and the provision of business opportunities (through cooperation with local suppliers wherever possible).
Corinth Pipeworks supports the local communities close to which it operates, by working in collaboration and maintaining open lines of communication, so as to recognise their needs in a timely manner. The Company supports vulnerable social groups, undertakes sponsorships and makes donations to various bodies and actions of local communities, thus responding to a considerable range of needs. In particular, the Company's social actions are divided into the following areas: education, health, vulnerable social groups, culture, environment and sports.

Through its business activities, the Company generates multiple benefits for the community. In addition to the salaries and other benefits paid to its employees, the relevant taxes and social contributions are paid to the State, investments are made continuously as well as payments to the suppliers of materials and service providers. Thus, the overall positive impact of the Company on local communities as well as on the whole society is important.

Year	2019	2020	2021
% of employees from local communities	89,9%	87%	81%

Environmental issues

For the Company, reducing its environmental footprint is a priority. The Company plans actions and sets goals to reduce air emissions while making investments in practices and technologies leading to the global energy transition.

The initiatives taken by Corinth Pipeworks aim to protect natural environment while enhancing energy efficiency, reducing operational cost and maintaining the Company's capacity to develop business activities in the future. Continuous improvement of its environmental performance is based on the adoption of a specific Environmental Policy and the implementation of an integrated Environmental Management System. The Company's Environmental Policy is available at:
https://www.cpw.gr/sustainability/environment/management-and-compliance

Company's route toward zero carbon footprint

Corinth Pipeworks supports the transition to an economy with zero carbon emissions in line with the EU's goal of climate neutrality by 2050. The Company plans and develops responsible and innovative practices involving its operation and its products design, thus making a positive contribution to the transformation of the economy in zero carbon economy. Given that electricity accounts for 79% of total energy consumption of the Company and, therefore, its emissions are indirect in their majority, the Company has set the strategic goal of meeting its needs for electricity by using renewable energy sources (RES).

Given the Company's geographic location and the institutional context governing the bilateral agreements of energy purchase, at the moment there are no sustainable solutions available for achieving this goal. Until its needs can be met by using RES, the Company buys certified Guarantees of Origin that apply to its entire consumption while at the same time Corinth Pipeworks explores the option of being procured electricity directly from RES.

Air emissions

Seeking to reduce carbon dioxide emissions and limit climate change, Corinth Pipeworks makes substantial efforts to reduce the air emissions arising from its operation.

The Company sources electricity from Greece's principal energy suppliers given that it does not produce energy on its own.

Energy-saving initiatives

Corinth Pipeworks has developed a 3-year energy- saving plan structured around 36 different actions involving electric energy, fossil fuels and diesel oil. In 2021 the Company carried out new programmes improving energy efficiency and managed to save 786 MWh which accounts for 2.94% of its total consumption. Thus, as of 2018 the Company has managed to save 4,720 MWh of electricity and avoid the emission of 2,756 tons of CO_2.

Year	2019	2020	2021
Total carbon emissions (Scope 1 and 2, tn) (1)	31.996	22.204	13.943
Total energy consumption (MWh)	56.185	48.224	34.045

(1) Using the "location based" method in accordance with the GHG Protocol Guidance. Total CO_2 emissions: the sum of direct and indirect CO_2 emissions (tn CO_2/ tn of products)

Note: To calculate CO_2 emissions, coefficients checked as part of emissions annual verification by an external agency have been used.

Water consumption

To meet the needs of its production process, Corinth Pipeworks must use water. The Company takes all necessary steps to ensure its efficient use and limit its consumption in compliance with its environmental policy.

Year	2019	2020	2021
Water consumption (m^3)	70.761	62.710	44.191

Waste Management

Corinth Pipeworks applies a specific waste management process in order to reduce their volume. It is worth noting that the greatest proportion (95.04%) of waste is recycled and/or forwarded for recovery (energy or other type of utilisation). Corinth Pipeworks has established partnerships solely and exclusively with adequately licensed companies to manage all types of waste.

Waste management indicators	2019	2020	2021
Total generated waste (tn)	27.598	25.078	16.130
Recycling and energy utilisation * (%)	99,3	99,2	999,4

** Proportion of waste forwarded for recycling and energy utilisation in relation to the total of waste generated*

Non-Financial Risks

As timely and effective risk management enables the Company to achieve its strategic goals, Corinth Pipeworks adheres to a specific risk management programme. Through this programme and having adopted the Precautionary Principle, the Company promptly identifies and evaluates risks by area in order to safeguard the Company's effective operation and sustainability. In the area of operational risks, the procedures that are followed have been incorporated into the Company's certified Management Systems (ISO 9001:2015, ISO 14001:2015, ISO 50001:2018 and ISO 45001:2018). Through these Management Systems, any risks the Company faces are identified and analysed, risk appetite is determined, and the appropriate precautionary and corrective measures are put in place. The Company's priority is to continually evaluate the effectiveness of its risk management measures and the scope of their application.

1. Environment

The principal risks involving environmental matters consist in climate change, and water adequacy and management. These risks are also of strategic importance for the supply chain as well.

Climate change

Climate change is currently one of the most important global issues with substantial impact not only in terms of financial materiality (negative impact on the Company's activities) but also in environmental and social terms (negative impact on the climate, thus on the environment and society).

Financial materiality arises from the fact that the Company is faced with transition and natural risks. Transition risks are associated with the risks arising from the transition to a low-carbon economy, as well as with the European and global requirements and policies which:

- call for important energy efficiency measures;
- impose carbon pricing mechanisms in order to increase the carbon price and, therefore, increase electricity cost;
- Impose carbon border adjustments which may disrupt supply chains and lead to countermeasures from other countries in which clients are established.

Natural risks are associated with risks involving long-term effects such as sea level rise and the reduced availability of industrial water. The Company puts in practice various measures to mitigate this risk including, among others, the following:

- monitoring of policy trends;
- development of action plans and long-term specific goals for investments in energy efficiency equipment and measures reducing carbon emissions;
- electricity supply from producers of clean, renewable sources.

Water Management

The risks associated with water management include the availability of industrial water for production purposes and the quality of waste water discharged in water recipients. The risk is mainly mitigated by the continuous efforts to improve the Company's water footprint and the availability of multiple water sources so as to ensure alternative water supply sources. As far as the quality of waste water discharge is concerned, the appropriate investments in modern equipment have been made, thus strengthening rigorous discharge procedures.

2.Occupational Health and Safety

One of the key risks associated with social and labour issues consists in employee health and safety in the workplace as well as relevant labour issues such as accidents and injuries. As regards the health and safety risks in the workplace, the Company implements a certified management system aiming at systematic monitoring and supervision of all safety parameters. A Health and Safety Committee has been set up as part of the system. A specific accident decrease plan is implemented within the Company together with continuous investments in the replacement of older equipment while ongoing training seminars and awareness courses take place in relation to the necessary safety culture.

3.Human Rights

The key risks for human rights are associated with the Company's supply chain provided that many suppliers are not located in Europe or North America. The Company is at the stage of developing an adequate and comprehensive management system of supplier evaluation so as to ensure that all major suppliers meet specific standards involving the respect for human rights, employee safety, working conditions and business ethics.

4.Anti-Bribery and Anti-Corruption Measures

The risks associated with anti-bribery and anti-corruption measures consist in the incapacity to conduct business operations in an ethical manner and to comply with the applicable laws and regulations in the countries in which the Company operates. To prevent and mitigate these risks, Corinth Pipeworks ensures that the Sustainable Development Policy is properly implemented and that all employees are aware of the Company's procedures and practices in relation to the fight against corruption. The Internal Audit function is responsible for monitoring and reporting timely and properly any related deviation or misconduct.

Transparency and fight against corruption

As economic growth and ensuring transparency in the Company's management approach are important topics for Corinth Pipeworks, special emphasis is placed on taking all precautionary measures against potential risks. To this end, the Company has developed and implements a Business Ethics and Anti-Corruption Policy which was updated during 2021, in conjunction with the provisions of the Code of Conduct and Business Ethics.

Ethics Committee and reporting mechanism

An Ethics Committee was set up within the Company following the recent update of the Code of Conduct and Business Ethics. At the same time, a safe reporting mechanism was put in place, which enables all employees, suppliers, customers and associates to report – anonymously or not - any incidents of the Code's breach to the Ethics Committee. The new procedure allows the Company to take preventative or corrective measures about deviating acts and behaviours in relation to the Code and the relevant procedures and policies while also offering effective protection to those reporting incidents. The key competence of the Ethics Committee is to receive, process and settle all reports that are submitted via the reporting mechanism and involve breaches of the Code.

Participation in transparency boosting initiatives

Corinth Pipeworks is a member of the Business Integrity Forum (BIF), which is an initiative of Transparency International-Greece (www.transparency.gr), an organisation in which the Company has been participating for a number of years. By participating in the BIF, Corinth Pipeworks can have access to good practices of sound corporate governance and updates about the latest developments in issues of transparency and fight against the corruption.

Data and Information Security

The Company protects the privacy and all confidential information that may arise from commercial transactions and partnerships with clients, as an integral part of governance framework. Corinth Pipeworks respects personal data protection and takes adequate steps compliant with the provisions of Regulation (EU) 2016/679 (General Data Protection Regulation) and implementing domestic law 4624/2019. Aiming at the safety and protection of personal data in all business activities, Corinth Pipeworks implements a Personal Data Protection Policy based on international standards and good practices. In the above context, a Data Protection Coordinator (DPC) has been appointed within the Company to ensure the effective implementation of the Policy and internal procedures. Moreover, Corinth Pipeworks ensures the integrity of IT systems through adequate security systems aiming at the effective protection of information and confidential data. In all events, personal and professional data are protected against any unauthorised access, loss or alteration using all available technical means.

NOTE: The non-financial ratios for 2021 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards). These ratios were chosen strictly on the basis of their relevance to the Company's business (according to the materiality analysis conducted by the Company). More details on performance in sustainability issues, and the actions of Corinth Pipeworks' responsible operation will be set forth in the 2020 Sustainable Development Report (June 2022). The Sustainable Development Report is an important tool as it reflects the way in which the Company responds to major issues and to the expectations of all its stakeholders. All Sustainable Development Reports of the Company (pursuant to GRI guidelines) which have been published from 2008 to date are available on the website https://www.cpw.gr.

IV. Main risks and uncertainties

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

Risks are classified into two major categories:

- Financial and
- Business risks

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

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

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

2. Compliance and Reputation risks include possible negative impacts (economic – fines, penalties, etc. and other – exclusion from markets, etc.) from non-compliance with existing regulations and standards. They also include potential impacts on the Company's brand image and reputation, as well as accounting risk.

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

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

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

A brief classification of the risks faced by the Company is presented below together with the measures taken to identify, quantify, handle, control and monitor them.

- **Business risks**

Operations and technology

Procurement risk
Smooth supply of energy, metals and other primary raw materials and components is a key prerequisite for the Company to manufacture quality products at competitive prices on a timely basis. Therefore, the Company takes adequate measures to reduce such risks from key suppliers and monitors the performance of the supply chain by reviewing the relevant indicators at regular intervals.

Operation interruption risk
Apart from the unexpected unavailability of raw materials or other crucial resources, a lack of skilled labour, a delay in adapting to new technologies and/or the danger for equipment breakdowns may threaten the Company's capacity to continue operations. Consequently, the Company uses specialised maintenance departments to minimise the latter, upgrade plant equipment and production lines to reduce obsolescence risk.

Product failure risk
Any products that do not abide by the specifications set by the Company's clients may expose it to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To mitigate such risk, the Company has established rigorous quality management systems at its plant and maintains appropriate insurance coverage against such claims as well as product liability insurance. Quality control includes, among others, sample testing, and defect capturing monitoring systems spread out in production phases.

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

integrity, sensitive information and smooth operation of its business activities. Such an eventual breach could have a negative impact on the Company's reputation and competitive position.

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

Consequently, identifying exposure to these risks and implementing adequate and proportionate measures to restrict the aforementioned exposure are of major importance to ensure both the integrity of the Company's IT systems and fulfilment of all legal requirements.

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

Compliance and reputation risks

Compliance Risk

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

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

Additional details on this topic are provided on the 2021 Sustainable Development Report.

Strategic risks

Environment

The principal risks involving environmental matters consist in climate change, and water adequacy and management. These risks are also of strategic importance for the supply chain as well.

Climate change

Climate change is currently one of the most important global issues with substantial impact not only in terms of financial materiality (negative impact on the Company's activities) but also in environmental and social terms (negative impact on the climate, thus on the environment and society).

Financial materiality arises from the fact that the Company is faced with transition and natural risks. Transition risks are associated with the risks arising from the transition to a low-carbon economy, as well as with the European and global requirements and policies which:

- call for important energy efficiency measures;
- impose carbon pricing mechanisms in order to increase the carbon price and, therefore, increase electricity cost;
- impose carbon border adjustments which may disrupt supply chains and lead to countermeasures from other countries in which clients are established.

Natural risks are associated with risks involving long-term effects such as sea level rise and the reduced availability of industrial water. The Company puts in practice various measures to mitigate this risk including, among others, the following:

- monitoring of policy trends;
- development of action plans and long-term specific goals for investments in energy efficiency equipment and measures reducing carbon emissions;
- electricity supply from producers of clean, renewable sources.

Water management

The risks associated with water management include the availability of industrial water for production purposes and the quality of wastewater discharged in water recipients. The risk is mainly mitigated by the continuous efforts to improve the Company's water footprint and the availability of multiple water sources so as to ensure alternative water supply sources. As far as the quality of wastewater discharge is concerned, the appropriate investments in modern equipment have been made, thus strengthening rigorous discharge procedures.

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

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

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

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

- **Financial Risks**

Credit risk

Credit risk concerns the risk of incurred losses for the Group and the Company in case a client or other third party involved in a transaction including a financial instrument fails to fulfil its obligations according to the terms and conditions laid down in the relevant contract. Credit risk is mainly associated with receivables from customers.

Company exposure to credit risk is mainly affected by the characteristics of each customer. Whenever deemed necessary, additional insurance coverage is requested as credit guarantee. Receivables from clients established in Greece are a small percentage of the trade receivables of the Group; therefore, there is limited exposure to revoked or delayed payments.

Considering that the nature of Group's activity mostly concerns clients established outside Greece, and its strong financial position, any negative development of the Greek economy is unlikely to have major impact on its operating activities. Notwithstanding the above, Management is constantly appraising the situation and its consequences and promptly ensures that the adequate measures are taken in order to minimise the impact on the Group's activities.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to fulfil its financial obligations when these mature. The approach adopted by the Group for liquidity risk management is to ensure, by holding the necessary cash and cash equivalents and adequate credit limits from the cooperating banks, that it will always have sufficient liquidity to meet its obligations when they expire under

normal but also difficult conditions, without incurring unacceptable damage or jeopardising Group 's reputation. The Group keeps most of its cash reserves deposited in systemic financial institutions in Greece and the USA.

In addition, liquidity risk management requires the provision of cash and the ability to finance the projects undertaken by the Group through sufficient credit limits. Due to the different working capital needs of each project, the Group analyses the data of each project and uses, whenever necessary, the credit lines secured from banks and other financial institutions for the utilisation of new short term finance and the refinance of existing short term loans. The Group estimates that the refinance of the short term loans will continue in the future if necessary.

Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affects Group 's results or the value of its financial instruments. Market risk management is aimed at controlling the exposure of the Group to such risks within a framework of acceptable parameters, in parallel with optimisation of performance. The Group uses transactions on derivative financial instruments in order to hedge part of market risks.

Foreign exchange risk

The Group is exposed to foreign exchange risk in connection with its sales and purchases. The currency used for such transactions is mainly the US dollar while important sales were made in Polish zloty during 2021. The Group hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as to the receivables and liabilities in foreign currency. The Group mainly enters into foreign currency futures with its foreign counterparties in order to hedge the risk of exchange rate changes, which primarily mature in less than one year from the Financial Statements date. When necessary, such futures are renewed upon expiry.

Interest rate risk

The Group's interest rate risk arises from Corinth Pipeworks's borrowings. Borrowings issued at variable rates expose the Company to cash flow volatility risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the fiscal years of 2021 and 2020 Company's total borrowings were at variable interest rate (Euribor plus spread) and denominated in Euro.

Macroeconomic environment

The Company and the Group closely monitor and evaluate on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimise the impact of the macroeconomic conditions on their operations.

The macroeconomic and financial environment in Greece, where Corinth Pipeworks is located, is showing clear signs of improvement while the cash flows from the Company's and the Group's operational activities are not significantly affected by Greece's macroeconomic environment as more than 90% of sales in 2021 were directed to international customers. This also minimises the liquidity risk which may arise from any remaining uncertainty of the economic environment in Greece.

Covid-19

The progress of the coronavirus pandemic had a negative impact on the economic circumstances around the world. The Company responded swiftly to this challenge, setting as priority the health and safety of its human resources, suppliers and partners, by taking measures that secured production continuity with the least possible impact, based on the recommendations of competent authorities and suggestions of international protocols on how to deal with the pandemic. The Company made expenses totalling EUR 224,000 in order to take measures and purchase additional personal protective equipment in accordance with the experts' recommendations, such amount having an adverse impact on its results.

Despite the restrictions in global economy and the lockdowns, the Company managed to implement its investment plan without any delays while achieving the smooth operation of the production plants amid the pandemic.

V. Facilities and Branches of the Company and the Group

The Group, through its wholly owned subsidiary Corinth Pipeworks privately owns a production plant located in the industrial area of Thisvi in the prefecture of Voiotia, on a total surface of 496,790 sq.m.

Corinth Pipeworks has the following branches:

1) a branch at Marousi (33, Amarousiou Halandriou Avenue) where the Company's headquarters are established;
2) Branch in Thisvi/ Voiotia, where the Company's production plant and warehouse are established.

