NEXANS HELLAS SINGLE MEMBER S.A.

ANNUAL FINANCIAL REPORT

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2019

- UNOFFICIAL TRANSLATION -

NEXANS HELLAS SINGLE MEMBER S.A.
Industrial Societe Anonyme
Companies Reg. No. 2176/06/B/86/06
General Commercial Registry No. 000282101000
Registered office: 15, Messoghion Avenue
GR-115 26 Athens

CONTENTS OF ANNUAL FINANCIAL REPORT

NEXANS HELLAS SINGLE MEMBER S.A.

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with Article 4(2)(c) of Law 3556/2007)

The undersigned: Athanasios Gavriil – Vice-Chairman of the Board of Directors & Managing Director
George Chryssomallis - Member of the Board

hereby declare by virtue of Article 4(2) (c) of Law 3556/2007) that:

- The attached annual Financial Statements that have been prepared in line with the applicable International Financial Reporting Standards give a fair view of assets and liabilities, equity and operating results of the Company for the period 01.01-31.12.2019.

- The attached annual Financial Report of the Board of Directors gives a fair view of the development, performance and position of the Company including a description of the principal risks and uncertainties it faces.

Athens, 16 September 2020

The Vice-Chairman of the Board of Directors & Managing Director Athanasios Gavriil

The Member of the Board: George Chryssomallis

NEXANS HELLAS SINGLE MEMBER S.A.

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS

(pursuant to the provisions of Codified Law 4548/2018 for the year from 01 January 2019 to 31 December 2019)

Ladies and Gentlemen shareholders,

We have the honour to present you the Annual Financial Report that refers to the 45th accounting period from 01.01.2019 to 31.12.2019 and includes the Financial Statements as at 31st December 2019, namely the Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Financial Statements together with this report and the statements of the Board of Directors, and to ask for your approval.

This report includes brief information on NEXANS HELLAS SINGLE MEMBER S.A., financial data aiming to provide general information about the financial position, results and changes that took place during 2019, as well as important events that took place during the same period and had an effect on the company's financial statements. This report describes the main risks and uncertainties which the company may face during the fiscal year 2020 and sets forth all the transactions carried out between the company and its related parties.

A) Business activity and financials in 2019.

Our company's business activity during 2019 was increased compared to 2018.

More specifically, at current metal prices, the sales of the year amounted to €99 million thus being increased by 2,7% compared to last year, while if we consider them at standard metal prices, the increase in sales volume reached 11% compared to 2018. In order to smooth out the effect of fluctuations in metal purchase price and present the actual development of sales, especially during periods marked by strong volatility in metal prices, the company adjusts the level of sales by using a fixed price for basic metals, i.e. copper and aluminium.

Turnover at current metal prices (Amounts to thousands of euros)					
	Dec-19	On the whole	Dec-18	On the whole	Variation
Domestic	45.228	45,6%	46.181	47,8%	-2,1%
International	53.915	54,4%	50.388	52,2%	7,0%
Total	**99.143**	**100,0%**	**96.569**	**100,0%**	**2,7%**

Turnover at fixed metal prices (Amounts to thousands of euros)					
	Dec-19	On the whole	Dec-18	On the whole	Variation
Domestic	29.439	41,9%	27.771	43,7%	6,0%
International	40.902	58,1%	35.841	56,3%	14,1%
Total	**70.341**	**100,0%**	**63.612**	**100,0%**	**10,6%**

During 2019, the company delivered a number of orders, the most important of which were the following:

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

Sales in the general domestic market, excluding sales to Public Utilities, were stable.

Company sales to HEDNO were increased while sales to OTE where slightly decreased.

Company sales to other Group companies were also increased significantly.

Exports beyond intra-group sales were stable.

It is a standard policy of the company to hedge the risks arising from the fluctuations in market metal prices, i.e. copper and aluminium, by directly linking the purchase price of these metals with the selling price to customers.

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

1. the creation of safe working conditions especially due to the COVID-19 pandemic and always in accordance with the guidelines of the competent health institutions
2. improving the competitiveness of its products by applying new methods and procedures to production and overall operations,
3. maintaining its share in the markets where it operates and the dynamic management of its activities,
4. increasing exports in order to counterbalance any losses incurred in the domestic market.

Corporate facilities:

- Registered office: 15, Messoghion Av. – GR-115 26 Athens
- Lamia plant: Aghia Marina, GR-353 00 Stylida, Fthiotida
- Athens Branch: 21, Bihaki St., GR-182 33 Agios Ioannis, Rentis
- Thessaloniki Branch: 12, Fragkon St., GR-546 26 Thessaloniki

In addition, the company maintains collabotration with a distributor in Crete, Iraklio industrial zone (4th building block), I Street, GR-716 01.

During 2018, the machinery and building premises of our plant in Lamia (Aghia Marina) performed satisfactorily. Furthermore, the company’s branches in Athens (Rentis) and Thessaloniki maintained their high level of customer service.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

OPERATIONS

In 2019, the sales of the company at current metal prices amounted to €99 million in comparison with €97 million in 2018.

The loss before interest, taxes, depreciation, and amortization for 2019 amounted to €1,5 million while for 2018 it amounted at € 2,8 million.

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

Economic measures	**Dec-19**	**Dec-18**
Sales at current metal prices	99.143	96.569
Sales at constant metal prices	70.341	63.612
Net profit before Taxes, Interest and Depreciation	-1.471	-2.813
Percentages on sales at constant metal prices	-2,1%	-4,4%
Operating margin (Losses) / Profit before Interest and Taxes	-3.154	-4.205
Percentages on sales at constant metal prices	-4,5%	-6,6%
(Net losses) / Net profit before taxes	-4.608	-4.876
Percentages on sales at current metal prices	-4,6%	-5,0%
Percentages on sales at constant metal prices	-6,6%	-7,7%

FINANCIAL RATIOS

The company, like every year, made every possible effort given the conditions in order to perfectly coordinate its services involved to minimize the time between receiving an order, completing the production process and sending it to the customer.

The speed of Stock Movement in days in December 2018 was 45 while in December 2019 it ranged at 47.

The speed of Receivables Collection in days in December 2018 was 72 while in December 2019 it ranged at 86.

Numerical indicators	**Dec-19**	**Dec-18**
Liquidity (Current assets / Current Liabilities)	1,20	2,16
Capital available (Foreign capital / equity)	1,09	0,49
Stock movement speed in days (Inventories / Sales Costs)/365days	45	43
Return on Equity (Net Profits / Equity)	-12,4%	-11,9%
Receivables Collection Speed in days (Receivables / Sales)x365days	78	64

SOCIAL RESPONSIBILITY – ENVIRONMENT – HEALTH & SAFETY

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

Labour Standards: The first priority of Nexans Hellas is to ensure a working environment with the highest specifications of Health and Safety. The plant employs a Safety Engineer and an Occupational Physician, while the "Labour Health and Safety Committee" consisting of employee representatives performs its duties regularly. The company has made significant investments aimed at improving safety and health in the work place, while workers participate in training programmes on health and safety matters. The company is certified for health and safety management according to OHSAS 18001. We have adopted and implement at a local scale our Group's 15 Golden Safety Rules and we organise a Safety Day every year.

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

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

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

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

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

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

RISK MANAGEMENT

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

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

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

- **Risks associated with macroeconomic conditions**

Any adverse developments in the overall economic conditions in Greece and the uncertainty arising from the Greek fiscal circumstances and political instability have negatively affected the company and may eventually continue to have an adverse impact on the company's business activities, economic results and outlook.

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

Greece has faced and continues to face major fiscal challenges and structural deficiencies in its economy which have caused serious worries in the past.

Moreover, risks arise from the economic environment established from the above facts, the most important of which concern the liquidity of the financial system and business entities, the collectability of their receivables, performance of their existing loan liabilities and/or the fulfilment of terms and the respective financial ratios, the recoverability of deferred tax assets, valuation of financial instruments, adequacy of provisions and capability to ensure the smooth operation of business entities.

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

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

- **Price fluctuation risk**

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

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

A) sales based on confirmed customer orders;

B) sales based on provisions for the domestic market which amounted to 20% of total sales in 2018.

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

These contracts have different maturity dates, depending on the date of the expected purchase of such metals. The valuation of the company's open positions on 31 December 2019 and 31 December 2018 is as follows (amounts in thousand €):

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

31 December 2019

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

31 December 2018

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Aluminium	Sale	(300)	(513)	(481)	32
			(513)	**(481)**	**32**
Copper	Buy	700	3.752	3.631	(121)
Aluminium	Buy	225	389	361	(28)
			4.141	**3.992**	**(149)**
Total			**3.628**	**3.511**	**(117)**

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

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

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

In the year ended 31 December 2019, 55% of sales and 55% of receivables of the company were channelled into exports. Some countries run a greater risk in terms of eventual social and political destabilisation, international conflicts, government interventions, changes in regulatory requirements, unfavourable treatment of foreign companies, terrorist attacks, natural disasters and eventual pandemics for which they lack the necessary resources to deal with emergencies.

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

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

Distributors and retailers account for a considerable part of the company's sales (2019: 23%). Such distributors and retailers are under no contractual obligation to distribute the company's products on an exclusive basis or for a specific period of time. Therefore, said distributors and retailers may decide to purchase competitive products or cease to promote the company's products at any time. Any simultaneous loss of major distributors or retailers could have significant adverse effects on the company's capacity to approach end users and may also impact negatively its business results. Moreover, any eventual liquidity problems of one or more major distributors or retailers could have a negative effect on the company's sales and also generate significant credit risk.

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

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

- **Credit Risk**

The company is exposed to the credit risk of customers and commercial partners and to their financial capacity to pay timely their liabilities.
Trade receivables are broken down as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31/12/2019	31/12/2018
Domestic customers	11.170	8.686
Foreign customers	5.793	4.718
Receivables from affiliated parties	6.445	5.134
Cheques receivable (post-dated)	1.111	1.710
	24.519	**20.248**
Less: provisions for doubtful debts	(1.168)	(1.111)
Total	**23.351**	**19.137**

On 31 December 2019, promptly serviced trade receivables amounted to €17.501 (€18.533 for 2018). As for the receivables remaining open beyond credit limits over 30 days, a statistic provision for doubtful debts is set up depending on the age of the receivable. On 31 December 2019, the amount of the said receivables came to €7.018 (€1.715 for 2018) and the respective provision to €1.168 (€1.111 for 2018). The total amount of receivables also includes receivables that are past due, but are not considered as doubtful. The Group conducts provisions for doubtful receivables in relation to specific customers when there is information or indications that imply that the collection of the relevant receivable overall or by part is not likely. The company's Management carries out a periodic re-evaluation of the adequacy of the provisions regarding doubtful receivables, in combination with its credit policy and taking into account data from the Legal Department, which arise from processing historical data and recent developments on cases such Department manages and further adjusts the provision already raised for doubtful debts.

