ELEMKA
TECHNICAL CONSTRUCTION-TOURIST AND TRADING SOCIETE ANONYME

ANNUAL REPORT

for the period

1 January to 31 December 2022

as per the International Financial Reporting Standards

(all amounts in Euros unless otherwise stated)

ELEMKA S.A.

8 Artemidos Street, Maroussi, Attica

General Business Registry No. 649101000

(Register of Sociétés Anonymes No. 21998/01AT/B/90/427/99)

LIST OF CONTENTS

Statements by the Members of the Board of Directors

We, the following members of the Board of Directors of ELEMKA S.A.:

1. Mytilinaios Ioannis, Chairman and Managing Director of the Board of Directors
2. Chatzipanagiotidis Anestis, Vice-Chairman and General Manager
3. Mammas Georgios, Member of the Board of Directors
4. Christofilakou Thiresia, Member of the Board of Directors

in our said capacity hereby represent that to the best of our knowledge:

a. the attached Financial Statements of ELEMKA S.A. for the period 01.01.2022 to 31.12.2022, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, the equity and the results of ELEMKA S.A. for the said period;

b. the attached Report by the Board of Directors gives a true and fair view of the progress, performance and position of ELEMKA S.A. including a description of the main risks and uncertainties faced by the Company.

Maroussi, 08 March 2023

The Certifying Company Officers

MYTILINAIOS IOANNIS
Chairman & Managing Director
(Signed)

MAMMAS GEORGIOS
CHRISTOFILAKOU THIRESIA
Members of the Board of Directors

CHATZIPANAGIOTIDIS ANESTIS
Vice-Chairman and General Manager

A. ANNUAL REPORT BY THE BOARD OF DIRECTORS

Esteemed Shareholders,

This is the FY 2022 Annual Report by the Board of Directors. The Report was prepared in compliance with the relevant provisions of article 150 of Greek Law 4548/2018.

This report contains financial information on ELEMKA S.A. for FY 2022 and sets out important events that occurred during the said period as well as their impact on the annual financial statements. Furthermore, the most important risks and uncertainties that the Company may be faced with in the coming year as well as the most significant transactions between the Company and its related parties are also described.

1. PROGRESS OF THE COMPANY BUSINESS IN THE PERIOD 1.1.2022 - 31.12.2022

In FY2022 ELEMKA kept up its efforts towards maintaining its market position. During the said year, the Company's business was conducted in compliance with the applicable legislation and the statutory objects of the Company. In the said year, turnover amounted to € 78,402,260 compared to € 78,541,125 in the previous year.

2. FINANCIAL POSITION - PROGRESS OF BUSINESS

The financial position of the Company remains satisfactory and reflects its economic stability and future prospects despite the stifling domestic economic environment.
The positive course of the Company is reflected in its results for year 2022 which confirm its resilience.

A more complete view of the Company's operations in year 2022 and 2021 is captured in the following key financial indicators:

Ratio	Formula	2022	2021
Liquidity	Current Accounts Receivable / Current Liabilities	110%	108%
Gross Profit Margin	Gross Profit / Net Sales	2%	2%
Net Profit Margin	Net Earnings / Net Sales	-	1%

Return on Equity	Net Earnings / Total Equity	(4)%	30%
Intrinsic Value of Stock	Total Equity / Weighted number of shares	835.38	871.45

In 2022 ELEMKA, by means of its strategic choices, strengthened its potential in international markets and, despite the adverse domestic economic environment, maintained its dominant presence in the area of specialty engineering projects and trading in road construction materials.

The Company measures its performance in its various activities through an analysis of three key areas:

(1) **PROJECT MANAGEMENT**, which comprises Civil Engineering and Mechanical Engineering construction works in the Energy Sector;

(2) **TRADE**, which comprises sales of road- and bridge construction materials;

(3) **SERVICES**, which comprises inspection and maintenance operations for technical works, and application of the materials marketed.

It is Company policy to consistently evaluate its results and performance on a monthly basis, aimed at the timely and effective identification of any deviations from its targets and the adoption of corrective measures where feasible.

3. PROSPECTS FOR NEXT YEAR

It is expected that Year 2023 will be satisfactory for the Company; it is envisaged that the Company will continue its participation in large technical projects with clients within or outside the Group, anticipated to improve its turnover and profit, as well as continue its engagement in international projects.

4. FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The Company is exposed to a limited range of financial risks. The standard risks to which the Company is theoretically subject to are market risks (changes in currency rates, interest rate, market prices), credit risk, liquidity risk and cash flow risk.

The risk management plan implemented by the Company is focused on addressing the risks associated with the good performance of works and the reliability and good delivery of supplies, following which credit risk is given priority followed by market risks.

Prior to engaging in the respective transactions, the approval of executives having authority to bind the Company towards counterparties is first obtained. The Company is exposed to several financial risks and, by means of constant monitoring, it endeavors to foresee whether such risks are likely to occur and to act in a timely manner in order to mitigate their impact, if any.

Exchange risk

The Company's exposure to exchange risks arises from future trade transactions and recognized assets and liabilities measured in a currency other than the Company's functional currency.

The Company operates in the Greek territory, in Syria and in North Africa, through its Parent Company, and may thus be exposed to exchange risk from the exchange rate between Euro and other currencies and mainly the US Dollar (USD). This type of risk may primarily arise from existing or anticipated cash flows in foreign currencies other than the Euro under commercial transactions.

Commercial transactions conducted in a foreign currency are only carried out in US Dollars (USD). Contracts with customers in US Dollars (USD) concern the contract in Ghana.

The financial assets as well as the respective liabilities of the Company denominated in foreign currency, translated into Euros at the closing rate, are broken down as follows:

Nominal amounts	31.12.2022	31.12.2021
Financial assets	7,072	53,389
Financial liabilities	0	0
Total	**7,072**	**53,389**

Price Risk

As at 31.12.2022 the Company is not exposed to the risk of fluctuation in the prices of financial instruments, given that it has no investments in debit or equity instruments and derivatives.

Management of capital

The management of the company capital is aimed at securing that the Company is able to continue as a going concern and implement is investment program.

The financial position of the Company, as shown in the balance sheet, is supported by the paid-in share capital amounting to €105,660.

The equity of the Company as at 31.12.2022 was €3.007 mil. compared to €3.137 mil. in the previous year.

Credit Risk

The Company has no significant credit risk concentrations.

The Company's turnover consists mainly in transactions with the parent company as well as large construction/manufacturing groups who deal with large and reliable foreign and domestic firms of high creditworthiness. The credit risk is thus estimated to be low and linked to the viability of such groups and of the parent company in the context of their operations both within and outside of Greece.

Amounts in €	31.12.2022	31.12.2021
Financial risk categories		
Trade and other receivables	11,630,016	20,454,170
Cash and cash equivalents	1,601,000	237,789
Balance at year end	**13,231,016**	**20,691,959**

The ageing profile of financial receivables as at 31 December 2022 and 2021 is as follows:

Amounts in €	31.12.2022	31.12.2021
Not Past Due	10,451,661	19,746,785
Under 3 months	680,945	291,812
Between 3 and 6 months	159,483	189,451

Between 6 months and 1 year	0	17,119
More than 1 year	337,927	209,003
Total	**11,630,016**	**20,454,171**

Liquidity Risk

Liquidity risk is kept low, by maintaining sufficient cash, liquid securities and bank credit lines.

The maturity profile of financial liabilities as at 31 December 2022 is as follows:

	2022			
	Short-term		**Long-term**	
	within 6 months	**6-12 months**	**1 - 5 years**	**later than 5 years**
Short-term loans	668,678	0	0	0
Trade payables	10,977,760	0	0	0
Other short-term liabilities	8,762,028	0	0	0
Liabilities to related parties	0	0	2,139,037	0
Other long-term liabilities	0	0	2,476,834	
Total	**20,408,466**	**0**	**4,615,871**	**0**

The respective maturity profile of financial liabilities as at 31 December 2021 is as follows:

	2021			
	Short-term		**Long-term**	
	within 6 months	**6-12 months**	**1 - 5 years**	**later than 5 years**
Short-term loans	659,356	0	0	0
Trade payables	10,837,798	0	0	0
Other short-term liabilities	11m375,985	0	0	0
Liabilities to related parties	0	0	1,535,853	0
Total	**22,873,139**	**0**	**2,218,291**	**0**

Cash flow risk and fair value change risk due to changes in interest rates

The Company's operating income and cash flows are essentially independent of changes in interest rates. The Company has been able to repay large part of its loans, has no significant short-term or long-term loans on interest and no significant interest-bearing investments.

5. ENVIRONMENTAL ISSUES

The efforts made by the Company towards environmental protection are not confined to the application of rules and regulations and the adoption of measures as appropriate from time to time; they are also reflected in the Company's commitment to conducting systematic reviews of its activities. The measures and principles adopted by the Company for the protection of the Environment are as follows:

- Improvement of waste management by promoting recycling, re-use or valorisation processes;
- Control of the consumption of raw materials and energy;
- Prevention of any risk of pollution, including accidental contamination;
- Personnel training and information, tailored to the individual duties and needs of each employee.

6. LABOR ISSUES

The Company is invested in its people, recognizing and encouraging their contribution to the business success and future growth of the Company. In this context, the work environment created fosters security, equality, stability, satisfaction, devotion and commitment to the corporate principles and values. Respect of the rights and dignity of its human resources is a key commitment for the Company. Accordingly:

- Company commitment to Health & Safety is the cornerstone of its operation, working towards a zero-accident goal at the end of every business day. A key concern is the assessment of circumstances and hazards that could result in incidents or accidents at the workplace.
- Care is taken to attract and retain qualified people possessing integrity, consistency, loyalty, creative thinking, professional diligence and a keen sense of responsibility.

- The Company seeks to provide a work environment that safeguards the conditions necessary for creativity, growth and full development of the potential of every employee.

7. COVID-19 RISK

For addressing the impact of the pandemic, the Company implemented the measures required by its parent company, Mytilineos S.A., to which it is consolidated under the Full Consolidation method, making the safety and protection of its people its top priority. The Company successfully transitioned to and still implements the teleworking system, ensuring that operations are smoothly continued across all its business activities, while regular disinfection operations are being conducted at the Company premises in line with their criticality and their exposure to the risk.

The dedicated management team regularly reviews the effectiveness of the said measures, in order to ensure that they respond to the goals set and comply with the action prescribed by government.

8. BRANCHES

The Company has no branches in 2022 and had no branches in 2021 either.

9. TREASURY SHARES

The Company holds no Treasury Shares (shares in the Company).

10. RESEARCH AND DEVELOPMENT

The Company has no research and development activity; this was the case also in year 2021.