VI. Subsequent events after 31 December 2021

On February 8th, 2022, the US Department of Commerce (DoC) published its final results in the administrative proceedings conducted by the DoC for the period from April 19, 2019 through April 30, 2020 ("POR") in connection with an antidumping ("AD") order on large diameter welded pipe (LDWP) from Greece. As a result, the DoC determined for the POR an antidumping duty rate of 41.04 percent based on total adverse facts available (AFA) for mandatory respondent Corinth Pipeworks S.A.

Despite the lengthy process of the administrative review involving the supply of extremely detailed data sets on the Company's commercial practices for the POR under scrutiny, as well as all reasonable estimations made throughout 2021 on the size, if any, of a possible AD duty rate, the DoC concluded on such a high AD duty rate.

Corinth Pipeworks filed an appeal before the U.S. Court of International Trade against the decision of the DoC while continuing to actively work with the DoC in order to reverse the final determination.

The Company considers that there will be no material impact as it strongly follows a geographically diversified commercial policy and the USA market does not presently constitute its core market. The additional provision charge on the Group's annual consolidated economic results from a retrospective implementation of the AD duty rate is reasonably expected to reach $ 15 million (equal to Euro 13.4 million on December 31, 2021) and is considered an one-off, extraordinary amount.

The Ukraine conflict which began in February 2022 is already pushing up market volatility and increasing the probability of disruptions in many parts of the global economy. Though its impact on the Company and the Group cannot be fully predicted right now, the overall exposure to Ukraine and Russia is very limited and business consequences are not expected to be material. Group sales to these markets were nil in 2021 while Group companies have no exposure to Russian or Ukrainian banks.

There are no other events that occurred subsequent to the reporting date, which should be presented in these Financial Statements.

VII. Conclusions

Dear Shareholders, we presented an account of the management of 2021, the risks and how these were managed together with the prospects and development of the Group and the Company for 2022.

In conclusion, we kindly request you to approve the Group's and the Company's Financial Statements, as well as this Report, for the fiscal year that ended on 31 December 2021.

Athens, 29 July 2022

The Chairman of the Board of Directors
Meletios Fikioris

B. Annual Consolidated Financial Statements

CORINTH PIPEWORKS
PIPE INDUSTRY SINGLE MEMBER S.A.

CONTENTS

Statement of Financial Position

(Amounts in ,000 Euro)		GROUP		COMPANY	
		31 December		31 December	
ASSETS	**Note**	**2021**	**2020***	**2021**	**2020***
Property, plant and equipment	5	184,844	184,219	185,133	184,524
Right-of-use assets	6	1,414	1,509	950	1,010
Intangible assets	7	2,723	2,300	2,688	2,295
Equity accounted investees	9	3,213	3,360	1,287	1,074
Investments in subsidiaries	8	-	-	593	593
Other investments	10	8,160	8,160	8,160	8,160
Deferred tax assets	18	2,591	12	-	-
Derivatives	14	944	871	-	-
Other receivables	13	514	739	476	703
Non-current assets		**204,404**	**201,170**	**199,288**	**198,360**
Inventories	12	92,582	77,917	88,682	77,917
Trade and other receivables	13	27,371	25,835	25,071	24,116
Contract assets	24	30,528	10,002	30,528	9,965
Contract costs	24	-	167	-	167
Current tax assets		-	21	-	-
Derivatives	14	536	326	536	326
Cash and cash equivalents	15	40,991	20,675	37,665	16,226
Total current assets		**192,008**	**134,944**	**182,482**	**128,718**
Total assets		**396,412**	**336,114**	**381,769**	**327,078**
EQUITY & LIABILITIES					
EQUITY					
Share capital	16	78,306	78,306	78,306	78,306
Reserves	16	19,885	20,439	20,180	21,009
Retained Earnings		30,975	46,657	32,248	37,223
Total equity		**129,166**	**145,403**	**130,735**	**136,538**
LIABILITIES					
Loans and borrowings	17	42,005	43,948	42,005	43,712
Lease liabilities	6	974	1,041	619	651
Deferred tax liabilities	18	17,855	14,755	17,954	14,831
Employee benefits	19	869	886	869	886
Grants	28	149	227	149	227
Total non-current liabilities		**61,852**	**60,857**	**61,596**	**60,307**
Loans and borrowings	17	65,734	64,436	65,734	64,436
Lease liabilities	6	458	474	343	368
Trade and other payables	22	119,840	57,273	117,409	58,125
Provisions	21	13,410	-	-	-
Contract liabilities	24	4,811	7,631	4,811	7,304
Current tax liabilities		-	39	-	-
Derivatives	14	1,141	-	1,141	-
Current liabilities		**205,394**	**129,854**	**189,439**	**130,234**
Total liabilities		**267,246**	**190,711**	**251,034**	**190,541**
Total equity and liabilities		**396,412**	**336,114**	**381,769**	**327,078**

**The comparative information was restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.20.*

The attached notes on pages 31 to 95 are an integral part of the Consolidated Financial Statements.

Statement of Profit or Loss

(Amounts in ,000 Euro)	Note	GROUP		COMPANY	
		For the year ended 31 December		For the year ended 31 December	
		2021	**2020***	**2021**	**2020***
Revenue	23	229,927	309,825	225,764	308,112
Cost of Sales	25	(213,900)	(284,656)	(210,491)	(285,136)
Gross Profit		**16,027**	**25,168**	**15,273**	**22,976**
Other income	25	2,159	1,864	1,809	928
Distribution expenses	25	(4,461)	(5,831)	(3,693)	(3,383)
Administrative expenses	25	(6,263)	(7,916)	(6,254)	(8,190)
Provision for receivables impairment		25	(38)	25	(41)
Other expenses	25	(14,363)	(1,260)	(1,212)	(1,212)
Operating profit		**(6,876)**	**11,987**	**5,948**	**11,079**
Finance income	26	77	233	74	233
Finance costs	26	(7,598)	(10,752)	(7,580)	(10,738)
Finance cost, net		**(7,521)**	**(10,520)**	**(7,506)**	**(10,505)**
Share of profit/(loss) of equity-accounted investees	9	(517)	(913)	-	-
Profit/(Loss) before tax		**(14,914)**	**555**	**(1,558)**	**574**
Income tax	18	(764)	(1,736)	(3,375)	(1,778)
Profit / (loss) after taxes		**(15,678)**	**(1,181)**	**(4,933)**	**(1,204)**

**The comparative information was restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.20.*

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Statement of Comprehensive Income

(Amounts in ,000 Euro)	Note	GROUP For the year ended 31 December		COMPANY For the year ended 31 December	
		2021	**2020***	**2021**	**2020***
Profit of the period		**(15,678)**	**(1,181)**	**(4,933)**	**(1,204)**
Items that will never be reclassified to profit or loss:					
Actuarial gains/(losses)	19	(52)	(14)	(52)	(14)
Other movements		36	113	-	
Related tax		11	3	11	3
		(4)	**103**	**(41)**	**(11)**
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences		274	(809)	-	-
Gain/ (loss) from derivatives valuation for hedging purposes - effective portion		(756)	304	(756)	304
Gain/ (loss) from derivatives valuation for hedging purposes – reclassified to profit or loss		(314)	(172)	(314)	(172)
Related tax		242	(24)	242	(24)
		(554)	**(701)**	**(828)**	**108**
Other comprehensive income after tax		**(559)**	**(599)**	**(869)**	**97**
Total comprehensive income after tax		**(16,237)**	**(1,779)**	**(5,802)**	**(1,107)**

**The comparative information was restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.20.*

The attached notes on pages 31 to 95 are an integral part of the Consolidated Financial Statements.

Statement of Changes in Equity

GROUP

(Amounts in ,000 Euro)	**Share capital**	**Reserves**	**Foreign exchange gains/(losses)**	**Results carried forward**	**Total Equity**
Balance at 01 January 2020	**78,306**	**20,808**	**240**	**46,627**	**145,981**
Effect of change in accounting policy	-	-	-	1,202	1,202
Adjusted balance on 1 January 2020	**78,306**	**20,808**	**240**	**47,829**	**147,183**
Other comprehensive income	-	108	-	102	210
Foreign exchange gains/(losses)	-	-	(809)	-	(809)
Net profit of the period	-	-	-	(1,181)	(1,181)
Total recognised net profit of the period	**-**	**108**	**(809)**	**(1,079)**	**(1,780)**
Transfer of reserves	-	93	-	(93)	-
Balance at 31 December 2020	**78,306**	**21,009**	**(569)**	**46,657**	**145,403**
Balance at 01 January 2021	**78,306**	**21,009**	**(569)**	**46,657**	**145,403**
Other comprehensive income	-	(828)	-	(4)	(833)
Foreign exchange gains/(losses)	-	-	274	-	274
Net profit of the period	-	-	-	(15,678)	(15,678)
Total recognised net profit of the period	**-**	**(828)**	**274**	**(15,683)**	**(16,237)**
Balance at 31 December 2021	**78,306**	**20,181**	**(295)**	**30,975**	**129,166**

**The comparative information was restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.20.*

The attached notes on pages 31 to 95 are an integral part of the Consolidated Financial Statements.

COMPANY

(Amounts in ,000 Euro)	**Share capital**	**Reserves**	**Results carried forward**	**Total Equity**
Balance at 01 January 2020	**78,306**	**20,808**	**37,329**	**136,443**
Effect of change in accounting policy	-	-	1,202	1,202
Adjusted balance on 1 January 2020	**78,306**	**20,808**	**38,531**	**137,645**
Other comprehensive income	-	108	(11)	97
Net profit of the period	-	-	(1,204)	(1,204)
Total recognised net profit of the period	**-**	**108**	**(1,215)**	**(1,107)**
Transfer of reserves	-	93	(93)	-
Balance at 31 December 2020	**78,306**	**21,009**	**37,223**	**136,538**
Balance at 01 January 2021	**78,306**	**21,009**	**37,223**	**136,538**
Other comprehensive income	-	(828)	(41)	(869)
Net profit of the period	-	-	(4,933)	(4,933)
Total recognised net profit of the period	**-**	**(828)**	**(4,974)**	**(5,802)**
Balance at 31 December 2021	**78,306**	**20,180**	**32,248**	**130,735**

**The comparative information was restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.20.*

The attached notes on pages 31 to 95 are an integral part of the Consolidated Financial Statements.

CORINTH PIPEWORKS
PIPE INDUSTRY SINGLE MEMBER S.A.

Statement of Cash Flows

(Amounts in ,000 Euro)	Note	GROUP For the year ended 31 December 2021	GROUP For the year ended 31 December 2020	COMPANY For the year ended 31 December 2021	COMPANY For the year ended 31 December 2020
Cash flows from operating activities:					
Profit / (loss) after taxes		(15,678)	(1,181)	(4,933)	(1,204)
Plus/less adjustments for:					
Income tax		764	1,736	3,375	1,778
Depreciation of fixed assets and right-of-use tangible assets	5,6	8,510	8,308	8,418	8,207
Depreciation of intangible assets	7	417	518	404	518
Grants amortisation		(77)	(18)	(77)	(18)
Finance costs-net	26	7,571	10,603	7,556	10,588
Dividends		(50)	(83)	(50)	(83)
(Profits)/Losses from associated companies	9	517	913	-	-
Losses from write-off of tangible fixed assets		-	48	-	-
(Profit) / loss from derivatives valuation		(139)	(978)	(139)	(107)
Impairment of inventories		119	266	119	266
Impairment of receivables	13	(25)	38	(25)	41
		1,929	20,169	14,648	19,986
Changes in working capital:					
Decrease/(increase) in inventories		(14,619)	36,286	(10,884)	36,218
Decrease/(increase) in receivables		(1,311)	(1,704)	1,537	(2,541)
(Decrease)/Increase in liabilities (except banks)		76,017	(13,418)	57,118	(11,336)
(Decrease)/Increase in employee benefits		(69)	(29)	(69)	(29)
Decrease/(increase) in contract assets		(20,526)	53,214	(20,563)	53,118
Decrease/(increase) in contract costs		167	206	167	206
(Decrease)/Increase in contract liabilities		(2,820)	6,742	(2,493)	6,415
Cash flows from operating activities		38,768	101,465	39,462	102,035
Interest charges & related expenses paid		(6,542)	(10,344)	(6,524)	(10,329)
Taxes paid		(22)	(31)	-	-
Total inflow/ (outflow) from operating activities		**32,204**	**91,090**	**32,938**	**91,706**
Cash flows from investing activities:					
Purchase of tangible assets	5	(8,417)	(14,569)	(8,413)	(14,548)
Purchase of intangible assets	7	(1,142)	(1,420)	(1,101)	(1,417)
Acquisition of share capital in associates		(213)	(3,285)	(213)	-
Dividend received		42	70	42	70
Interest received		27	25	24	25
Total (outflow) from investing activities		**(9,702)**	**(19,178)**	**(9,661)**	**(15,869)**
Cash flows from financing activities:					
Loans obtained	17	21,520	15,686	21,520	15,434
Repayment of borrowings	17	(22,986)	(85,759)	(22,986)	(85,741)
Repayment of lease principal	17	(468)	(586)	(372)	(323)
Net cash flows from financing activities		**(1,934)**	**(70,659)**	**(1,838)**	**(70,630)**
Net (decrease) / increase in cash and cash equivalents		**20,568**	**1,253**	**21,439**	**5,207**
Cash and cash equivalents at the beginning of period		20,675	19,792	16,226	10,895
Foreign exchange effect on Cash and Cash equivalents		(253)	(370)	-	124
Cash and cash equivalents at the end of period	15	**40,991**	**20,675**	**37,665**	**16,226**

**The comparative information was restated due to the retroactive application of IFRIC decision on "Attributing Benefit to Periods of Service" (IAS 19) – See Note 4.20.*

The attached notes on pages 31 to 95 are an integral part of the Consolidated Financial Statements.

Notes on the Separate & Consolidated Financial Statements

1. Information on the Company and the Group

"CORINTH PIPEWORKS PIPE INDUSTRY SINGLE-MEMBER S.A." (hereinafter "Corinth Pipeworks" or the "Company") was established and operates in Greece, at 2-4 Mesogeion Ave., Athens. The Company's Commercial Registry Number is 003978301000 and its web address is www.cpw.gr.

Corinth Pipeworks is a wholly-owned subsidiary of the Belgian holding Company "Cenergy Holdings S.A." which is listed on Euronext Brussels and the Athens Stock Exchange. The ultimate parent company "VIOHALCO SA/NV" is also listed on Euronext Brussels and the Athens Stock Exchange.

The Company has a 100% participation in Warsaw Tubulars Trading Sp. Z.o.o. which is established in Poland (hereinafter "WTT"). WTT has a 100% participation in CPW America Co. which is established in Houston, Texas USA. CPW America owns a 19.4% participation in Bellville Tube Company which is also based in Houston, Texas, USA and is consolidated as an associate.

Finally, during the year the Company acquired a 4.44% share in DIA.VI.PE.THI.V. S.A., thus increasing its participation in DIA.VI.PE.THI.V. S.A. to 26.20%. The above participations form the Group of Corinth Pipeworks Companies or hereinafter the "Group".

The Company is engaged in:

1) the production of high-quality medium and large-diameter steel pipes that are used in the petrochemical industry to transfer liquid and gas fuels.
2) the construction of hollow structural sections which are used in construction works.

2. Presentation basis of Financial Statements

The Company is exempted from preparing consolidated financial statements because its financial statements are consolidated in the financial statements of parent companies Cenergy Holdings S.A. and VIOHALCO SA/NV. Management has decided to prepare consolidated financial statements in order to improve the quality of information received by users of the financial statements. Preparing consolidated financial statements improves the presentation of the Group's activities and financial position. Initial date for the preparation of consolidated financial statements is January 1st 2017.

2.1 Statement of Compliance

The Financial Statements of the Group and the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) may vary from those adopted by the European Union.

These financial statements were approved by the Board of Directors on 29th of July 2022 and have been uploaded on the website at www.cpw.gr. where they will be available for at least 5 years from publication date.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Consolidated Financial Statements of the Group's subsidiaries are measured using local currency of the countries where they operate, which is their functional currency. The Consolidated Financial Statements are presented in Euro (€), which is the Company's and the Group's functional currency. Both Consolidated and Company Financial Statements are presented in thousand Euro (€).

2.4 Use of estimates and assumptions

The preparation of financial statements according to the IFRS requires the use of estimations and the adoption of assumptions by Management which may affect the accounting balances of assets and liabilities as well as the income and expense figures. The actual results may differ from these estimations.

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

The accounting decisions made by Management when applying the accounting policies and expected to affect mostly the Consolidated Financial Statements of the Group and the Company are as follows:

- the useful life and residual value of depreciable tangible and intangible assets;
- the recoverable value of holdings in subsidiaries, associates and other companies;
- the amount of provisions for employee benefits;
- the amount of provisions for doubtful debts;
- the amount of provisions for income tax for unaudited tax years;
- the recoverability of the deferred tax asset;
- use of going concern assumption.

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

a) Measurement of provision for doubtful debts (Note 13).

The Group/Company raises a provision for impairment losses when there is an objective indication that the Group/Company is not in a position to collect all the amounts that are due pursuant to contractual terms. The objective indication that receivables have been impaired includes information coming to the attention of the Group concerning the following events: i) Considerable financial distress of the customer, ii) possibility to start bankruptcy procedures or any other financial restructuring of the customer as well as iii) unfavourable changes in the ordinary commercial terms of customers.

b) Income tax expense (Note 18)

During the Group's normal business operations, there are many transactions and calculations due to which final tax calculation is uncertain. The Group recognises tax liabilities, based on accounting estimations on possible future tax burden and tax assets related to future offsets of tax losses carried forward. If the final tax is different from the initially recognised tax, the difference shall affect the income tax and the provision for deferred taxation of the period.

c) Estimate about the recoverability of deferred tax assets (Note 18).

d) Measurement of liabilities for employee benefits (Note 19)

This liability is based on key actuarial assumptions.

e) Fair value measurement

A number of accounting policies and disclosures requires the measurement of fair value for both financial and non-financial instruments and liabilities. Fair value is classified in hierarchy levels as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
Level 2: Inputs that are observable either directly or indirectly.
Level 3: Unobservable inputs for assets and liabilities.