These receivables per maturity are broken down as follows:

	31.12.2019	31.12.2018
30-60 days	3.291	39
60-90 days	969	29
90 + days	2.657	1.546
Sub total	6.917	1.614
Cheques receivable (post dated)	101	101
Total	**7.018**	**1.715**

The provisions for doubtful debts for the period ended on 31 December 2019 are broken down as follows:

1 January 2018	1.249
Deletions of period	(199)
Additional Provision	94
Reversal in the statement of results	(33)
31 December 2018	**1.111**
Adjusted balance 31 December 2018	**1.111**
Deletions of period	-
Additional Provisions of period	57
Reversal posting in statement	-
31 December 2019	**1.168**

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

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

Nevertheless, any negative financial results of customers and commercial partners or their negative assessments about their future income may result in them

not paying in good time, paying in part or not paying at all their liabilities in order to seek a renegotiation of the contractual terms, or even withdraw from the company's commercial network, all of which could lead to an eventual drop in the company's income and impact adversely its financial results.

- **Interest rate fluctuation risk:** The company had been receiving on an exclusive basis short-term financing from the affiliated company Nexans Services, in order to meet its current needs for working capital.

The said short-term financing from the affiliated company Nexans Services was provided at a borrowing rate established on the basis of a mix of ratios and factors including the interest rate of the Greek 10-year Treasury Bond, German 10-year Government Bond and Euribor rate so as to be adapted to the country risk applying in different periods.

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

- **Liquidity risk**: Liquidity risk is dealt with by ensuring adequate cash and cash equivalents, availability of sufficient financing and by the capacity to close open positions. Due to the dynamic nature of the activities, the cash management department aims at flexible financing through authorised credit lines. The contractual maturity dates of trade and other receivables and loans refer to a period less than one year. It is also stressed that the share capital increase has helped minimise the liquidity risk.

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

Fair values of derivatives are based on market valuation.

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

Amounts in thousand Euros

	31/12/2019	31/12/2018
Total loans	13.919	4.901
Less: cash	(3.578)	(2.383)
Net debt	**10.341**	**2.518**
Total equity	33.062	37.255
Total capital	**43.403**	**39.773**
Leverage ratio	24%	6%

ORDERS

Orders backlog as at the end of 2019 amounted to €38 million, compared to the amount of €23 million at 2018 year-end. It is stressed that this backlog amount does not take into account the sales which are made over the counter.

INVESTMENTS

The value of the company's investments in fixed assets in 2019 amounted to €9.393 compared to €1.800 in 2018. In 2019 the depreciation amounted to €1.479.

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

It is noted that the company has made a significant investment in the fiber industry as analyzed in the chapter "Subsequent events".

EXPENSES FOR RESEARCH, DEVELOPMENT, SALES PROMOTION AND OTHER SERVICES

Our company participates constantly in Nexans Group's Research & Development programmes. Research & Development are related to the promotion of new products and to the improvement of existing products in terms of both quality and technical capabilities. R&D concern also new techniques and production methods to increase productivity and introduce the use of new environment friendly materials.

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

The contribution for the participation of Nexans Hellas in these global Research & Development activities and the expenses for product promotion and services for 2018 amounted to €1.493.

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

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

TREASURY STOCK

On 31.12.2019 there was no treasury stock.

PERSONNEL

The company's total workforce on 31 December 2019 was 262, same as at the end of 2018. As a whole, there were 20 departures and 20 new employees were hired during the financial year. Particularly note the positive balance in the employment of Nexans Hellas, at a time of sharp rise of unemployment throughout Greece.

PROPERTIES

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

IMPORTANT EVENTS

Delisting

On 18 October 2018, the company's shareholder - Nexans Participations launched a public offering procedure to acquire all the company's shares which it did not hold, directly or indirectly, on the public offering date, namely 2.627.691 shares which accounted for 11,43% of the company's total paid-up share capital and voting rights.

On the Public Offering Date, Nexans Participations held directly 20.369.184 shares which accounted for approximately 88,57% of the company's total paid-up share capital and voting rights.

That procedure was completed and on 9.4.2019 Nexans Participations was recorded in the Dematerialised Securities System (DSS) as owner of 100% of the company's total paid-up share capital and voting rights. The company's shares are not traded in the stock exchange since 2.4.2019. With the decision of the Hellenic Capital Market Commission of 28 June 2019 for the delisting from the Athens Stock Exchange of the shares of the company "NEXANS HELLAS SA", in accordance with the provisions of article 17 par. 5 of law 3371/2005, the shares were removed from its trading systems, on Monday, July 1st, 2019.

SUBSEQUENT EVENTS

1) COVID-19

In early 2020, there was a global outbreak of COVID-19 which brought changes in global supply and demand, including Greece and other countries in which the company operates. The impact of the spread of COVID-19 on the financial statements is a non-corrective event after the balance sheet date of 31 December 2019.

Uncertainty in the macroeconomic and financial context and the volatile business environment are a risk factor that the company constantly evaluates. At the same time, the situation that is developing both globally and in Greece in society and the economy, as a result of the COVID-19 pandemic, is an additional risk factor, which may have an impact on the future results and course of the company.

The overall impact of the pandemic on the economies of the countries in which the company operates, as well as the duration of the recession and the restrictive measures taken on a case-by-case basis, remain uncertain. At the same time, governments, both at the national level and in the European Union as a whole, have taken significant steps to support local economies and reduce the potential for recessionary risks.

The decline in demand in the general internal market for power cables was offset by increased sales volumes to electricity providers for medium voltage power cables.

The company’s management has formed a grid of actions, which have already been implemented in all areas of operation, such as: Health and safety (according to the instructions of the health authorities), personnel management, production, supply chain, business cycle, liquidity , to address potential risks in these functional areas.

At the same time regarding the level of liquidity, the company has taken additional measures to maintain the necessary, based on the conditions, level of liquidity and has increased the level of daily monitoring of liquidity and the overall trading cycle.

The reduction of inventories, the use of banking financial instruments for the timely and guaranteed collection of trade receivables are some of the measures taken by the company.

The return to economic stability depends to a large extent on the duration of the pandemic and on the actions and decisions of governments in Greece and abroad.

Management is constantly assessing the situation and its potential impact, in order to ensure that all necessary and possible measures and actions are taken in time to limit the potential impact on the company's activities, to date the financial impact associated with the pandemic can not be assessed. reliable and reasonable.

There are no further events as of December 31, 2019 that could materially affect the Company's financial position or results for the year ended on that date or events that should be disclosed in its financial statements.

2) Investment of a new fiber optic cable production line

The company with the support of the group completed a significant investment of 10M € which concerns the construction of a new unit for the production of fiber optic cables with state-of-the-art machinery and mainly environmentally friendly.

Customers will be the domestic market but mainly the provision of telecommunications abroad.

This investment is another practical action of the group's trust in our company.

SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In addition to the subsidiaries and associated companies, Management members and executives are considered to be related parties within the meaning of IAS 24. The transactions, income and expenses with related parties for the period 01.01.2019 to 31.12.2019 as well as the balances of their receivables and liabilities on 31.12.2019 are broken down in the table below.

Amounts in thousand Euros - At current metal prices

Income (Sales of goods)	**01/01-31/12/2019**
Other related parts	40.068
Total	**40.068**
Income (Sales of services)	
Other related parts	-110
Total	**-110**
Expenses (Purchases of goods)	
Other related parts	39.850
Total	**39.850**
Expenses (Purchases of services)	
Other related parts	2.021
Total	**2.021**
Financial expenses	
Other related parts	34
Total	**34**
Benefits to the Management	
Remuneration for the members of the Board	227
Total	**227**

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

Amounts in thousand Euros - At current metal prices

Requirements from related parties	**31/12/2019**
Other related parts	6.449
Liabilities to related parties	
Other related parts	17.007

RESULTS - CONCLUSIONS

Ladies and Gentlemen shareholders,

We present to you the Financial Statements of Nexans Hellas S.A. for the financial year 2019. These Financial Statements have been drawn up in accordance with the International Financial Reporting Standards, as adopted by the European Union.

The results of NEXANS HELLAS S.A. for the year ended on 31.12.2019 are as follows:

	EUR Million - 2019
* Sales	99,1
* Losses before taxes	4,6
* Net losses	4,1

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

Athens, 16 September 2020
The Board of Directors

NEXANS HELLAS SINGLE MEMBER S.A.