11. FINANCIAL DERIVATIVES

The Company uses no financial derivatives; this was the case also in year 2021.

12. DIVIDEND POLICY

With respect to the Company dividend policy and having regard to -among others- its future investment planning and the enhancement of its liquidity, Management proposes that no dividend be distributed for the current fiscal year.

13. TRANSACTIONS WITH RELATED PARTIES

Transactions with the following companies are realized on a purely commercial (arm's length) basis. ELEMKA has not engaged in any transaction of an uncommon nature or scope that is essential to it or to the companies and individuals closely associated with it and has no intention of engaging in such transactions in the future. None of the transactions contain special terms and conditions and no guarantee was given or received.

Amounts in €	31.12.2022	31.12.2021
Income from trading operations and the provision of services		
Parent company	61,728,700	54,727,076
Other related undertakings	5,013,318	6,885,984
Total	**66,742,018**	**61,613,061**
Purchases and compensation under the provision of services		
Parent company	490,113	413,126
Other related undertakings	0	36,077
Management executives	129,825	119,575
Total	**619,938**	**568,778**
Other receivables		
Subsidiaries	42,300	42,300
Other related undertakings	129,110	2,029,557
Management executives	503	591
Total	**171,914**	**2,072,447**
Trade receivables		
Parent company	11,902,428	10,740,827
Other related undertakings	2,499,280	1,369,944
Total	**14,401,709**	**12,110,771**
Trade and other liabilities		
Parent company	1,456,447	868,024
Other related undertakings	52,381	66,117
Management executives	67,088	36,077
Total	**1,576,069**	**970,217**

14. POST BALANCE SHEET MATERIAL EVENTS

There are no events for which disclosure is required under the International Financial Reporting Standards (IFRS), having occurred after the reporting date of the financial statements.

Athens, 08.03.2023

THE BoD VICE-CHAIRMAN & MANAGING DIRECTOR

MYTILINAIOS A. IOANNIS

Grant Thornton

B. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ELEMKA TECHNICAL CONSTRUCTION-TOURIST AND TRADING SOCIETE ANONYME

Reporting on the Financial Statements

Opinion

We have audited the attached financial statements of the company ELEMKA TECHNICAL CONSTRUCTION-TOURIST AND TRADING SOCIETE ANONYME (the "Company"), which comprise the statement of financial position as at 31 December 2022, income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of important accounting principles and methods and other explanatory information.

In our opinion the attached Financial Statements give a true and fair view, in every material aspect, of the financial position of the Company ELEMKA TECHNICAL CONSTRUCTION-TOURIST AND TRADING SOCIETE ANONYME as at 31 December 2022, its financial performance and cash flows for the year that ended on the said date, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for the Opinion

We have conducted our audit in accordance with International Audit Standards (IAS) as incorporated in Greek Law. Our responsibilities, pursuant to such standards, are laid down in more detail in section "The Auditor's Responsibility with respect to the Audit of the Financial Statements" below. We are independent of the Company, throughout the term of our engagement, in conformance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, as incorporated in Greek Law, and the ethical requirements relating to the audit of financial statements in Greece and we have fulfilled our ethical obligations in conformance with the requirements of the applicable legislation and the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with IFRS as adopted by the European Union, as well as for the establishment of such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with IAS, as incorporated in Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting principles and methods used and the reasonableness of accounting estimates and related disclosures made by Management;

- Make a determination on the appropriateness of the use, by Management, of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the Company to cease to continue as a going concern;

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

We communicate with Management 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.

Reporting on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the BoD Management Report, in application of the provisions of section 5 of article 2 (part B) of Law 4336/2015, we note that:

a) In our opinion the BoD Management Report has been prepared in conformance with the applicable legal requirements laid down in art. 150 of Law 4548/2018 and its content is consistent with the attached financial statements of the year that ended on 31/12/2022;

b) Based on the knowledge obtained during our audit, in respect of the company ELEMKA TECHNICAL CONSTRUCTION-TOURIST AND TRADING SOCIETE ANONYME and its environment, no material misstatements have been identified by us in the BoD Management Report.

Athens, 08 March 2023

Charalampos Madimenos
Certified Public Accountant
A member of the Institute of Certified Public Accountants under Reg. No. 55961

Grant Thornton
Chartered Auditors-Business Consultants
58 Katechaki Ave., GR11525 Athens
A member of the Institute of Certified Public Accountants under Reg. No. 127

C. ANNUAL FINANCIAL STATEMENTS

The attached Financial Statements were approved by the Board of Directors of ELEMKA TECHNICAL CONSTRUCTION-TOURIST AND TRADING SOCIETE ANONYME on 08.03.3023 and have been published at www.elemka.gr, where they will remain available to investors for a time period of five (5) years minimum as from the date they were prepared and published.

C-A. STATEMENT OF FINANCIAL POSITION

(Amounts in €)

	Note	31.12.2022	31.12.2021
Assets			
Non-Current Assets			
Tangible Assets	**7**	329,776	344,693
Right-of-use Assets	**31**	525,565	401,381
Investments in Subsidiaries	**8.1**	3,000	3,000
Investments in Associates	**8.2**	80,975	80,975
Deferred Tax Receivables	**9**	1,142,292	777,309
Other Long-term Receivables	**10**	3,765,471	2,100,701
		5,847,080	**3,708,059**
Current Assets			
Inventories	**11**	619,507	528,535
Trade and Other Receivables	**12**	11,630,016	20,454,170
Other Receivables	**14**	3,686,071	2,617,488
Other Current Assets	**14**	6,801,587	2,049,427
Cash and Cash Equivalents	**15**	1,601,000	237,789
		24,338,181	**25,887,410**
Total Assets		**30,185,261**	**29,595,469**
Equity & Liabilities			
Equity			
Share Capital	**16.1**	105,660	105,660
Other Reserves	**16.2**	178,706	175,893
Retained Earnings	**16.3**	2,722,996	2,855,657
Total Equity		**3,007,363**	**3,137,210**
Non-Current Liabilities			
Liabilities for personnel retirement benefits	**17**	59,028	44,031
Other long-term provisions	**22**	80,000	80,000
Long-term lease liabilities	**32**	320,494	129,944
Other non-current liabilities	**23**	4,615,871	2,218,291
Non-Current Liabilities		**5,075,393**	**2,472,266**
Current Liabilities			
Trade and other payables	**18**	10,977,760	10,837,798
Current tax liabilities	**19**	1,483,981	823,615

Short-term loans	**20**	668,678	659,356
Other short-term liabilities	**21**	8,762,028	11,375,985
Short-term lease liabilities	**32**	210,059	289,239
Total Current Liabilities		**22,102,506**	**23,985,993**
Total Liabilities		**27,177,899**	**26,458,259**
Total Equity & Liabilities		**30,185,261**	**29,595,469**

The accompanying notes form an integral part of the annual financial statements.

C-B. INCOME STATEMENT/STATEMENT OF COMPREHENSIVE INCOME

(Amounts in €)	**Note**	**1.1.2022- 31.12.2022**	**1.1.2021 - 31.12.2021**
Sales	**24**	78,402,260	78,541,125
Cost of Goods Sold	**25**	(76,937,895)	(77,013,199)
Gross Profit		**1,464,365**	**1,527,926**
Other operating income	**27**	16,943	35,560
Distribution expenses	**25**	0	0
Administrative expenses	**25**	0	0
Other operating expenses	**27**	(724,497)	(146,064)
Earnings before interest and income tax		**756,811**	**1,417,422**
Financial income	**28**	2	4
Financial expenses	**28**	(73,704)	(53,531)
Profit before tax		**683,110**	**1,363,895**
Income tax	**29**	(1,181,548)	(516,423)
Deferred tax		365,777	102,357
Profit/Loss after tax		**(132,661)**	**949,828**
Other comprehensive income			
Revaluation of liabilities for personnel benefits		3,607	(8,330)
Deferred tax on revaluation		(794)	1,133
Total comprehensive income after tax		**(129,848)**	**942,632**

Weighted number of outstanding shares		3,600	3,600
Basic Earnings/Losses per share (Euro/share)	**30**	**(36.0689)**	**261.8421**

The accompanying notes form an integral part of the annual financial statements.

C-C. STATEMENT OF CHANGES IN EQUITY

(amounts in Euros)	**Share capital**	**Other Reserves**	**Retained Earnings**	**Total**
Opening balance 1 Jan 2021, per IFRS-as published-	**105,660**	**183,090**	**1,905,829**	**2,194,579**
<u>Change in equity</u>				
Net Profit/Loss for the period	0	0	949,829	949,829
<u>Other comprehensive income after tax:</u>				
Deferred Tax from Actuarial Gain/(Loss)	0	1,133	0	1,133
Actuarial Gain/(Loss)	0	(8,330)	0	(8,330)
Total Comprehensive Income for the period	**0**	**(7,197)**	**949,829**	**942,632**
Closing Balance 31.12.2021	**105,660**	**175,893**	**2,855,657**	**3,137,210**
Opening balance 1 Jan 2022, per IFRS-as published-	**105,660**	**175,893**	**2,855,657**	**3,137,210**
<u>Change in equity</u>				
Net Profit/Loss for the period	0	0	(132,661)	(132,661)
<u>Other comprehensive income after tax:</u>				
Deferred Tax from Actuarial Gain/(Loss)	0	(794)	0	(794)
Actuarial Gain/(Loss)	0	3,607	0	3,607
Total Comprehensive Income for the period	**0**	**2,814**	**(132,661)**	**(129,848)**
Closing Balance 31.12.2022	**105,660**	**178,707**	**2,722,997**	**3,007,363**

The accompanying notes form an integral part of the annual financial statements.

C-D. CASH FLOW STATEMENT

	1.1.2022 - 31.12.2022	1.1.2021 - 31.12.2021
<u>**Cash flow from operating activities**</u>		
Income for the Period	(132,661)	949,828
Adjustments on income (Note 31)	360,149	786,334
	227,488	**1,736,163**
Changes in Working Capital		
(Increase) / Decrease of inventories	(90,972)	(72,799)
(Increase) / Decrease of receivables	(106,329)	(10,279,971)
Increase / (Decrease) of liabilities	1,722,422	8,111,929
Cash flow from operating activities		
Interest paid	(59,125)	(37,409)
Net cash flow from operating activities	**1,693,484**	**(542,087)**
<u>**Cash flow from investing activities**</u>		
Purchases of property, plant and equipment	12,720	(35,297)
Sales of property, plant and equipment	4,109	2,000
Interest received	2	4
Net cash flow from investing activities	**16,831**	**(33,293)**
<u>**Cash flow from financing activities**</u>		
Repayment of loans	0	0
Payment of finance lease liabilities	(347,104)	(290,865)
Net cash flow from financing activities	**(347,104)**	**(290,865)**
Net (decrease)/increase in cash and cash equivalents	**1,363,211**	**(866,245)**
Cash and cash equivalents at the beginning of period	237,789	1,104,033
Cash and cash equivalents at period end	**1,600,997**	**237,789**

The accompanying notes form an integral part of the annual financial statements.