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

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

The Group recognises transfers between fair value levels at the end of the reporting period in which a change took place. Further information on the assumptions of measurement at fair value is included in Note 11.

3. New standards, interpretations and amendment of existing standards

The accounting principles used in the preparation and presentation of these Financial Statements are consistent with those used in the preparation of the Company's Financial Statements for the year ended on 31 December 2020, with the exception of the implementation of the new standards and interpretations set out below which must be applied to the annual financial statements beginning on or after 01 January 2021.

The Group implemented the IFRIC Agenda Decision published in May 2021 on 'Attributing Benefit to Periods of Service' (IAS 19) and presents below (note 4.19) the nature and effect of such change.

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements and have also been consistently applied by all companies of the Group.

<u>Standards and Interpretations effective for the current financial year</u>

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

The amendment provides lessees (but not lessors), as a practical expedient, with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Interest Rate Benchmark Reform – Phase 2"

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.

Decision of IFRS Interpretation Committee on "Attributing Benefit to Periods of Service" (IAS 19)":

In May 2021 the International Financial Reporting Interpretations Committee (IFRIC) published the final agenda decision titled "Attributing Benefit to Periods of Service (IAS 19)" which includes explanatory material regarding the way benefits are attributed to periods of service for a particular defined benefit plan equivalent to the plan specified in article 8 of Greek Law 3198/1955 in relation to the benefit payment associated with retirement ("Defined Benefit Plan under Labour Law"). Such explanatory material changes the way in which the key principles and rules of IAS 19 were implemented in the past in Greece in this respect and, therefore, pursuant to the provisions of "IASB Due Process Handbook (par. 8.6)", the entities preparing IFRS-compliant financial statements are required to amend their accounting policy in this matter accordingly. Based on the above, the above decision will be implemented in line with paragraphs 19-22 of IAS 8 as a change in accounting policy. Based on the foregoing, the aforementioned decision was applied as a change in accounting policy.

<u>Mandatory standards and Interpretations for subsequent periods</u>

IFRS 16 (Amendment) "Covid-19-Related Rent Concessions - Extension of period of application (<u>effective for annual accounting periods beginning on or after 1 April 2021</u>)

The amendment extends the application of the practical expedient granted for rent concessions by one year so as to hedge the decreases in payable rents on or up to 30 June 2022.

IAS 16 (Amendment) "Property, Plant and Equipment - Proceeds before intended use" (<u>effective for annual accounting periods beginning on or after 1 January 2022</u>)

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.

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' include 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.

IFRS 3 (Amendment) "Reference to the

Conceptual Framework" (effective for 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. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

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. The classification is unaffected by the entity's expectations or any 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.

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.

IAS 12 (Amendments) "Deferred Tax Related to Assets and Liabilities arising from a Single Transaction" (effective for annual accounting periods beginning on or after 1 January 2023)

The amendments require companies to recognise deferred tax on specific transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. These amendments typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the European Union.

Annual Improvements to IFRS Standards 2018-2020 (effective for annual accounting periods beginning on or after 1 January 2022)

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 in accordance with IAS 41.

4. Significant accounting policies

The accounting policies described below were consistently applied by the Company and the subsidiaries and the associates for the periods included in these Consolidated Financial Statements.

4.1 Consolidation basis

(1) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to the Group. The Group exercises control over an entity when the Group is exposed to, or has rights to, variable returns from its holding in the entity and is able to affect such returns through the influence exercised over the entity.

Goodwill arises from the acquisition of subsidiaries and constitutes the excess amount between the sum of the consideration for acquisition, the amount of the non-controlling interest in the acquired company and the fair value of any previous holding in the acquired company on the acquisition date and the fair value of the identifiable net assets of the subsidiary that was acquired. If the sum of the total consideration for acquisition, the non-controlling interest recognised and the fair value of the previous holding in the acquired company is less than the fair value of the equity of the subsidiary acquired in case of an advantageous purchase, the difference is directly recognised to equity. Transaction costs are expensed as incurred. Any eventual acquisition consideration is recognised at its fair value on the acquisition date.

(2) Business combinations under common control

A business combination, in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and when control is not transitory, is a common control transaction. The Group has chosen to account for such common control transactions at book value (carry-over basis). The identifiable net assets acquired are not measured at fair value but recorded at their carrying amounts; intangible assets and contingent liabilities are recognised only to the extent that they were recognised before the business combination in accordance with applicable IFRS. Any difference between the consideration paid and the capital of the acquiree is presented in retained earnings within equity. Transaction costs are expensed as incurred.

(3) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated (total consolidation) from the date they acquire control over them and are no longer consolidated from the date when such control no longer exists.
The Company measures its investments in subsidiaries at their acquisition cost in its separate Financial Statements less any impairment of their value.

(4) Loss of control

When Group loses control over a subsidiary, the assets and liabilities of the subsidiary and any related NCI are derecognised. Any resulting gain or loss is recognised in profit or loss. Any interest retained by the Group in the former subsidiary is measured at fair value when control is lost. It is subsequently measured using the equity method for an associated company or a financial asset depending on the percentage of participation preserved.

(5) Associates

Associates are those entities in which the Group has significant influence, but not control; this is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Investments in associates also include the goodwill that arose upon acquisition. In the Consolidated Financial Statements, the Group presents the ratio in profit or loss and total income after any adjustments of accounting principles so that they are comparable with those of the Group as of the date significant influence

was acquired. If the Group's share in the losses of an investee is higher than the value of its investment therein, no additional losses are recognised, unless payments have been made or further commitments have been assumed on behalf of the investee.
In its Consolidated Financial Statements, the Company recognises interest in investees at their acquisition cost less any impairment.

(6) Equity method

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income, until the date on which significant influence or joint control ceases. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.
When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.
The Group has no interests in equity-accounted investees (associates and joint ventures).

(7) Elimination of intra group transactions

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.2 Foreign currency

(1) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group and the Company at the exchange rates at the dates of the transactions. Foreign currency gains and losses which arise from the settlement of such transactions and from conversion of monetary asset and liability items denominated in a foreign currency at the exchange rates applicable on the balance sheet date are recognised through the statement of profit or loss based on the nature of the related item.
Overall, exchange rate differences arising from the conversion of the above shall be recognised in the Statement of Profit or Loss and OCI:
- Financial assets measured at fair value through other comprehensive income (FVOCI).
- Financial liabilities intended to hedge a net investment in a company in foreign currency to the extent such hedging is effective.
- Cash flow hedge to the extent such hedge is effective.

(2) Transactions with Group companies in foreign currency

Translation of the financial statements of the Group's companies (none of which had a currency in a hyperinflationary economy) which have a different functional currency from the presentation currency of the Group is performed as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated into Euro on the basis of the official foreign exchange rate ruling on the Consolidated Statement of Financial Position date.
- Revenues and expenses of foreign subsidiaries are translated into Euro at the average rate of the foreign currency during the period and
- The resulting foreign exchange differences are recognised in other comprehensive income on the line "Foreign exchange gains/(losses)" and transferred to the income statement on the sale of those companies.

4.3 Revenue recognition

The Group recognises revenue from the following major sources:
- Energy projects, related to high end projects of customised welded oil or gas pipelines
- Sale of products
- Rendering of services
- Dividends

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

Final consideration can vary because of trade discounts, volume rebates, returns or other similar events. Depending on the type of variable consideration the most appropriate method for measuring this variable consideration is used.

4.3.1 Energy projects

The Company produces and sells customised welded steel pipes to customers for energy projects.

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

Revenue from such projects is therefore recognised over time.

For distinct performance obligations identified, the most appropriate method to measure progress is used. Progress is measured based on the quantity of manufactured and tested steel pipes compared with the total quantity to be produced according to the contract. This method is used for customised welded steel pipes, since the production of such products is performed in batches and as a result the related performance obligations are satisfied as certain batches of agreed quantities.

Management considers that this method is appropriate for the measurement of progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Statement of Financial Position in the lines “Contract assets” and “Contract liabilities” respectively.

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

Contract costs
Group recognises the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and record them in the line “Contract costs” in Company's and Consolidated Statements of Financial Position. Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future. Assets arising from contract costs are amortised based on the portion of revenue recognised during the execution of the related contract.

4.3.2 Sale of products

The Group sells the following products:

- hollow structural sections for the construction sector,
- steel pipes which during production did not meet the technical specifications of the Group's customers. These pipes are sold at relatively lower prices than the pipes that meet the criteria of the Group's customers because they can be used in different uses than those originally intended.

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

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

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

4.3.3 Rendering of services

The Group recognises the revenue from the provision of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed on the basis of the inspections carried out.

If the payment for the services is not due to the customer until their service is completed, a corresponding claim on clients' contracts is recognised for the period in which these services are provided and which reflects the right to remuneration for services rendered up to that date. Receivables from contracts with customers are presented in the Statement of Financial Position on the line “Receivables from contracts with customers".

4.3.4 Dividends

Dividends are recognised as income when the right to receive them is established.

4.4 Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and its companies have a present legal or constructive obligation to pay this amount, as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined-contribution plan

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. The accrued cost of defined-contribution programmes is recorded as an expense in the period that the related service is provided.

c) Defined-benefit plan

Group’s net obligation in respect of defined-benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The discount rate is based on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Past service cost is recognised in profit or loss on:

- the date the amendment or curtailment takes place, or
- the date on which the Group recognises the cost of the relevant restructuring, whichever happens earlier.

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. The Group recognises the following changes to the defined benefit liability in the statement of profit or loss in the lines below:

- Service cost consisting of current service cost and past service cost, curtailment profit or loss and extraordinary settlements in other operating income/expenses
- Net finance income or costs in financial expenses.

Remeasurements which comprise actuarial gains and losses are recognised immediately in the Statement of Financial Position by debiting or crediting accordingly the retained earnings through other comprehensive income in the period in which they are incurred. Remeasurements are not reclassified in profit or loss at subsequent periods.

d) Termination benefits

Termination benefits are paid to employees when they terminate their employment with the Group, before the retirement date. Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when they recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. In the case of employment termination in which the Group is not able to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

4.5 Finance income and finance costs

Group’s finance income and finance costs mainly include:

- finance income;
- finance costs;
- foreign currency gains and losses from deposits valuation.

Finance income/costs is/are recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

4.6 Income tax

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

4.6.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, based on the tax rates enacted on the Financial Statements reporting date, and any adjustment to the tax payable or receivable in respect of previous years.

4.6.2 Deferred tax

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: (a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; (b) temporary differences related to investments in subsidiaries to the extent that temporary differences will not be reversed; (c) taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the period in which the asset (liability) will be realised (settled). Future tax rates are determined according to laws passed on the date the Financial Statements are prepared.

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will suffice for offsetting temporary differences. Deferred tax assets are reduced when the relevant tax benefit is realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

4.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined by applying the method of annual average weighted cost and includes the cost to buy, produce or manufacture and other expenses required to bring inventories at their current condition and location, and the ratio of production expenses. The cost may include any transfer from the cash flow hedging reserve. The net realisable value is estimated based on the inventory's current sales price, in the ordinary course of business activities, less any possible selling expenses, whenever such a case occurs.

4.8 Property, plant and equipment

1) Recognition and measurement

Property, plant and equipment include: land, buildings, machinery, transportation equipment, furniture and other equipment. Property, plant and equipment are presented at their acquisition cost less accumulated depreciation. The acquisition cost includes all expenses that are directly associated with the asset's acquisition. The acquisition cost also includes any transfer from equity of any gains/losses on cash flow hedging for the acquisition of property, plant and equipment in foreign currency.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and their cost can be reliably measured. The book value of the portion of the replaced fixed asset is derecognised.

Repair and maintenance costs are recorded in profit or loss when they are incurred.

The book value of a fixed asset is impaired at the recoverable amount when its book value exceeds the estimated recoverable amount.

On the sale of property, plant and equipment, any difference that may arise between the price that is received and the carrying amount thereof is recorded through profit or loss in the category "other operating income (expenses)".

2) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3) Depreciation

Land is not depreciated. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Review of useful life

Residual values and useful lives of property, plant and equipment are reviewed and adjusted at each reporting date of Financial Statements, if appropriate.
During 2020, the Group undertook the review of the operational performance of its production lines and premises.
The factors taken into consideration with respect to this business overview were as follows:
• frequent and consistent maintenance of machinery and facilities;
• the utilisation capacity involving certain assets from their initial acquisition compared to industry-specific standards, and
• technological progress and developments in the production methods used in the industrial segments in which the subsidiaries operate.
As a result, the expected useful life of the facilities was increased by 10 years on average and useful life of heavy machinery was increased by 9 years on average. When the changes described above were implemented, the ranges of useful lives were changed accordingly.
The effect of these changes on the annual amortisation expenses included in the "Cost of sales" amounted to EUR 2 million for 2020 and the period 2021-2024 on an annual basis.

The expected useful life of property, plant and equipment is presented below.

Administrative buildings	20-33 years
Plants	25-43 years
Heavy machinery	25-35 years
Light machinery	8-18 years
Furniture	5 years
Other equipment	4-12 years
Transportation means	10 years

4.9 Intangible assets

a) Recognition and measurement

Research and development: Expenditure on research activities is recognised in the Statement of Profit and Loss and Other Comprehensive Income as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is feasible in technical and commercial terms, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Software programmes: Software licenses are recorded at their acquisition cost, less accumulated amortisation and any accumulated impairment. These assets are amortised based on the straight-line method over their useful life, which ranges between 3 to 10 years.

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

b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation and useful lives

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The expected useful life of assets is as follows:

- Intangible assets associated with development expenses 5 – 10 years
- Software programmes 3 – 10 years

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits as well as short-term highly liquid deposits such as money market instruments and bank deposits with a maturity of three months or less.

4.11 Impairment

A. Non-derivative financial assets

Financial instruments and contract assets

The Group recognises provisions for expected credit losses (ECLs) on:

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

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

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by Group companies to actions such as realising security (if any is held). The maximum period considered when estimating ECLs is the maximum contractual period over which Group companies are exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-offs

The gross carrying amount of a financial asset is written off when the Company/Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Company subsidiaries make an assessment on an individual basis with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company/Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

B. Non-financial assets

At each reporting date, the Group and its companies review the carrying amounts of their non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful life are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss under "Other expenses". They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.12 Leases

IFRS 16 "Leases" which applies to the period beginning on January 1, 2019, supersedes IAS 17 and the relevant interpretations, and changes considerably the way lease payments are reported by lessees. The Standard removes the distinction between operating and finance leases and requires companies to recognise all relevant leases according to a single model, save the cases cited below.

According to IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In respect of such contracts, the new model requires lessees to recognise right-of-use assets and lease liabilities. The right-of-use assets are depreciated and liabilities generate interest.

When applying IFRS 16, the Group uses the following exceptions:
• lease with a term of 12 months or less, without purchase options;
• leases in which the underlying asset is of low value, up to ca. € 4.5 thousand. When assessing the value of an asset, the value of the new asset is always taken into account.

Moreover, the Group does not apply IFRS 16 to leases of intangible assets.

The Group as lessee

At the commencement date of the lease, the Group measures the lease liabilities at the present value of the outstanding rents on such date. Lease payments are discounted using the interest rate implicit in the lease or, when this cannot be readily determined, the incremental borrowing rate of the asset included in the lease contract. In general, the Group uses the incremental borrowing rate as discount rate. This is the rate of interest that the lessee would have to pay, at the inception date of the lease, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The following payments are included in valuation of the lease liability:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• variable lease payment based on an index or a rate;
• the amounts expected to be payable by the lessee under residual value guarantees;

• the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The above payments are discounted over the lease term. The lease term is the non-cancellable period of the lease. Any periods covered by options held by the Group are included in the lease liability only if it is reasonable that the options will be exercised. Moreover, the periods covered by the option held by the Group to terminate the lease are included only if the Group is reasonably certain that these options will not be exercised. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured if there is a modification that is not accounted for as a separate lease; when there is a change in future lease payments arising from a change in an index or rate; a change in the estimate of the amount expected to be payable under a residual value guarantee; and changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. They are depreciated using the straight-line method to the earlier of the end of the lease term or the end of the useful life of the asset. If the cost of right-of-use assets reflects the exercise of a purchase option by the Group, they are depreciated over the useful life of the underlying asset.

Short-term leases and leases of low value assets

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment, small items of office furniture and other equipment.

The Company leases administration offices and warehouses by the ultimate parent company Viohalco SA/NV and other related companies. No contract for administration offices and warehouses includes any early termination penalty clauses and they are cancellable at any time. For this reason, all intercompany contracts for administration offices and warehouses are considered as short term and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.13 Financial assets and financial liabilities

4.13.1 Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

4.13.2 Classification and subsequent measurement

<u>Financial assets</u>

On initial recognition, a financial asset is classified as measured either at: a) non-amortised cost, or b) fair value through other comprehensive income (FVOCI), or c) fair value through profit or loss (FVTPL).

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

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

- it is not designated by Management as an asset measured at FTVPL;
- it is not held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets – Subsequent measurement and gains and losses

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost.

All financial liabilities (except for derivatives held for hedging purposes) are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4.13.3 Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or

- it transfers the rights to receive the contractual cash flows in a transaction

- in which substantially all of the risks and rewards of ownership of the financial asset are transferred or
- in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its Consolidated Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

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

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

4.13.4 Offsetting

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

4.13.5 Derivatives and hedge accounting

The Group has elected not to adopt the provisions of IFRS 9 regarding the hedge accounting and continues to apply IAS 39. The Group holds derivative financial instruments designated as cash flow hedges. Derivatives are used to cover risks arising from changes in fluctuations of foreign exchange rates. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and the effective portion of changes in the fair value of derivatives is recognised in the "Hedging reserve". Any ineffective proportion is recognised immediately in profit or loss.

<u>Cash flow hedge</u>

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognised in the "Hedging reserve". Any ineffective proportion is recognised immediately in profit or loss. The amounts recognised in the "Hedging reserve" are reclassified to the profit or loss in the same periods during which the hedged item affects profit or loss. In the case of a hedge on a forecast future transaction which results in the recognition of a non-monetary asset (e.g. Inventory) or liability, the profit or loss recognised in the 'Hedging reserve' is reclassified to the acquisition cost of the resultant non-financial asset.