ANNUAL FINANCIAL REPORT

ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2019

NEXANS HELLAS SINGLE MEMBER S.A.
Industrial Société Anonyme
Companies Register No. 2176/06/B/86/06
Companies General Commercial Registry No. 000282101000
Registered office: 15, Messoghion Av. – GR-115 26 Athens

CONTENTS OF ANNUAL FINANCIAL STATEMENTS

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

NEXANS HELLAS S.A.
ANNUAL FINANCIAL STATEMENTS

INCOME STATEMENT
FOR THE YEAR JANUARY 1st TO DECEMBER 31st 2019

	Notes	1/1-31/12 2019	1/1-31/12 2018
INCOME:			
Net sales		99.143	96.569
Cost of goods sold	5	(96.653)	(95.141)
Gross profit		**2.490**	**1.428**
Administrative and selling expences	6	(5.254)	(5.366)
Impairment of trade receivables	13	(57)	(61)
Other income/ (expences)		(333)	(206)
Operating profit / (loss)		**(3.154)**	**(4.205)**
Financial income / (expences)	7	(612)	(293)
Net financeial result		**(612)**	**(293)**
Net income/ (loss) from FX differences		(842)	(378)
PROFITS / (LOSS) BEFORE TAX		**(4.608)**	**(4.876)**
Income taxes	8	520	449
NET INCOME/ (LOSS) AFTER TAX		**(4.088)**	**(4.427)**
Attributable to:			
Shareholders of the company		**(4.088)**	**(4.427)**
OTHER INCOME			
Acturial profit / (loss) after deferred taxes		(104)	(56)
TOTAL OTHER INCOME		**(104)**	**(56)**
TOTAL OTHER INCOME OF PERIOD		**(4.192)**	**(4.483)**
Attributable to:			
Shareholders of the company		**(4.192)**	**(4.483)**
Earnings / (Losses) per share (in Euro)			
Basically		(0,1778)	(0,1925)
Average weighted number of shares			
Ordinary shares		22.996.875	22.996.875

The accompanying notes on pages 25-68 are an integral part of the financial statements.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

NEXANS HELLAS S.A.
ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET
31 DECEMBER 2019

	Notes	31 December 2019	31 December 2018
ASSETS			
Long - term assets			
Tangible fixed assets	9	26.700	19.260
Assets with right of use	11	344	0
Intangible fixed assets	10	81	0
Other long-term receivables		70	222
Deferred tax income	8	1.594	1.054
Total long - term assets		**28.789**	**20.536**
Current assets:			
Stoks	12	12.491	11.389
Trade receivables	13	23.351	19.137
Advance payments and other receivables	14	926	1.918
Derivatives	21	1	68
Cash	16	3.578	2.383
Total current assets		**40.347**	**34.895**
TOTAL ASSETS		**69.136**	**55.431**
EQUITY AND LIABILITIES			
Eqity			
Share capital	17	28.746	28.746
Share Premium	17	3.085	3.085
Retained Earnings		(11.585)	(7.393)
Reserves	18	12.816	12.816
Total equity		**33.062**	**37.254**
Long term liabilities:			
Rensions reserve	20	2.135	2.012
Total long - term liabilities		**2.311**	**2.012**
Short-term liabilities:			
Suppliers	23	16.226	7.249
Derivatives	21	300	217
Short-term loans	24	13.919	4.901
Accued and other short-term liabilities	25	2.876	2.984
Provisions	22	269	814
Total short-term liabilities		**33.763**	**16.165**
TOTAL LIABILITIES AND EQUITY		**69.136**	**55.431**

The accompanying notes on pages 25-68 are an integral part of the financial statements.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

NEXANS HELLAS S.A.
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2019

	Attributable to the company's shareholders				
	Share capital	**Share premium**	**Reserves**	**Retained earnings**	**Total Equity**
Balance as at 1 January 2019	**28.746**	**3.085**	**12.816**	**(7.393)**	**37.254**
Change in accounting policy (Note 2)	**0**	**0**	**0**	**0**	**0**
Adjusted balance as at 1 January 2019	**28.746**	**3.085**	**12.816**	**(7.393)**	**37.254**
Profit / (loss) after taxes	0	0	0	(4.088)	**(4.088)**
Other income	0	0	0	(104)	**(104)**
Total Other Income of Period	**0**	**0**	**0**	**(4.192)**	**(4.192)**
Balance as at 31 December 2019	**28.746**	**3.085**	**12.816**	**(11.585)**	**33.062**

STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2018

	Share capital	**Share premium**	**Reserves**	**Retained earnings**	**Total Equity**
Balance as at 1 January 2018	**28.746**	**3.085**	**12.816**	**(2.854)**	**41.793**
Profit/(loss) after taxes	0	0	0	(4.427)	**(4.427)**
Other income	0	0	0	(56)	**(56)**
Total Other Income of Period	**0**	**0**	**0**	**(4.483)**	**(4.483)**
Balance as at 31 December 2018	**28.746**	**3.085**	**12.816**	**(7.393)**	**37.254**

The accompanying notes on pages 25-68 are an integral part of the financial statements.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

NEXANS HELLAS S.A.
CASH FLOW STATEMENT
FOR THE YEAR JANUARY 1st TO DECEMBER 31st 2019

	Notes	31 December 2019	31 December 2018
Cash flow from operating activities			
Net Income before tax		(4.608)	(4.876)
Plus/ (Less) adjustments for:			
Depreciation	5	1.479	1.392
Depreciation of assets with the right to use		204	0
Deletions of fixed assets		350	0
Provisions		(342)	639
Foreign exchange differences customers/vendors		(113)	100
(Profit) / Loss of assets sales		0	149
(Profit) /(Loss,Income,Expences) from investing activities	8	(12)	(15)
Interest charges and related expences	8	624	308
(Profit) / Loss from derivatives valuation		151	143
Operating profit / (Loss) before changes in working capital		**(2.267)**	**(2.160)**
Decrease/ (increase) in stocks		(1.062)	476
Decrease/ (increase) in receivables		(3.065)	73
(Decrease) / increase in liabilities (excl. loans)		8.868	(3.141)
Less:			
Interest charges and related expences paid		(505)	(309)
Indemnities paid	19	(187)	(33)
Cash inflows from operating activities (a)		**1.782**	**(5.094)**
Cash flow from investing activities:			
Purchase of intangible and tangible fixed assets	10,11	(9.474)	(1.800)
Proceeds from sales of tangible and intangible fixed assets		123	0
Interests received		12	15
Cash outflows from investing activities (b)		**(9.339)**	**(1.785)**
Cash flow from financial activities			
Proceeds from issued / undertaken loans		8.899	4.900
Repayments of liabilities from financial leases (amortization)		(199)	0
Cash outflows from financial activities ©		**8.700**	**4.900**
Net increase/ (decrease) in cash and cash equivalents (a)+(b)+©		**1.143**	**(1.979)**
FX differences on cash items		52	(50)
Cash at the beginning of the period		2.383	4.412
Cash at the end of the period	16	**3.578**	**2.383**

The accompanying notes on pages 25-68 are an integral part of the financial statements.

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1 COMPANY PROFILE:

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

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

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

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

French Nexans Participations is the ONLY shareholder with a stake of 100%.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting principles used in the preparation and presentation of the Annual Financial Statements comply with those used in the preparation of the company's financial reporting on 31 December 2018. The Financial Statements have been posted on the company's website, www.nexans.gr.

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

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

2.2 **Comparative information and rounding up/down:** Certain comparative items were reclassified to become comparable with the corresponding items of the current year. Any differences in amounts referred to in the financial statements and respective amounts in the notes resulted from rounding up/down.

2.3 **Approval of Financial Statements:** On 16 September 2020, the Board of Directors of NEXANS Hellas S.A. approved the annual financial statements for the period ended on 31 December 2019, which are subject to approval by the Ordinary General Shareholders Meeting of the company that will be held as prescribed by the law.

2.4 ***New standards, amendments to standards and interpretations:*** Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 16 'Leases'

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 9 (Amendments) 'Prepayment Features with Negative Compensation'

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

IAS 28 (Amendments) 'Long term interests in associates and joint ventures'

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

IFRIC 23 'Uncertainty over income tax treatments'

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) 'Plan amendment, curtailment or settlement'

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

IFRS 3 'Business combinations'

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 'Joint arrangements'

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 'Income taxes'

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 'Borrowing costs'

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 3 (Amendments) 'Definition of a business' (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) 'Definition of material' (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

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

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

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

3. MAIN ACCOUNTING PRINCIPLES:

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

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

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

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

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

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

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

Category	Annual percentage
Buildings	2,5%-5%
Machinery and equipment	3%-10%
Vehicles	20%
Furniture and other equipment	20%-33%

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

3.5 **Inventories:** Inventories are valued at the lower between cost and net realisable value. The cost of finished and semi-finished products includes all expenses incurred in bringing the inventories to their present location and condition and comprises raw materials, labour cost, general industrial expenditure (based on proper operating capacity without including any borrowing costs) and packaging. The cost of raw materials and finished products is fixed on the basis of weighted average quarterly cost formula. Net realisable value of finished goods is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value of raw materials is equal to the estimated replacement cost in the company's ordinary course of business. A provision for slow-moving or obsolete inventories is set up when necessary.

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

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

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

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

3.9 **Borrowing costs:** Borrowing costs are recognised as an expense when incurred.

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

Contract assets

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

Revenue from the sale of cables and products is recognized when control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the customer's acceptance of the good. In cases where the relevant selling price is subject to adjustments related to fluctuations in the stock market price, the income is subject to conventional positive or negative adjustments, for which provision is made in the results of the year (net sales) and in transitional accounts of the asset. of liabilities respectively, until their final settlement. Any differences between the revaluations that have been accounted for as provision and the final settlement are recorded in the results of the year in which the settlement takes place.

The claim is recognized when there is an unconditional right of the entity to receive the price for the performed obligations of the contract to the client. The contractual asset is recognized when the company has fulfilled its obligations to the customer, before the customer pays or before payment becomes due. Payment is usually required between 30 - 90 days. The contractual obligation is recognized when the company receives a price from the customer (advance payment) or when it retains the right to a price which is unreserved (deferred income) before the performance of the contract obligations and the transfer of goods or services. The contractual obligation is derecognised when the obligations of the contract are fulfilled and the income is recorded in the income statement.

Interest

Interest income is recognised on an accrual basis.

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

3.12 **Provisions for employee benefits**

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

Past service cost is directly recognised through profit or loss.

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

Actuarial gains and losses which arise from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period they are incurred.

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

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

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

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

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

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

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

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

3.14 **Operating leases:** Operating leases are those in which the lessor keeps all the risks and rewards incident to ownership of the fixed asset. Operating lease payments are recognised in the income statement as an expense on a straight-line basis over the lease term.

Lease accounting by the lessee

The company applies a single identification and measurement approach to all leases (excluding short-term leases). The Company recognizes lease liabilities for lease payments and usufruct assets that represent the right to use the underlying assets.

i. Assets with right of use

The company recognizes the assets with the right of use at the start date of the lease term (ie the date that the underlying asset is available for use). Eligible assets are measured at cost less any accumulated depreciation and impairment losses and are adjusted based on any recalculation of the lease liability. The cost of eligible assets consists of the amount of the lease liability recognized, the initial direct costs and any rents paid at the commencement date of the lease term or earlier, less any lease incentives received. Eligible assets are depreciated on a straight-line basis over the shortest period of time between the lease term and their useful life.