D. NOTES TO THE FINANCIAL STATEMENTS

1. General information about the Company

ELEMKA S.A. is based in Athens. The office of the Company is located in Maroussi at 8, Artemidos Street. The object of the Company is to trade in road construction materials and to execute technical projects.

The Company is a subsidiary of MYTILINEOS S.A. (being the general successor, by merger, to METKA S.A.), a company listed in the Athens Stock Exchange, having its registered office in Greece; the financial figures of ELEMKA are included in the consolidated financial statements of its parent company, under the full consolidation method. The Company does not prepare consolidated financial statements for the reasons set out in §4.1.

The annual financial statements for year 2022 (including also comparative figures for year 2021) were approved by the Board of Directors on 08.03.2023. It is noted that these financial statements are subject to the final approval of the Ordinary General Meeting of Shareholders. Further, the Board of Directors has resolved that no dividend will be distributed to shareholders for the purpose of securing liquidity for the Company in order to enable it to renew part of its mechanical equipment and meet the needs of the projects to be undertaken.

Such non-distribution of dividend is subject to the approval of the next Ordinary General Meeting of Shareholders.

2. Nature of Activities

The strategic areas in which ELEMKA S.A. operates are as follows:

- Trade in road construction materials (bearings, joints, road markers, bridge construction materials, etc.)
- Specialty engineering projects (bridge prestressing)
- Provision of services (specialized personnel for project maintenance & installation/mounting of materials).

The Company is highly competitive in the area of road construction materials and specialty engineering projects with specialized personnel and special prestressing machinery.

Its longstanding experience in the field of prestressing & road building materials has enabled the Company to assert itself most successfully in this particular field.

3. Basis for preparation of the financial statements

3.1. Statement of compliance

The Financial Statements of the Company as at 31 December 2022 covering the period from 1 January through 31 December 2022 are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their Interpretations issued by the IFRS Interpretations Committee (IFRIC) and adopted by the European Union. The said Financial Statements have been prepared on the basis of the going concern assumption.

The Company applies all International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and their Interpretations as applicable to its business. The relevant accounting policies have been applied consistently in all periods presented.

3.2 Reporting Currency

The reporting currency is Euro (the currency of the country of domicile of the Company and its parent company) and all amounts are in Euros unless otherwise stated.

3.3 Accounting judgements and estimates

The preparation of Financial Statements under IFRS requires that estimates and judgments be made in the application of the accounting principles implemented by the Company. Judgments, assumptions and estimates by Management affect the amount at which certain assets and liabilities are valued, the amount recognized during the reporting period for certain income and expenses, as well as the presented estimates for contingent liabilities.

Assumptions and estimates are evaluated on an ongoing basis in light of past experience and other factors, including expectations on the outcome of future events that are believed to be reasonable under the circumstances. Such estimates and assumptions relate to the future and as a consequence the actual results are likely to differ from the accounting estimates.

3.4 Changes in accounting policies

The accounting principles and calculations that formed the basis for the preparation of the financial statements are consistent to those employed for the preparation of the annual financial statements of the period that ended on 31.12.2020 and they have been consistently applied in all periods presented, except for the amendments set out below which were adopted by the Company as at 01.01.2022. The nature and impact of all changes is described below.

3.4.1 New accounting standards and amendments to existing standards that are in effect and have been adopted by the European Union

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB), they have been adopted by the European Union and their application is mandatory as from 01.01.2022 or thereafter.

Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and to the "Annual Improvements 2018-2020" (applicable to annual periods starting on or after 01.01.2022)

In May 2020 the IASB issued a package of amendments including narrow-scope amendments to three Standards, as well as the Board's Annual Improvements. The said amendments clarify the wording of the Standards or correct minor consequences, oversights or conflicts between requirements in the Standards. More specifically:

i. Amendments to IFRS 3 "Business Combinations" update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

ii. Amendments to IAS 16 "Property, Plant and Equipment" prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

iii. Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" specify which costs a company includes when assessing whether a contract will be loss-making.

iv. Annual Improvements 2018-2020 make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and to the Illustrative Examples accompanying IFRS 16 "Leases".

The above amendments have no impact on the Financial Statements of the Company.

3.4.2 New accounting standards, amendments to existing standards not yet effective or not adopted by the European Union

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB) however they either are not yet in effect or they have not been adopted by the European Union.

IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 01.01.2023)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. Furthermore, in June 2020 the IASB issued amendments, which do not affect the fundamental principles introduced when IFRS 17 was first issued. The amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain, as well as ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying the Standard for the first time. The Company will examine the impact of all the above on its Financial Statements, even though they are not expected to have any. The above were adopted by the European Union effective 01.01.2023.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods beginning on or after 01.01.2023)

In February 2021 the IASB issued narrow-scope amendments relevant to the disclosure of accounting policies. The purpose of the amendments is to improve accounting policies disclosures in order to provide more useful information to investors and other users of the Financial Statements. More specifically, the amendments are designed to require companies to disclose material accounting policy information rather than their significant accounting policies. The Company will examine the impact of all the above on its Financial Statements, even though they are not expected to have any. The above were adopted by the European Union effective 01.01.2023.

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods beginning on or after 01.01.2023)

In February 2021 the IASB issued narrow-scope amendments to clarify how a change in accounting estimate is distinguished from a change in accounting policy. This is an important distinction given that a change in an accounting estimate is applied without retrospective effect and only in the case of future transactions and other future events, contrary to a change in an accounting policy which has retrospective effect and is applied to past transactions and other events in the past. The Company will examine the impact of the above on its Financial Statements, even though they are not expected to have any. The above were adopted by the European Union effective 01.01.2023.

Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (effective for annual periods beginning on or after 01.01.2023)

In May 2021 the IASB issued targeted amendments to IAS 12 to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations -transactions for which companies recognize both an asset and a liability. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The Company will examine the impact of the above on its Financial Statements, even though they are not expected to have any. The above were adopted by the European Union effective 01.01.2023.

Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 01.01.2023)

In December 2021, the IASB issued a narrow-scope amendment to the transition requirements in IFRS 17 to address an important issue related to temporary accounting mismatches between insurance contract liabilities and financial assets in the comparative information presented when applying IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” for the first time. The amendment aims to improve the usefulness of comparative information for the users of the Financial Statements. The Company will examine the impact of all the above on its Financial Statements, even though they are not expected to have any. The above were adopted by the European Union effective 01.01.2023.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (effective for annual periods beginning on or after 01.01.2024)

In January 2020 the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity’s right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020 the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. However, in October 2022 the IASB issued an additional amendment with an aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company’s ability to do so is often subject to complying with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date; instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early adoption permitted. The Company will examine the impact of the above on its Financial Statements, even though they are not expected to have any. The above have not been adopted by the European Union.

Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback Transaction" (applies to annual periods beginning on or after 01.01.2024) :
In September 2022 the IASB issued narrow-scope amendments to IFRS 16 "Leases" adding requirements on how a company accounts for a sale and leaseback after the transaction date. The sale and leaseback is a transaction that involves the sale of an asset by a company and the leaseback for a specified term of the same asset by the seller. IFRS 16 specifies that a sale and leaseback is accounted for at the time of the transaction. However, the Standard did not specify the measurement of the liability that arises in a sale and leaseback transaction. The amendments issued are added to the requirements laid down in IFRS 16 about the sale and leaseback, thus supporting the consistent application of this standard. The said amendments will not change how leases are to be accounted for, except those arising from a sale and leaseback transaction. The Company will examine the impact of the above on its Financial Statements, even though they are not expected to have any. The above have not been adopted by the European Union.

4. Summary of Significant Accounting Policies

4.1 Consolidation

ELEMKA S.A. is 83.50% incorporated into the financial statements of MYTILINEOS S.A. (as the general successor, by merger, to METKA S.A.) under the full consolidation method.

Subsidiaries

Subsidiaries are companies (including special purpose entities) in which the Group holds more than half of the voting rights or has the ability to direct the financial and operating principles followed. In determining whether it has control over a company, the Group takes account of potential voting rights that may be exercised or converted. Subsidiaries are fully consolidated (full consolidation) under the acquisition method from the date that control over them is acquired and cease to be so consolidated as from the date such control no longer exists.

Exemptions from the requirement to consolidate investments in subsidiaries: The parent company is not required to present consolidated financial statements only if:

(a) the parent company is itself a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and its other owners, including those not entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;

(b) the parent company's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);

(c) the parent company did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and

(d) the parent company's ultimate or any intermediate parent publishes consolidated financial statements prepared in accordance with the International Financial Reporting Standards.

The Company meets all the above conditions and therefore does not prepare consolidated financial statements.

4.2 Foreign currency translation

a) Functional currency and reporting currency

All items in the financial statements of the Company are measured based on the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Euros, the Euro being the functional currency and the reporting (presentation) currency of the parent Company and all its subsidiaries.

b) Transactions and balances

Transactions in foreign currency are translated into the functional currency using the rate of conversion to the functional currency as applicable on the date of the transaction.

Gains and losses from foreign exchange differences that result from the settlement of such transactions during the reporting period, and from the conversion of monetary items denominated in foreign currency using the exchange rate applicable at the balance sheet date, are posted in results. Foreign exchange differences from non-monetary items valued at fair value are considered to be part of the fair value and are thus treated similarly to fair value differences. In 2022 the Company had no significant transactions in foreign currency.

4.3 Property, Plant and Equipment

Fixed assets are reported in the financial statements at their acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciation and any impairment of such assets. Acquisition cost includes all expenditure directly attributable to the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is recognized as a separate fixed asset only when it is probable that future economic benefits will flow to the company and the cost thereof can be reliably measured. The repair and maintenance cost is recognized in results when such is realized.

Depreciation of other tangible assets is calculated using the straight-line method over their useful life, as follows:

- Buildings	25 years
- Mechanical equipment	10 years
- Vehicles	6-8 years
- Other equipment	4-7 years

The useful economic life of tangible assets is subject to reassessment at each annual reporting date. When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is posted in the income statement as expense.

On sale of tangible assets, any difference between the proceeds and the book value is recorded as profit or loss in the results. Repairs and maintenance are recorded in the expenses of the period to which they relate.

4.4 Financial Instruments

i) Initial recognition

A financial asset or financial liability is recognized in the statement of financial position of the Company when it arises or when the Company becomes a party to the contractual terms of the financial instrument.