When a hedge item matures or is sold or when the hedge no longer meets the hedge accounting criteria, the profits and losses accrued to 'Equity' remain as a reserve and are reclassified to profit or loss when the hedged asset affects profit or loss. In the case of a hedge on a forecast future transaction which is no longer expected to occur, amounts recorded in Equity are reclassified to profit and loss.

The Group examines the effectiveness of the cash flow hedges at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively), the effectiveness of the cash flow hedges is examined by applying the dollar offset method on a cumulative basis.

4.14 Share capital

Share capital is composed of ordinary shares. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

4.15 Provisions

Provisions are measured by discounting the expected future cash flows at an appropriate pre-tax rate. The discount rate used for the determination of present value reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are recognised when:

i. There is a present legal or constructive obligation as a result of past events.
ii. Payment is probable to settle the obligation.
iii. The amount of the payment in question can be reliably estimated.

Provisions for pending court rulings are recognised when it is more likely than not, that a present obligation from this litigation exists, and payment is probable.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating a contract and the expected net cost of continuing with the contract. Before the provision is established, the Group recognises any impairment loss on the associated assets with the contract.

4.16 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group, as well as other income and expenses related to operating activities. Operating profit excludes Net finance costs, Share of profit of equity-accounted investees and Income tax.

4.17 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

4.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale form part of the acquisition cost of that asset until the time it is substantially ready for its intended use or sale. Any income on the temporary investment of borrowings for financing the above qualifying asset and the collection of grants reduce the borrowing costs eligible for capitalisation. In other events, borrowing costs are charged through profit or loss in the year in which they are incurred. To the extent that funds are part of a general loan and are used for acquiring a qualifying asset, costs eligible for capitalisation are specified by applying a capitalisation rate to the investment expenses incurred for that asset.

4.19 Grants

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

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

The grants related to the finance cost are deferred and recognised in the income statement in the period required for their hedging at the cost they intend to hedge.

4.20 Change in Accounting Policy

In May 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) applied the key principles and rules of the International Financial Reporting Standards and issued a final decision including explanatory information as to how benefits are attributed to periods of service for a particular defined-benefit plan which includes the terms described below:

a. employees are entitled to lump-sum benefit payment when they reach a specific retirement age provided they are employed by the entity when they reach that retirement age; and
b. the amount of the retirement benefit to which an employee is entitled depends on the length of employee service with the entity before the retirement age and is capped at a specific number of consecutive years of service.

For the defined benefit plan illustrated in the agenda, IFRIC concluded that the entity must attribute retirement benefit to each year in which an employee renders service from the age of 46 to the age of 62 (or, if employment commences on or after the age of 46, from the date the employee first renders service to the age of 62).
The compensation policy implemented by the Company is aligned with the agenda decision of IFRIC. Consequently, for the Company to account for the Defined Benefit Liability, the Company must take into account, for each employee, benefits over the last 16 years before retirement.

Until the time the agenda decision was issued, the Company applied International Accounting Standard 10 by attributing benefits in compliance with applicable Greek Laws (Laws 3198/1955, 2112/1920 and 4093/2012) to the period from employment date to the expected retirement date of employees.
Based on IAS 8, this change will be treated as a change in accounting policy. The tables below present, for the comparative reporting periods, the effect on each item of the financial statements which is affected by the application of IFRIC final decision.

i. Effect of Change in Accounting Policy on opening balances of the comparative period

Balance at 31 December 2019	**For the Group**			**For the Company**		
Amounts in Euro	**Reported Balances on 31.12.2019**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2019**	**Reported Balances on 31.12.2019**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2019**
Total assets	**413,300**	**-**	**413,300**	**402,535**	**-**	**402,535**
Retained earnings/(losses)	46,534	1,202	47,736	37,236	1,202	38,438
Other Equity Items	99,447	-	99,447	99,207	-	99,207
Total equity	**145,981**	**1,202**	**147,183**	**136,443**	**1,202**	**137,645**
Employee benefits	2,482	(1,581)	901	2,482	(1,581)	901
Deferred tax liabilities	12,546	379	12,925	12,643	379	13,023
Other non-current liabilities	49,091	-	49,091	48,826	-	48,826
Non-current liabilities	**64,120**	**(1,202)**	**62,918**	**63,951**	**(1,202)**	**62,749**
Current liabilities	**203,200**	**-**	**203,200**	**202,140**	**-**	**202,140**
Total liabilities	**267,320**	**(1,202)**	**266,118**	**266,092**	**(1,202)**	**264,890**
Total equity and liabilities	**413,300**	**-**	**413,300**	**402,535**	**-**	**402,535**

ii. Effect of Change in Accounting Policy on closing balances of the comparative period

Balance at 31 December 2020	**For the Group**			**For the Company**		
Amounts in Euro	**Reported Balances on 31.12.2020**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2020**	**Reported Balances on 31.12.2020**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2020**
Total assets	**336,114**	**-**	**336,114**	**327,078**	**-**	**327,078**
Retained earnings/(losses)	45,359	1,298	46,657	35,925	1,298	37,223
Other Equity Items	98746	-	98,746	99,315	-	99,315
Total equity	**144,105**	**1,298**	**145,403**	**135,240**	**1,298**	**136,538**
Employee benefits	2,594	(1,708)	886	2,594	(1,708)	886
Deferred tax liabilities	14,345	410	14,755	14,421	410	14,831
Other non-current liabilities	45,216	-	45,216	44,590	-	44,590
Non-current liabilities	**62,155**	**(1,298)**	**60,857**	**61,605**	**(1,298)**	**60,307**
Current liabilities	**129,854**	**-**	**129,854**	**130,234**	**-**	**130,234**
Total liabilities	**192,009**	**(1,298)**	**190,711**	**191,839**	**(1,298)**	**190,541**
Total equity and liabilities	**336,114**	**-**	**336,114**	**327,078**	**-**	**327,078**

iii. *Effect of Accounting Policy on Statement of Profit or Loss and Other Comprehensive Income for the year ended on 31 December 2020.*

For the period from 01.01.2020 to 31.12.2020	**For the Group**			**For the Company**		
Amounts in Euro	**Reported Balances on 31.12.2020**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2020**	**Reported Balances on 31.12.2020**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2020**
Revenue	309,825	-	309,825	308,112	-	308,112
Cost of Sales	(284,676)	20	(284,656)	(285,156)	20	(285,136)
Gross Profit	**25,148**	**20**	**25,168**	**22,956**	**20**	**22,976**
Other income	1,864	-	1,864	928	-	928
Selling and distribution expenses	(5,831)	-	(5,831)	(3,383)	-	(3,383)
Administrative expenses	(7,916)	-	(7,916)	(8,190)	-	(8,190)
Reversal of / (Impairment loss) on receivables and contract assets	(38)	-	(38)	(41)	-	(41)
Other expenses	(1,260)	-	(1,260)	(1,212)	-	(1,212)
Operating profit	**11,967**	**20**	**11,987**	**11,059**	**20**	**11,079**
Finance income	233	-	233	233	-	233
Finance costs	(10,752)	-	(10,752)	(10,738)	-	(10,738)
Share of profit/(loss) of equity-accounted investees	(913)	-	(913)	-	-	-
Profit/(Loss) before tax	**535**	**20**	**555**	**554**	**20**	**574**
Income tax expense	(1,731)	(5)	(1,736)	(1,773)	(5)	(1,778)
Profit/(Loss) after tax	**(1,196)**	**15**	**(1,181)**	**(1,220)**	**15**	**(1,204)**
Remeasurements of defined benefit liability	(121)	86	(34)	(121)	86	(34)
Related tax	29	(5)	24	29	(5)	24
Other Items after taxes	(588)	-	(588)	108	-	108
Other comprehensive income after tax	**(680)**	**81**	**(598)**	**16**	**82**	**98**
Total comprehensive income after tax	**(1,876)**	**96**	**(1,779)**	**(1,204)**	**97**	**(1,107)**

iv. Effect of Accounting Policy on Statement of Cash Flows for the year ended on 31 December 2020

Balance on 31 December 2020	**For the Group**			**For the Company**		
	Reported Balances on 31.12.2020	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2020**	**Reported Balances on 31.12.2020**	**Adjustment under IAS 19**	**Adjusted Balances on 31.12.2020**
Cash Flows from Operating Activities						
Earnings before taxes	(1,196)	20	(1,176)	(1,220)	20	(1,200)
Changes in:						
- Post-employment benefit liabilities	(9)	(20)	(29)	(9)	(20)	(29)
Other flows from Operating Activities	92,295	-	92,295	92,935	-	92,935
Total inflow/ (outflow) from operating activities	**91,090**	**-**	**91,090**	**91,706**	**-**	**91,706**
Total inflow / (outflow) from investing activities	**(19,178)**	**-**	**(19,178)**	**(15,869)**	**-**	**(15,869)**
Total inflow/ outflow from financing activities	**(70,659)**	**-**	**(70,659)**	**(70,630)**	**-**	**(70,630)**
Net (decrease) / increase in cash and cash equivalents	**1,253**	**-**	**1,253**	**5,207**	**-**	**5,207**
Cash and cash equivalents at the beginning of period	19,792	-	19,792	10,895	-	10,895
Foreign exchange effect on cash and cash equivalents	(370)	-	(370)	124	-	124
Cash and cash equivalents at the end of period	**20,675**	**-**	**20,675**	**16,226**	**-**	**16,226**

5. Property, plant and equipment

GROUP

Amounts in ,000 Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition Cost					
Balance at 1 January 2020	**72,238**	**252,021**	**6,009**	**7,557**	**337,826**
Foreign exchange gains/(losses)	(1)	-	(9)	-	**(10)**
Additions	779	463	2,806	10,619	**14,666**
Revenue	(16)	-	(356)	-	**(372)**
Disposals	(48)	-	-	-	**(48)**
Reclassifications	893	2,425	236	(3,553)	-
Balance at 31 December 2020	**73,846**	**254,908**	**8,685**	**14,623**	**352,061**
Balance at 1 January 2021	**73,846**	**254,908**	**8,685**	**14,623**	**352,061**
Foreign exchange gains/(losses)	-	-	8	-	**8**
Additions	408	3,482	1,378	3,139	**8,407**
Revenue	-	(64)	(66)	-	**(130)**
Reclassifications	5,373	5,159	173	(10,135)	**570**
Balance at 31 December 2021	**79,626**	**263,486**	**10,178**	**7,626**	**360,916**
Accumulated depreciation					
Balance at 1 January 2020	**(29,379)**	**(126,514)**	**(4,482)**	**-**	**(160,375)**
Foreign exchange gains/(losses)	-	-	5	-	**5**
Depreciation of the period	(996)	(6,290)	(587)	-	**(7,873)**
Revenue	58	-	343	-	**400**
Balance at 31 December 2020	**(30,318)**	**(132,804)**	**(4,721)**	**-**	**(167,843)**
Balance at 1 January 2021	**(30,318)**	**(132,804)**	**(4,721)**	**-**	**(167,843)**
Foreign exchange gains/(losses)	(0)	-	(5)	-	**(5)**
Depreciation of the period	(1,073)	(6,184)	(776)	-	**(8,033)**
Revenue	-	11	64	-	**75**
Reclassifications	-	(267)	-	-	**(267)**
Balance at 31 December 2021	**(31,391)**	**(139,244)**	**(5,438)**	**-**	**(176,073)**
Carrying amount at 31 December 2020	**43,528**	**122,104**	**3,964**	**14,623**	**184,218**
Carrying amount at 31 December 2021	**48,235**	**124,241**	**4,740**	**7,626**	**184,844**

COMPANY

Amounts in ,000 Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition Cost					
Balance at 1 January 2020	**72,631**	**252,021**	**5,891**	**7,557**	**338,100**
Additions	758	463	2,806	10,619	**14,645**
Revenue	-	-	(343)	-	**(343)**
Reclassifications	893	2,425	236	(3,553)	-
Balance at 31 December 2020	**74,282**	**254,908**	**8,589**	**14,623**	**352,402**
Balance at 1 January 2021	**74,282**	**254,908**	**8,589**	**14,623**	**352,402**
Additions	408	3,482	1,375	3,139	**8,404**
Revenue	-	(64)	(66)	-	**(130)**
Reclassifications	5,373	5,159	173	(10,135)	**570**
Balance at 31 December 2021	**80,063**	**263,486**	**10,071**	**7,626**	**361,246**
Accumulated depreciation					
Balance at 01 January 2020	**(29,400)**	**(126,514)**	**(4,443)**	**-**	**(160,357)**
Depreciation of the period	(1,009)	(6,290)	(563)	-	**(7,862)**
Revenue	-	-	343	-	**343**
Balance at 31 December 2020	**(30,409)**	**(132,804)**	**(4,664)**	**-**	**(167,877)**
Balance at 1 January 2021	**(30,409)**	**(132,804)**	**(4,664)**	**-**	**(167,877)**
Depreciation of the period	(1,094)	(6,184)	(765)	-	**(8,043)**
Revenue	-	11	64	-	**75**
Reclassifications	-	(267)	-	-	**(267)**
Balance at 31 December 2021	**(31,503)**	**(139,244)**	**(5,365)**	**-**	**(176,112)**
Carrying amount at 31 December 2020	**43,873**	**122,104**	**3,925**	**14,623**	**184,524**
Carrying amount at 31 December 2021	**48,559**	**124,241**	**4,706**	**7,626**	**185,133**

Review of useful life

During 2020, the Group undertook the review of the operational performance of its production lines and premises. The factors taken into consideration with respect to this business overview were as follows:

- frequent and consistent maintenance of machinery and facilities;
- the utilisation capacity involving certain assets from their initial acquisition compared to industry-specific standards, and
- technological progress and developments in the production methods used in the industrial segments in which the subsidiaries operate.

As a result, the expected useful life of the facilities was increased by 10 years on average and useful life of heavy machinery was increased by 9 years on average. When the changes described above were implemented, the ranges of useful lives were changed accordingly. The effect of these changes on the annual amortisation expenses included in the "Cost of sales" amounted to EUR 2 million for 2020 and the period 2021-2024 on an annual basis.

On 31.12.2021 fixed assets under construction mainly concerned machinery in the Thisvi-based plant of the Company.

On 31/12/2021 there are no mortgages or pledges on the Company's real estate properties in favour of banks while on 31/12/2020 there were mortgages and pledges amounting to EUR 40,031 thousand.

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6. Leases

A. Amounts recognised in the Statement of Financial Position

The right-of-use assets recognised by the Group and the Company relate to the following categories:

GROUP

Amounts in ,000 Euro	At 31 December	
Right-of-use assets	**2021**	**2020**
Buildings	408	442
Transportation means	890	888
Other equipment	116	179
Total	**1,414**	**1,509**

Lease liabilities	**2021**	**2020**
Current lease liabilities	458	474
Non-current lease liabilities	974	1,041
Total	**1,432**	**1,516**

COMPANY

Amounts in ,000 Euro	At 31 December	
Right-of-use assets	**2021**	**2020**
Transportation means	834	831
Other equipment	116	179
Total	**950**	**1,010**

Lease liabilities	**2021**	**2020**
Current lease liabilities	343	368
Non-current lease liabilities	619	651
Total	**962**	**1,019**

Additions to the right-of-use assets during 2021 were EUR 469 thousand and EUR 439 thousand for the Group and the Company, respectively.

B. Amounts recognised in the Income Statement

The following amounts have been recognised in the Statement of Profit or Loss:

GROUP

Amounts in ,000 Euro	For the year ended 31 December	
Depreciation charge of right-of-use assets	**2021**	**2020**
Buildings	68	51
Transportation means	347	326
Other equipment	63	59
Total	**478**	**435**

	2021	**2020**
Finance costs	67	54
Variable rental fees	52	30
Low-value rental fees	-	-
Short-term rental fees	293	365
Other expenses of lease contracts	23	108
Total	**435**	**557**

COMPANY

Amounts in ,000 Euro	For the year ended 31 December	
Depreciation charge of right-of-use assets	**2021**	**2020**
Transportation means	312	286
Other equipment	63	59
Total	**375**	**345**

	2021	2020
Finance costs	49	40
Variable rental fees	52	30
Short-term rental fees	293	287
Other expenses of lease contracts	23	108
Total	**417**	**464**

7. Intangible assets

GROUP

Amounts in ,000 Euro	Development costs	Software	Total
Acquisition cost			
Balance on 01.01.2020	**1,552**	**1,781**	**3,333**
Foreign exchange gains/(losses)		(1)	(1)
Additions	23	1,397	1,420
Balance at 31 December 2020	**1,575**	**3,177**	**4,751**
Balance at 1 January 2021	**1,575**	**3,177**	**4,751**
Foreign exchange gains/(losses)	-	3	**3**
Additions	-	1,142	**1,142**
Reclassifications	(1,200)	630	**(570)**
Balance at 31 December 2021	**374**	**4,952**	**5,326**
Accumulated depreciation			
Balance at 01 January 2020	**(663)**	**(1,266)**	**(1,930)**
Foreign exchange gains/(losses)	-	(4)	(4)
Depreciation of the period	(239)	(279)	**(518)**
Balance at 31 December 2020	**(902)**	**(1,550)**	**(2,451)**
Balance at 1 January 2021	**(902)**	**(1,550)**	**(2,451)**
Foreign exchange gains/(losses)	-	(1)	**(1)**
Depreciation of the period	(80)	(337)	**(417)**
Reclassifications	608	(341)	**267**
Balance at 31 December 2021	**(374)**	**(2,229)**	**(2,603)**
Carrying amount at 31 December 2020	**673**	**1,627**	**2,300**
Carrying amount at 31 December 2021	**-**	**2,723**	**2,723**

COMPANY

Amounts in ,000 Euro	Development costs	Software	Total
<u>Acquisition cost</u>			
Balance at 1 January 2020	**1,552**	**1,770**	**3,321**
Additions	23	1,394	**1,417**
Balance at 31 December 2020	**1,575**	**3,164**	**4,738**
Balance at 1 January 2021	**1,575**	**3,164**	**4,738**
Additions	-	1,101	**1,101**
Reclassifications	(1,200)	630	**(570)**
Balance at 31 December 2021	**374**	**4,895**	**5,270**
<u>Accumulated depreciation</u>			
Balance at 01 January 2020	**(663)**	**(1,263)**	**(1,926)**
Depreciation of the period	(239)	(279)	**(518)**
Balance at 31 December 2020	**(902)**	**(1,542)**	**(2,444)**
Balance at 1 January 2021	**(902)**	**(1,542)**	**(2,444)**
Depreciation of the period	(80)	(324)	**(404)**
Reclassifications	608	(341)	**267**
Balance at 31 December 2021	**(374)**	**(2,207)**	**(2,581)**
Carrying amount at 31 December 2020	**673**	**1,622**	**2,295**
Carrying amount at 31 December 2021	**-**	**2,688**	**2,688**

8. Subsidiaries

2021

Company Name	Acquisition cost at December 31	Total Assets	Total Liabilities	Revenue	Profits/Losses	Direct Holding Percentage	Indirect Holding Percentage
WARSAW TUBULARS TRADING Sp. z.o.o. (Poland)	593	631	32	-	(10)	100%	-
CPW AMERICA CO (America)	-	11,450	18,248	17,177	(10,232)	-	100%
Total	**593**	**12,081**	**18,280**	**17,177**	**-10,242**		

2020

Company Name	Acquisition cost at December 31	Total Assets	Total Liabilities	Revenue	Profits/Losses	Direct Holding Percentage	Indirect Holding Percentage
WARSAW TUBULARS TRADING Sp. z.o.o. (Poland)	593	641	17	-	-	100%	-
CPW AMERICA CO (America)	-	14,633	4,261	32,318	945	-	100%
Total	**593**	**15,274**	**4,278**	**32,318**	**945**		

The Company has a 100% participation in Warsaw Tubulars Trading Sp. Z.o.o. which is established in Poland. Warsaw Tubulars Trading Sp. Z.o.o. has a 100% participation in the share capital of CPW America Co. which is established in Houston, Texas USA. Neither of the two aforementioned companies is listed in any stock exchange market.