If the ownership of the leased asset is transferred to the company at the end of the lease term or if its cost reflects the exercise of the right of purchase, depreciation is calculated according to the estimated useful life of the asset.
The company has contracts for the lease of means of transport and other equipment used in its activities. Lease agreements can contain leasing and non-leasing elements. The company has chosen not to separate the non-leasing parts of the contract from the elements of the lease and therefore treats each element of the lease and any related non-leasing parts as a single lease.

Assets with the right to use are subject to an impairment test as described in accounting policy "2.9 Impairment of Non-Financial Assets".

ii. Liabilities from leases

At the commencement date of the lease, the company measures the lease liability at the present value of the leases to be paid during the lease. Leases consist of fixed rents (including substantially fixed rents) less any lease incentives receivable, floating rates that depend on an index or interest rate, and amounts expected to be paid under residual value guarantees. Leases also include the exercise price of the lease if it is rather certain that the company will exercise that right and the payment of a lease termination clause if the lease term reflects the exercise of the right of termination. To discount the rents, the company uses the differential lending rate of the company as the imputed lease rate can not be easily determined.

After the date of commencement of the lease, the amount of the lease liability increases based on the interest on the lease and decreases with the payment of the leases. In addition, the carrying amount of the lease liability is revalued if there are revaluations or modifications to the lease.

Lease accounting by the lessor

When assets are leased under finance leases, the present value of the leases receivable is recognized as a receivable. The difference between the gross amount of the receivable and the present value of the receivable is recognized as Non-accrued financial income.

When assets are leased under operating leases, they are presented in the statement of financial position according to the nature of each asset. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. An analysis of the company's leases is included in Note 11, while the effect from the first application of the standard to the company is described in Note 3.23

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

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

3.17 **Financial Instruments**

Financial assets

Initial recognition and measurement

The company measures the financial assets initially at fair value adding transaction costs. Trade receivables are initially measured at transaction price as defined in IFRS 15. Financial assets with embedded derivatives are considered in their entirety when investigating whether their cash flows are merely the payment of capital and interest. In accordance with the provisions of IFRS 9, debt securities are subsequently measured at amortized cost, or at fair value through other comprehensive income, or at fair value through profit or loss. The classification is based on two criteria: a) the business model for managing financial assets and b) the contractual cash flows of the instrument, if they represent "capital and interest payments only" (SPPI criterion) on the outstanding balance.

Subsequent measurement

Following initial recognition, financial assets fall into three categories:

- at amortized cost
- at fair value through other comprehensive income
- at fair value through profit or loss

The company does not have assets that are valued at fair value through other comprehensive income or assets that are valued at fair value through profit or loss as of December 31, 2019.

Financial assets that are carried at amortized cost are subsequently valued using the effective interest method (EIR) and are subject to impairment testing. Gains and losses are recognized in profit or loss when the asset ceases to be recognized, modified or impaired.

Cease of recognition of a financial asset

The company ceases to recognize a financial asset when and only when the contractual rights to the cash flows of the financial asset expire or it transfers the financial asset and the transfer qualifies for write-off.

Reclassification of financial assets

Reclassification of financial assets is carried out in rare cases and is due to a decision of the company to modify the business model it applies to the management of these financial assets.

Reduction

The company recognizes impairment provisions for expected credit losses on all financial assets. Expected credit losses are based on the difference between conventional cash flows and all cash flows the company expects to receive. The difference is discounted using an estimate of the original real interest rate of the financial asset. For trade receivables, the company applied the simplified standard approach and calculated the expected credit losses based on the expected credit losses for the entire life of these items.

For the remaining financial assets, the expected credit losses are calculated based on the losses of the next 12 months. Expected credit losses over the next 12 months are a portion of the expected credit losses over the life of the financial assets, arising from the possibility of default on an item within the next 12 months from the reporting date. In the event of a significant increase in credit risk from initial recognition, the impairment provision will be based on the expected credit losses over the life of the asset.

Financial liabilities

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are initially measured at fair value less transaction costs, in the case of loans and payables. For later measurement purposes, financial liabilities are classified as financial liabilities at amortized cost. Loans are classified as current liabilities unless the company has the final right to defer repayment for at least 12 months after the balance sheet date. Bank overdrafts are included in short-term borrowing on the balance sheet and in investment activities in the cash flow statement.

Derecognition of financial liabilities

A financial liability is written off when the liability arising from the liability is canceled or expires. When an existing financial liability is replaced by another of the same lender but under substantially different terms, or the terms of an existing liability are substantially modified, that exchange or amendment is treated as a derecognition of the original liability and recognition of a new liability. The difference in the respective book values is recognized in the income statement.

Offsetting financial receivables and payables

Financial liabilities and liabilities are offset and the net amount is reflected in the statement of financial position only when the company has a legal right to do so and intends to offset them on a net basis or to claim the asset and settle the liability at the same time. The legal right must not depend on future events and must be enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy of the company or counterparty.

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

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

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

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

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

While certain derivatives are classified as effective hedging instruments according to corporate policies, they do not have the characteristics required for hedge accounting pursuant to the provisions of IAS 39 and, therefore, the profits or losses arising from changes in the fair value of such instruments are posted directly to the period's results. This is the kind of derivatives the company had on 31 December 2019.

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

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

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

Income tax

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

Provision for doubtful debts

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

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

Litigation

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

Contingent liabilities

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

Provision for employee benefits

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

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

Distribution is posted directly to equity, following approval.

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

3.23 Changes in accounting principles

The company applied, for the first time, IFRS 16 "Leases" which replaces the provisions of IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is mandatory for accounting periods beginning on or after 1 January 2019.

The company has not adopted the new model retrospectively in any previous period, but has applied the modified retrospective approach. According to this method, the comparative information is not restated. When switching to IFRS 16, liabilities arising from existing operating leases are discounted using the relevant incremental borrowing rate and are recognized as lease liabilities. The rights to use the assets, as of January 1, 2019, are recognized in an amount equal to the lease liability, adjusted by the amount of prepaid or accrued rents.

The most important policy and practical facilities implemented are as follows:

- Eligible assets and lease liabilities are presented separately in the statement of financial position.
- The company used the practical facility not to recognize short-term leases.
- The company used the practical facility not to separate the non-lease components from the lease components and therefore treats each lease and any related non-lease parts as one. single lease.

In addition, during the first application of IFRS 16, the following policy and practical facilities were used in the company:

- To determine the duration of the lease, the acquired knowledge has been used in cases where the payment of lease termination clauses or other economic factors indicate that any rights of extension or termination of the lease will be exercised.
- The company chose the new definition of lease to apply not only to contracts that are concluded (or changed) on or after January 1, 2019, but to apply to all existing contracts at the date of initial implementation.
- The company relied on its assessment of whether the leases were onerous immediately before the date of initial implementation. There were no onerous lease agreements as of January 1, 2019.
- The company, during the first application, did not change the book value of the assets that were previously classified as finance leases (the assets with the right of use are equal to the leased assets of IAS 17).

The new definition of leases has no impact on the company as a lessor.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31 December 2018	IFRS 9 - Adjustments due to transition	1/1/2019 - Adjusted
ASSETS			
Long-term assets			
Tangible fixed assets	19.260	482	19.742
Other long-term receivables	222	-	222
Deferred tax income	1.054	-	1.054
Total long-term assets	**20.536**	**482**	**21.018**
Current assets:			
Stocks	11.389	-	11.389
Trade receivables	19.137	-	19.137
Advance payments and other receivables	1.918	-	1.918
Derivatives	68	-	68
Cash	2.383	-	2.383
Total current assets	**34.895**	-	**34.895**
TOTAL ASSETS	**55.431**	**482**	**55.913**
EQUITY AND LIABILITIES			
Equity			
Share capital	28.746	-	28.746
Share Premium	3.085	-	3.085
Retained Earnings	(7.393)	0	(7.393)
Reserves	12.816	-	12.816
Total equity	**37.254**	**0**	**37.254**
Long-term liabilities:			
Pensions reserve	2.012	-	2.012
Liabilities from leases - long-term		293	293
Total long-term liabilities	**2.012**	**293**	**2.305**
Short-term liabilities:			
Suppliers	7.249	-	7.249
Derivatives	217	-	217
Short-term loans	4.901	-	4.901
Tax income payable	2.984	-	2.984
Accrued and other short-term liabilities		189	189
Provisions	814	-	814
Total short-term liabilities	**16.165**	**189**	**16.354**
TOTAL LIABILITIES AND EQUITY	**55.431**	**482**	**55.913**

The agreement between the commitments from operating leases on 31.12.2018 and the lease obligations recognized on January 1, 2019 are as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

Commitments from operating leases on 31/12/2018	**516**
Minus: Short-term leases of fixed assets of non-significant value on 01.01.2019	**-8**
Liabilities from leases on 1.1.2019, not discounted	**508**
Discounting	**-26**
Liabilities from leases on 1.1.2019	**482**
Analyzed in:	
Short-term liabilities from leases	189
Long-term liabilities from leases	293
	482

If the imputed lease rate cannot be easily determined, the discount rate used to measure leasehold assets and lease liabilities is the company's differential lending rate. As of January 1, 2019, the weighted average discount rate applied for the company was 2.8%.

An increase in lease liabilities leads to a corresponding increase in net borrowing.

An analysis of the company's leases is included in Note 11.

4. PAYMENT COST:

The payroll costs included in the attached Financial Statements are analyzed as follows:

	31/12/2019	31/12/2018
Salaries and wages	6.670	6.718
Employer's contributions	1.709	1.716
Expenses for staff retirement compensation (Note 20)	186	162
Other staff expenses	419	358
Total payroll	**8.984**	**8.954**
Less: expenses incorporated in production cost (Note 6)	(6.780)	(6.655)
Payroll expenses (Note 7)	**2.204**	**2.299**

5. COST OF SALES:

The cost of goods sold that appears in the attached Financial Statements is analyzed as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31/12/2019	31/12/2018
Change of stocks & Cost of material sold	82.255	81.412
Payroll expenses & Other staff expenses (Note 4)	6.780	6.655
Outside services	827	1.023
Energy	1.424	1.306
Rents (leasing and premises)	10	59
Insurance	194	142
Repairs - Maintenance	479	101
Transport/Sales' fares	2.253	2.259
Depreciation (Note 5)	1.458	1.368
Depreciation of assets with the right of use (Note 11)	32	0
Agents Commissions	310	298
Others	631	518
Total	**96.653**	**95.141**

6. ADMINISTRATION AND DISPOSAL EXPENSES:

The administrative and disposal expenses that appear in the attached Financial Statements are analyzed as follows:

	31/12/2019	31/12/2018
Payroll (Note 4)	2.204	2.299
Administrative expenses	1.493	1.414
Other professional fees	352	556
Depreciation (Note 5)	21	25
Depreciation of assets with the right of use (Note 11)	172	0
Rents	6	177
Repairs and maintenance	336	189
Outside services received	180	184
Taxes - duties	45	35
Advertising and promotion expenses	35	42
Consumables	14	20
Other Expenses	396	425
Total	**5.254**	**5.366**

7. FINANCIAL INCOME / (EXPENSES):

The net financial income / (expenses) that appear in the attached Financial Statements are analyzed as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31.12.2019	31.12.2018
Short-term loan interest	(611)	(308)
Leasing financial costs	(13)	
Total financial expenses	**(624)**	**(308)**
Interests on current and long term accounts and other interests (Note 16)	12	15
Total financial income	**12**	**15**
Net financial income/(expenses)	**(612)**	**(293)**

8. INCOME TAXES:

According to the tax legislation, the income tax rate for the year 2019 is 24%, while for the year 2018 it was 29%.