Financial assets are classified, at initial recognition, and subsequently measured at the amortized cost, at fair value through other comprehensive income and at fair value through profit or loss.

The Company initially measures financial assets at fair value. Trade receivables (not containing significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it must generate cash pertaining to principal and interest repayments on the initial capital. The business model applied by the Company for the purposes of managing financial assets refers to the way in which it manages its financial capability in order to generate cash flows. The business model determines whether cash flows will arise from the collection of contractual cash flows, disposal of financial assets, and/or both. The acquisition or disposal of financial assets requiring delivery of the assets within a time frame specified by a regulation or a contract is recognized at the date of the transaction, i.e. the date on which the Company commits to the acquisition or disposal of the asset concerned.

ii) Classification and subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets valued upon initial recognition at fair value through profit or loss, or financial assets required to be measured at fair value. Financial assets are classified as held for trading when they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments. Financial assets with cash flows referring not only to principal and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met: 1) the financial asset is held in order to maintain financial assets for the purpose of collecting contractual cash flows, and 2) the contractual terms of the financial asset at specified dates generate cash flows which pertain only to payments of principal and interest on the balance of the initial capital. Financial assets at amortized cost are then measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through comprehensive income

At initial recognition, the Company may opt to irrevocably classify its investment participations as equity instruments at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is on a per financial instrument basis. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments at fair value through total comprehensive income are not subject to impairment test. The Company has opted to classify its non-listed shares under this category.

iii) Derecognition

A financial asset is derecognized mainly when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset, or has undertaken to pay the cash flows received without undue delay to a third party under an arrangement and has either (a) transferred essentially all the risks and the benefits of the asset, or (b) not transferred essentially all the risks and estimates of the asset but has transferred control over the asset.

iv) Impairment

The Company recognizes a provision for impairment for expected credit losses for all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the difference between all payable contractual cash flows and all discounted cash flows that the Company anticipates to receive.

Regarding trade receivables, the Company applies the simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk.

4.5 Inventories

The cost of inventories includes all costs incurred for inventories to reach the present location and condition. The cost of inventories does not include financial expenses.

The cost of inventories is calculated using the FIFO method.

As at the Statement of Financial Position date, inventories are measured at the lower of their acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of business less any relevant sales expenses.

4.6 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short-term highly liquid investments such as money market products and bank deposits. Money market products are financial assets valued at fair value through profit or loss.

4.7 Share Capital

Expenses incurred for the issuance of shares reduce the proceeds from the issue, after deducting the relevant income tax. Expenses associated with the issuance of shares for the acquisition of undertakings are included in the acquisition cost of the undertaking acquired.

When acquiring own shares, the price paid, including the related expenses, is shown as a decrease in equity (share premium account).

As at 31.12.2022, the Company held no treasury shares (shares in the Company).

4.8 Leases

The Company as Lessee: Leases are recognized in the Statement of Financial Position as a right-of-use asset and a lease liability, on the date that the leased fixed asset becomes available for use. Each rent is apportioned to the lease liability and the interest, which is charged to the results throughout the term of the lease, in order to arrive at a fixed interest rate for the remainder of the financial liability in each reporting period.

The right-of-use assets are initially measured at cost, and then decreased by the amount of accumulated depreciation and any impairment. The right to use is depreciated over the shorter of the useful life of the asset and the lease term, using the straight-line method. The initial measurement of the right-of-use assets consists of:

- the amount of the initial measurement of the lease liability,
- lease payments made on or before the commencement date, decreased by the amount of discounts or other incentives offered,
- initial costs, directly associated with the property,
- restoration costs.

Finally, adjustments are made for remeasurements of the respective lease liability.

Lease liabilities are initially calculated at present value of the rents not paid at the start of the lease. They are discounted at the imputed interest rate of the lease or, when this rate cannot be determined by means of the contract, at the incremental borrowing rate (IBR). The incremental borrowing rate is the cost that a lessee would be required to pay to borrow the funds necessary in order to acquire an asset of a value similar to that of the leased asset, in a similar economic environment and under similar terms and conditions.

Lease liabilities include the net present value of:

- fixed rents (including practically fixed rents),
- variable rents, linked to some index,
- residual value, which is expected to be paid,
- price for the option to purchase, if the lessor is almost certain that this option will be exercised,
- penalties for termination of a lease, if the lessor chooses this option.

After their initial measurement, lease liabilities are increased by their financial cost and reduced by the rents paid. Finally lease liabilities are reassessed in case of a change: a) in rents as a result of a change of the index, b) in the estimated residual value, which is expected to be paid, or c) the evaluation of an option to purchase or extend, which is reasonably certain that it will be exercised, or an option to terminate the lease contract, which is reasonably certain that it will not be exercised.

During its transition the Company made use of the following practical expedients provided for in IFRS 16 for leases classified as operating leases, pursuant to IAS 17:

- Use of previous assessments conducted in application of IAS 17 and IFRIC Interpretation 4, in order to determine whether a contract contains a lease or whether a contract is a lease on the date of initial application.
- Use of the accounting treatment of operating leases for leases shorter than 12 months as at 1 January 2019.
- Use of a single discount rate on a portfolio of leases with similar characteristics.
- Excluding initial direct costs for measuring the right-of-use assets at the date of initial application.

The Company as lessor: When tangible assets are leased under a financial lease, the present value of rents is recorded as a claim (receivable). The difference between the gross amount of the claim and its present value is recorded as deferred financial income. The revenue from the lease is recognized in the income statement under the net investment method, which represents a fixed periodic return. The Company has not entered any contract in the capacity of lessor.

4.9 Income Tax & Deferred Tax

Income tax for the reporting period comprises current and deferred tax, i.e. taxes or tax benefits associated with economic benefits accruing in the period but have been or will be assessed by tax authorities in different periods. Tax is recognized in the income statement, unless relating to transactions that have been booked directly to Equity, in which case the tax is accordingly booked directly to Equity.

Current income tax includes short-term liabilities to and/or receivables from the fiscal authorities as relevant to the tax payable on the taxable income for the period and any additional income tax that relates to previous years.

Current taxes are measured according to the tax rates and the tax laws applicable in the periods to which they relate, on the basis of the taxable profit for the year. For 2022 income tax is calculated at 22% on profits. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method on the temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction, except for a business combination, that at the time of the transaction affected neither the accounting nor the taxable gains or losses.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Company and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in Equity, such as the revaluation of property value that results in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account.

4.10 Employee benefits

(a) Short-term benefits

Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount already paid exceeds the amount of the benefit concerned, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will result in a reduction of future payments or in a refund.

(b) Post-employment benefits

Post-employment benefits include lump-sum retirement compensations, pensions and other benefits paid to employees after employment termination in exchange for their services. The liability of the Company for retirement benefits relates both to defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense in the period concerned. Retirement plans adopted by the Company are financed partly through payments to insurance companies or state social security funds.

- Defined contribution plan

Defined contribution plans involve the payment of contributions to Insurance Carriers (e.g. the Social Security Institution-IKA), with the Company incurring no legal liability should the State Fund have no sufficient funds to pay pension to the insured. The employer’s obligation is limited to the payment of employer contributions to the Funds. The contribution payable by the Company to a defined contribution plan is recognized as a liability after the deduction of the paid contribution, whereas accrued contributions are recognized as an expense in the results of the reporting period.

- Defined benefit plan

According to Greek Law 2112/20 and 4093/2012, the Company pays its personnel compensation for employment termination or retirement. The compensation amount depends on service years, earnings received and how employment termination occurred (dismissal or retirement). Entitlement to participate in the said plans is established by means of attribution of benefits to the last 16 years until the retirement date pursuant to the scale set out in Law 4093/2012.

The liability recognised in the Statement of Financial Position with respect to the defined benefit plan is the present value of the liability for the defined benefit less the fair value of the plan's assets (reserve from payments to the insurance carrier) and the changes to arise under any actuarial gain or loss and the service cost. The defined benefit to be set aside is each year calculated by an independent actuary using the projected unit credit method. For discounting year 2020 the selected rate is related to the tendency of iBoxx AA Corporate Overall 10+ EUR indices, which is consistent with the IAS 19 principles, i.e. it is based on bonds corresponding to the currency and the estimated duration relative to employees' benefits, and it is appropriate for long-term provisions.

A defined benefit plan specifies defined obligations for payable benefits on the basis of parameters such as age, service years and salary. The provisions relating to the period are included in personnel cost in the attached financial statements and consist of current and past employment cost, the pertinent financial cost, the actuarial gain or loss as well as any additional charges. Regarding not recognized actuarial gain or loss, the revised IAS 19R is adopted, which includes a set of amendments regarding the accounting treatment of defined benefit plans, including:

- recognition of actuarial gains/(losses) in the statement of other comprehensive income and their final exclusion from the profit or loss of the reporting period;
- non-recognition any more of the expected returns on the plan investments in the profit or loss of the reporting period, but rather recognition of the relevant interest on the net defined benefit liability/(asset) under the liability discount rate;
- recognition of the past service cost in profit or loss at the earlier of the date of plan amendment and the date when the relevant restructuring or the termination benefit is recognised;
- other changes include new disclosures, such as a quantitative sensitivity

analysis.

4.11 Provisions

Provisions are recognized when the Company has present legal or constructive commitments as a result of past events, their settlement through an outflow of resources is likely and the exact amount of the obligation can be reliably estimated. Provisions are reviewed as at the balance sheet date so that they reflect the present value of the outflow that is expected to be required for the settlement of the obligation.

Contingent liabilities are not recognized in the financial statements but have to be disclosed, except if the likelihood that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but have to be disclosed when the inflow of economic benefits is likely.

4.12 Income recognition

Income: Income includes the fair value of executed projects, of goods and services sold, net of Value Added Tax, discounts and returns. Income is recognized as follows:

- **Sales of goods**: Income is measured at the fair value of the price collected or to be collected and represents amounts to be collected for goods sold and services provided during the normal course of business, net of discounts, VAT and other sale-related taxes. The Company recognizes, in the income statement, the sale of goods at the moment when the benefits and risks attaching to ownership of the goods are transferred to the client.
- **Provision of services**: Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service in relation to the total of the services to be rendered.
- **Income from interest**: Interest income is recognized when accrued. When there is impairment of receivables, their carrying value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial effective interest rate. Interest is then booked using the same interest rate calculated on the impaired (new carrying) value.
- **Dividends**: Dividends are accounted for as income when the company’s right to receive payment is established.

- **Construction Project Contracts**:

  Construction contracts refer to the construction of assets or a group of associated assets according to the terms set forth in the relevant contracts, the execution of which usually lasts for a period in excess of one fiscal year.