9. Equity-accounted investees

A. Reconciliation of carrying amount

(Amounts in ,000 Euro)	2021	2020
Balance at 1 January	3,360	1,062
Additions	213	3,285
Share in profit/ (loss) after taxes	(517)	(913)
Share in other comprehensive income	2	113
Increase of share in investee	34	-
Foreign exchange gains/(losses)	121	(187)
Balance at 31 December	**3,213**	**3,360**

In January 2020, through the subsidiary CPW America Co. the Group acquired an interest of 20% in the share capital of Bellville Tube Company in exchange for USD 3,300 thousand, translated in EUR 3,285 thousand. Bellville Tube Company manufactures steel tubular products for the local market. Due to changes incurred during the period in the shareholding structure of the associate the interest held at 31 December 2020 was 19.4%.
During 2021 the above percentage in the share capital of Bellville Tube Company did no change.

DIA.VI.PE.THI.V. S.A. is established in Greece and sets, as Thisvi industrial zone’s administrator, the boundaries of the statutory and regulatory frame in which the companies being settled in the industrial zone are operating, as well as the rights and responsibilities of the administrating and managing entity. During 2021 the Company acquired 4,644 shares of DIA.VI.PE.THI.V., namely 4.44% of its share capital, in return for EUR 212.7 thousand. The Group's total participation in DIA.VI.PE.THI.V. S.A. rose to 26.19%.

B. Financial reporting on associated companies

The tables below present key financials for the Group's associated companies. The financial reporting presented has been drawn from their financial statements.

2021

Amounts in ,000 Euro

Company Name	Country of establishment	Revenue	Profit/Losses from continuing operations	Total comprehensive income after tax	Holding percentage
DIAVIPETHIV	Greece	2,447	127	131	26.20%
Bellville Tube Company	America	20238	(2,837)	(2,837)	19.4%

Company Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities
DIAVIPETHIV	1,968	12,070	193	8,191
Bellville Tube Company	422	13,744	3,988	3,418

2020

Amounts in ,000 Euro

Company Name	Country of establishment	Revenue	Profit/Losses from continuing operations	Total comprehensive income after tax	Holding percentage
DIAVIPETHIV	Greece	2,487	109	109	21.75%
Bellville Tube Company	America	14,548	(4,826)	(4,826)	19.40%

Company Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities
DIAVIPETHIV	1,882	12,235	352	8,241
Bellville Tube Company	1,975	14,200	3,773	3,428

10. Other investments

Reconciliation of carrying amount

Company and consolidated figures

(Amounts in ,000 Euro)	31 December 2021	31 December 2020
Balance at 1 January	**8,160**	**8,160**
Additions/sales of holdings	-	-
Balance at 31 December	**8,160**	**8,160**

Other investments of the Group and the Company are equity investments measured at fair value in other comprehensive income. No holdings were sold or disposed of during 2021.

The table below summarises the categories of other investments of the Company.

(Amounts in ,000 Euro)	31 December 2021	31 December 2020
Shares of Greek unlisted companies	11	11
Shares of unlisted companies seated beyond Greece	8,149	8,149
Total	**8,160**	**8,160**

11. Financial instruments

a) Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy, for both the Group and the Company.

On 31 December 2021

(Amounts in ,000 Euro)	Carrying amount	Level 1	Level 2	Level 3	Total
Equity investments at FVOCI	8,160	-	-	8,160	**8,160**
Derivative financial assets	1,480	-	536	944	**1,480**
	9,641	**-**	**536**	**9,105**	**9,641**

On 31 December 2020

(Amounts in ,000 Euro)	Carrying amount	Level 1	Level 2	Level 3	Total
Equity investments at FVOCI	8,160	-	-	8,160	**8,160**
Derivative financial assets	1,198	-	326	871	**1,198**
	9,358	**-**	**326**	**9,032**	**9,358**

The various levels are as follows:
- Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.
- Level 2: Inputs that are observable either directly or indirectly.
- Level 3: Unobservable inputs for assets and liabilities.

The fair value of the following financial assets and liabilities measured at amortised cost approximates their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Debt

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value as, with the exception of lease liabilities, all the remaining consolidated and company loans and borrowings concern floating-rate debt, which is a very good approximation of current market rates.

The following table shows the reconciliation between opening and closing balances for Level 3 financial assets, which are classified as equity investments at fair value through other comprehensive income.

(Amounts in ,000 Euro)	2021	2020
Balance at 1 January	**9,032**	**8,160**
Additions	-	871
Effect of changes in exchange rates	73	-
Balance at 31 December	**9,105**	**9,032**

b) Fair value measurement

(1) Valuation techniques and significant unobservable inputs

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

The financial assets, such as unlisted shares that are not traded in an active market whose measurement is based on Group companies' and the Company's forecasts for the issuer's future profitability are classified under Level 3.

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation techniques	Significant observable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forward exchange contracts	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Broker quotes	Not applicable.
Call option in shares/ put option in shares held in an associate	*Options pricing model* The Company uses a widely acceptable methodology considering the complexity of such derivative.	The basic inputs that have been used in the valuation model are the following: • expected turnover & EBITDA margins of the affiliated entity; • future working capital needs; • risk free rate; • volatility, defined as the range of values for all variables/ inputs used in the valuation model.	• If turnover of the affiliated entity is higher, then the fair value of the options would be higher. • If future working capital is higher, then the fair value of the options would be lower. • If risk free rate is higher, then the fair value of the options would be higher. • If volatility is higher, then the fair value of the options would be higher. (Please also see notes 9 & 14)

(2) Transfers between Levels 1 and 2

There were no transfers from Level 2 to Level 1 or vice versa nor any transfers in either direction in 2021.

c) Financial risk management

The Group and the Company are exposed to credit, liquidity and market risk due to the use of financial instruments. This Note sets forth information on their exposure to each one of the above risks, their objectives, the policies and procedures applied to risk measurement and management and the Group's Capital Management (section D of the Note).

The risk management policies are applied in order to identify and analyse the risks facing the Group and the Company, set risk-taking limits and apply relevant control systems. The risk management policies and relevant systems are reviewed on a periodic basis so as to take into account any changes in the market and the companies' activities.

The implementation of risk management policies and procedures is supervised by the Internal Audit department of VIOHALCO Group, which performs recurring and non-recurring audits and the results of such audits are notified to the Board of Directors of each Company.

C.1 Credit Risk

Credit risk is the risk that the Group and the Company will incur financial loss if a client or third counterparty to a transaction on a financial instrument fails to meet its contractual obligations. Credit risk mainly arises from receivables from customers and contract assets. The carrying amount of financial assets represents the maximum credit exposure.

GROUP

		At 31 December	
Amounts in ,000 Euro	**Note**	**2021**	**2020**
Trade and other receivables	13	27,885	26,574
Contract assets	24	30,528	10,002
Sub-total		**58,413**	**36,575**
Less:			
Down payments	13	(443)	(409)
Current tax assets	13	(166)	(227)
Other receivables	13	(1,566)	(1,285)
Sub-total		**(2,175)**	**(1,922)**
Financial assets with credit risk		**56,238**	**34,654**

COMPANY

		At 31 December	
Amounts in ,000 Euro	**Note**	**2021**	**2020**
Trade and other receivables	13	25,547	24,820
Contract assets	24	30,528	9,965
Sub-total		**56,074**	**34,785**
Less:			
Current tax assets	13	-	(175)
Other receivables	13	(1,564)	(1,285)
Sub-total		**(1,564)**	**(1,460)**
Financial assets with credit risk		**54,510**	**33,324**

Increase in contract assets for both the Group and the Company is due to the launch of new projects during the last months of 2021 for which no invoice had been issued to end customers as at 31/12/2021.

a) Trade and other receivables

Group's and Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the companies' Management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Commercial risk is spread over a considerable number of customers. However, due to the fact that the Company's business is project oriented, there are cases where the 10% threshold of consolidated sales is individually exceeded for a short period of time. In 2021, Company sales to its customers ISRAEL NATURAL GAS, ENERGINET GAS TSO A/S and SNAM RETE GAS S.P.A accounted for 17%, 16% and 13%, respectively, of its total consolidated sales for the year.

The Company/Group has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms are proposed to such customer. The Group's review includes external ratings, if they are available, and in some cases bank references. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. As a rule, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of recoverability they have shown. Any customers characterised as being “high risk” are included in a special list of customers and subsequent sales must be paid in advance. Depending on the background of the customer and its status, the Group’s subsidiaries demand real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group records an impairment that represents Management's estimate of expected credit losses in respect of trade and other receivables.

At 31 December, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

GROUP

Amounts in ,000 Euro	**2021**	**2020**
Greece	9,823	20,183
Other EU Member States	10,922	9,604
Other European countries	32	(2)
Asia	28,696	2,124
America	2,712	2,725
Africa	4,053	21
Total	**56,238**	**34,654**

COMPANY

Amounts in ,000 Euro	**2021**	**2020**
Greece	9,785	21,394
Other EU Member States	10,951	9,616
Other European countries	32	(2)
Asia	28,696	2,124
America	992	172
Africa	4,053	21
Total	**54,510**	**33,324**

At 31 December, the ageing of trade and other receivables that were not impaired was as follows:

GROUP

Amounts in ,000 Euro	**2021**	**2020**
Neither past due nor impaired	54,228	34,445
Overdue		
- Up to 6 months	2,010	150
- Over 6 months	-	59
Total	**56,238**	**34,654**

COMPANY

Amounts in ,000 Euro	**2021**	**2020**
Neither past due nor impaired	52,500	33,116
Overdue		
- Up to 6 months	2,010	150
- Over 6 months	-	59
Total	**54,510**	**33,324**

Group companies' Management believes that the non-impaired amounts that are past due up to 6 months and over 6 months are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

As at 31 December 2021 and 2020, the remaining receivables past due but not impaired mainly related to leading energy groups. In addition, Group companies insure the majority of their receivables in order to be secured in case of default. As of 31 December 2019, 97% of the balances owed by third parties were insured by insurance companies with a probability of default rate of less than 0.04%.

37% of receivables come from customers in Greece and the rest of the European Union, while 45% come from customers based in Israel, which highlights the non-existent country risk of the Company and the Group's customers.

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

GROUP

	2021	**2020**
Amounts in ,000 Euro	**Trade & other receivables**	
Balance at 1 January	**20,523**	**22,355**
Recognised provision	-	41
Reversal of provision	(25)	(3)
Foreign exchange gains/(losses)	1691	(1,870)
Balance at 31 December	**22,189**	**20,523**

COMPANY

	2021	**2020**
Amounts in ,000 Euro	**Trade & other receivables**	
Balance at 1 January	**20,523**	**22,355**
Recognised provision	-	41
Reversal of provision	(25)	-
Foreign exchange gains/(losses)	1691	(1,870)
Balance at 31 December	**22,189**	**20,523**

The allowance for expected credit losses for trade receivables and contract assets is calculated at the level of each subsidiary when there is an indication of impairment. For receivables and contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information about macroeconomic factors affecting the credit risk, such as country risk and customers' industry related risks.

b) Cash and cash equivalents

The Group and the Company held cash and cash equivalents of EUR 40.9 million and EUR 37.6 million, respectively, at 31 December 2021. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from B to B+ based on ratings of Standard & Poor's.

C.2. Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. The approach to manage liquidity is to ensure, as much as possible, that the Group and the Company will have sufficient liquidity to meet their liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to their reputation.

In order to avoid liquidity risks, the Group and the Company estimate the expected cash flows for the next year when preparing the annual budget and monitor the monthly rolling forecast of its cash flows for the next quarter, so as to ensure sufficient cash on hand to meet their operating needs, including coverage of their financial obligations. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

Exposure to liquidity risk
Financial liabilities and derivatives based on contractual maturity are broken down as follows:

GROUP

31.12.2021		**Contractual cash flows**				
Amounts in ,000 Euro	**Carrying amount**	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Bank loans	64,325	61,230	6,380	-	-	**67,609**
Finance lease liabilities	1,432	846	307	347	-	**1,500**
Bond loans	43,414	7,727	15,884	23,327	-	**46,937**
Derivatives	1,141	1,141	-	-	-	**1,141**
Trade and other payables	119,840	119,840	-	-	-	**119,840**
	230,152	**190,783**	**22,570**	**23,674**	**-**	**237,027**

31.12.2020		**Contractual cash flows**				
Amounts in ,000 Euro	**Carrying amount**	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Bank loans	60,461	51,154	6,559	5,825	-	**63,538**
Finance lease liabilities	1,516	902	326	360	-	**1,588**
Bond loans	47,923	21,068	10,882	22,887	1,838	**56,676**
Derivatives	-	-	-	-	-	-
Trade and other payables	57,312	57,312	-	-	-	**57,312**
	167,212	**130,436**	**17,767**	**29,072**	**1,838**	**179,114**

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31/12/2021						
		Contractual cash flows				
Amounts in ,000 Euro	**Carrying amount**	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Bank loans	64,325	61,230	6,380	-	-	**67,609**
Finance lease liabilities	962	376	307	347	-	**1,030**
Bond loans	43,414	7,727	15,884	23,327	-	**46,937**
Derivatives	1,141	1,141	-	-	-	**1,141**
Trade and other payables	117,409	117,409	-	-	-	**117,409**
	227,251	**187,883**	**22,570**	**23,674**	**-**	**234,127**

31.12.2020						
		Contractual cash flows				
Amounts in ,000 Euro	**Carrying amount**	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Bank loans	60,226	51,154	6,324	5,825	-	**63,303**
Finance lease liabilities	1,019	405	326	360	-	**1,091**
Bond loans	47,923	21,068	10,882	22,887	1,838	**56,676**
Derivatives	-	-	-	-	-	**-**
Trade and other payables	58,125	58,125	-	-	-	**58,125**
	167,293	**130,752**	**17,532**	**29,072**	**1,838**	**179,195**

During 2021 the Company fully repaid long-term loans containing clauses. Therefore, as at 31/12/2021 the Company had no debts involving clauses the violation of which could force the Company to repay the loans earlier than indicated in the table above.

C.3. Market Risk

Market risk is the risk that changes in the market prices – such as foreign exchange rates and interest rates - will affect the Group's and the Company's income or the value of their financial instruments. The Group and the Company use derivatives to manage market risk.

a) Foreign exchange risk

The Group and the Company are exposed to currency risk in relation to the sales and purchases carried out in a currency other than their functional currency. The most important currencies in which transactions are held are EUR and USD while 2021 saw important transactions in Polish zloty.

Over time, the Company and the Group hedge the greatest part of their estimated exposure to foreign currencies in relation to the anticipated sales and purchases, as well as to the receivables and liabilities in foreign currency. Group companies enter mainly into forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the reporting date. When deemed necessary, these contracts are renewed upon expiry.

Interest on all loans is denominated in Euro. The investments of the Group in other subsidiaries are not hedged, because these exchange positions are considered to be long-term.

