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ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR FROM JANUARY 1st TO DECEMBER 31st, 2019

March 2020

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A. Statements of Members of the Board in accordance with article 4 of Law 3556/2007

The members of the Board of Directors of SIDMA S.A.:

1. MARCEL L. AMARIGLIO
2. NIKOLAOS P. MARIOY
3. DANIEL D. BENARDOUT

in our above-mentioned capacity declare that as far as we know:

A. the attached financial statements of SIDMA S.A. for the annual period 01/01-31/12/2019, prepared according to the applicable accounting standards, present truly and fairly the assets and liabilities, the equity and the financial results of SIDMA S.A. as well as of the companies included in the consolidation in aggregate,

and

B. the attached BoD Report provides a true view of SIDMA S.A. and the companies, included in the consolidation in aggregate, performance and results including a description of the main risks and uncertainties to which they are exposed to.

Halandri, March 27, 2020

The Members of the Board

CHAIRMAN OF THE BOARD OF DIRECTORS	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	C.E.O.
MARCEL L. AMARIGLIO	NIKOLAOS P. MARIOY	DANIEL D. BENARDOUT

B. Independent Auditor’s Report

To the Shareholders of «MACEDONIAN STEEL PRODUCTS TRADING SIDMA S.A.»

Report on Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of MACEDONIAN STEEL PRODUCTS TRADING SIDMA S.A. (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2019, separate and consolidated statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company MACEDONIAN STEEL PRODUCTS TRADING SIDMA S.A. and its subsidiaries (the Group) as at December 31 2019, the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated into the 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 are independent of the Company and its subsidiaries, during the whole period of our audit, in accordance with the International Ethics Standards Board for Accountants "Code of Ethics for Professional Accountants as incorporated into the Greek Law and we have fulfilled our ethical responsibilities in accordance with current legislation requirements and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Substantial Uncertainty associated with Continuing Activity

We draw your attention to Note 8.30.4 to the financial statements, which describes the fact that, due to accumulated losses, the total value of the Company's and the Group’s Equity has become negative. Moreover, the value of the Company's and the Group's short-term liabilities exceeds the total value of their current assets by € 55.2 million and € 63.7 million respectively. As recorded in the same Note, the Company is currently in the process of renegotiating with the lending banks in order to restructure its current bank loans totaling € 53.9 million. Furthermore, as stated in Note 8.30.4 the above conditions indicate the existence of significant uncertainty regarding the Company's ability to continue as a going concern.

Our **Opinion** is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters and the related risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters. With the exception of the matter described in the paragraph "Material Uncertainty Related to Going Concern" of our report, we have concluded that the matters described below are the key audit maters that shall be disclosed in our auditor’s report.

Key Audit Matters	How our audit addressed the key audit matter
Recoverability of trade receivables (separate and consolidated financial statements)	
As of December 31, 2019, the trade receivables of the Group and the Company amounted to € 44.8 million and € 37.2 million respectively, while the related accumulated impairment amounted to € 2.1 million and € 1.5 million respectively, as described in Note 8.6 to the financial statements. In order to estimate the amount of impairment of trade receivables of the Company and the Group, the Management assesses the recoverability of the trade receivables, taking into account the information provided by the Legal Department of the Group, arising from processing historical data and recent developments in the legal cases it manages, and reviews the maturity of the customers' balances as well as the settlement of the amounts collectible subsequently to the reporting period. Given the significance of the matter and the level of judgment and estimates required from the Management, we believe that the matter in question constitutes one of the key audit matters. The disclosures of the Company and the Group regarding the nature of the above receivables and estimates used in the assessment of their recoverability are included in Notes 4.5 and 8.6 to the accompanying financial statements.	The audit procedures we carried out in respect of evaluating recoverability of trade receivables included, among others: • Understanding and reviewing the credit control procedures of the Group as well as examining the key drivers of providing credit to customers • Assessment of the assumptions and methodology used by the Management to determine the recoverability of trade receivables or their classification as doubtful receivables. • Review of the legal consultant letters of representation regarding doubtful receivables treated during the year, and identification of any issues that present balances from trade receivables that are not recoverable in the future. • Review of maturity of outstanding trade receivables at year end and identification of any debtors in financial difficulty. • Recalculating impairment of trade receivables, taking into account specific parameters for debtors such as maturity of balances and reviewing data arising from discussions with the management. • Assessment of recoverability of balances by comparing the year closing amounts with subsequent collection of the amounts/ settlements. • Assessment of adequacy of the Group's and the Company's disclosures included in the notes to financial statement regarding this matter.