  Contract expenses are recognized when incurred.

  Revenue from construction contracts is recognised based on the stage of completion of the project as at the reporting date of the Statement of Financial Position.

  The completion stage is measured based on the contractual cost that has been realized up until the reporting date as against the total budgeted construction cost of each contract. When it is likely that the total contract cost will exceed the total revenue, then the expected loss is directly recognized in the period's results as an expense.

  For the calculation of the cost realized until the end of the reporting period, any expenses related to future activities regarding the contract are excluded and appear as work in progress. The total cost incurred and the profit/loss recognized for each contract is matched to the progressive billings until the end of the reporting period.

  When the realized expenses plus the net profits/losses recognized exceed the progressive billings, the difference appears as a receivable from construction contract customers in the account "Trade and other receivables". When progressive billings exceed the realized expenses plus the net profit/losses recognized, the balance appears as a liability to construction contract customers in the account "Trade and other liabilities".

  In cases where initial estimates may change, revenue, costs and / or completion degree are revised. These revisions may lead to increases or decreases in estimated earnings or cost and are presented in the results of the period, in which the reasons that imposed the revision are disclosed by Management.

Expenses: Expenses are recognised in profit or loss on an accrual basis. Payments made towards operating leases are carried to profit or loss as expenses at the time that the leased property is used. Expenses from interest are recognised in the Statement of

Comprehensive Income, on an accrual basis.

5. Significant accounting judgements, estimates and assumptions

The preparation of financial statements under IFRS requires of Management to make judgements, estimates and assumptions that affect the disclosed figures for assets and liabilities, as well as the disclosure of contingent assets and liabilities as at the financial statements date and the disclosed amounts of revenue and expenses for the reporting period. The actual results may differ from those estimated.

Estimates and judgements are reassessed on an ongoing basis and are based both on past experience and other factors, including the expectation of future events as considered to be reasonable under the circumstances.

5.1 Judgements

The applied accounting principles and judgements by Management, apart from those pertaining to estimates, that have the most significant effect on the amounts recognized in the financial statements, mainly pertain to the following:

- **Recoverability of receivables**

The Company applies the simplified approach of IFRS 9 for the calculation of expected credit losses; under this approach, the provision of loss is always measured at an amount equal to the expected lifetime credit losses for receivables from customers and contractual assets. To determine the expected credit losses for receivables from customers, the Company uses a credit loss forecast table on the basis of the maturity of balances, based on historical data of the Company regarding credit losses, adjusted for future factors relating to debtors and the economic environment. Specifically for the determination of the expected credit losses regarding contractual assets, the estimated rate of early termination of contracts is taken into consideration, as well as the amount of penalties in case of early termination and the relevant collectability rate.

- **Obsolescence of inventories**

Appropriate provisions are made for obsolete, useless and slow-moving inventories. Impairment to the net realizable value of inventory and other losses from inventories are recorded in the income statement of the period when incurred.

5.2 Estimates and assumptions

Estimating specific amounts included in or impacting the financial statements and the related disclosures requires making assumptions in respect of values or circumstances that cannot be known with certainty at the time of financial statements preparation. A significant accounting estimate is defined as an estimate which is important to the picture of the Company's financial situation and results, and requires Management's most difficult, subjective or complex judgements, often arising from the need to make estimates regarding the effect of assumptions that are uncertain. The Company assesses such assumptions on an ongoing basis, relying on historical data and experience, meetings with experts, current trends and other methods considered appropriate in the circumstances, in line with the projections as to how these may change in the future. In preparing the financial statements, Management adopted significant accounting estimates and judgements in applying the accounting principles of the Company which (estimates and judgements) are consistent with those applied in the annual financial statements as at 31 December 2021. Further to the above and specifically for the financial statements as at 31.12.2022 the following is noted:

- **Income tax**

The Company is subject to income tax by the Greek tax authorities. Significant estimates are required when determining provisions for income tax. There are many transactions and calculations for which the ultimate tax assessment is uncertain in the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues, based on estimations of whether additional taxes will be due. When the final tax outcome is different from the amount initially recorded, such differences will have an impact on income tax and on provisions for deferred tax in the period in which such determination is made.

- **Contingent Events**

The Company is involved in litigation for claims and damages which arose in the normal course of its business. Management considers that any settlements in relation thereto would not significantly impact the financial position of the Company as at 31 December 2022. Nevertheless, the determination of contingent liabilities in connection with said litigation and claims is a complex process involving the making of judgements on possible consequences and the interpretation of legislation and regulations.

Changes to such judgements and interpretations are likely to result in an increase or a decrease of the contingent liabilities of the Company in the future.

- **Budgeting of construction contracts**

The accounting treatment of revenue and expenses of a construction contract depends on whether or not the final result of the execution of the contractual project can be reliably estimated (and expected to generate profit for the contractor or be loss-making). When the result of a contract for the construction of a project can be reliably estimated, then the relevant revenue and expenses are recognized over the term of the contract as revenue and expense respectively. The Company employs the percentage-of-completion method in order to determine the appropriate amount of revenue and expense to be recognized in each reporting period. The completion stage is measured on the basis of the contractual cost realized up until the balance sheet date as against the total estimated construction cost of each project.

Therefore, significant management estimates are required with regard to the gross result regarding the completed construction (estimated cost of execution).

6. Group structure and method of consolidation

The Company holds investments in subsidiaries forming a Group structured as follows:

Name	Business Scope	Registered Office	%Stake	Stake type
Elemka Technical Construction Tourist and Trading S.A.	Construction-Engineering Design	Maroussi, Attica	Parent	
Drosco Holdings Limited	Construction-Engineering Design	Nicosia, Cyprus	100	Direct
Bridge Accessories & Construction Systems, Technical Construction Tourist and Trading S.A.	Construction-Engineering Design	Maroussi, Attica	75	Indirect
Elemka Saudi Company	Construction-Engineering Design	Riyadh, Saudi Arabia	41	Direct

Pursuant to a resolution adopted by the Extraordinary General Meeting of Shareholders held on 14.02.2007, ELEMKA S.A. has not presented consolidated financial statements given that it meets all conditions set out in para. 5 of IFRS 10 “Consolidated Financial Statements” relating to the exemption from the requirement to consolidate investments in subsidiaries. The unaudited financial years of the above companies are specified in note **33** to the financial statements. It is noted that the Group’s financial statements are included in the consolidated financial statements prepared and published by the parent company, MYTILINEOS S.A. (general successor, by merger, to METKA S.A.), having its registered office in Greece and holding 83.50% in ELEMKA S.A.

7. Property, Plant and Equipment

The Company holds legal title over its fixed assets and no liens or other encumbrances exist therein.

Property, Plant and Equipment is broken down as follows:

(Amounts in €)	Land & Buildings	Mechanical Equipment	Transport. Equipment	Fixtures & Other Equipment	Total
Net Book Value as at 1.1.2021	**168,855**	**15,088**	**19,744**	**122,539**	**326,226**
Gross book value	213,346	964,462	95,935	368,855	1,642,598
Accumulated depreciation and/or impairment	(44,491)	(950,756)	(67,896)	(234,762)	(1,297,905)
Net book value as at 31.12.2021	**168,855**	**13,706**	**28,039**	**134,093**	**344,693**
Gross book value	213,346	971,519	95,474	368,856	1,649,194
Accumulated depreciation and/or impairment	(44,491)	(953,045)	(69,590)	(252,291)	(1,319,417)
Net book value as at 31.12.2021	**168,855**	**18,473**	**25,883**	**116,565**	**329,777**

(Amounts in €)	Land & Buildings	Mechanical Equipment	Transport. Equipment	Fixtures & Other Equipment	Total
Net Book Value as at 1.1.2021	**168,855**	**15,088**	**19,744**	**122,539**	**326,226**
Additions	0	0	11,500	29,547	41,047
Disposals – Reductions	0	0	0	(3,329)	(3,329)

Depreciation	0	(1,382)	(3,205)	(14,663)	(19,250)
Net book value as at 31.12.2021	**168,855**	**13,706**	**28,039**	**134,093**	**344,693**
Additions	0	7,056	5,663	0	12,720
Disposals-Reductions	0	0	(4,109)	0	(4,109)
Depreciation	0	(2,176)	(3,710)	(17,642)	(23,528)
Net book value as at 31.12.2022	**168,855**	**18,473**	**25,883**	**116,565**	**329,776**

8. Investments in affiliates

8.1 Investments in Subsidiaries

In the financial statements, investments in subsidiaries are valued at acquisition cost amounting to € 3,000.

The said amount relates to the investment in subsidiary Drosco Holdings Limited (based in Cyprus). The above amount is recoverable and there is no reason to contemplate a possible inability for the company activity to continue given that the company has the support of the parent company. Moreover, the loan of €42,300 granted to Drosco Holdings Limited which has been included in item "Long-Term Receivables" in the Financial Statements of ELEMKA S.A. (see note 10), is also considered to be recoverable.

8.2 Investments in Associates

In the financial statements, investments in associates are valued at acquisition cost amounting to €80,975.

9. Deferred tax assets and liabilities

Deferred income tax arises from the temporary differences between the book value and the tax bases of the assets and liabilities, calculated on the basis of the income tax rate expected to be applicable in the reporting periods in which temporary taxable and deductible differences are expected to be reversed.

Deferred tax assets and liabilities can be netted off when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes involve the same taxation authority.

Movement in deferred income tax following setting off is as follows:

(amounts in €)	1.1.2022 Balance at period start	Recognized in Profit or Loss	Recognized in Equity through the Statement of Compr. Income	31.12.2022 Balance at period end	Deferred Tax Assets	Deferred Tax Liabilities
Investments in associates	2,951	0	0	2,951	2,951	0
Right-of-use assets	(88,304)	(27,321)	0	(115,625)	(115,625)	0
Construction Contracts	278,759	213,938	0	492,697	492,697	0
Trade and Other Receivables	481,996	150,565	0	632,561	632,561	0
Liabilities for personnel retirement benefits	9,687	4,093	(794)	12,986	12,986	0
Non-current Liabilities under Financial Leases	28,588	41,921	0	70,509	70,509	0
Liabilities under Financial Leases	63,633	(17,420)	0	46,213	46,213	0
Total	**777,309**	**365,777**	**(794)**	**1,142,292**	**1,142,292**	**0**
Deferred Tax (Liabilities)/Assets	**777,309**	**365,777**	**(794)**	**1,142,292**	**1,142,292**	**0**

(amounts in €)	1.1.2021 Balance at period start	Recognized in Profit or Loss	Recognized in Equity through the Statement of Compr. Income	31.12.2021 Balance at period end	Deferred Tax Assets	Deferred Tax Liabilities
Investments in associates	3,219	(268)	0	2,951	2,951	0
Right-of-use assets	(86,983)	(1,321)	0	(88,304)	(88,304)	0
Construction Contracts	382,879	(104,120)	0	278,759	278,759	0
Trade and Other Receivables	277,058	204,938	0	481,996	481,996	0
Liabilities for personnel retirement benefits	6,667	1,887	1,133	9,687	9,687	0
Non-current Liabilities under Financial Leases	48,298	(19,710)	0	28,588	28,588	0
Liabilities under Financial Leases	42,681	20,952	0	63,633	63,633	0
Total	**673,819**	**102,357**	**1,133**	**777,309**	**777,309**	**0**
Deferred Tax (Liabilities)/Assets	**673,819**	**102,357**	**1,133**	**777,309**	**777,309**	**0**

Under tax law, certain income is not taxed when acquired but rather at the time of distribution to shareholders. The accounting principle employed by the Company is to recognize a deferred tax liability for this income at the time that this is earned irrespective of the time of its distribution.