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

	31.12.2019	31.12.2018
Current income taxes		
-Defered income taxes	520	449
Total provision for income taxes presented in the income statement	**520**	**449**

The provision agreement for the amount of income taxes determined by the application of the Greek tax rate to pre-tax income is summarized as follows:

	31.12.2019	31.12.2018
Net Income (Losses) before income taxes	(4.608)	(4.876)
Proportionate income taxes calculated using the applicable tax rate (29%)	1.106	1.414
Restatement of taxes proportionate to tax loss	(326)	(804)
Effect on defered tax due to the change of tax rate from 26% to 29%	(191)	(56)
Non deductable expenses	(69)	(105)
Income taxes presented in the income statement	**520**	**449**

Greek tax legislation and related provisions are subject to interpretation by the tax authorities. Income tax returns are filed on an annual basis, but the gains or losses declared for tax purposes remain temporary until the tax authorities review the tax returns and books in which the relevant tax liabilities are settled. Tax losses, to the extent recognized by the tax authorities, can be used to offset profits for the next five years following the year in question.

For the years 2011 to 2015, the Hellenic Societes Anonymes and the Limited Liability Companies, whose annual financial statements are obligatorily audited by Statutory Auditors, registered in the public Register of Law 3693/2008, are obliged to receive an "Annual Certificate". as provided in par. 5 of article

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

82 of L.2238 / 1994. The above certificate is issued after a tax audit carried out by the same Statutory Auditor or audit firm that audits the annual financial statements. Following the completion of the tax audit, the Statutory Auditor or audit firm issues to the company a "Tax Compliance Report", accompanied by the Appendix of Detailed Information. No later than ten days from the final date of approval of the company's financial statements by the General Meeting of Shareholders, the aforementioned Report and the relevant Appendix are submitted electronically to the Ministry of Finance by the Statutory Auditor or the audit office. The Ministry of Finance will then select a sample of companies of at least 9% for tax re-audit by the competent audit services of the Ministry.

The tax audit for the years 2011 to 2018, was completed by the auditing company ‘PricewaterhouseCoopers’ SA. without incurring significant tax liabilities other than those recorded and reflected in the Financial Statements.

For the year ended 2019, the tax audit is already carried out by the auditing company PricewaterhouseCoopers SA. in accordance with the provisions of article 65a of L.4172 / 2013 (KFE). From the conduct of this tax audit, the management of the company does not expect to incur significant tax liabilities, other than those that have been recorded and reflected in the financial statements.

Deferred income taxes arise from temporary differences between the carrying amount and the tax base of assets and liabilities and are calculated based on the applicable income tax rate.

Balance at beginning, 1 January 2018	**614**
Charge to operating results	450
Charge to other total income	(10)
Balance as at 31 December 2018	**1.054**
Charge to operating results	520
Charge to other total income	20
Balance as at 31 December 2019	**1.594**

The deferred tax assets and liabilities shown in the Consolidated Financial Statement are analyzed as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31.12.2019	31.12.2018
Deferred tax liability		
- Tangible assets	(1.205)	(1.426)
Gross deferred tax liability	**(1.205)**	**(1.426)**
Deferred tax asset		
- Derivatives valuation (metals & currencies)	72	42
- Provisions-Accrued and other short-term liabiiti	236	158
- Staff compensation due to retirement	512	503
- Tax losses carried forward	1.975	1.777
- Others	4	0
Gross deferred income tax asset	**2.799**	**2.480**
Net deferred income tax	**1.594**	**1.054**

Most deferred tax is recoverable over a period of more than 12 months from the date of the financial position. The deferred tax asset arising from the tax losses and is expected to be recovered before its expiration is analyzed in the table below based on the company's strategic plan for the years 2020-2023:

Tax losses 2014 (end 2020)	1.013
Tax losses 2015 (end 2022)	1.469
Tax losses 2017 (end 2023)	2.759
Tax losses 2018 (end 2024)	3.154
Total tax loss carried forward 2015-2019	**8.395**

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

9. ASSETS FIXED ELEMENTS:

31 December 2019	Land	Buildings and facilities	Machinery and equipment	Transportation means	Furniture and other equipment	Fixed assets under construction (FAUC)	Total
COST							
1st January 2019	**2.555**	**7.862**	**39.829**	**532**	**1.157**	**1.102**	**53.037**
Additions	0	0	539	0	92	8.762	9.393
Carried forward from FAUC	0	0	631	0	28	(659)	0
Sales/ deletions	0	0	(1.760)	(47)	0	0	(1.807)
31 December 2019	**2.555**	**7.862**	**39.239**	**485**	**1.277**	**9.205**	**60.623**
DEPRECIATION							
1st January 2019	**0**	**(6.527)**	**(25.631)**	**(499)**	**(1.120)**	**0**	**(33.777)**
Period's depreciation	0	(89)	(1.350)	(9)	(31)	0	(1.479)
Sales/ deletions	0	0	1.285	47	0	0	1.332
31 December 2019	**0 0**	**(6.616)**	**(25.696)**	**(461)**	**(1.151) 0**	**0**	**(33.924)**
UNAMORTISED VALUE							
31 December 2019	**2.555**	**1.246**	**13.543**	**24**	**126**	**9.205**	**26.700**

31 December 2018	Land	Buildings and facilities	Machinery and equipment	Transportation means	Furniture and other equipment	Fixed assets under construction (FAUC)	Total
COST							
1st January 2018	**2.555**	**6.811**	**37.428**	**532**	**1.832**	**3.944**	**53.102**
Additions	0	197	1.117	0	13	473	1.800
Carried forward from FAUC	0	854	2.461	0	0	(3.315)	0
Sales/ deletions	0	0	(1.177)	0	(688)	0	(1.865)
31 December 2018	**2.555**	**7.862**	**39.829**	**532**	**1.157**	**1.102**	**53.037**
DEPRECIATION							
1st January 2018	**0**	**(6.476)**	**(25.351)**	**(489)**	**(1.785)**	**0**	**(34.101)**
Period's depreciation	0	(51)	(1.308)	(10)	(23)	0	(1.392)
Sales/ deletions	0	0	1.028	0	688	0	1.716
31 December 2018	**0 0**	**(6.527)**	**(25.631)**	**(499)**	**(1.120) 0**	**0**	**(33.777)**
UNAMORTISED VALUE							
31 December 2017	**2.555**	**1.335**	**14.198**	**33**	**37**	**1.102**	**19.260**

There are no restrictions on the ownership or transfer or other charges on the real estate of the company. Also, no items of land, buildings and mechanical equipment have been pledged as collateral against liabilities.

As of December 31, 2019, Nexans had no significant contractual obligations to purchase tangible fixed assets.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

10. INTANGIBLE FIXED ELEMENTS

The movement of intangible fixed assets is as follows:

31 December 2019	Software and others
COST	
1st January 2019	**1.511**
Additions	81
31 December 2019	**1.592**
DEPRECIATION	
1st January 2019	**(1.511)**
31 December 2019	**(1.511)**
UNAMORTISED VALUE	
31 December 2019	**81**

31 December 2018	Software and others
COST	
1st January 2018	**1.511**
31 December 2018	**1.511**
DEPRECIATION	
1st January 2018	**(1.510)**
Period's depreciation	(1)
31 December 2018	**(1.511)**
UNAMORTISED VALUE	
31 December 2018	**0**

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

11. ASSETS WITH THE RIGHT OF USE

The assets with the right of use are analyzed as follows:

31 December 2019	Buildings and facilities	Transportation means	Total
Cost			
Balance 31/12/2018	**0**	**0**	**0**
Adjustments due to IFRS 16 note 3.23	146	336	482
Balance 01/01/2019	**146**	**336**	**482**
Additions	0	66	66
Sales / deletions			0
Other transfers			0
31 December 2019	**146**	**402**	**548**
DEPRECIATION			
Balance 31/12/2018	**0**	**0**	**0**
Adjustments due to IFRS 16 note 3.23	0	0	0
Balance 01/01/2019	**0**	**0**	**0**
Depreciation of use	(88)	(116)	(204)
Sales / deletions			0
Other transfers			0
Impairment of Value			0
31 December 2019	**(88)**	**(116)**	**(204)**
INSPIRABLE VALUE			
31 December 2019	**58**	**286**	**344**

Liabilities from leases	31/12/2019
Short-term liabilities from leases	173
Long-term liabilities from leases	176

The interest from lease obligations amounts to 12 €. The total cash outflows for leases in 2019 amount to € 212.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

12. INVENTORIES:

The stocks are broken down as follows:

	31.12.2019	31.12.2018
Finished and semi-finished goods	5.940	5.588
Raw materials and consumables	6.529	6.036
Merchandise	534	317
	13.003	**11.941**
Less: provision for slow turnover rate and obsolete inventories	(512)	(552)
Total	**12.491**	**11.389**

13. COMMERCIAL REQUIREMENTS:

The trade requirements are analyzed as follows:

	31/12/2019	31/12/2018
Domestic customers	11.170	8.686
Foreign customers	5.793	4.718
Receivables from affiliated parties	6.445	5.134
Cheques receivable (post-dated)	1.111	1.710
	24.519	**20.248**
Less: provisions for doubtful debts	(1.168)	(1.111)
Total	**23.351**	**19.137**

The movement of provisions for doubtful receivables for the period ended 31 December 2019 is as follows:

1 January 2018	1.249
Deletions of period	(199)
Additional Provision	94
Reversal in the statement of results	(33)
31 December 2018	**1.111**
Adjusted balance 31 December 2018	**1.111**
Deletions of period	-
Additional Provisions of period	57
Reversal posting in statement	-
31 December 2019	**1.168**

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

14. ADVANCES AND OTHER REQUIREMENTS:

Advances and other receivables are analyzed as follows:

	31.12.2019	31.12.2018
Price positive adjustments	353	1.228
Prepayable and withholding taxes	25	23
Accrued income	30	30
Prepaid expenses	33	38
Down payments	54	89
Staff loans and down payments	9	10
Others	422	500
Total	**926**	**1.918**

15. RELATED PARTY NOTICES:

i) Related party transactions:

Nexans Hellas SA is a subsidiary of Nexans Participations which holds 100.00% of the share capital. The parent company of the Nexans Group is Nexans France based in France (Paris). There are no other major shareholders, who hold a significant part of the share capital of Nexans Hellas SA.