Assessment of impairment of investments in subsidiaries (separate financial statements)	
As of 31 December 2019, the Company has recognized investments in subsidiaries of € 11.2 million, which are measured at cost less any accumulated impairment losses. According to IFRS, an entity is required to assess whether there is evidence of impairment regarding the value of assets. Assessing whether there is an indication that may lead to impairment loss on an asset requires a significant degree of judgment. The recoverable amount of every Cash Generation Unit (CGU) is determined as be the highest amount between the fair value less costs to sell and value in use. This requires management's judgment regarding future cash flows of those CGUs and the discount rates applied to projections of future cash flows. With regard to future cash flows, the management judgments relate to variables such as revenue growth, gross profit margins and operating costs. Given the degree of subjectivity regarding the assumptions that are used as the basis for impairment analysis and significant judgments and estimates required from the management, we consider that impairment of investment in subsidiaries is one of the key audit issues. The Company's disclosures regarding the accounting policy and the assumptions and estimates used while assessing investments in subsidiaries are included in Notes 4.1, 5.7 and 8.3 to the financial statements.	As of 31 December 2019, the Company has recognized investments in subsidiaries of € 11.2 million, which are measured at cost less any accumulated impairment losses. According to IFRS, an entity is required to assess whether there is evidence of impairment regarding the value of assets. Assessing whether there is an indication that may lead to impairment loss on an asset requires a significant degree of judgment. The recoverable amount of every Cash Generation Unit (CGU) is determined as be the highest amount between the fair value less costs to sell and value in use. This requires management's judgment regarding future cash flows of those CGUs and the discount rates applied to projections of future cash flows. With regard to future cash flows, the management judgments relate to variables such as revenue growth, gross profit margins and operating costs. Given the degree of subjectivity regarding the assumptions that are used as the basis for impairment analysis and significant judgments and estimates required from the management, we consider that impairment of investment in subsidiaries is one of the key audit issues. The Company's disclosures regarding the accounting policy and the assumptions and estimates used while assessing investments in subsidiaries are included in Notes 4.1, 5.7 and 8.3 to the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report, Statements of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to communicate that matter. No such issue has arisen.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with the IFRSs as adopted by the European Union and for such internal control as management 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 separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or the Group or to cease operations, or there is no realistic alternative but to do so.

The Audit Committee (artic. 44 Law 4449/2017) of the Company is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Law, 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, as incorporated into the Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Conclude on the appropriateness of management's 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 or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 of the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and the Group to express audit opinions on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of the Board of Directors

Taking into consideration that Management is responsible for the preparation of the Management Report of the Board of Directors and the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B) we note the following:

a. The Management Report of the Board of Directors includes the Corporate Governance Statement that provides the data and information defined under article 152, of Law 4548/218.

b. In our opinion, the Management Report of the Board of Directors has been prepared in compliance with the effective legal requirements of Articles 150 and 153 and Paragraph 1 (cases c' and d'), Article 152 of Law 4548/2018, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2019.

c. Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company MACEDONIAN STEEL PRODUCTS TRADINGSIDMA S.A. and its environment.

2. Equity and corresponding provisions of Law 4548/2018

Note 8.30.4 to the financial statements makes reference to the fact that total value of the Company's Equity has become less than a half (1/2) of its share capital and, therefore, there are effective the provisions of Paragraph 4, Article 119 of Law 4548/2018, under which the Board of Directors is obliged to convene the general meeting of shareholders regarding the issue of taking the appropriate measures.

3. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Company Audit Committee, prepared in compliance with Article 11, Regulation (EU) No 537/2014.

4. Provision of Non-Audit Services

We have not provided the prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014 to the Company and its subsidiaries.

Authorized non-audit services provided by us to the Company and its subsidiaries during the year ended as at December 31, 2019 are disclosed in Note 8.36 to the accompanying separate and consolidated financial statements.

Auditor’s Appointment

We were appointed statutory auditors by the Annual General Meeting of the Company on 13/06/2013. Since then, we have been appointed as the statutory auditors for a total period of seven years based on the decisions of the Annual General Meeting of Shareholders.

Athens, 30st March 2020
The Certified Accountant

Elpida Leonidou
I.C.P.A Reg.: 19801

GrantThornton
An instinct for growth™

Chartered Accountants Management Consultants
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Registry Number SOEL 127

C. Annual Board of Directors' Management Report

ANNUAL BOARD OF DIRECTORS' MANAGEMENT REPORT
OF THE COMPANY SIDMA S.A.
on the Financial Statements for the period from 1 January to 31 December 2019

C.1 Introduction

This Annual Report of the Board of Directors (hereinafter referred to as the "Report") refers to the time period for the year 2019 (1.1.2019-31.12.2019). The Report has been drafted and is in line with the relevant provisions of Codified Law 2190/1920, as replaced, from 1/1/2019, by Articles 150-154 of Law 4548/2018, Article 4 of Law 3556/2007 (Government Gazette 91A / 30.4.2007) as well as the executive decisions of the Board of Directors. of the Hellenic Capital Market Commission.