10. Other long-term receivables

Other long-term receivables are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Loans to subsidiaries	42,300	42,300
Guarantees provided	3,723,171	2,058,401
Other long-term receivables	**3,765,471**	**2,100,701**

These receivables are receivables to be settled after the end of the next reporting period.

11. Inventories

Company inventories are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Merchandise	619,507	528,535
Total	**619,507**	**528,535**

The amount of inventories recognized as expense during the reporting period and included in the Cost of Goods Sold, is €3,192,879 (2021: €1,180,137).

Inventories are measured at the lower between acquisition cost and net realizable value.

The Company held no pledged inventories as at 31.12.2022 and 31.12.2021.

12. Customers and other trade receivables

Customers and other trade receivables are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Customers	11,003,598	14,408,964
Receivables from customers under construction contracts	1,404,117	6,040,565
Checks receivable	2,075,287	2,045,287
Less: provision for impairment	(2,852,986)	(2,168,601)

Net trade receivables	**11,630,016**	**20,326,215**
Advances to suppliers and subcontractors	0	127,956
Total	**11,630,016**	**20,454,171**

All the above are short-term receivables. The fair value of the said short-term financial assets is not independently determined given that their book value is taken to approximate their fair value.

Provisions for doubtful and litigated claims	
Balance as at 1 January 2021	**2,168,601**
Additional provisions for period 1.1.2021-31.12.2021	0
Unutilized reversed provisions	0
Utilized provisions for the period	0
Balance as at 31 December 2021	**2,168,601**
Additional provisions for period 1.1.2022-31.12.2022	684,385
Unutilized reversed provisions	0
Utilized provisions for the period	0
Balance as at 31 December 2022	**2,852,986**

Furthermore, some of the non-impaired receivables are in arrears. Management conducts a strict ongoing examination of trade receivables and, in this case, determined that it is not advisable to create an additional provision for the above receivables. The maturity analysis for trade receivables as at 31.12.2022 and 31.12.2021 is as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Not past due	10,451,661	19,746,785
Less than 3 months	680,945	291,812
Between 3 and 6 months	159,483	189,451
Between 6 months and 1 year	0	17,119
More than 1 year	337,927	209,003
Total	**11,630,016**	**20,454,170**

The amount in "Receivables from customers under construction contracts" includes unbilled receivables in the amount of €4,312,163 for the Company (2021: €6,040,565) which have arisen under the recognition of revenue from construction contracts as per the requirements of IFRS 15.

13. Construction contracts

Revenue in the amount of €78,402,260 (2021: €78,541,125) included in item "Sales" of the Income Statement (note 23) refers to revenue from construction contracts in the present reporting period. The amounts recognized in the Statement of Financial Position in connection with construction contracts relate to work in progress as at the end of the reporting period. The amounts are recognized as the net amount of the cost realized plus recognized profit, decreased by recognized loss and aggregate billings made.

The book value of Company receivables and liabilities under construction contracts is broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Revenue accounted for in the period	75,442,708	77,377,485
Cost realized and profit posted (less losses posted) so far	341,515,843	266,073,135
(Less aggregate billings)	(340,111,726)	(262,534,114)
Total	**1,404,117**	**3,539,021**
Gross amount due by customers under a contract, presented as receivable	1,404,117	6,040,565
Gross amount due to customers under a contract, presented as a liability	0	(2,501,543)
Unbilled receivables/liabilities	**1,404,117**	**3,539,021**

14. Other receivables and Other current assets

Other receivables and Other current assets of the Company are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Sundry Debtors	1,451,366	465,934
Tax receivables from the Greek State	2,071,034	2,117,778
Other Receivables	163,672	33,776
Total	**3,686,071**	**2,617,488**
Other Current Assets		
Prepaid expenses for projects	26,137	40,841
Revenue accrued from projects	6,775,450	2,008,587
Total	**6,801,587**	**2,049,427**
Total Other Receivables & Other Current Assets	**10,487,658**	**4,666,916**

15. Cash and Cash Equivalents

Cash and Cash Equivalents of the Company are as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Cash in hand	27,321	27,131
Cash at banks	1,573,679	210,658
Total	**1,601,000**	**237,789**

Cash represents cash in hand and bank deposits available on demand. As at the above dates there were no overdrafts on bank accounts.

16. Equity

16.1 Share Capital

The Share Capital of the Company is divided into 3,600 ordinary fully paid shares each of a nominal value of € 29.35. The share capital amounts to € 105,660. There were no changes to the share capital in the present financial year or in the previous one. The shares are not listed in the Athens Stock Exchange.

MYTILINEOS S.A. (general successor, by merger, of METKA S.A.) has, as at 31.12.2022, a 83.50% shareholding in ELEMKA S.A. and consolidates ELEMKA in its consolidated financial statements under the full consolidation method.

16.2 Other Reserves

Other Reserves of the Company are as follows:

(amounts in €)	Statutory Reserve	Actuarial Gains/Losses Reserve	TOTAL
Balance as at 1 January 2021	**209,674**	**(26,585)**	**183,089**
Actuarial Gains/Losses	0	(8,330)	(8,330)
Deferred Tax from Actuarial Gains/ Losses	0	1,133	1,133
Balance as at 31 December 2021	**209,674**	**(33,781)**	**175,893**
Actuarial Gains/Losses	0	3,607	3,607
Deferred Tax from Actuarial Gains/ Losses	0	(794)	(794)
Balance as at 31 December 2022	**209,674**	**(30,968)**	**178,706**

16.3 Retained Earnings

Retained Earnings as at 31.12.2022 and 31.12.2021 are as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Starting Balance	**2,855,657**	**1,905,829**
Profit/Loss for the year	(132,661)	949,828
Balance at year end	**2,722,996**	**2,855,657**

17. Liabilities for personnel retirement benefits

In conformance with Greek Law 2112/20 and 4093/2012, the Company pays compensation to employees on dismissal or retirement. The compensation amount depends on service years, earnings received and how employment termination occurred (dismissal or retirement). Entitlement to participate in the said plans is established by means of attribution of benefits to the last 16 years until the retirement date pursuant to the scale set out in Law 4093/2012. These plans are not funded and constitute defined benefit plans according to IAS 19. The estimates about the Company's defined benefit liabilities under IAS 19 were calculated by an independent actuarial firm.

Following the adoption of the revised IAS 19, the relevant net liability in the Statement of Financial Position has moved as follows:

The amounts recognized in the Income Statement and the Statement of Comprehensive Income of the Company are as follows:

(Amounts in €)	31.12.2022 Defined benefits plan	Defined contri-butions plan	Total	31.12.2021 Defined benefits plan	Defined contribu-tions plan	Total
Starting Balance	**44,0030**	**0**	**44,030**	**27,778**	**0**	**27,778**
Actuarial (gains)/losses	(6,577)	0	(6,557)	8,330	0	8,330
Paid Benefits	(31,853)	0	(31,853)	(621)	0	(621)
Cost of past service	31,338	0	31,338	496	0	496
Cost of current employment	21,826	0	21,826	7,728	0	7,728
Financial cost	264	0	264	319	0	319
Balance at Year End	**59,028**	**0**	**59,028**	**44,031**	**0**	**44,030**

(amounts in €)	31.12.2022 Defined benefits plan	Defined contri-butions plan	Total	31.12.2021 Defined benefits plan	Defined contribu-tions plan	Total
Cost of current employment	21,826	0	21,826	7,728	0	7,728
Financial cost	264	0	264	319	0	319
Amounts burdening the income statement	22,090	0	22,090	8,047	0	8,047
Actuarial (gains)/losses burdening the income statement	(6,577)	0	(6,577)	8,330	0	8,330
Amounts burdening the statement of comprehensive income	**(6,577)**	**0**	**-6,577**	**8,330**	**0**	**8,330**

Changes in the present value of the liability relating to the defined benefit plans are as follows:

	31.12.2022	**31.12.2021**
Discount rate	2.80%	0.60%
Future increases in salary	2.50%	2.00%
Inflation	2.80%	1.80%

18. Suppliers and other liabilities

Supplier balances and other similar liabilities of the Company are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Suppliers	10,036,698	7,234,396
Customers' advances	941,061	1,101,859
Liabilities to customers from the execution of projects (Note 13)	0	2,501,543
Total	**10,977,760**	**10,837,798**

Trade liabilities are interest-free and are settled in a regular way.

19. Current tax liabilities

The Company's current tax liabilities are distinguished into current liabilities from taxes and liabilities from income tax for the reporting period and are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Current Liabilities for Taxes	508,090	360,928
Liabilities for Income Tax for the year	975,890	462,687
Total	**1,483,981**	**823,615**

For the financial years that have not been audited by the tax authorities, see note 34 "Contingent Liabilities-Receivables".

20. Short-term loans

Short-term loans of the Company are broken down as follows:

Amounts in €	**31.12.2022**	**31.12.2021**
Short-term loans		
Bank loans	668,678	659,356
Total short-term loans	**668,678**	**659,356**

All Company liabilities under bank loans are short-term liabilities. All such liabilities are in Euros. The weighted average interest rate, as at the end date of the annual reporting period, is 3.78% (2021: 3.78%).

The total financial cost of short-term loans for the year that ended 31.12.2022 is included in item "Financial expenses" of the Income Statement of the Company (note 28).