The summary quantitative data about the Group's and the Company's exposure to currency risk is as follows:

GROUP

31.12.2021

Amounts in ,000 Euro	USD	GBP	Other	Total
Trade and other receivables	2,822	-	30	**2,851**
Contract assets	-	-	-	**-**
Cash and cash equivalents	3,312	6	-	**3,318**
Loans and borrowings	(470)	-	-	**(470)**
Trade and other payables	(23,702)	(53)	(3)	**(23,758)**
Contract liabilities	-	-	(4,811)	**(4,811)**
	(18,038)	**(47)**	**(4,785)**	**(22,869)**
Derivatives for risk hedging (Nominal value)	(36,691)	-	-	**(36,691)**
Total risk	**(54,729)**	**(47)**	**(4,785)**	**(59,560)**

31.12.2020

Amounts in ,000 Euro	USD	GBP	Other	Total
Trade and other receivables	2,383	-	-	**2,383**
Contract assets	175	-	-	**175**
Cash and cash equivalents	4,430	-	-	**4,430**
Loans and borrowings	(732)	-	-	**(732)**
Trade and other payables	(966)	(26)	-	**(992)**
Contract liabilities	(2,302)	-	-	**(2,302)**
	2,988	**(26)**	**-**	**2,962**
Derivatives for risk hedging (Nominal value)	(8,777)	-	-	**(8,777)**
Total risk	**(5,789)**	**(26)**	**-**	**(5,815)**

COMPANY

31/12/2021

Amounts in ,000 Euro	USD	GBP	Other	Total
Trade and other receivables	454	-	30	**483**
Contract assets	-	-	-	**-**
Cash and cash equivalents	32	6	-	**38**
Trade and other payables	(21,274)	(53)	(3)	**(21,330)**
Contract liabilities	-	-	(4,811)	**(4,811)**
	(20,788)	**(47)**	**(4,785)**	**(25,620)**
Derivatives for risk hedging (Nominal value)	(36,691)	-	-	**(36,691)**
Total risk	**(57,479)**	**(47)**	**(4,785)**	**(62,311)**

31.12.2020

Amounts in ,000 Euro	USD	GBP	Other	Total
Trade and other receivables	618	-	-	**618**
Contract assets	138	-	-	**138**
Cash and cash equivalents	24	-	-	**24**
Trade and other payables	(1,803)	(26)	-	**(1,829)**
Contract liabilities	(1,975)	-	-	**(1,975)**
	(2,998)	**(26)**	**-**	**(3,024)**
Derivatives for risk hedging (Nominal value)	(8,141)	-	-	**(8,141)**
Total risk	**(11,139)**	**(26)**	**-**	**(11,165)**

The following exchange rates have been applied during the year.

	Average exchange rate		Year end spot rate	
	2021	2020	2021	2020
USD	1.1827	1.1422	1.1326	1.2271

A reasonably possible strengthening (weakening) of USD against EUR as at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and would have also affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

GROUP

	Profit or loss		Equity, net of tax	
Amounts in ,000 Euro	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2021				
USD (10% movement in relation to EUR)	1,890	(2,310)	1,945	(2,377)
2020				
USD (10% movement in relation to EUR)	(330)	403	526	(643)

COMPANY

	Profit or loss		Equity, net of tax	
Amounts in ,000 Euro	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
2021				
USD (10% movement in relation to EUR)	1,890	(2,310)	1,945	(2,377)
2020				
USD (10% movement in relation to EUR)	273	(333)	243	(297)

b) Interest rate risk

During the prolonged low interest period, the Company has adopted a flexible policy of ensuring that its interest rate risk exposure is entirely at a variable rate. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	GROUP		COMPANY	
Amounts in ,000 Euro	**2021**	**2020**	**2021**	**2020**
Variable-rate instruments				
Financial liabilities	109,171	109,900	108,701	109,168
	109,171	**109,900**	**108,701**	**109,168**

A reasonably possible change of 0.25% in interest rates at the reporting date would have increased/ decreased (-) equity and profit or loss by the amount shown below. This analysis assumes all other variables, in particular foreign exchange rate, remain constant.

	Profit or loss & Equity, net of tax			
	Increase by 0.25%		Decrease by 0.25%	
Amounts in ,000 Euro	GROUP	COMPANY	GROUP	COMPANY
2021				
Financial liabilities	(335)	(333)	335	333
2020				
Financial liabilities	(497)	(495)	497	495

The Company does not use interest rate swaps as hedging instruments under a fair value or cash flow hedge accounting model and as a result the impact presented in the table above in profit or loss and equity is the same.

c) Derivatives assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur:

2021

		Expected cash flows		
	Carrying amount	**1-6 months**	**6-3 months**	**Total**
Amounts in ,000 Euro				
Forward exchange contracts				
Assets	536	536	-	536
Liabilities	1,141	1,141	-	1,141
	1,677	**1,677**	**-**	**1,677**

2,020

		Expected cash flows		
	Carrying amount	**1-6 months**	**6-3 months**	**Total**
Amounts in ,000 Euro				
Forward exchange contracts				
Assets	326	326	-	326
Liabilities	-	-	-	-
	326	**326**	**-**	**326**

The table below provides information about the items designated as cash flow hedging instruments during the year and also as at 31 December 2021 and the reconciliation of hedging reserve.

		Carrying amount		**Line item in the statement of financial position where the hedging instrument is included**	**Balance at 1 January 2021**	**Changes in the value of the hedging instrument recognised in OCI**	**Amount reclassified from hedging reserve to profit or loss**	**Effect of movement in exchange rates**	**Balance at 31 December 2021**
Amounts in ,000 Euro	**Nominal value**	**Assets**	**Liabilities**						
Forward exchange contracts	36,691	536	-	Derivatives (Assets & Liabilities)	326	(314)	(756)	139	(605)

C.4. Risk of macroeconomic and financial environment

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

The macroeconomic and financial environment in Greece is showing clear signs of improvement while the cash flows from the Company's and the Group's operational activities are not significantly affected by Greece's macroeconomic environment as more than 90% of sales in 2021 were directed to international customers. This also minimises the liquidity risk which may arise from any remaining uncertainty of the economic environment in Greece.

d) Capital management

Group management's policy consists in maintaining a strong capital structure so as to keep the confidence of investors, creditors and the market and enable the future development of its activities. Group Management monitors return on equity, which is defined as net profits divided by total equity. Group Management also monitors the level of dividends distributed to holders of ordinary shares.

No changes were made to the approach adopted by the Group and the Company concerning capital management during the fiscal year.

Total borrowing of the Group and the Company in relation to its equity on the reporting date is as follows:

	GROUP		COMPANY	
Amounts in ,000 Euro	**2021**	**2020**	**2021**	**2020**
Total loans & borrowings	109,171	109,900	108,701	109,168
Less: Cash and cash equivalents	(40,991)	(20,675)	(37,665)	(16,226)
Net debt	**68,180**	**89,225**	**71,036**	**92,942**
Total Equity	129166	145,403	130,735	136,538
Debt to equity ratio	**0.53**	**0.61**	**0.54**	**0.68**

12. Inventories

GROUP

Amounts in ,000 Euro	**2021**	**2020**
Finished goods and merchandise	19,872	10,060
Semi-finished goods	4,415	3,415
Raw and auxiliary materials	62,849	59,200
Spare parts	3,721	3,555
Consumables	1,694	1,656
Packaging materials	31	31
Total	**92,582**	**77,917**

COMPANY

Amounts in ,000 Euro	**2021**	**2020**
Finished goods and merchandise	15,971	10,060
Semi-finished goods	4,415	3,415
Raw and auxiliary materials	62,849	59,200
Spare parts	3,721	3,555
Consumables	1,694	1,656
Packaging materials	31	31
Total	**88,682**	**77,917**

Increase in the value of Finished Goods at Company level is attributed to the increased volume of hollow structural sections in order to support the increased sales compared to the respective period of 2020. At Group level the increase in CPW America's inventories should be noted, that were purchased from another subsidiary of VIOHALCO Group to be resold to end customers with whom no transactions had taken place during 2020.

Inventories are presented at the lower between their acquisition cost or production cost and net realisable value. Net realisable value is considered to be the estimated selling price under normal business operations less the estimated costs required for the sale.

The cost of inventory that was recognised as an expense in the cost of sales of the Group for the fiscal year ended December 31, 2021 amounts to EUR 156,364 thousand (2020: EUR 192,427 thousand), while the respective amounts for the Company stood at EUR 152,932 thousand and EUR 192,884 thousand, respectively (Note 25).

At December 31, 2021 the net realisable value of certain finished goods was lower than their production cost, and as a result an impairment loss of EUR 118 thousand was recorded for both the Group and the Company (the respective amount on 31 December 2020 stood at EUR 266 thousand).

13. Trade and other receivables

GROUP

Amounts in ,000 Euro	2021	2020
Current assets		
Trade receivables	30,997	28,585
Less: Provisions for impairment	(22,189)	(20,523)
	8,808	**8,062**
Receivables from related parties	15,681	15,650
Current tax assets	166	227
Other receivables	706	202
Other debtors	2,009	1,694
	18,562	**17,773**
Total	**27,371**	**25,835**
Non-current assets		
Non-current receivables	514	739
Total	**514**	**739**

COMPANY

Amounts in ,000 Euro	2021	2020
Current assets		
Trade receivables	30,607	28,221
Less: Provisions for impairment	(22,189)	(20,523)
	8,418	**7,698**
Receivables from related parties	14,382	14,756
Current tax assets	-	175
Other receivables	1,564	1,285
Other debtors	706	202
	16,653	**16,419**
Total	**25,071**	**24,116**
Non-current assets		
Non-current receivables	476	703
Total	**476**	**703**

Credit and market risks and impairment losses

During 2010, the Company initiated in Greece and Dubai legal actions against a former customer in the Middle-East regarding the recovery of an overdue receivable of USD 24.8 million (EUR 22 million as at 31 December 2021), plus legal interest. Following a series of court proceedings, the Dubai Court of Cassation issued its final judgment which ruled to reject any counterclaim of the former customer and to confirm the amount due to the Company. In order to recover this long overdue balance, the Company has recently initiated the enforcement procedures against the assets of the former customer that are located within any of the countries, where such judgment is enforceable (i.e. various other countries in the Middle East). As at 31/12/2021 the Company has recorded an impairment loss for all receivables while it pursues all actions required for collecting the entire amount of this receivable.

Information about Company's exposure to credit and market risks, and impairment losses for trade and other receivables, is included in Note 11.

14. Derivatives

The following table sets out the carrying amount of derivatives for both the Group and the Company:

GROUP

	At 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Non-current assets		
Other contracts	944	871
Total	**944**	**871**
Current assets		
Forwards for cash flow hedging	536	326
Total	**536**	**326**
Current liabilities		
Forwards for cash flow hedging	1,141	-
Total	**1,141**	**-**

COMPANY

	At 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Current assets		
Forwards for cash flow hedging	536	326
	536	**326**
Current liabilities		
Forwards for cash flow hedging	1,141	-
	1,141	**-**

Hedge accounting

The Company has derivative financial instruments to hedge cash flows. The above-mentioned derivative financial instruments cover risks from fluctuations of foreign exchange rates.

The maturity and the nominal value of derivatives held by the Company match the maturity and nominal value of the underlying assets / liabilities (hedged items).

Derivatives held by the Company concern foreign exchange forwards to hedge the risk from the change in exchange rate of US Dollar (i.e. the currency to which the Company is mainly exposed). Such hedges are designated as cash flow hedges given that foreign exchange forwards are used for hedging foreign exchange risk on the forecasted sales of goods or purchase of materials.

Derivatives are recognised when the Company enters into the transaction in order to hedge highly probable transactions (cash flow hedges).

Cash flow hedge

The effective portion of change in fair value of derivatives designated as a cash flow hedge is recognised in other comprehensive income (OCI), under “Hedging Reserve”. Any ineffective proportion is recognised immediately in profit or loss.

The amounts recorded in “Hedging Reserve” are reclassified to the Consolidated Statement of Profit or Loss of the period when the hedged event occurs, i.e. at the date when the forecast transaction which constitutes the object of the hedge took place or the hedged item affects profit and loss.

When a hedge item is sold or when the hedging proportion no longer meets the hedge accounting criteria, hedge accounting is discontinued prospectively, the amounts recorded in ‘Hedging reserve’ remain as a reserve and are reclassified to the Consolidated Statement of Profit or Loss when the hedged asset affects profits or losses.

In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the amounts recorded in ‘Hedging reserve’ are reclassified to the consolidated statement of profit or loss.

The change in fair value recognised in equity under cash flow hedging as of 31 December 2021 will be recycled to the company and consolidated statement of profit or loss during 2022, as all the forecast transactions will take place or the hedged items will affect profit or loss in 2022.

The Group examines the effectiveness of the cash flow hedge at inception (prospectively) by comparing the critical terms of the hedging instrument with the critical terms of the hedged item, and then at every reporting date (retrospectively) the effectiveness of the cash flow hedge is examined by applying the dollar offset method on a cumulative basis.

The Group’s results from the hedging activities recorded in the statement of profit or loss are presented below for foreign exchange contracts in “Revenue” and “Cost of sales”. The amounts recognised in the company and consolidated statement of profit or loss are the following:

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Gain / (loss) on foreign exchange forwards	1,162	(262)
	1,162	**(262)**

Derivatives related to Bellville Tube Company

Based on the share purchase agreement signed in 2020, the shareholders of Bellville Tube Company (see note 21) granted CPW America with a call option to purchase (hereinafter "call option”) the remaining outstanding capital stock of Bellville Tube Company. The calculation of the purchase price prescribed in the call option is based on a predetermined formula. The exercise period for the call option starts in 2022 and expires in 2025. Upon the exercise of the call option CPW America will own 100% of outstanding capital stock of Bellville Tube Company.

In addition, the purchase agreement prescribes that if CPW America does not exercise the call option described above, CPW America shall have the option (“put option”), but not the obligation, during the period 2022-2025 to require Bellville Tube Company’s shareholders to redeem all shares of Bellville Tube Company held by such time. The aggregate purchase price for the redeemed shares if the put option is exercised will be USD 3.3 million, i.e. equal to the amount initially disbursed.

The options (call option and put option) described above were recognised in the Group's Statement of Financial Position. Based on the inputs used in order to determine the fair value of the call and put options, such options are categorised as Level 3. The options are valuated in USD and based on year end exchange rates, their valuation amounted to EUR 944 thousand. Their valuation was based on a widely acceptable pricing model methodology considering the complexity of the underlying share purchase agreement.

The basic data/inputs that have been used in the valuation model are the following:

- fair value of the stake held in Bellville which, in turn, depends on the expected turnover, EBITDA margins and Bellville’s future needs for working capital;
- applicable risk free rate;
- probability of default of the counterparty.

With respect to the fair values of the call and put options, reasonably possible changes at the reporting date to one of the significant unobservable inputs stated above, keeping other inputs constant, would have the following effect:

- If risk free rate was higher by 1%, then the fair value of options would be lower by EUR 6 thousand or 0.6%.
- If the fair value of the holding was higher by 10%, then the fair value of options would be lower by EUR 146 thousand or 15.3%.
- If the counterparty’s probability of default was higher by 10%, then the fair value of options would be lower by EUR 255 thousand or 26.6%.

15. Cash and cash equivalents

GROUP

Amounts in ,000 Euro	2021	2020
Cash on hand	1	45
Bank deposits	40,989	20,630
Total	**40,991**	**20,675**

COMPANY

Amounts in ,000 Euro	2021	2020
Cash on hand	1	2
Bank deposits	37,664	16,225
Total	**37,665**	**16,226**

Short-term deposits of the Group and the Company have a term less than 90 days and are available for use.

16. Share capital and reserves

A. Share capital

On 31 December 2021, the share capital of the Company amounted to EUR 78,306,301 divided into 26,725,700 shares with a nominal value of EUR 2.93 each. The share capital of the Company remained unchanged compared to 2020.

On 31 December 2020 the share capital of WTT amounted to PLN 2,783,750 divided into 55,675 shares with a nominal value of PLN 50 each. The share capital of WTT remained unchanged compared to 2020.

On 31 December 2021 the share capital of CPW America amounted to USD 500,000 divided into 5,000 shares with a nominal value of USD 100 each. The share capital of CPW America remained unchanged compared to 2020.

B. Nature and purpose of reserves

I. Statutory reserve:

Pursuant to Greek company law (article 158 of Law 4548/2018), companies are obliged to allocate each year at least 5% of the annual net profits to their statutory reserve, until this reserve equals at least 1/3 of the company’s share capital. This reserve may be used to cover losses following a decision of the Ordinary General Meeting of Shareholders and consequently cannot be used for any other purpose.

II. Hedging reserve:

The hedging reserve includes the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

III. Tax-exempt reserves:

Tax exempt reserves mainly concern:

- reserves that are formed from prior-period net profits, which, pursuant to incentive laws that are in effect each time, are not taxed because they were used for the acquisition of production equipment;
- reserves that were formed from partially non-distributed net profits of each fiscal year that come from income exempted from taxation and income taxed by special laws with the exhaustion of the tax liability.

The aforementioned reserves may be capitalised and distributed (after the restrictions that may apply each time are taken into consideration) following a decision of the Ordinary General Meeting of shareholders. In case these reserves are distributed, the Company will be required to pay the related tax.

IV. Translation reserve:

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

C. Reconciliation of reserves

GROUP

Amounts in ,000 Euro	Statutory reserve	Hedging reserve	Tax-free reserves	Translation reserve	Total
Balance at 01 January 2020	**809**	**131**	**19,961**	**240**	**21,140**
Other comprehensive income, net of tax	-	108	-	(809)	(701)
Balance at 31 December 2020	809	238	19,961	(569)	20,439
Balance at 01 January 2021	**809**	**238**	**19,961**	**(569)**	**20,439**
Other comprehensive income, net of tax	-	(828)	-	274	(554)
Balance at 31 December 2021	**809**	**(590)**	**19,961**	**(295)**	**19,885**

COMPANY

Amounts in ,000 Euro	Statutory reserve	Hedging reserve	Tax-free reserves	Total
Balance at 01 January 2020	**809**	**131**	**19,961**	**20,901**
Other comprehensive income, net of tax	-	108	-	108
Balance at 31 December 2020	**809**	**238**	**19,961**	**21,009**
Balance at 01 January 2021	**809**	**238**	**19,961**	**21,009**
Other comprehensive income, net of tax	-	(828)	-	**(828)**
Balance at 31 December 2021	**809**	**(590)**	**19,961**	**20,181**

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17. Loans and borrowings

A. Overview

	GROUP		COMPANY	
	At 31 December		At 31 December	
Amounts in ,000 Euro	2021	2020	2021	2020
Long-term borrowing				
Unsecured bank loans	5,219	10,771	5,219	10,536
Secured bond issues	-	11,152	-	11,152
Unsecured bond issues	36,786	22,025	36,786	22,025
Total	**42,005**	**43,948**	**42,005**	**43,712**
Finance lease liabilities - Long term	974	1,041	619	651
Total long-term debt	**42,979**	**44,989**	**42,624**	**44,363**
Short-term borrowing				
Unsecured bank loans	53,700	44,279	53,700	44,279
Current portion of long-term unsecured bank loans	5,407	5,411	5,407	5,411
Current portion of long-term secured bond issues	-	5,569	-	5,569
Current portion of long-term unsecured bond issues	6,628	9,177	6,628	9,177
Total	**65,734**	**64,436**	**65,734**	**64,436**
Finance lease liabilities - Short term	458	474	343	368
Total short-term debt	**66,192**	**64,911**	**66,077**	**64,805**
Total borrowing	**109,171**	**109,900**	**108,701**	**109,168**

Short term unsecured bank loans are predominately revolving credit facilities, which meet the Company’s working capital needs for specific ongoing projects on 31 December 2021.