The present report contains in a brief, but substantive manner, all the important units, which are deemed necessary, based on the above-mentioned legislative frame and depicts in a truthful way all the relevant legally indispensable information, in order to provide substantive data regarding the operations performed by the Company "**SIDMA SA**" as well as the Group within the period in question.

The present report has been prepared according to the terms and conditions of the above described legal framework, accompanies the financial statements of this period and is included in its entirety in the Annual Financial Report for FY 2019.

Given that the Company also prepares consolidated financial statements, the present report is unified, while the main point of reference pertains to consolidated financial figures of the Company and its associates. As far as separate (noon-consolidated) data of the parent company is concerned, reference is made only when it is considered necessary in order to better understand its content. The units of the Report and their content are as follows.

C.2 Company Performance and Financial Position

In 2019, amid a challenging and competitive environment, the company managed to increase its sales volume and operating profitability in relation to last year while maintaining its leading position in the domestic market. However, this increase is not reflected on its turnover as steel selling prices dropped in relation to the respective prices in 2018.
At Group level, the situation is similar with an increase compared to 2018 in both sales volume and operating profitability although the turnover recorded a slight drop due to a decrease in selling prices, as cited above.

In detail, in 2019 the consolidated turnover of **SIDMA** amounted to €133.7 million compared to €136.7 million in 2018 or 2.2% less. Taking into account agency sales, the turnover amounted to €166.6 million compared to €171.3 million last year, i.e. it was decreased by 2.7% (the average sales price dropped by 5,3 % compared with that of 2018). Moreover, earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to €4.6 million from €4.2 million in 2018, due to a 9.4% increase in gross profit margin. Pre-tax results recorded a drop-in losses by €2 million, from €3.9 million in 2018 to €1.9 million in 2019. Finally, Group's liquidity amounted to € 6.2 million from € 9.2 million at the end of 2018, while Debt decreased by 5% from € 110 million to € 105 million.

At company level, in 2019 the turnover of SIDMA amounted to €85.0 million from €85.2 million, recording a marginal drop by 0.3%. Taking into account agency sales, the turnover amounted to €117.8 million from €119.8 million in 2018 recording a marginal drop by 1.7% (the average sales price dropped by 5,0 % compared with that of 2018). EBITDA amounted to €3.6 million from €3.5 million in 2018 while pre-tax results stood at losses of €1.0 million compared to €2.8 million in 2018. The improvement in results was driven by the improvement in gross profit and the negotiations of the parent company with the banks with a view to restructuring its debt and reducing its financial cost.

With respect to the Balkan subsidiaries, **SIDMA Bulgaria** recorded a marginal increase in its turnover by 0.3% to €26.6 million compared to €26.5 million in 2018 (with average selling price lower by 6.0% compared to the price in 2018), a 2.9 % drop in terms of operating profitability (EBITDA amounted to €635k from €654k in 2018), an increase in selling expenses by 9.9%, while pre-tax results amounted to €21k in 2019 compared to €70k last year.

SIDMA Romania saw its turnover drop by 11% at €23.0 million compared to €25.8 million in 2018 (with average selling price being lower by 6.4% compared to the price in 2018) in relation to last year. In terms of operating profitability, EBITDA recorded a significant increase by 59% or €117k approximately (€ 315 k in 2019 from € 198 k in 2018), while in terms of pre-tax results the company recorded losses of €1,170k in 2019 from €1,022k last year. The decrease in the Romanian subsidiary's turnover is due, on the one hand, to the decrease in selling prices and, on the other hand, to the significant slowdown in the growth rate of Central European countries and in particular Germany, on which Romanian exports are heavily dependent. The deterioration in pre-tax results is due to the increased foreign exchange losses and depreciation by approximately €140k and 77k respectively compared to last year.

The Group's liquidity amounted to €6.2 million at year end compared to €9.2 million last year. Company Management focuses its efforts on boosting the Group's liquidity and financial position, giving top priority to decreasing its clients' credit days and improving its financing cost.