The balances of the affiliated accounts (Nexans Group companies) are as follows:

	31 Dec 2019	31 Dec 2018
Receivables from:		
Nexans Logistics Ltd.	1.950	1.427
Nexans France	316	417
Nexans Deutschland Industries GmbH	814	2.187
Sirmel (Nexans Morocco)	0	144
Nexans IKO Sweden	3.246	959
Nexans Suisse	11	0
Nexans Polska Sp.	108	0
	6.445	**5.134**

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31 Dec 2019	31 Dec 2018
Liabilities to:		
Nexans France	6.699	399
Nexans Italia SpA	12	53
Nexans Deutschland Industries GmbH	30	25
Nexans Turkey	0	57
Nexans Interface	13	65
Opticable	201	32
Nexans Power Accessories Germany GmbH	1	0
Nexans Sweden AB	12	49
Nexans Network Solutions	0	4
Nexans Services	0	3
	6.968	**687**

The transactions with the affiliated companies for the period ended December 31, 2019 and 2018 are analyzed as follows:

	Sales to associated companies	
	31 Dec 2019	31 Dec 2018
Stocks, raw materials and consumables:		
Sirmel (Nexans Morocco)	537	144
Nexans Logistics Ltd.	13.695	17.106
Nexans Italia SpA	42	0
Nexans France	1.358	2.354
Nexans Deutschland Industries GmbH	13.357	8.166
Nexans Suisse	538	324
Nexans Norway	121	48
Nexans Network Solutions	4	4
Nexans Romania	0	14
Nexans IKO Sweden	9.837	6.735
Nexans Turkey	43	0
Opticable	220	0
Nexans Polska Sp.	315	0
Nexans Benelux N.v. S.A.	0	(41)
Nexans Iberia SL	0	210
	40.067	**35.064**

	Sales to associated companies	
	31 Dec 2019	31 Dec 2018
Commercial services:		
Nexans France	1	1
	1	**1**

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	Purchases from associated companies	
	31 Dec 2019	**31 Dec 2018**
Stocks, raw materials and consumables:		
Nexans France	36.890	27.080
Nexans Italia SpA	316	186
NEXANS YANGGU	0	48
Nexans Logistics	0	(24)
Nexans Deutshchland	58	264
Nexans Turkey	687	663
Nexans Network Solutions	2	4
Opticable	465	34
Nexans Suisse	850	0
Nexans Power Accessories Germany GmbH	2	5
Nexans Sweden AB	443	148
Nexans Interface	133	137
	39.846	**28.545**

	Purchases from associated companies	
	31 Dec 2019	**31 Dec 2018**
Commercial services:		
Nexans France	1.962	1.974
Nexans Services	1	51
Nexans Italia	0	2
Nexans Deutshchland	30	40
Nexans Benelux	0	49
Nexans Interface	9	0
Opticable	0	2
Nexans Iberia	19	0
	2.021	**2.118**

	Loans from associated companies	
	31 Dec 2019	**31 Dec 2018**
Nexans Services (Note 24)	10.034	0
	10.034	**0**

	Expenses to associated companies	
	31 Dec 2019	**31 Dec 2018**
Nexans Services	34	48
	34	**48**

The transactions with the Consortium in which Nexans Hellas SA participated. (see note 29) during the fiscal year 2019 are as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

Consortium NEXANS - ATERMON JOINT STOCK FOR DEDDIE 2014.

	31.12.2019	**31.12.2018**
Sales (excluding VAT):	(110)	68
Expenses (excluding VAT):	4	1
Requirements:	4	204

Sales and services to affiliated companies are made at normal market prices. Open end balances are unsecured and settlement is done in cash. No guarantees have been provided or received for the above requirements. For the period ended December 31, 2019, the company has not formed a provision for bad debts which is related to amounts due from affiliated companies.

ii) **Remuneration of executives:**

The remuneration of the executives and the members of the Board of Directors of the company for the period ended December 31, 2019, as well as for the period ended December 31, 2018, are as follows:

	31.12.2019	**31.12.2018**
Employee short-term benefits	200	229
Employer's contributions	27	27
Total fees paid to managers	**227**	**256**

16. MONEY AVAILABLE AND EQUIVALENTS:

Cash and cash equivalents are broken down as follows:

	31.12.2019	**31.12.2018**
Sight deposits in Euro	3.357	2.349
Sight deposits in foreign currency	221	34
	3.578	2.383
Total	**3.578**	**2.383**

Credit rating of cash:

Rating	**31.12.2019**	**31.12.2018**
AA-	114	74
A+	1.080	397
CCC+	2.384	1.653
CCC	0	259
Total	**3.578**	**2.383**

17. SHARE CAPITAL AND FAVOR:

As of December 31, 2019, the share capital of the company amounted to € 28,746, divided into 22,996,875 common registered shares worth € 1.25 each. The premium amount of € 3,085 arose after the issuance of share capital in previous years at a value higher than the nominal value of the shares. The share capital of the company is fully paid.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

18. REGULAR, TAX FREE AND SPECIAL RESERVES:

The regular, tax-free and special reserves are analyzed as follows:

	31.12.2019	31.12.2018
Statutory reserve	2.177	2.177
Untaxed and specially taxed reserves	269	269
-Law 1892/1990 (Article 23b)	3.291	3.291
-Law 2601/1998	5.956	5.956
-Others	1.123	1.123
	10.370	10.370
Total	**12.816**	**12.816**

Regular Reserve: According to the Greek commercial legislation, the companies are obliged to form a regular reserve equal to 5% of the profits of the year every year until it reaches one third of the registered share capital. The distribution of the regular reserve, during the life of the company, is prohibited.

Tax Free and Specially Taxed Reserves: Reserves from tax-exempt income and reserves taxed in a special way relate to interest income and sales of non-listed shares, which are exempt from tax or taxed with withholding tax. In addition to any prepaid taxes, these reserves are subject to taxation in case of their distribution. At this stage the company does not intend to distribute the specific reserves and therefore the relevant tax liabilities have not been accounted for.

Tax-free Reserves of special provisions of laws and other special reserves: Tax-free reserves of special provisions of laws relate to retained earnings which are exempt from taxation under special provisions of development laws (provided that there are sufficient profits for their formation). These reserves are mainly for investments and are not distributed. No tax liabilities have been accounted for these reserves.

19. DIVIDENDS:

According to the provisions of the Greek commercial legislation, the companies are obliged to distribute every year a first dividend that corresponds to at least 35% of the profits after taxes and after the formation of the statutory regular reserve. Greek commercial law also allows the distribution of dividends to shareholders provided that the company's net worth - as shown in the balance sheet after this distribution - is not less than equity, other than unallocated reserves.

20. STAFF BENEFITS:

α) State Insurance Programs: The company's contributions to the insurance funds for the period ended December 31, 2019 were recorded in expenses and amounted to € 1,708 (€ 1,729 for the period ended December 31, 2018).

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

b) Defined Benefit Programs*:* According to the provisions of Greek labor law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on the salary, years of service and the manner of departure (dismissal or retirement) of the employee. Employees who resign or are reasonably dismissed are not entitled to compensation. The compensation payable in case of retirement is equal to 40% of the compensation that would be payable in case of unnecessary dismissal. According to the practice in force in Greece, these programs are not funded and constitute defined benefit plans according to IAS 19. The company charges to the results the accrued benefits in each period with a corresponding increase of the pension obligation. Benefit payments made to retirees each period are charged against this obligation.

The movement of the net liability in the attached balance sheets is as follows:

	31.12.2019	31.12.2018
Net liability at beginning of year	**2.012**	**1.860**
Actual benefits paid by the company	(187)	(33)
Expenses recognised in income statement (Note 4)	186	162
Recognition of actuarial loss/(gain) on total income	124	23
Net liability at year end	**2.135**	**2.012**

The company's liabilities, arising from its obligation to pay retirement benefits, are determined through actuarial studies by an independent company of internationally recognized actuaries, which are drawn up at the end of each financial year. The movements of the relevant funds as at 31 December 2019 and 31 December 2018 are as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

Accountant notifications according to IAS 19		
Period	**31.12.2019**	**31.12.2018**
Present value of obligations		
Present value of non funded liabilities	2.135	2.012
Net liability in the balance sheet	**2.135**	**2.012**
Constituents of results		
Cost of service	125	120
Financial cost	21	20
Depreciation of actuarial loss / (gain)	40	22
Standard charge to the results	**186**	**162**
Recognition of actuarial loss / (gain) on total income	124	23
Total charge to the total income	**310**	**185**
Net liabilities / (income) in the Balance Sheet		
Net liability at beginning of period	2.012	1.860
Profits paid directly by the company	(187)	(33)
Total cost recognised	186	162
Net liability in the Balance Sheet before restatement	**2.011**	**1.989**
Recognition of actuarial loss / (gain) on other income	124	23
Net liability in balance sheet	**2.135**	**2.012**
Constituents of net retirement periodic cost		
Net liability at beginning of period	2.012	1.860
Cost of service	125	120
Financial cost	21	20
Profits paid directly by the company	(187)	(33)
Additional payments or expenses / (revenue)	40	22
Actuarial loss / (profit)	124	23
Current value of liability at end of period	**2.135**	**2.012**
Main assumptions:		
Discount rate	1,60%	1,60%
Percentage of fees increase	2,00%	2,00%
Average of future working life	16,0	16,0

The discount rate represents the yield on government bonds in the European Zone. Payments made for the period ended December 31, 2019 amounted to € 187 (€ 33 for the year ended December 31, 2018).