Information about the Company’s and the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 11.

The maturities of non-current loans are as follows:

	GROUP		COMPANY	
	At 31 December		At 31 December	
Amounts in ,000 Euro	2021	2020	2021	2020
Between 1 and 2 years	20264	15,818	20,140	15,515
Between 2 and 5 years	22603	27,252	22,484	27,048
Over 5 years	112	1,919	-	1,800
Total	**42,979**	**44,989**	**42,624**	**44,363**

The effective weighted average interest rates of the main categories of the Company’s and the Group’s loans and borrowings at the reporting date are as follows:

	GROUP				COMPANY			
	2021		2020		2021		2020	
Amounts in ,000 Euro	Carrying amount	Interest rate	Carrying amount	Interest rate	Carrying amount	Interest rate	Carrying amount	Interest rate
Bank loans (non-current)	10,625	1.95%	16,182	1.94%	10,625	1.95%	15,947	1.95%
Bank loans (current)	53,700	3.39%	44,279	3.56%	53,700	3.39%	44,279	3.56%
Bond issues	43414	2.61%	47,923	3.09%	43,414	2.61%	47,923	3.09%
Factoring with recourse	-		-		-		-	

During 2021 the Company fully repaid long-term loans containing clauses. Therefore, as at 31/12/2021 the Company had no debts involving clauses the violation of which could force the Company to repay the loans earlier than their contractual term. Mortgages and pledges in favour of banks had been recorded on the Company’s property, plant and equipment. The carrying amount of assets mortgaged or pledged as at 31/12/2020 was EUR 40 million.

During 2021, Corinth Pipeworks obtained new long-term loans of EUR 21.5 million and repaid long-term and short-term loans of EUR 23 million. More specifically the Company obtained the following bond loans from domestic systemic banks:

- A loan of EUR 7 million for 5 years
- A loan of EUR 4.52 million for 5 years
- A loan of EUR 10 million for 2 years. The principal was used to repay long-term loans maturing during 2021. Group Management intends to negotiate with the issuing bank the extension of the loan's repayment term.

The borrowing profile of both the Company and the Group was thus further improved. During 2021, total borrowing of the Group and the Company remained invariable in essence compared to last year.

As at the reporting date the Group's average borrowing cost amounted to 2.93% compared to 3.33% as at 31/12/2020.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities

	GROUP					
	2021			2020		
Amounts in ,000 Euro	**Loans & borrowings**	**Lease liabilities**	**Total**	**Loans & borrowings**	**Lease liabilities**	**Total**
Balance at 1 January	**108,384**	**1,516**	**109,900**	**178,066**	**1,389**	**179,455**
<u>Changes from financing activities:</u>						
Loans received	21,764	-	**21,764**	15,686	-	**15,686**
Repayment of borrowings	(22,986)	-	**(22,986)**	(85,759)	-	**(85,759)**
Repayment of lease principal	-	(466)	**(466)**	-	(586)	**(586)**
Total changes from financing activities	**(1,222)**	**(466)**	**(1,687)**	**(70,073)**	**(586)**	**(70,659)**
<u>Other changes:</u>						
Accrued interest	3,139	67	**3,205**	6,126	54	**6,180**
Interest paid	(3,152)	(67)	**(3,219)**	(6,684)	(54)	**(6,738)**
Interest capitalised	1,043	-	**1,043**	967	-	**967**
New lease liabilities	-	470	**470**	-	1,012	**1,012**
Lease expiry	-	(125)	**(125)**	-	(256)	**(256)**
Other movements	(461)	(2)	**(463)**	-	-	-
Foreign exchange gains/(losses)	9	39	**47**	(17)	(44)	**(61)**
	577	**381**	**958**	**391**	**713**	**1,105**
Balance at 31 December	**107,739**	**1,432**	**109,171**	**108,384**	**1,516**	**109,900**

	COMPANY					
	2021			2020		
Amounts in ,000 Euro	Loans & borrowings	Lease liabilities	Total	Loans & borrowings	Lease liabilities	Total
Balance at 1 January	**108,149**	**1,019**	**109,168**	**178,066**	**988**	**179,054**
Changes from financing activities:						
Loans received	21,520	-	**21,520**	15,434	-	**15,434**
Repayment of borrowings	(22,986)	-	**(22,986)**	(85,759)	-	**(85,759)**
Repayment of lease principal	-	(370)	**(370)**	-	(385)	**(385)**
Total changes from financing activities	**(1,466)**	**(370)**	**(1,836)**	**(70,326)**	**(385)**	**(70,710)**
Other changes:						
Accrued interest	3,139	-	**3,139**	6,126	-	**6,126**
Interest paid	(3,152)	-	**(3,152)**	(6,684)	-	**(6,684)**
Interest capitalised	1,043	-	**1,043**	967	-	**967**
New lease liabilities	-	440	**440**	-	478	**478**
Lease expiry	-	(125)	**(125)**	-	(63)	**(63)**
Other movements	27	(2)	**25**	-	-	-
	1,056	**313**	**1,369**	**409**	**416**	**824**
Balance at 31 December	**107,739**	**962**	**108,701**	**108,149**	**1,019**	**109,168**

18. Income tax

a) Amounts recognised in profit or loss

	GROUP		COMPANY	
Amounts in ,000 Euro	2021	2020	2021	2020
Current tax (expense)/ credit	(4)	(32)	-	-
Deferred tax (expense)/ credit	(760)	(1,704)	(3,375)	(1,778)
Income tax (expense)/ credit	**(764)**	**(1,736)**	**(3,375)**	**(1,778)**

b) Reconciliation of applicable tax rate

	GROUP		COMPANY	
Amounts in ,000 Euro	2021	2020	2021	2020
Book profit/(loss) before tax	**(14,914)**	**555**	**(1,558)**	**574**
Tax rate in Greece				
Tax rate in the country of the company's registered office				
Tax using the domestic tax rate in Greece (2020: 24%, 2019: 24%).	3,281	(128)	343	(133)
Non-deductible expenses for tax purposes	(952)	(506)	(848)	(291)
Tax-exempt income	0	384	-	-
Effect of tax rates in foreign jurisdictions	(129)	1	-	-
Current-year losses for which no deferred tax asset is recognised Tax	-	(13)	-	-
Change in tax rate or composition of new tax	1,649	-	1,649	-
Other taxes	(28)	(120)	(15)	-
Tax of permanent differences	(172)	-	-	-
Reversal of deferred tax assets	(4,413)	(1,070)	(4,505)	(1,070)
Adjustment for prior year income tax	-	(284)	-	(284)
	(764)	**(1,736)**	**(3,375)**	**(1,778)**
Effective tax rate	***5%***	***-313%***	***217%***	***-310%***

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

(2020: 24%).

The effective income tax rate of the Group was affected considerably by the recalculation of deferred taxation following the change in tax rate in Greece, and by the reassessment of tax losses recoverability set off against tax assets during the following years, which led to the derecognition of deferred tax assets on tax losses which had been recognised over previous years.

c) Movement in deferred tax balances

GROUP

Amounts in ,000 Euro						Change in tax rate			Balance at 31 December		
2021	**Balance at 1 January**	**Recognised in Statement of Profit and Loss**	**Recognised in Other Comprehensive Income**	**FX Gains/(losses)**	**Other**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Change in accounting policy**	**Net balance**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(18,522)	(2,070)	-	-	-	1,744	-	-	**(18,848)**	-	(18,848)
Intangible assets	404	(158)	-	-	-	(21)	-	-	**226**	226	-
Right-of-use assets	(5)	-	-	-	-	-	-	-	**(5)**	-	(5)
Thin-cap interest	3,581	24	-	-	-	(300)	-	-	**3,304**	3,304	-
Derivatives	(68)	(33)	257	-	-	3	(15)	-	**143**	143	-
Inventories	7580	(2,845)	-	-	-	(1,119)	-	-	**3,616**	3,616	-
Loans and borrowings	(331)	240	-	-	-	16	-	-	**(75)**	-	(75)
Employee benefits	213	12	11	-	-	(18)	-	-	**219**	219	-
Provisions	193	2,659	-	119	-	(20)	-	-	**2,951**	2,951	-
Deferred income	-	2	-	(0)	-	-	-	-	**2**	2	-
Contract assets	(11,450)	3,693	-	-	-	1,372	-	-	**(6,384)**	-	(6,384)
Others	(678)	4	-	(133)	-	25	-	-	**(781)**	-	(781)
Carryforward tax losses	4,340	(3,937)	-	-	-	(34)	-	-	**369**	369	-
Tax assets / (liabilities) before set-off	**(14,744)**	**(2,409)**	**268**	**(14)**	**-**	**1,649**	**(15)**	**-**	**(15,264)**	**10,830**	**(26,094)**
Set-off tax										(8,239)	8,239
Net tax assets/(liabilities)									**(15,264)**	**2,591**	**(17,855)**

Amounts in ,000 Euro

2020	Balance at 1 January	Recognised in profit or loss	Recognised in Other Comprehensive Income	FX Differences	Others	Change in accounting policy	Balance at 31 December: Net balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(17,133)	(1,389)	-	-	-	-	**(18,522)**	-	(18,522)
Intangible assets	527	(122)	-	-	-	-	**404**	404	-
Right-of-use assets	(12)	7	-	-	-	-	**(5)**	-	(5)
Thin-cap interest	2,817	764	-	-	-	-	**3,581**	3,581	-
Derivatives	(19)	(26)	(24)	-	-	-	**(68)**	-	(68)
Inventories	7580	-	-	-	-	-	**7,580**	7,580	-
Loans and borrowings	(488)	158	-	-	-	-	**(331)**	-	(331)
Employee benefits	596	(7)	3	-	-	(379)	**213**	213	-
Provisions	357	(164)	-	(1)	-	-	**193**	193	-
Contract assets	(13,385)	1,935	-	-	-	-	**(11,450)**	-	(11,450)
Others	(665)	93	-	(96)	(10)	-	**(678)**	-	(678)
Carryforward tax losses	7,293	(2,953)	-	-	-	-	**4,340**	4,340	-
Tax assets / (liabilities) before set-off	**(12,533)**	**(1,704)**	**(20)**	**(97)**	**(10)**	**(379)**	**(14,744)**	**16,310**	**(31,054)**
Set-off tax								(16,298)	16,298
Net tax assets/(liabilities)							**(14,744)**	**12**	**(14,755)**

COMPANY

Amounts in ,000 Euro					Change in tax rate			Balance at 31 December		
2021	**Balance at 1 January**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Others**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Change in accounting policy**	**Net balance**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(18,617)	(2,062)	-	-	1,744	-	-	**(18,935)**	-	(18,935)
Intangible assets	404	(158)	-	-	(21)	-	-	**226**	226	-
Right-of-use assets	(5)	-	-	-	-	-	-	**(5)**	-	(5)
Thin-cap interest	3,581	24	-	-	(300)	-	-	**3,304**	3,304	-
Derivatives	(68)	(33)	257	-	3	(15)	-	**143**	143	-
Inventories	(5,380)	(2,845)	-	-	(1,119)	-	-	**(9,344)**	-	(9,344)
Loans and borrowings	(331)	240	-	-	16	-	-	**(75)**	-	(75)
Employee benefits	213	12	11	-	(18)	-	-	**219**	219	-
Provisions	191	(38)	-	-	(20)	-	-	**133**	133	-
Contract assets	1,493	3,693	-	-	1,372	-	-	**6,558**	6,558	-
Others	(652)	81	-	-	25	-	-	**(546)**	-	(546)
Carryforward tax losses	4,340	(3,937)	-	-	(34)	-	-	**369**	369	-
Tax assets / (liabilities) before set-off	**(14,831)**	**(5,025)**	**268**	**-**	**1,649**	**(15)**	**-**	**(17,953)**	**10,952**	**(28,906)**
Set-off tax									(10,952)	10,952
Net tax assets/(liabilities)								**(17,953)**	**-**	**(17,953)**

Amounts in EUR						Balance at 31 December		
2020	**Balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Others**	**Change in accounting policy**	**Net balance**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(17,228)	(1,389)	-	-	-	**(18,617)**	-	(18,617)
Intangible assets	527	(122)	-	-	-	**404**	404	-
Right-of-use assets	(12)	7	-	-		**(5)**	-	(5)
Thin-cap interest	2,817	764	-	-	-	**3,581**	3,581	-
Derivatives	(19)	(26)	(24)	-	-	**(68)**	-	(68)
Inventories	7564	(12,943)	-	-	-	**(5,380)**	-	(5,380)
Loans and borrowings	(488)	158	-	-	-	**(331)**	-	(331)
Employee benefits	596	(7)	3	-	(379)	**213**	213	-
Provisions	355	(164)	-	-	-	**191**	191	-
Contract assets	(13,377)	14,869	-	-	-	**1,493**	1,493	-
Others	(669)	28	-	(10)	-	**(652)**	-	(652)
Carryforward tax losses	7,293	(2,953)	-	-	-	**4,340**	4,340	-
Tax assets / (liabilities) before set-off	**(12,643)**	**(1,778)**	**(20)**	**(10)**	**(379)**	**(14,831)**	**10,221**	**(25,052)**
Set-off tax							(10,221)	10,221
Net tax assets/(liabilities)						**(14,831)**	**-**	**(14,831)**

According to the provisions of articles 49 and 72 of Greek Law 4172/2013 concerning thin capitalisation, net interest expense is deductible from current year's tax profits, if it is equal or less than 30% of EBITDA and any excess can be settled with future tax profits without time limitations.

During 2021, deferred tax asset recognised elated to thin capitalisation remained unchanged compared to last year.

19. Employee benefits

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

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

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

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

The staff leaving indemnities were computed in an actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity for the years 2021 and 2020 respectively.

A. Changes in the present value of the liability for the Group and the Company

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Balance at 1 January	**886**	**2,482**
Change in accounting policy	**-**	**(1,581)**
Restated balance at 1 January	**886**	**901**
Amounts recognised in profit or loss		
Current service cost	144	131
Past service cost	(9)	15
Settlement/curtailment/termination loss	1,112	677
Interest cost	3	7
	1,249	**830**
Amounts recognised in OCI		
Remeasurement loss/(gain)		
- Actuarial loss/(gain) arising from:		
Demographic assumptions	15	-
Financial assumptions	121	25
Experience adjustments	(84)	(10)
	52	**14**
Other movements		
Benefits paid	(1,319)	(859)
Balance at 31 December	**869**	**886**

B. Actuarial assumptions

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

	2021	2020
Discount rate	0.20%	0.30%
Price inflation	2.10%	1.25%
Future wage increase	2.60%	1.65%
Plan duration (in years)	7.45	15.88

C. Sensitivity analysis

Potential changes to one actuarial assumption on the reporting date, while all other assumptions remain constant, would affect the defined benefit liability by the amounts shown below.

Amounts in ,000 Euro	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(32)	33	(191)	211
Future salary growth (0.5% movement)	32	(31)	208	(195)

D. Expected maturity analysis

The expected non-discounted cash flows of defined benefit plans for the Group and the Company are analysed as follows:

Amounts in Euro	2021	2020
Up to 1 year	28	7
Between 1 and 2 years	24	56
Between 2 and 5 years	156	143
Over 5 years	674	704
Total	**882**	**910**

20. Personnel fees

GROUP

	For the year ended 31 December	
Amounts in ,000 Euro	2021	2020
Salaries and wages	12,985	16,984
Social security expenses	2,639	3,699
Retirement cost of defined-contribution plans	72	78
Retirement cost of defined-benefit plans	1,249	830
Other employee benefits	1,577	1,084
Total	**18,523**	**22,675**

Employee benefits can be broken down as follows:

	For the year ended 31 December	
Amounts in ,000 Euro	2021	2020
Cost of sales	12,738	15,459
Distribution expenses	2,988	4,045
Administrative expenses	2,797	3,171
Capitalised salaries in assets under construction	-	-
Other expenses	-	-
Total	**18,523**	**22,675**

The personnel employed by the Group on 31 December 2021 numbered 447 persons (2020: 500).

COMPANY

Amounts in ,000 Euro	For the year ended 31 December 2021	2020
Salaries and wages	12314	15,212
Social security expenses	2,611	3,613
Provisions for termination benefits	1,249	830
Other employee benefits	1519	1,000
Total	**17,693**	**20,656**

Employee benefits can be broken down as follows:

Amounts in ,000 Euro	For the year ended 31 December 2021	2020
Cost of sales	12,738	15,459
Selling and distribution expenses	2158	2,026
Administrative expenses	2,797	3,171
Total	**17,693**	**20,656**

The personnel employed by the Company on 31 December 2021 numbered 440 persons (2020: 491).

21. Provisions

During the year there was no movement of the long-term provisions for both the Company and the Group (except for the Provisions for Employee Benefits, Note 19).