Loan movements within the year relate to both interest payments and loan repayment and are broken down as follows:

(Amounts in €)	**31.12.2022**
Balance as at 1 January 2021	**659,356**
Loan Interest	13,298
Loan Interest Repayment	(13,298)
Balance as at 31 December 2021	**659,356**
Loan Interest	29,875
Loan Interest Repayment	(20,553)
Balance as at 31 December 2022	**668,678**

21. Other short-term liabilities

Other short-term liabilities of the Company are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Social Security	235,024	215,438
Other liabilities	8,527,004	11,160,547
Total	**8,762,028**	**11,375,985**

22. Other long-term Provisions

Other long-term provisions relate to a provision for future differences under tax audits as well as unaudited fiscal years. Long-term provisions are not presented in discounted amounts, given that the time of their payment cannot be accurately estimated.

Provisions	**Tax Provisions**	**Total**
Balance as at 31.12.2021	80,000	**80,000**
Balance as at 31.12.2022	80,000	**80,000**

23. Other non-current liabilities

Other non-current liabilities of the Company are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Liabilities to related parties	2,139,037	682,438
Non-current liabilities to subcontractors	2,476,834	1,535,853
Total	**4,615,871**	**2,218,291**

24. Turnover

The turnover of the Company for the current and the previous year is broken down as follows:

(Amounts in €)	**01.01.2022-31.12.2022**	**01.01.2021-31.12.2021**
Revenue from the execution of construction contracts	75,788,656	77,166,198
Revenue from trade operations	2,613,604	1,374,927
Total	**78,402,260**	**78,541,125**

25. Analysis of Expenses per category

The expenses of the Company, per expense category, for FY 2022 and 2021, are broken down as follows:

	01.01.2022 - 31.12.2022			
(Amounts in €)	**Cost of Goods Sold**	**Distribution expenses**	**Administrative expenses**	**Total**
Salaries & other employee benefits	4,708,910	0	0	4,708,910
Cost of inventories recognized as expense	3,209,514	0	0	3,209,514
Depreciation of fixed assets	364,670	0	0	364,670
Subcontractors' Fees & expenses	2,339,584	0	0	2,339,584
Other third-party Fees & expenses	47,242,318	0	0	47,242,318
Insurance premiums	156,346	0	0	156,346
Rents	253,888	0	0	253,888
Repair/Maintenance work	10,504	0	0	10,504

Other third-party benefits	90,179	0	0	90,179
Taxes – Dues	76,447	0	0	76,447
Other sundry expenses	18,486,535	0	0	18,486,535
Total	**76,937,895**	**0**	**0**	**76,937,895**

	01.01.2021 - 31.12.2021			
(Amounts in €)	**Cost of Goods Sold**	**Distribution expenses**	**Administrative expenses**	**Total**
Salaries & other employee benefits	3,135,354	0	0	3,135,354
Cost of inventories recognized as expense	1,180,137	0	0	1,180,137
Depreciation of fixed assets	310,516	0	0	310,516
Subcontractors' Fees & expenses	25,838,584	0	0	25,838,584
Other third-party Fees & expenses	19,930,670	0	0	19,930,670
Insurance premiums	52,073	0	0	52,073
Rents	255,201	0	0	255,201
Repair/Maintenance work	8,359	0	0	8,359
Other third-party benefits	82,504	0	0	82,504
Taxes – Dues	88,373	0	0	88,373
Other sundry expenses	26,131,428	0	0	26,131,428
Total	**77,013,199**	**0**	**0**	**77,013,199**

26. Personnel Benefits

Benefits to Company personnel are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Salaries, wages and allowances	3,529,857	2,420,355
Social security costs	1,130,514	705,904
Employment termination compensation	48,539	9,095
Total	**4,708,910**	**3,135,354**

The number of Company personnel as at the reporting date is as follows:

	31.12.2022	**31.12.2021**
SALARIED PERSONNEL	84	51
LABOR (DAILY WAGE WORKERS)	41	19
	125	**70**

27. Other operating income and expenses

Other operating income and expenses of the Company are broken down as follows:

Other operating income

(Amounts in €)	**31.12.2022**	**31.12.2021**
Gains from Foreign Exchange Differences	9,044	19,227
Income brought forward	7,898	16,275
Other	0	58
Total	**16,943**	**35,560**

Other operating expenses

(Amounts in €)	**31.12.2022**	**31.12.2021**
Losses from Foreign Exchange Differences	4,061	8,443
Provision for bad debts	684,385	0
Loss from the sale of fixed assets	1,689	0
Other operating expenses	30,980	132,890
Real estate tax and other taxes	3,382	4,730
Total	**724,497**	**146,064**

28. Financial Income and Expenses

Financial income and expenses of the Company are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Financial Income		
Bank interest	2	4
	2	**4**

Financial Expense:	**31.12.2022**	**31.12.2021**
Discounting of Liabilities for personnel retirement benefits	264	319
Other financial expenses	5,934	1,666
Bank loans	38,389	20,629
Financial Leases	14,315	15,803
Other Banking Expenses	14,802	15,114

Total	**73,704**	**53,531**

29. Income Tax

The Company's income tax is broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Tax for the reporting period	(1,181,548)	(516,423)
Deferred tax	365,777	102,357
Total	**(815,771)**	**(414,066)**
Earnings before tax	**683,110**	**1,363,895**
Tax Rate	0.22	0.22
Tax calculated at the statutory tax rate	(150,284)	(300,057)
Deferred tax revaluation	0	(32,151)
Non-Deductible Expenses	(1,460,773)	(1,048,126)
Other	795,287	966,267
Effective Tax Charge	**(815,771)**	**(414,066)**

30. Earnings per share

Basic earnings per share (in Euros per share) are as follows:

	31.12.2022	**31.12.2021**
Earnings before tax	683,110	1,363,895
Income tax	(815,771)	(414,066)
Profit/Loss after tax	**(132,661)**	**949,828**
<u>Other comprehensive income</u>		
Revaluation of liabilities for personnel benefits	3,607	(8,330)
Deferred tax on revaluation	(794)	1,133
Total comprehensive income after tax	**(129,848)**	**942,632**
Weighted average number of outstanding shares	3600	3600
Basic earnings/Losses per share (Euro/share)	**(36)**	**262**

Basic earnings per share are calculated by dividing profit or loss attributed to the holders of ordinary shares in the Company by the weighted average number of ordinary shares outstanding during the accounting period.

Moreover, Management decided that no dividend shall be distributed to the shareholders in order to secure liquidity for the Company and enable it to renew part of its mechanical equipment and meet the requirements of projects to be undertaken.

31. Adjustments to Cash Flows

The table below sets forth the adjustments made on the Cash Flows of the Company for the following:

(Amounts in €)	**12 months to 31 Dec 2022**	**12 months to 31 Dec 2021**
Depreciation of tangible fixed assets	23,527	19,250
Depreciation of leases	341,143	291,266
Provision for personnel compensation	737,549	8,224
Tax	(815,771)	414,066
Interest received	(2)	(4)
Total adjustments to Profit for Cash Flows	**360,149**	**786,334**

32. Leases

Leases are recognized in the Statement of Financial Position as a right-of-use asset and a lease liability on the date the leased asset becomes available for use.

Recognized right-of-use assets relate to the following asset categories and are shown in item “Right-of-use assets”:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Right-of-use buildings	372,467	255,521
Right-of-use transportation equipment	153,098	145,859
Right-of-use assets	**525,565**	**401,381**

(Amounts in €)	**Right-of-use buildings**	**Right-of-use transportation equipment**	**Total**
Balance as at 01.01.2021	**232,440**	**129,988**	**362,428**
Additions	145,297	184,921	330,218
Depreciation	(122,216)	(169,050)	(291,266)
Balance as at 31.12.2021	**255,521**	**145,859**	**401,380**
Additions	245,803	219,526	465,329
Depreciation	(128,856)	(212,287)	(341,143)
Balance as at 31.12.2022	**372,468**	**153,098**	**525,565**

The Company presents lease liabilities in items “Long-term lease liabilities” and “Long-term lease liabilities due in the next year” of the Statement of Financial Position. A breakdown of lease liabilities for the next years as well as the recognized right-of-use assets per asset category are presented below:

(Amounts in €)	**Liabilities for leased buildings**	**Liabilities for leased transportation equipment**	**Total**
Balance as at 01.01.2021	**132,572**	**247,256**	**379,828**
Additions	145,297	184,921	330,218
Payments	(130,624)	(176,043)	(306,667)
Financial cost	6,319	9,484	15,803
Balance as at 31.12.2021	**153,565**	**265,618**	**419,183**
Additions	245,803	219,526	465,329
Payments	(138,014)	-223,406	(361,419)
Financial cost	5,409	8,906	14,315
Other	107,958	-114,813	-6,855
Balance as at 31.12.2022	**374,721**	**155,832**	**530,553**

(Amounts in €) – 2022	**Up to 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease liabilities	196,804	309,007	0	50,810
Interest on financial lease liabilities	13,255	11,487	0	24,742
Net present value of the liability	**210,059**	**320,494**	**0**	**530,553**

(Amounts in €) – 2021	**Up to 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease liabilities	280,244	125,217	0	405,461
Interest on financial lease liabilities	8,995	4,727	0	13,721
Net present value of the liability	**289,239**	**129,944**	**0**	**419,183**

33. Transactions with related parties

Transactions with the following companies are realized on a purely commercial (arm's length) basis. ELEMKA has not engaged in any transaction of an unusual nature or scope that is material to it or to the companies and individuals closely associated with it and has no intention of engaging in such transactions in the future. None of the transactions contain special terms and conditions and no guarantee was given or received.

Amounts in €	**31.12.2022**	**31.12.2021**
Income from trading operations and the provision of services		
Parent company	61,728,700	54,727,076
Other related undertakings	5,013,318	6,885,984
Total	**66,742,018**	**61,613,061**
Purchases and compensation under the provision of services		
Parent company	490,113	413,126
Other related undertakings	0	36,077
Management executives	129,825	119,575
Total	**619,938**	**568,778**
Other receivables		
Subsidiaries	42,300	42,300
Other related undertakings	129,110	2,029,557
Management executives	503	591
Total	**171,914**	**2,072,447**

Trade receivables		
Parent company	11,902,428	10,740,827
Other related undertakings	2,499,280	1,369,944
Total	**14,401,709**	**12,110,771**

Trade liabilities and other liabilities		
Parent company	1,456,447	868,024
Other related undertakings	52,381	66,117
Management executives	67,088	36,077
Total	**1,576,069**	**970,217**

33.1 Transactions with key management executives

Benefits to Management are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Salaries and other short-term employment benefits	129,825	120,325
Employer's Contributions	14,305	21,514
	144,130	**141,839**

No loans have been granted to members of the Board of Directors or other management executives (or their families).