Concerning the spread of coronavirus SIDMA has taken all necessary steps to protect the health of its employees and partners. By way of example, it is indicated that the company's personnel have been fully informed about the symptoms and the way the virus can spread, while detailed instructions on precautionary measures have been provided. The necessary anti-bacterial materials have been provided and disinfection has taken place at the workplaces. Remote work and modern communication technologies are put to use, inciting work from home insofar as the professional subject-matter allows so, while a rotational scheme has been anticipated for those working at offices to avoid any crowding. Finally, live corporate conferences have been postponed and all business travels have been suspended.

The overall market situation showed signs of improvement by the beginning of this month but after the imposition of additional restrictive measures due to the spread of coronavirus, this increase was deteriorated. The company continues to operate normally, with the security measures mentioned above, and with several backlogs. Its supply from overseas Steel mills does not present any particular problems so far, but domestic demand for the coming months remains problematic, especially if the outbreak does not slow down soon. Experts' latest studies report conflicting forecasts for the 2020 GDP, from an increase of nearly 1% to a decline of 3-4%. The most likely forecast on demand in the domestic market has a V behavior. A sharp decline in demand at the beginning with a sharp rebound over a few months.

C.3 Alternative Performance Measures

The Company uses Alternative Performance Measures (APMs) in decision-making with regard to its financial, operational and strategic planning, as well as when evaluating and publishing its performance. These APMs serve to understand the financial and operating results of the company, its financial position and cash flow in a better way. Alternative measures (APMs) should always be considered in conjunction with the financial results prepared under IFRS and under no circumstances replace them.

The main APMs for the Group and the Company for the year 1.1 - 31.12.2019 are as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018	Δ (%)
Turnover	133.721.115	136.688.028	-2,2%
Consignment Sales	32.885.156	34.625.497	-5,0%
Total Sales	**166.606.271**	**171.313.525**	**-2,7%**
Gross Profit Margin	11.056.544	10.328.390	7,1%
Earnings before taxes	(1.918.730)	(3.865.443)	-50,4%
EBITDA	4.561.584	4.248.328	7,4%

Company	01.01 - 31.12.2019	01.01 - 31.12.2018	Δ (%)
Turnover	84.956.178	85.180.104	-0,3%
Consignment Sales	32.885.156	34.625.497	-5,0%
Total Sales	**117.841.334**	**119.805.600**	**-1,6%**
Gross Profit Margin	8.557.952	8.119.727	5,4%
Earnings before taxes	(1.016.810)	(2.827.084)	-64,0%
EBITDA	3.605.751	3.482.544	3,5%

The calculations for the Alternative Performance Indicators of the Company and the Group are analysed as follows:

Group	01.01 - 31.12.2019	01.01 - 31.12.2018	Δ (%)
Gross Margin			
(Gross Profit/ Turnover)	8,27%	7,56%	0,7%
EBITDA Margin:			
(EBITDA/ Turnover)	3,41%	3,11%	0,3%
Net Profit Margin			
(Profit before Tax / Turnover)	-1,43%	-2,83%	1,4%
Liquidity Ratio			
Current Assets/Current Liabilities (1)	0,9	0,9	-0,8%
Interest cover ratio			
EBITDA / Net Interest	1,1	0,7	51,6%

Company	01.01 - 31.12.2019	01.01 - 31.12.2018	Δ (%)
Gross Margin			
(Gross Profit/ Turnover)	10,07%	9,53%	0,5%
EBITDA Margin:			
(EBITDA/ Turnover)	4,24%	4,09%	0,2%
Net Profit Margin			
(Profit before Tax / Turnover)	-1,20%	-3,32%	2,1%
Liquidity Ratio			
Current Assets/Current Liabilities (1)	1,0	1,0	-1,4%
Interest cover ratio			
EBITDA / Net Interest	1,4	0,8	79,8%

(1) Short-term liabilities do not consider the part of long-term loans that expire in the next 12 months.

C.4 Significant Events During 2019

The important events that took place in the year from 1 January to 31 December 2019 as well as their effect on the financial statements are as follows:

- Ordinary and Extraordinary General Meeting Resolutions
  20 shareholders accounting for 78.96% of the share capital and voting rights attended the Ordinary General Meeting of company shareholders that was held in Athens on 23 May 2019 and unanimously approved the following:
  - The Management Report of the Board of Directors and Auditors, and the annual Financial Statements on 2018l
  - Discharge of members of the Board of Directors and the Chartered Accountant for 2018;
  - Election of Chartered Accountants and approval of their fees for 2019;
  - Approval of the fees paid to BoD members associated with dependent labour relation for 2018 and preliminary approval of their fees for 2019;
  - Election of a new Board of Directors;
  - Election of the members of the audit committee in line with article 44 of Law 4449/2017.
  - The recommendation of the BoD with respect to the range of measures already taken and its proposal about the measures considered to be taken in the near future in

accordance with article 119 of Law 4548/2018 on how to address the decrease in the Company's equity.