21. PRODUCTS FINANCIAL PRODUCTS:

Forex purchase and sale contracts

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

The company enters into futures buying and selling contracts, to cover foreign exchange risk from receivables receivables and suppliers' payments in foreign currencies. These contracts have different expiration dates, depending on the expected collection or payment date. The valuation of the open positions of the company on December 31, 2019 and December 31, 2018 is as follows:

31 December 2019

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

31 December 2018

Currency	Buy/Sale	Forward buy/ (Forward sale) amount	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
USD	Sale	(708)	(622)	(618)	4
ZAR	Sale	(28.653)	(1.744)	(1.712)	32
			(2.366)	**(2.330)**	**36**
ZAR	Sale	(101.355)	(5.885)	(5.953)	(68)
			(5.885)	**(5.953)**	**(68)**
Total			**(8.251)**	**(8.283)**	**(32)**

Contracts for the purchase and sale of metals The company enters into futures contracts and sales of metals (copper and aluminum), to cover the risk of fluctuations price of the above metalsThese contracts have different expiration dates, depending on the expected purchase date of the metals in question. The valuation of the company's open positions at December 31, 2019 and December 31, 2018 is as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

31 December 2019

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

31 December 2018

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Aluminium	Sale	(300)	(513)	(481)	32
			(513)	**(481)**	**32**
Copper	Buy	700	3.752	3.631	(121)
Aluminium	Buy	225	389	361	(28)
			4.141	**3.992**	**(149)**
Total			**3.628**	**3.511**	**(117)**

The above gains of valuations as well as the realized results of contracts for the purchase and sale of metals that are closed, are recorded in the cost of sold, since it also includes the cost of purchase of raw materials, against which the metal derivatives are concluded.

According to the amendment of IFRS 7, for the year 2019, the company must disclose how to determine the fair value of the financial instruments presented in its Balance Sheet. The only financial instruments at fair value that the company has are derivative financial instruments. These financial instruments are measured in "Level 1" of the fair value hierarchy as described in IFRS 7. "Level 1" of fair values refers to fair values based on data available in active markets.

22. FORECASTS:

The movement of the forecasts for the twelve-month period that ended on December 31, 2019 and December 31, 2018 is as follows:

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

	31.12.2019	**31.12.2018**
Provisions for penalty clauses	22	149
Provisions for sales	174	657
Provisions for legal matters	35	8
Provisions for restructuring	18	0
Other provisions	20	0
Total	**269**	**814**

	Balance 31.12.2018	**Additions**	**Use of provision**	**Reversal**	**Balance 31.12.2019**
Provisions for restructuring	0	40	(22)	0	18
Provisions for penalty clauses	149	62	(189)	0	22
Other provisions	665	590	(977)	(49)	229
Total	**814**	**692**	**(1.188)**	**(49)**	**269**

23. COMMERCIAL OBLIGATIONS:

Commercial liabilities are broken down as follows:

	31.12.2019	**31.12.2018**
Domestic suppliers	3.669	3.809
International suppliers	5.589	2.753
Intercompany obligations	6.968	687
Total	**16.226**	**7.249**

Analysis of financial means:	**31.12.2019**	
Liabilities	**< 1 year**	**> 1 year**
Domestic suppliers	3.669	0
International suppliers	5.589	0
Intercompany obligations	6.968	0
Total	**16.226**	**0**

24. SHORT-TERM LOANS:

i) Other short-term loans

The company maintains credit limits with banks totaling € 44,000. Some of these limits are used by the company during the fiscal year. It is pointed out that the total credit limit of € 44,000 which has been granted by Greek banks to the company includes € 10,500 for short-term borrowing purposes. The remaining credit limit, ie the amount of € 33,500, has been granted for other transactions such as the issuance of letters of guarantee, assignment of receivables, etc.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

The balance of short-term bank lending as at 31 December 2019 was € 3,885, while at 31 December 2018 it was 4,901.

The interest rate is adjusted on a daily basis. The weighted average interest rate on short-term loans for the year 2019 is 4.35% as for 2018.

	31.12.2019	31.12.2018
Open balance	3.885	4.901
Average weighted interest	4,35%	4,35%
Guarantees	None	None

ii) Loans from affiliated companies

	Loans from associated companies	
	31 Dec 2019	**31 Dec 2018**
Nexans Services (Note 24)	10.034	0
	10.034	**0**

Interest on all short-term financing as at 31 December 2019 totaled € 611 (€ 308 on 31 December 2018) and is included in the interest expense of the attached income statement (note 7). The fair value of loans is approximately equal to their book value.

25. EMPLOYED AND OTHER SHORT-TERM LIABILITIES:

The amount shown in the accompanying statement of financial position is analyzed as follows:

	31.12.2019	31.12.2018
Customer downpayments	65	38
Taxes payable save income tax	799	1.028
Social security contributions	408	425
Expenses accrued	445	311
Staff remuneration payable	326	379
Negative price adjustments	746	778
Others	87	25
Total	**2.876**	**2.984**

Customer advances refer to the company's obligation to deliver products to third parties. Revenue will be recognized in the results upon delivery of the order. Revenue corresponding to previous year customer advances has been recognized in the current year.

26. FINANCIAL RISK MANAGEMENT:

The company with its strong international activity is exposed to financial risks such as market risks (changes in exchange rates, interest rates, metal purchase prices), credit risk, cash flow risk and fair value risk from interest rate changes. The company's risk management program focuses on the inability to accurately predict financial markets and seeks to minimize their potential negative impact on its financial performance.

The company uses derivative financial products, such as futures contracts / futures / forwards, in order to offset its exposure to specific risks. Risk management is handled by the cash management department in collaboration with the procurement department, which assesses and hedges financial risks in collaboration with the group services that deal with these risks. The Board of Directors provides guidelines and guidelines for the general management of risks, such as credit risk, fair value, interest rate risk and foreign exchange risk.

I. Risk of price fluctuations:

Fluctuations in the price of copper and aluminum and other raw materials, as well as fuel and energy, could adversely affect the company's sales and results. The cost of copper and aluminum, the most important raw materials used by the company to manufacture its products, are subject to significant changes caused by supply and demand conditions in metal exchanges, weather conditions, political and economic variables, as well as other unknown and unpredictable variables. Furthermore, the fuel and energy required to operate the company's plant are also subject to significant variability.

The main raw materials in the cable industry (copper and aluminum) are products whose prices are traded on the London Metal Exchange. Purchases and sales are therefore affected by international price fluctuations. The management of the company in order to compensate the risk from the change of the prices of the metals, for each sale to a customer makes a corresponding purchase of the contained metal with the same terms. Sales are divided into 2 categories:

A) In sales based on confirmed customer orders.

B) In sales based on forecasts for the internal market.

In order to reduce the risk of volatility in the cost of raw materials, the company continuously monitors its open position in a metal stock and enters into futures contracts and the sale of raw materials it uses ("derivatives") whenever necessary, in order to to hedge the risk and to limit the extent of its exposure to price fluctuations.

These contracts have different expiration dates, depending on the expected purchase date of these metals. The valuation of the company's open positions as at 31 December 2019 and 31 December 2018 is as follows (amounts in thousand €):

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

31 December 2019

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

31 December 2018

Metal	Buy/Sale	Quantity (tons)	Forward buy/ (Forward sale) price	Current price	Valuation profit/ (loss)
Aluminium	Sale	(300)	(513)	(481)	32
			(513)	**(481)**	**32**
Copper	Buy	700	3.752	3.631	(121)
Aluminium	Buy	225	389	361	(28)
			4.141	**3.992**	**(149)**
Total			**3.628**	**3.511**	**(117)**

The above gains / (losses) of valuations as well as the realized results of contracts of purchase and sale of metals that close, are recorded in the cost of sold, since in it is also included the cost of purchase of raw materials, against which the metal derivatives are concluded.

The market for copper, aluminum and fiber optic cables is highly competitive, requiring significant investment in research and technology, and some competitors may have comparative advantages. Many of the company's products are manufactured to common standards and, therefore, can easily be replaced by competitors' products. Therefore, the company is subject to competition in many markets based on price, quality, product range, stocks available, on-time delivery, customer service, environmental impact of products, and ability of the company to respond immediately to the needs of its customers. The company estimates that its competitors will continue to improve the design and performance of their products and introduce new products with competitive prices and features. Therefore the company must constantly invest in product development, productivity improvement and customer service and support in order to remain competitive. In addition, any increase in imports of competing products could adversely affect the company's sales in a market.

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

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

During the year ended December 31, 2019, 55% of sales and 55% of the company's receivables were in export markets. Some foreign countries are at greater risk of possible social and political destabilization, international conflicts, government interventions, changes in regulatory requirements, unfavorable treatment of foreign companies, terrorist acts, natural disasters and potential pandemics for which they do not have the necessary dealing with emergencies.

Economic developments in the countries to which the company exports products, including future economic changes or crises (such as high inflation, any significant devaluation of the currency, the adoption of restrictive exchange rate controls or the free transfer of capital), could also have negative effects. impact on exports, the financial situation and the results of the company.

The company relies on independent distributors and retailers for the non-exclusive sale of its products, who have the ability whenever they choose to stop buying the company's products.

Distributors and retailers represent a significant percentage of the company's sales (2019: 23%). These distributors and retailers are not contractually required to sell the company's products exclusively or for a specified period of time. As a result, such distributors and retailers may decide to purchase competing third-party products or to discontinue promoting the company's products at any time. The simultaneous loss of large distributors or retailers could affect the company's ability to reach end users and adversely affect the results of its operations. In addition, potential liquidity problems of one or more large distributors or retailers could adversely affect the company's sales.

II. Credit Risk: The company is exposed to the credit risk of customers and trading partners and their financial ability to repay their obligations on time.