34. Commitments

Company commitments are as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Commitments under construction contracts		
Work yet to be completed (backlog)	7,248,604	47,581,565
Good Performance Guarantees provided	2,848,449	2,687,602
	10,097,053	**50,269,167**

35. Contingent Receivables - Liabilities

Information on contingent liabilities

There are no mortgages or registration of future mortgages or any other encumbrances on the fixed assets given as collateral for loans. The Company is involved in litigation in the capacity of plaintiff and in the capacity of defendant, however such litigation is not expected to have a material impact on the financial situation or in the operation of the Company.

Unaudited tax years

DROSCO HOLDINGS LIMITED	2015 through 2022
BRIDGE ACCESSORIES & CONSTRUCTION	2015 through 2022
ELEMKA SAUDI COMPANY	2019 through 2022

For FY 2011 through 2021 the Company was audited by Certified Public Accountants-Chartered Auditors pursuant to section 5 of art. 82 of Greek Law 2238/1994 and art. 65A, section 1, of Greek Law 4174/2013, and no material discrepancies were identified.

Pursuant to circular POL.1006/2016 the companies coming under the said special tax audit are not exempted from the statutory tax audit by the competent tax authorities.

For FY 2022 the audit by the Certified Public Accountants-Chartered Auditors for the purpose of obtaining a Tax Compliance Report is in progress. Management does not expect such audit, when complete, to reveal significant tax liabilities other than those booked and presented in the financial statements.

36. Risk management purpose and policies

The process followed in implementation of the corporate policy for the management of the risks to which the Company is exposed is as follows:

- assessment of the risks associated with the activities and operations of the Company;
- methodology planning and selection of the appropriate financial products for mitigating such risks, and
- application/implementation, in line with the procedure approved by Management, of the risk management process.

36.1 Financial risk factors

The Company is exposed to a limited range of financial risks. The standard risks to which the Company is theoretically subject to are market risks (changes in currency rates, interest rate, market prices), credit risk, liquidity risk and cash flow risk.

Further, it is also exposed to the risk of non-response or non-reliability in connection with the good performance of a supply or a project undertaken by its suppliers or subcontractors, respectively.

The risk management plan implemented by the Company is focused on addressing the risks associated with the good performance of works and the reliability and good delivery of supplies and, following these, credit risk is given priority followed by market risks.

Prior to engaging in the respective transactions, the approval of executives having authority to bind the Company towards counterparties is first obtained.

36.2 Market risk

Exchange risk

This risk has no significant impact on the operation of the Company given that its foreign currency transactions with clients & suppliers are not significant.

Price risk

The Company is exposed to fluctuations in the price of raw materials and other materials it purchases as well as in the price for services provided to it by third parties. It is also exposed to fluctuation in the value of its investment portfolio. The price risk in relation to investment in securities is limited, given that securities make up a very small part of the assets of the Company.

36.3 Credit risk

The credit risk to which the Company is exposed originates from a client's breach of the obligation to repay part or all of its debt within the contractually agreed time periods.

The Company engages primarily in transaction with major and creditworthy domestic firms of a high credit rating - on this basis, the credit risk is assessed as being limited.

The Company constantly tests its receivables, either separately or in groups. It is Company policy to only deal with highly reliable clients.

Management is of the opinion that its non-impaired financial assets are of satisfactory credit quality. None of the Company's financial assets have been the subject of credit security of any form (mortgage, pledge, etc.).

Assets exposed to credit risk as at the reporting date of the Statement of Financial Position are broken down as follows:

Amounts in €	31.12.2022	31.12.2020
Categories of financial risks		
Customers and other trade receivables	11,630,016	20,454,170
Cash and cash equivalents	1,601,000	237,789
Balance at year end	**13,231,016**	**20,691,959**

The above amounts of other trade receivables are not inclusive of unbilled receivables under construction contracts.

36.4 Liquidity Risk

The liquidity risk is kept low, by maintaining sufficient cash and unutilized bank credit lines. The Company manages its liquidity needs by closely monitoring its debts, liabilities as well as payments effected on a day-to-day basis. The risk of future cash flows (liquidity) is closely linked to the risk of good performance of a project or a supply given the cash burden that might arise in case of failure to fulfill the contractual terms.

Risk associated with the good performance of a project or a supply

Due to its longstanding experience, rigorous selection of partners and suppliers and their close monitoring through its Quality Control and Assurance department, the Company is not exposed to great risk as concerns the good performance of the projects and supplies awarded by it, and the Company is additionally safeguarded as against business partners-suppliers by requiring them to submit Bank Guarantees (Good Performance Guarantees, Supply Guarantees, etc.)

The maturity profile of financial liabilities as at 31 December 2022 is as follows:

	2022			
	Short-term		**Long-term**	
	within 6 months	**6-12 months**	**1 - 5 years**	**later than 5 years**
Short-term loans	668,678	0	0	0
Trade payables	10,977,760	0	0	0
Other short-term liabilities	8,762,028	0	0	0
Liabilities to related parties	0	0	2,139,037	0

Other long-term liabilities			2,476,834	
Total	**20,408,466**	**0**	**4,615,871**	**0**

The respective maturity profile of financial liabilities as at 31 December 2021 is as follows:

	2021			
	Short-term		**Long-term**	
	within 6 months	**6-12 months**	**1 - 5 years**	**later than 5 years**
Short-term loans	659,356	0	0	0
Trade payables	10,837,798	0	0	0
Other short-term liabilities	11,375,985	0	0	0
Liabilities to related parties	0	0	1,535,853	0
Total	**22,873,139**	**0**	**2,218,291**	**0**

36.5 Cash flow risk and risk of fair value changes due to interest rate changes

The operating income and cash flows of the Company are practically independent of changes in interest rates. The Company has no significant short-term or long-term loans on interest, and no significant interest-bearing investments.

Total borrowing by the Company amounts, as at 31 December 2022, to €668,678 and relates to short-term loans (working capital). (A detailed list of the short-term loans is given in section 20).

The following table presents the sensitivity of the period results and the Equity of the Company to a reasonable change in interest rate in the order of +0.5% or -0.5% (2021: ±0.5%). Changes in interest rates are estimated to move on a reasonable basis as per the recent market conditions.

Amounts in thousand Euros	**31.12.2022**		**31.12.2021**	
	0.50%	**-0.50%**	**0.50%**	**-0.50%**
Profit before tax	(3.3)	3.3	(1.6)	1.6
Net worth	(2.57)	2.57	(1.17)	1.17

Based on the above the risk of interest rates volatility is considered to be negligible.

36.6 Presentation of financial assets and liabilities by category

a) Risk associated with the good performance of a project or a supply

Possible risks that might arise from commercial partnerships of the Company is the risk of delay in the performance of projects undertaken and the imposition of penalties for breach of contractual terms.

Due to its longstanding experience, rigorous selection of partners and suppliers and close monitoring through its parent company, the Company is successful in mitigating any possible exposure to great risks associated with the good performance of works. The Company is safeguarded as against business partners-suppliers by requiring them to submit bank guarantees (good performance guarantees, supply guarantees, etc.).

b) Risks arising from geopolitical factors

The Company has, through its parent company, undertaken the execution of a project in Syria where there is a risk to the Company from geopolitical factors.

With regard to its activity in Syria, it is clear that the Company (through MYTILINEOS S.A.) has not assumed responsibilities and risks of an investor but rather those of a constructor. Nevertheless, the suspension of works over a period of time, the need to take highly increased protection measures, the extension of the presence of the Company in the Project, the increased freight and insurance premium prices and in general the particular circumstances under which the Project is currently being executed, all have considerably increased the project cost however not to an extent that would hinder performance, certainly expecting that the Company will be indemnified by the customer for all documented excess expenses suffered for reasons which are beyond the Company's responsibility.

36.7 Presentation of financial assets and liabilities by category

Financial assets and liabilities are broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Non current assets		
Investments in Subsidiaries & Affiliates	83,975	83,975
Other Long-term receivables	3,765,481	2,100,701
Total	**3,849,446**	**2,184,676**

Current assets		
Customers and other trade receivables	11,630,016	20,454,170
Cash and Cash Equivalents	1,601,000	237,789
Total	**13,231,016**	**20,691,959**
Current liabilities		
Short-term loans	668,678	659,356
Suppliers and similar liabilities	10,977,760	10,837,798
Total	**11,646,438**	**11,497,154**

Fair value hierarchy

The Company has adopted the amended IFRS 7 "Financial instruments: Disclosures". The revised text requires additional disclosures relating to the fair value of financial instruments and the liquidity risk. More specifically, under the said amendment, items in each category of financial instruments in the Balance Sheet, measured at fair value, must for disclosure purposes be classified in the following three levels, based on the type of inputs to the valuation technique used for fair value measurement:

- Level 1: quoted prices (unadjusted) in active markets;
- Level 2: inputs (other than those in level 1) that are directly or indirectly observable for the assets to be measured;
- Level 3: inputs resulting from the company's own estimation, since there are no observable market data (unobservable inputs).

In FY 2022 and 2021 the Company has not held financial instruments measured at fair value.

36.8 Capital Management purpose and policies

Management's primary objective in what concerns the management of the capital of the Company is to ensure that the Company is able to continue as a going concern. This is achieved via securing that its credit rating is maintained. Furthermore, special objectivs of the Company is also to ensure a satisfactory dividend return for its shareholders as well as the fulfilment of the terms of the contracts entered into with its counterparties.

The Company monitors capital in terms of its Net Debt. Net Debt in FY 2022 is broken down as follows:

(Amounts in €)	**31.12.2022**	**31.12.2021**
Total Equity	3,007,363	3,137,210
Less: Cash and Cash Equivalents	1,601,000	(237,789)
Total Debt	**1,406,363**	**2,899,421**
Total Equity	3,007,363	3,137,210
Plus: Loans	668,678	659,356
Total Capital Employed	**3,676,041**	**3,796,566**
Net Debt to Total Equity	**8/14**	**8/10**

37. Events after the reporting date of the Financial Statements

There are no events concerning the Company having occurred after the reporting date of the financial statements, which must be disclosed under the International Financial Reporting Standards (IFRS).

Athens, 08.03.2023

THE BoD CHAIRMAN	THE GENERAL MANAGER	THE HEAD OF FINANCIAL SERVICES
IOANNIS A. MYTILINAIOS	CHATZIPANAGIOTIDIS ANESTIS	PANAGIOTIS A. SGARDELIS
ID No. AN 046672	ID No. AM 097994	ID No. AH 116013
(Signed)	(Signed)	(Signed)

=======

True translation of the Greek document.
Meropi Kontopidou
Certified Translator in Greek and English
Reg. No. 061/Hellenic Ministry of Foreign Affairs

MEROPI KONTOPIDOU

Digitally signed by MEROPI KONTOPIDOU
Date: 2023.11.08 12:25:00 +02'00'