- The amendment to the terms of the corporate bond agreement of 25/01/2012 that has been entered into with EUROBANK ERGASIAS S.A. with respect to the loan repayment time and more specifically its extension from 27.12.2018 to 30.06.2019.
- The extension of the ordinary corporate bond of €4,000,000.00 (four million Euros) from 30/6/2019 to 31/12/2019; the Board of Directors was authorised to decide at its unfettered discretion and stipulate with the bondholders' representative all details and special matters involving such amendment.

14 shareholders accounting for 76.33% of the share capital and voting rights attended the Extraordinary General Meeting of company shareholders that was held in Athens on 20 December 2019 and unanimously approved the following:

- The Remuneration Policy in accordance with law 4548/2018, as currently in force; The approved Remuneration Policy together with voting percentages will be available on the company's website (http://www.sidma.gr) and will remain posted for as long as such Policy remains in force.
- The Regulation of the Audit Committee which was a part of the company's By-laws that had been approved by the company's Board of Directors in previous years.

- Completion of the special tax audit conducted by the statutory auditors for 2018 and delivery of an unqualified tax certificate to the company.
- Signing of the first MoU with Banks and BITROS Company in May 2019 in relation to the eventual absorption of a part of BITROS STEEL business. The negotiations with the Banks for bringing the agreement to an end are still underway.

C.5 Risk Management

The major financial risks and the corresponding actions taken by the Group are presented below:

(a) Macroeconomic Environment

The growth momentum of the running year will be defined in principle by the duration and intensity of Covid-19 outbreak. Pursuant to the latest developments, it is estimated that Covid-19 outbreak will have negative impacts on global economy for at least 2020 and probably for the following years. At the moment, Greece seems to respond positively to the situation but our economy remains exposed, like all countries around the world, to disruptions in terms of demand and probably supply.

Based on the foregoing, most probably the disruption in the growth rate of the Greek economy will be V-shaped, which means a considerable drop in the market in the near future, with a likely rapid mitigation of the phenomenon during the second half of the year, which will also generate positive prospects for 2021. It is noted that these estimates are based on the currently available information and are subject to high degree of uncertainty as the phenomenon is still ongoing.

Management monitors developments, assesses risks and undertakes the necessary actions to minimize, as much as possible, the effect of the aforementioned risks, and pursue its seamless operation and customer service.

(b) Credit Risk

The Parent company as well as its subsidiaries have a policy to insure their credit sales through insurance companies and, therefore, no significant concentrations of credit risk are generated. Wholesale sales are mainly made to customers with an appropriate credit history. In 2019, no customer participated in the turnover by more than 2.0%, while there was dispersion to a large number of customers. Retail sales are made in cash. On 31/12/2019, the Management believes that there is no material credit risk exposure that has not already been covered by provisions for bad debts. It has also organized a credit control department, charged with assessing the creditworthiness of its customers as well as determining their credit limits. The Group's exposure to credit risk is limited to financial assets, which are as follows:

	Group		Company	
Financial Assets	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash and cash equivalents	6.239.117	9.248.762	5.357.805	7.097.931
Trade and other receivables	46.215.828	50.897.471	39.030.478	42.260.147
Total	**52.454.945**	**60.146.233**	**44.388.283**	**49.358.079**

(c) Interest Rate Risk

The interest rate risk mainly arises from long-term and short-term loans. Loans with variable interest rates expose the Group to cash flow risk. The Group does not consider a rapid increase in Euribor interest rates being possible given the economic situation and development prospects of the Eurozone countries and therefore it has not carried out any interest rate risk management transactions.

The table shows the sensitivity to the Period Results and the Stockholders' Equity in case of a possible change in the Group's interest rates by +/- 1%.

	Group				Company			
	Effect to P & L		Effect to Equity		Effect to P & L		Effect to Equity	
amounts in thousand €	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
31st December 2019	(1.048.687)	1.048.687	(1.048.687)	1.048.687	(834.844)	834.844	(834.844)	834.844
31st December 2018	(1.102.048)	1.102.048	(1.102.048)	1.102.048	(880.390)	880.390	(880.390)	880.390

(d) Liquidity Risk

Liquidity risk is maintained at low levels through availability of adequate credit limits from credit institutions. On 31/12/2019, the Group maintained reserves of € 6,239 thousand.

The Group's standard practice is not to make use of all available lines, but to have disposable credit limits or cash flows at least 7.5% of the total on any occasion. The company's financial statements have been prepared based on the principle of going concern.

The company's equity on 31.12.2019 became negative so company’s Management examines various measures in order to address this negative equity issue.