Movement of short-term provisions is presented in the table below:

Amounts in Euro	Note	GROUP	COMPANY
Balance at 1 January 2020		-	-
Reclassifications		-	-
Balance at 31 December 2020		-	-
Balance at 01 January 2021		-	-
Additional provisions of the fiscal year	25	12,842	-
Foreign exchange gains/(losses)		568	-
Balance at 31 December 2021		**13,410**	-

22. Trade and other payables

GROUP

Amounts in ,000 Euro	2021	2020
Suppliers	33,404	24,555
Notes payable	65,510	22,400
Insurance & pension fund dues	688	875
Amounts owed to related parties	6,989	2,667
Sundry creditors	1,521	1,027
Accrued expenses	11,664	5,748
Other taxes and duties	64	-
Total	**119,840**	**57,273**

COMPANY

Amounts in ,000 Euro	2021	2020
Suppliers	33,411	24,544
Notes payable	65,510	22,400
Insurance & pension fund dues	688	875
Amounts owed to related parties	4,581	3,770
Sundry creditors	1,521	1,027
Accrued expenses	11,639	5,509
Other taxes and duties	59	-
Total	**117,409**	**58,125**

The increase of liabilities towards Suppliers of the Group and the Company as at 31 December 2021 is mainly attributable to the increased liabilities towards suppliers of raw materials generated by orders made during the last few months of 2021 as a result of the Company's increased activity during such period compared to the respective period of 2020.

23. Sales

1. Significant accounting principles

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

For a detailed description of the relevant accounting policy, please refer to Note 4.3.

2. Nature of goods and services

Steel pipes projects

The Group produces and sells customised products to customers mainly for onshore and offshore pipelines for oil and gas transportation and casing pipes. Under the terms of the contracts and due to the high degree of customisation, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than the Company's failure to perform as promised. Revenue from such projects is therefore recognised over time.

Hollow structural sections

These steel products are primarily used in the construction sector and are used as structural components in metal constructions. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

3. Disaggregation of income

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

Geographical allocation in primary markets

Amounts in ,000 Euro	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Greece	21,585	19,952	21,585	19,952
Other European Union countries	134,361	228,636	134,361	228,636
Other European countries	16360	4,722	16,360	4,722
Other countries	1,922	-	103	-
Israel	40,030	-	40,030	-
America	14,870	48,449	12,526	46,737
Africa	800	8,065	800	8,065
	229,927	**309,825**	**225,764**	**308,112**

Product categories

Amounts in ,000 Euro	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Steel pipes	141,775	264,680	140,749	264,449
Hollow structural sections	59,511	25,815	59,511	25,815
Sales of raw materials and other products	28,641	19,330	25,503	17,849
	229,927	**309,825**	**225,764**	**308,112**

Timing of revenue recognition

Amounts in ,000 Euro	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Revenue recognised over time	141775	265,350	140,749	264,883
Revenue recognised at a point in time	88,152	44,475	85,015	43,230
	229,927	**309,825**	**225,764**	**308,112**

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 32.4 million for the Group and the Company respectively. This amount is expected to be recognised during 2022 based on the time schedules included in the open contracts as of 31 December 2021.

24. Contract Assets and liabilities

The following table provides information about contract assets and contract liabilities with customers:

Amounts in ,000 Euro	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
Contract assets	30,528	10,002	30,528	9,965
Contract liabilities	4,811	7,631	4,811	7,304

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

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

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

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

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

GROUP

	GROUP	
Amounts in ,000 Euro	**Contract assets**	**Contract liabilities**
Balance at 01 January 2021	**10002**	**7,631**
Foreign exchange gains/(losses)	7	(51)
Increases due to fulfilment of performance obligations	30,528	-
Increases due to cash received, excluding amounts recognised as revenue during the period	-	4,811
Revenue recognised and included in the contract liabilities during the period	-	(7,581)
Contract assets recognised during the period and transferred to trade receivables	(10,008)	-
Balance at 31 December 2021	**30,528**	**4,811**

COMPANY

	COMPANY	
Amounts in ,000 Euro	**Contract assets**	**Contract liabilities**
Balance at 01 January 2021	**9,965**	**7,304**
Increases due to fulfilment of performance obligations	30,528	-
Increases due to cash received, excluding amounts recognised as revenue during the period	-	4,811
Revenue recognised and included in the contract liabilities during the period	-	(7,304)
Transfers from contract assets recognised at the beginning of the period to trade receivables	(9,965)	-
Balance at 31 December 2021	**30528**	**4,811**

Contract costs

Management expects that fees, commissions & other costs associated with obtaining contracts for energy projects are recoverable.

In addition, costs to fulfil a contract are capitalised if they are directly associated with the project contract and are recoverable. Such contract costs may include materials used for tests necessary for the production, labour costs, insurance fees and other costs necessary to fulfil performance obligations.

Contract costs of obtaining or fulfilling a contract are expensed to cost of sales when the related revenue is recognised.

The table below presents contract costs for the Company and the Group.

Amounts in ,000 Euro	2021	2020
Costs for obtaining contracts	-	0
Costs for fulfilling contractual terms	-	167
	0	**167**

During 2021, there was no impairment in relation to contract costs for the Company and the Group.

25. Income and expenses

A. Expenses by nature

GROUP

Amounts in ,000 Euro		**For the year ended 31 December**	
	Note	**2021**	**2020**
Cost of inventories recognised as an expense		156,364	192,427
Employee benefits	20	18,523	22,675
Energy		2,003	2,884
Depreciation and amortisation	5,6,7	8,860	9,032
Taxes		413	419
Insurance premiums		2,610	4,762
Rent		368	502
Transportation of materials and products		16,933	22,044
Third-party fees		9,425	31,633
(Profit)/Loss from derivatives		(1,162)	262
Commissions		3,086	2,765
Foreign exchange gains/(losses)		1,487	938
Maintenance expenses		2,815	4,531
Travel expenses		1,142	1,278
Other expenses		1,756	2,253
Total cost of sales, selling & distribution and administrative expenses		**224,624**	**298,404**

COMPANY

		For the year ended 31 December	
Amounts in ,000 Euro	**Note**	**2021**	**2020**
Cost of inventories recognised as an expense		152,932	192,884
Employee benefits	20	17,693	20,656
Energy		2,003	2,884
Depreciation and amortisation	5,6,7	8,755	8,922
Taxes		413	414
Insurance premiums		2,596	4,743
Rent		368	424
Transportation of materials and products		16,933	22,044
Third-party fees		9,771	31,806
(Profit)/Loss from derivatives		(1,162)	262
Commissions		3,086	2,765
Foreign exchange gains/(losses)		1487	938
Maintenance expenses		2,787	4,520
Travel expenses		1,096	1,259
Other expenses		1,678	2,187
Total cost of sales, selling & distribution and administrative expenses		**220,438**	**296,709**

The Company significantly invests in research and development in order to continuously bring value-added products and services to the market and improve production processes, as well as to promote materials recycling and the proper use of natural resources. The aggregate amount of research and development expenditure recognised as an expense for 2021 amounts to EUR 873 thousand and has been charged to the Cost of goods sold.

B. Other income

GROUP

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Grants of the year	-	18
Depreciation of grants received	77	18
Rental income	19	17
Income from third party activities	-	30
Income from expenditure re-invoicing	1,375	773
Indemnities	168	-
Initial recognition of rights to holdings in equity-accounted investees	-	936
Other	520	72
Other income	**2,159**	**1,865**

COMPANY

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Grants of the year	-	18
Depreciation of grants received	77	18
Rental income	19	17
Income from third party activities	-	30
Income from expenditure re-invoicing	1,025	773
Indemnities	168	-
Others	520	71
Other income	**1,809**	**928**

C. Other expenses

GROUP

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Loss from write-offs of property, plant & equipment	-	48
Provision for anti-dumping duty rates	12,842	-
Expenses recharged	1296	745
Other	224	467
Other expenses	**14,363**	**1,260**

On February 8th, 2022, the US Department of Commerce (DoC) published its final results in the administrative proceedings conducted by the DoC for the period from April 19, 2019 through April 30, 2020 (“POR”) in connection with an antidumping (“AD”) order on large diameter welded pipe (LDWP) from Greece. As a result, the DoC determined for the POR an antidumping duty rate of 41.04 percent based on total adverse facts available (AFA) for mandatory respondent Corinth Pipeworks S.A. This one-off charge amounted to EUR 12.8 million ($15 million plus interest) and is included in a separate line in Other Expenses as it is related to prior-year sales. The Company has filed an appeal before the US Court of International Trade against the decision of the DoC.

COMPANY

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Expenses recharged	987	745
Other expenses	224	467
Total	**1,212**	**1,212**

26. Net finance costs

GROUP

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Finance income		
Interest income	16	25
Foreign exchange gains	11	124
Dividends	50	83
Total income	**77**	**233**
Finance costs		
Interest expense and related costs	7,593	10,748
Foreign exchange losses	5	4
Total expenses	**7,598**	**10,752**
Finance cost, net	**(7,521)**	**(10,520)**

COMPANY

	For the year ended 31 December	
Amounts in ,000 Euro	**2021**	**2020**
Finance income		
Interest income	13	25
Foreign exchange gains	11	124
Dividends	50	83
Total income	**74**	**233**
Finance costs		
Interest expense and related costs	7,575	10,734
Foreign exchange losses	5	4
Total expenses	**7,580**	**10,738**
Finance cost, net	**(7,506)**	**(10,505)**

27. Commitments and contingent liabilities

Contingent liabilities

The Group and the Company have contingent liabilities mainly related to bank guarantees, issued in their ordinary course of business, as follows:

Amounts in ,000 Euro	At 31 December 2021	2020
Guarantees to secure payables to suppliers	1,710	2,854
Guarantees to secure the good performance of contracts with customers	66,629	118,756
Mortgages and statutory notices of mortgage issued against lots & buildings	-	40,031
	68,339	**161,641**

During 2021 the Company fully repaid long-term loans containing clauses. Therefore, as at 31/12/2021 the Company had no debts involving clauses the violation of which could force the Company to repay the loans earlier than their contractual term. Mortgages and pledges in favour of banks had been recorded on the Company's property, plant and equipment. The carrying amount of assets mortgaged or pledged as at 31/12/2020 was EUR 40 million.

Capital commitments

The capital expenditures on the reporting date for the Group and the Company amounted to EUR 1,263 thousand (2020: EUR 7,134 thousand) and mainly concerned investments in machinery.

Unaudited tax years

Greek tax laws and the relevant provisions are subject to interpretations by tax authorities and administrative courts. Income tax returns are submitted each year. The profits and losses declared for taxation purposes remain temporarily open until tax authorities audit the tax returns and books of the Company and its subsidiaries at which time the relevant taxation obligations will be finalised.

According to applicable tax laws (article 36 of Law 4174/2013), Greek tax authorities may impose additional taxes and fines following their audit, within the prescribed statute-barring period which, in principle, is set at five years from the end of the following year which sees the expiration of the deadline for submitting the income tax return. Based on the above, the years up to 2015 are considered, in principle and based on the general rule, as prescribed.

With respect to Corinth Pipeworks, years 2012 to 2015 have not been audited in tax terms by Greek tax authorities. No tax compliance certificates have been issued by the statutory auditor who was chosen as per Codified Law 2190/1920 given that audit prerequisites were not met. The Company received a tax compliance certificate "with unqualified opinion" for the years 2016-2020 from its statutory auditors.

As for the year 2021, the Company has fallen under the tax audit of Certified Public Accountants which is provided for in Article 65A of Law 4174/2013. This audit is in progress and the relevant tax compliance report is expected to be issued following the publication of the Financial Statements for the year ended December 31, 2021. Company Management estimates that the outcome of the audit will not have a material impact on the Financial Statements.

In addition, on the basis of risk analysis criteria, Greek tax authorities may choose the Company for tax audit in the context of audits carried out on companies that have received tax compliance certificates with the assent of their statutory auditor. The Greek tax authorities have the right to carry out a tax audit of the fiscal years they choose, taking into account the work already performed for the issuance of the tax compliance certificate. The Company has not received any control orders from the tax authorities for unaudited years.

Group Management does not expect any additional taxes or surcharges to be incurred from a possible audit by the Greek tax authorities.

28. Grants

Amounts in ,000 Euro	GROUP & COMPANY 2021	2020
Balance at 1 January	227	-
Grants amortisation	(77)	(18)
Other	-	245
Balance at 31 December	**149**	**227**

During 2020, Corinth Pipeworks recognised a grant equal to EUR 245,000 as part of the new loan obtained with Hellenic Development Bank as guarantor. This grant will be amortised throughout the loan term.

29. Related parties

The following are considered to be related parties: a) the subsidiaries and associates of Corinth Pipeworks, executive members of its Board of Directors; b) parent company Cenergy Holdings, ultimate parent company VIOHALCO SA/NV and c) other subsidiaries and associates of VIOHALCO SA/NV. The tables below present the transactions and balances of Corinth Pipeworks with the related parties as set out above in a), b) and c).

a) Transactions and balances with subsidiaries and associates of Corinth Pipeworks

Amounts in ,000 Euro	For the year ended 31 December 2021	2020
Sales of products and other income		
Subsidiary companies	12,416	29,172
	12,416	**29,172**
Sale of services		
Equity-accounted investees	536	481
	536	**481**
Purchase of goods and other expenses		
Equity-accounted investees	351	-
	351	**-**
Services expenditure		
Subsidiary companies	321	1,373
Equity-accounted investees	1,066	1,719
	1,387	**3,092**

Amounts in ,000 Euro	At 31 December 2021	2020
Trade and other receivables, short-term		
Subsidiary companies	76	2,652
Equity-accounted investees	-	24
	76	**2,676**
Trade and other receivables, long-term		
Contract assets		
Subsidiary companies	-	138
	-	**138**
Trade and other payables, short-term		
Subsidiary companies	1,638	1,211
Equity-accounted investees	226	345
	1,864	**1,556**

b) Transactions and balances with the parent and ultimate parent company

Amounts in ,000 Euro	For the year ended 31 December 2021	2020
Services expenditure	18	14
	18	**14**

Amounts in ,000 Euro	At 31 December	
Trade and other receivables, short-term	452	475
	452	**475**

Outstanding balances from related parties are not secured and the settlement of these non-past due balances is expected to take place in cash next year since the balances refer only to short-term receivables and liabilities.

c) Transactions and balances with other subsidiaries and associates of VIOHALCO Group

Amounts in ,000 Euro	For the year ended 31 December 2021	2020
Sales of products and other income		
Subsidiary companies	10,605	6,561
	10,605	**6,561**
Sale of services		
Subsidiary companies	440	293
	440	**293**
Finance income		
Subsidiaries	-	20
	-	**20**
Sales of property, plant & equipment		
Subsidiaries	-	65
	-	**65**
Purchases of products and other expenses		
Subsidiaries	1,228	1,542
	1,228	**1,542**
Services expenditure		
Subsidiaries	3,359	3,983
	3,359	**3,983**
Purchase of property, plant and equipment		
Subsidiary companies	357	856
	357	**856**

Amounts in ,000 Euro	At 31 December 2021	2020
Trade and other receivables, long-term		
Subsidiaries	17	17
	17	**17**
Trade and other receivables, short-term		
Subsidiaries	7,808	10,869
	7,808	**10,869**
Contract assets		
Trade and other payables, short-term		
Subsidiaries	2,344	2,338
	2,344	**2,338**

d) Management compensation

Amounts in ,000 Euro	For the year ended 31 December 2021	2020
Compensation to BoD members and executives	1,027	1,051

30. Audit and other fees

	GROUP		COMPANY	
	For the year ended 31 December		For the year ended 31 December	
Amounts in ,000 Euro	2021	2020	2021	2020
Fees for statutory audit	103	149	65	102
Fees for tax certificate	39	41	39	41
Other fees	-	6	-	6
Total	**142**	**196**	**104**	**149**

31. Events after 31 December 2021

On February 8th, 2022, the US Department of Commerce (DoC) published its final results in the administrative proceedings conducted by the DoC for the period from April 19, 2019 through April 30, 2020 (“POR”) in connection with an antidumping (“AD”) order on large diameter welded pipe (LDWP) from Greece. As a result, the DoC determined for the POR an antidumping duty rate of 41.04 percent based on total adverse facts available (AFA) for mandatory respondent Corinth Pipeworks S.A.

Despite the lengthy process of the administrative review involving the supply of extremely detailed data sets on the Company’s commercial practices for the POR under scrutiny, as well as all reasonable estimations made throughout 2021 on the size, if any, of a possible AD duty rate, the DoC concluded on such a high AD duty rate.

Corinth Pipeworks filed an appeal before the U.S. Court of International Trade against the decision of the DoC while continuing to actively work with the DoC in order to reverse the final determination.

The Company considers that there will be no material impact as it strongly follows a geographically diversified commercial policy and the USA market does not presently constitute its core market. The additional provision charge on the Group’s annual consolidated economic results from a retrospective implementation of the AD duty rate is reasonably expected to reach $ 15 million and is considered an one-off, extraordinary amount.

The Ukraine conflict which began in February 2022 is already pushing up market volatility and increasing the probability of disruptions in many parts of the global economy. Though its impact on the Company and the Group cannot be fully predicted right now, the overall exposure to Ukraine and Russia is very limited and business consequences are not expected to be material. Group sales to these markets were nil in 2021 while Group companies have no exposure to Russian or Ukrainian banks.

There are no other events that occurred subsequent to the reporting date, which should be presented in these Financial Statements.

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Athens, 29 July 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	AN AUTHORISED MEMBER OF THE BOARD OF DIRECTORS	THE ACCOUNTING MANAGER
MELETIOS FIKIORIS **AK 511386**	**NIKOLAOS SARSENTIS** **AB 281941**	**PAVLOS KOUMPIS** **AB 589945**

CORINTH PIPEWORKS
PIPE INDUSTRY SINGLE MEMBER S.A.

C. Independent Auditor’s Report

Independent auditor's report

To the Shareholders of "Corinth Pipeworks Pipe Industry SA"

Report on the audit of the separate and consolidated financial statements

Our opinion
We have audited the accompanying separate and consolidated financial statements of Corinth Pipeworks Pipe Industry SA (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2021, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2021, their separate and consolidated financial performance and their separate and consolidated 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 separate and consolidated 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 and the Group 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 2021 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group Corinth Pipeworks Pipe Industry SA and their 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 separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group'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 and Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 and Group'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 and Group'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 separate and consolidated 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 and Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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, 10 August 2022
The Certified Auditor Accountant

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