The trade requirements are analyzed as follows:

	31/12/2019	**31/12/2018**
Domestic customers	11.170	8.686
Foreign customers	5.793	4.718
Receivables from affiliated parties	6.445	5.134
Cheques receivable (post-dated)	1.111	1.710
	24.519	**20.248**
Less: provisions for doubtful debts	(1.168)	(1.111)
Total	**23.351**	**19.137**

As at 31 December 2019 the normally serviced commercial receivables amount to € 17,501 (€ 18,533 for 2018). For receivables that remain open beyond the credit limits and over 30 days, a provision for doubtful receivables is formed depending on the age of the receivable. The amount of these receivables as at 31 December 2019 amounts to € 7,018 (€ 1,715 for 2018) and the corresponding provision to € 1,168 (€ 1,111 for 2018). The set of receivables includes receivables that are overdue but are not considered doubtful. The company reduces the value of its trade receivables when there are data or indications that indicate that the collection of each receivable in whole or in part is not possible.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

The management of the company periodically reassesses the adequacy of the formed provision for doubtful receivables in relation to its credit policy, taking into account data of the Legal Service, which arise from the processing of historical data and recent developments in the cases it manages.

The analysis of these requirements by age is as follows:

	31.12.2019	31.12.2018
30-60 days	3.291	39
60-90 days	969	29
90 + days	2.657	1.546
Sub total	6.917	1.614
Cheques receivable (post dated)	101	101
Total	**7.018**	**1.715**

The analysis of these requirements by age is as follows:

1 January 2018	1.249
Deletions of period	(199)
Additional Provision	94
Reversal in the statement of results	(33)
31 December 2018	**1.111**
Adjusted balance 31 December 2018	**1.111**
Deletions of period	-
Additional Provisions of period	57
Reversal posting in statement	-
31 December 2019	**1.168**

The additional provision for the year is included in the Administration and Disposal Expenses.

The company's policy is to enter into contracts with parties that meet high credit criteria, while where it is judged that there is credit risk it receives additional collateral. The company also, in order to reduce losses due to possible inability of its customers to repay their contractual obligations, maintains cooperation with a credit insurance company of the Nexans group, through which it insures part of its receivables from foreign and domestic customers. The amount of insurance depends on the creditworthiness of each customer as assessed by the insurance company.

However, negative financial results of customers and business associates or their negative estimates of their future revenue are likely to result in non-payment on time, partial payment or no payment at all, in return for seeking repatriation. of the terms of the contracts or to leave the commercial network of the company, events that could lead to a possible reduction of the company's revenues and adversely affect its financial results.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

I. Risk of interest rate fluctuations: The company received only short-term financing from the affiliated company Nexans Financial Services as well as from the internal market to cover its current needs for working capital of its activity. on the basis of a combination of indicators and factors, which included, among others, the interest rate on the Greek government bond for ten years, the interest rate on the German government bond for ten years and the Euribor index, in order to adjust to the country risk at times.

II. Currency Risk: The vast majority of the company's transactions, contracts and orders are made in Euros. For trade receivables and liabilities in foreign currency, management monitors exchange rate fluctuations on an ongoing basis and assesses the need for relevant positions to hedge the risks arising from them. In this context, it enters into futures and foreign exchange futures contracts ("derivatives") in order to limit the extent of its exposure to exchange rate fluctuations.

III. Liquidity risk: Liquidity risk is addressed by securing sufficient cash equivalents and cash, the availability of adequate funding as well as the ability to close open positions. Due to the dynamic nature of the activities, the cash management department aims at flexible financing, through approved credit lines. The contractual maturity dates of commercial and other liabilities and loans relate to a period of less than one year. It is also emphasized that the Share Capital Increase has contributed positively to the minimization of liquidity risk.

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

The fair values of the derivatives are based on a market valuation.

V. Capital risk management: The goal of the company in relation to capital management is to ensure the possibility of its smooth operation in the future in order to provide satisfactory returns to shareholders and benefits to other parties, as well as to maintain an ideal distribution of capital at the lowest possible cost. To this end, it systematically monitors working capital in order to maintain the lowest possible levels of external financing. It is pointed out that the Share Capital Increase has contributed positively to addressing the risk of capital management.

	31/12/2019	**31/12/2018**
Total loans	13.919	4.901
Less: cash	(3.578)	(2.383)
Net debt	**10.341**	**2.518**
Total equity	33.062	37.255
Total capital	**43.403**	**39.773**
Leverage ratio	24%	6%

27. POSSIBLE REQUIREMENTS:

The company on December 31, 2019 had no receivables.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

28. POSSIBLE LIABILITIES:

(α) Criminal clauses and court cases:

As at 31/12/2019, there are lawsuits, out-of-court summonses and generally future claims against the company, within its normal operation, totaling € 896 for which a provision of a total amount of € 35 has been formed and which is included in the long-term account. "Provisions" (see note 22). The management, as well as the Legal Advisers of the company, estimate that the final settlement of these cases will not have, apart from the already formed provision, any other significant impact on the financial position of the company.

(b) Commitments:

(i) Guarantees:

The company on December 31, 2019 had the following contingent liabilities:

- Had issued letters of guarantee of good execution totaling € 5,308.
- It had provided guarantees for its participation in various competitions amounting to € 51.
- Had issued letters of guarantee in advance of € 636.

(ii) Capital commitments:

As of December 31, 2019, the company had no commitments for capital expenditures.

29. JOINT VENTURES:

As of December 31, 2019, the consortium "NEXANS - ATERMON JOINT FOR DEDDIE 2014" was active. The purpose of the consortium is the execution of a project for the supply and installation of underground cables with declaration number DD-202. The total amount of the project is € 8,890. The project will take about 2.5 years to complete. The specific consortium concerns the joint agreement for a specific activity as described above. The amount corresponding to Nexans Hellas Sole Proprietorship SA is € 5,130 (57.7%).

The transactions with the Consortium in which Nexans Hellas SA participated. (see note 15) during the fiscal year 2019 are as follows:

Consortium NEXANS - ATERMON JOINT STOCK FOR DEDDIE 2014.

	31.12.2019	**31.12.2018**
Sales (excluding VAT):	(110)	68
Expenses (excluding VAT):	4	1
Requirements:	4	204

30. IMPORTANT EVENTS:

Exit from the Stock Exchange

On October 18, 2018 the shareholder of the company - Nexans Participations, started the Public Offering process for the acquisition of all the Shares of the company, which it did not hold, directly or indirectly, at the date of the Public Offer, ie 2,627,691 Shares, the which represented 11.43% of the total paid-up share capital and voting rights of the company.

At the date of the Public Offering, Nexans Participations directly owned 20,369,184 Shares corresponding to approximately 88.57% of the total paid-up share capital and voting rights of the company.

This process was completed and on 9.4.2019 Nexans Participations was registered in the Intangible Securities System (DSS) as the owner of 100% of the paid-up share capital and voting rights of the company. The shares of the company are no longer traded from April 2, 2019. With the decision of the Hellenic Capital Market Commission from June 28, 2019 for the delisting from the Athens Stock Exchange of the shares of the company "NEXANS HELLAS SA", according to the provisions of article 17 par. 5 of law 3371/2005, the shares of one were removed from its trading systems, from Monday 1 July 2019.

31. SUBSEQUENT EVENTS:

1) COVID-19

In early 2020, there was a worldwide outbreak of COVID-19 which brought changes in global supply and demand, including Greece and other countries in which the company operates. The impact of the spread of COVID-19 on the financial statements is a non-corrective event after the balance sheet date of 31 December 2019.

Uncertainty in the macroeconomic and financial context and the volatile business environment are a risk factor that the company constantly evaluates. At the same time, the situation that is developing both globally and in Greece in society and the economy, as a result of the COVID-19 pandemic, is an additional risk factor, which may have an impact on the future results and course of the company.

The overall impact of the pandemic on the economies of the countries in which the company operates, as well as the duration of the recession and the restrictive measures taken on a case-by-case basis, remain uncertain. At the same time, governments, both at the national level and in the European Union at large, have taken significant steps to support local economies and reduce the potential for recessionary risks.

The decline in demand in the general internal market for power cables was offset by increased sales volumes to electricity providers for medium voltage power cables.

The management of the company has formed a grid of actions, which have already been implemented in all areas of operation, such as: Health and safety (according to the instructions of the health authorities), personnel management, production, supply chain, business cycle, liquidity , to address potential risks in these functional areas.

(Amounts in all tables and notes are in thousand Euros, unless otherwise specified)

At the same time regarding the level of liquidity, the company has taken additional measures to maintain the necessary, based on the conditions, level of liquidity and has increased the level of daily monitoring of liquidity and the overall trading cycle.

The reduction of inventories, the use of banking financial instruments for the timely and guaranteed collection of trade receivables are some of the measures taken by the company.

The return to economic stability depends to a large extent on the duration of the pandemic and on the actions and decisions of governments in Greece and abroad.

Management is constantly assessing the situation and its potential impact, in order to ensure that all necessary and possible measures and actions are taken in time to limit the potential impact on the company's activities, to date the financial impact associated with the pandemic can not be assessed. reliable and reasonable.

There are no further events as of December 31, 2019 that could materially affect the Company's financial position or results for the year ended on that date or events that should be disclosed in its financial statements.

2) Investment of a new fiber optic cable production line

The company with the support of the group completed a significant investment of 10M € which concerns the construction of a new unit for the production of fiber optic cables with state-of-the-art machinery and mainly environmentally friendly.

Customers will be the domestic market but mainly the provision of telecommunications abroad.

This investment is another practical action of the group's trust in the company and our country.

The Vice-President of the Board of Directors & General Manager	The Board of Directors Member
ATHANASIOS GAVRIIL	**GEORGE CHRYSSOMALLIS**
I.D. AK 488502/2012 P.D. LAMIA	I.D. H 242608/1962 P.D. ATHENS

For the Accounting Department

AGELOS KIRITSIS
I.D. AA 977582/2005 P.D. STYLIS
Licence No O.E.E. 0086461 A' CLASS

Independent auditor's report

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

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of "NEXANS HELLAS S.A." (Company) which comprise the statement of financial position as of 31st December 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31st December 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

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

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

Independence

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

Other Information

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

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

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the financial statements,

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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

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

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

Report on other legal and regulatory requirements

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

Athens, 16 September 2020

PricewaterhouseCoopers SA
268 Kifissias Avenue,
152 32 Halandri, Greece
SOEL Reg.No 113

The Certified Auditor
Dimitrios Sourbis
SOEL Reg. No. 16891