On December 31, 2019 the total value of the Company's and the Group's short-term liabilities exceeded the total value of their circulating assets by an amount of € 55.2 ml and

€ 63.7 ml respectively. However, € 53.9 ml pertain to long-term bond loans of the company that are classified as short-term loans, due to their expiration within 12 months from the issue date. The Management is currently in the process of renegotiating with the lending banks in order to sign a new long-term loan agreement. These negotiations aim to achieve time shift capital payment, further reduction in the cost of borrowing, as well as the renewal of existing untapped short-term borrowing lines. The result of this restructuring will be the time-shifting of the short-term borrowing up to € 53,9 ml into long term. With this move, the company's working capital will become marginally negative, amounting to € 1.3 ml approximately.

Within the framework of any emergency to enhance liquidity beyond the cost saving program already implemented, the Group evaluates strategies that can bring significant benefits. Namely, it examines a series of actions to improve its financial position, such as restructuring of its loans, the limitation of supporting expenditure and the appropriate use of assets that will bring benefits without affecting the Parent company and the Group from operating smoothly.

The maturity of the Group's financial liabilities is as follows:

	Group							
	31.12.2019				31.12.2018			
Group	**Up to 6 months**	**6-12 months**	**1-5 years**	**More than 5 years**	**Up to 6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Long-term borrowings	41.058.205	54.462.793	9.347.681	-	46.632.030	59.631.156	3.941.586	-
Trade Payables	40.902.973	-	-	-	38.248.629	-	-	-
Other Payables	3.030.595	-	-	-	3.021.476	-	-	-
Total	**84.991.773**	**54.462.793**	**9.347.681**	**0**	**87.902.135**	**59.631.156**	**3.941.586**	**0**

	Company							
	31.12.2019				31.12.2018			
Group	**Up to 6 months**	**6-12 months**	**1-5 years**	**More than 5 years**	**Up to 6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Long-term borrowings	28.293.313	53.852.722	1.338.321	-	31.854.171	56.184.805	-	-
Trade Payables	31.314.809	-	-	-	29.640.897	-	-	-
Other Payables	2.844.079	-	-	-	2.662.555	-	-	-
Total	**62.452.201**	**53.852.722**	**1.338.321**	**0**	**64.157.623**	**56.184.805**	**0**	**0**

(e) Risk of Fluctuation of Raw Material Prices

The selling prices of manufactured products largely depend on the prices of raw materials and the behavior of competition. The fluctuations in world prices for steel products affect (positively or negatively) the Group's profit margin, since changes in the selling prices of products cannot be perfectly synchronized with price changes in the markets and price changes in the Group's reserves. The Group's gross profit margin is affected positively when raw materials prices are rising in and negatively if this is not the case. The fluctuation of metal prices is not covered by hedging transactions of the Group, and therefore, its results are affected through the devaluation or appreciation of reserves accordingly.
However, the Group maintains a permanent contact and a good cooperation with all key suppliers, thus it is directly informed of all developments in the international steel market, taking care to prepare ahead of time and to amend its commercial policy (purchases and

sales) according to current trends. This is very important nowadays since the uncertainty surrounding the steel production capacity due to the coronavirus epidemic is high.

(f) Currency Risk

The Group operates in Europe and therefore the bulk of its transactions is carried out in Euros. However, for the small part of the Group's goods purchases made in US Dollars, the Group carries currency forward contracts.

In addition, the Group is exposed to currency risks from investments in foreign countries. Specifically, for the subsidiary in Romania, as a natural hedge the Group's policy is to use borrowings in the respective currency - whenever this is possible - in order to reduce exposure to risk in case of devaluation of local currency against the Euro. The foreign exchange risk problem does not apply to the Bulgarian subsidiary because its currency is locked against the euro.

The tables with the remaining receivables and liabilities in Foreign Currency for the Group are as follows:

	Group			
	31.12.2019		31.12.2018	
amounts in €	**USD**	**RON**	**USD**	**RON**
Financial Current Assets	237.935	6.754.299	359.093	8.716.567
Financial Liabilities	0	-17.967.346	0	-20.476.410
Short-term elements	**237.935**	**-11.213.047**	**359.093**	**-11.759.842**
Financial Current Assets	0	5.524.461	0	5.797.482
Financial Liabilities	0	0	0	0
Long-term elements	**0**	**5.524.461**	**0**	**5.797.482**

The change in the results and the Stockholders' Equity of the Group from a possible change in the foreign currency exchange rate is as follows:

	31.12.2019			
	+ 10%	- 10%	+ 10%	- 10%
amounts in €	**USD**		**RON**	
Profits (losses) before taxes	-21.630	26.437	120.076	-146.759
Equity	-21.630	26.437	637.220	-778.824

	31.12.2018			
	+ 10%	- 10%	+ 10%	- 10%
amounts in €	**USD**		**RON**	
Profits (losses) before taxes	-32.645	39.899	93.039	-113.470
Equity	-32.645	39.899	635.071	-775.954

C.6 Objectives and Prospects for 2020

The spread of coronavirus and the efforts to contain it are a significant risk factor for the performance of global economy. The circumstances do not allow any reliable or objective predictions. However, pursuant to expert predictions, it is estimated that Covid-19 will have a V-shaped effect on the development of the growth rate of actual GDP, which will depend in any case on the intensity and duration of the phenomenon. Pursuant to the most optimist predictions, the disruption caused to the economy may be of limited duration, affecting mainly the second quarter and partially only the third quarter. Based on this scenario, the growth rate of the actual GDP will be affected only during 2020, without any further negative effect on its long-term performance, and will be close to 1.5%. The most pessimist scenario of the Bank of Greece reports a zero increase in the GDP for 2020.

SIDMA has taken all necessary steps to protect the health of its employees and partners. By way of example, it is indicated that the company's personnel have been fully informed about the symptoms and the way the virus can spread, while detailed instructions on precautionary measures have been provided. The necessary anti-bacterial materials have been provided and disinfection has taken place at the workplaces. Remote work and modern communication technologies are put to use, inciting work from home insofar as the professional subject-matter allows so, while a rotational scheme has been anticipated for those working at offices to avoid any crowding. Finally, live corporate conferences have been postponed and all business travels have been suspended.

C.7 Significant Transactions between the Company and Related Parties

The most singificant transactions of the Company with its related parties wihtin the meaning of IAS 24 are pressented below.

	Sales of goods			
	01/01-31/12/2019		01/01-31/12/2018	
Company	Group	Company	Group	Company
AIFOROS BULGARIA SA	26.725	-	-	-
DOJRAN STEEL DOO	5.121	5.121	1.681	1.681
ECORESET SA	5.985	5.985	1.586	1.586
ETEM BULGARIA SA	3.738	3.738	37.189	26.021
FITCO SA	10.274	10.274	10.524	10.524
FULGOR SA	360.726	360.726	437.261	437.261
ICME ECAB SA	167.782	-	170.281	-
SIDMA BULGARIA SA	-	156.115	-	53.087
SIGMA AD	83.387	-	66.083	-
SOFIA MED AD	87.473	9.830	126.021	-
SOVEL SA	43.591	43.591	50.663	50.663
STOMANA SA	213.306	-	171.843	-
TEKA SYSTEMS SA	-	-	9.370	9.370
AIFOROS SA	17.088	17.088	6.158	6.158
ANAMET SA	11.399	11.399	18.544	18.544
ANTIMET SA	732.797	732.797	498.574	498.574
VEPAL SA	-	-	494	494
VIANATT	7.849	7.849	12.379	12.379
VIOMAL SA	140.868	140.868	167.780	167.780
DIA.VI.PE.TH	265	265	798	798
ELVAL HALCOR S.A.	839.082	839.082	151.625	151.625
HELLENIC CABLES S.A.	56.615	56.615	29.038	29.038
ERGOSTEEL S.A.	68.821	68.821	166.196	166.196
ERLIKON S.A.	27.022	27.022	29.633	29.633
ETIL S.A.	123.672	123.672	379.141	379.141
THERMOLITH S.A.	1.009	1.009	2.437	2.437
METALLOURGIA ATTIKIS S.A.	419.756	419.756	441.983	441.983
SIDENOR S.A.	36.027	36.027	10.636	10.636
SYMETAL S.A.	35.021	35.021	85.311	85.311
CORINTH PIPEWORKS S.A.	112.500	112.500	239.705	239.705
Total	**3.637.899**	**3.225.170**	**3.322.934**	**2.830.626**

Other Income

Company	01/01-31/12/2019 Group	01/01-31/12/2019 Company	01/01-31/12/2018 Group	01/01-31/12/2018 Company
ECORESET SA	99	99	45	45
FULGOR SA	3.486	3.486	8.493	8.493
ICME ECAB SA	-	-	162	-
SIDEROM STEEL Srl	351.804	-	452.061	-
SIDMA ROMANIA SA	-	-	-	9.269
SIDMA BULGARIA SA	-	-	-	5.225
SOVEL SA	260	260	550	550
STOMANA SA	414.221	-	439.528	-
TEKA SYSTEMS SA	-	-	58	57
AIFOROS S.A.	130	130	-	-
ANAMET SA	88	88	115	115
ANTIMET SA	1.560	1.560	50	50
VIANATT S.A.	1.514	1.514	1.659	1.659
VIOMAL S.A.	23	23	-	-
VEPAL S.A.	-	-	50	50
ELVAL HALCOR S.A.	171.307	171.307	172.304	172.304
HELLENIC CABLES S.A.	330	330	60	60
ERGOSTEEL S.A.	3.400	3.400	10.302	10.302
ERLIKON S.A.	241.302	241.302	743.942	743.942
ETIL S.A.	230	230	571	571
THERMOLITH S.A.	55	55	95	95
PROSIDER S.A.	-	-	4.000	4.000
SIDENOR S.A.	1.537.258	1.537.258	1.111.868	1.111.868
SYMETAL S.A.	840	840	1.850	1.850
CORINTH PIPEWORKS S.A.	500.935	500.935	450.083	450.083
Total	**3.228.841**	**2.462.816**	**3.397.845**	**2.520.588**

Purchases

Company	01/01-31/12/2019 Group	01/01-31/12/2019 Company	01/01-31/12/2018 Group	01/01-31/12/2018 Company
METALCO BULGARIA SA	1.704	-	-	-
PROSAL TUBES SA	13.221	-	9.210	-
SIDEROM STEEL Srl	8.794.621	-	11.318.133	-
SIDMA BULGARIA SA	-	-	-	2.719
STOMANA SA	20.160.818	7.337.019	19.528.799	7.132.918
ELVAL HALCOR S.A.	99.877	99.877	214.006	214.006
ERLIKON S.A.	17.659	17.659	82.346	82.346
PROSIDER S.A.	-	-	269.216	269.216
SIDENOR S.A.	808.416	808.416	1.355.144	1.355.144
CORINTH PIPEWORKS S.A.	41.908	38.001	99.482	58.390
TOTAL	**29.938.225**	**8.300.972**	**32.876.337**	**9.114.739**

Other Expenses

Company	01/01-31/12/2019 Group	01/01-31/12/2019 Company	01/01-31/12/2018 Group	01/01-31/12/2018 Company
ETEM BULGARIA SA	1.728	1.728	9.394	9.394
ICME ECAB SA	1.218	-	1.295	-
METALCO BULGARIA SA	3.409	-		
METALIGN	304.686	304.686	307.433	307.433
SIDERAL SHPK	26.001	26.001	21.568	21.568
TEKA SYSTEMS SA	77.854	62.046	-	-
VIENER SA	339.764	339.764	76.860	61.564
ANTIMET SA	76.022	76.022	68.027	68.027
VIANATT S.A.	-	-	789	789
VIEXAL EPE	6.992	5.123	4.065	3.820
ELVAL HALCOR S.A.	14.838	14.838	9.832	9.832
STEELMET S.A.	45.652	45.652		
STEELMET PROPERTY S.A.	200	200	11.194	11.194
TOTAL	**898.364**	**876.060**	**510.456**	**493.621**

Fixed Assets Purchases

Company	01/01-31/12/2019 Group	01/01-31/12/2019 Company	01/01-31/12/2018 Group	01/01-31/12/2018 Company
TEKA SYSTEMS SA	19.996	8.225	23.933	11.030
ELVAL HALCOR S.A.	-	-	2.411	2.411
HELLENIC CABLES S.A.	3.879	3.879	-	-
TOTAL	**23.875**	**12.103**	**26.343**	**13.440**

Fixed Assets Sales

Company	01/01-31/12/2019 Group	01/01-31/12/2019 Company	01/01-31/12/2018 Group	01/01-31/12/2018 Company
SIDMA BULGARIA SA	-	-	-	150
TEKA SYSTEMS SA	-	-	12	12
VIOMAL S.A.	50	50	-	-
ELVAL HALCOR S.A.	50.000	50.000	-	-
TOTAL	**50.050**	**50.050**	**12**	**162**

Payables

Company	31/12/2019 Group	31/12/2019 Company	31/12/2018 Group	31/12/2018 Company
CENERGY SA	-	-	37.774	37.774
ETEM Aluminium Extrusions SA	1.876	1.876	-	-
ETEM BULGARIA SA	-	-	148	148
ICME ECAB SA	125	-	88	-
METALIGN	31.484	31.484	59.346	59.346
SIDERAL SHPK	7.318	7.318	5.399	5.399
SIDEROM STEEL Srl	5.336.060	-	5.481.500	-
SIDMA BULGARIA SA	-	(14)	-	(14)
STOMANA SA	6.171.244	2.060.878	5.108.204	2.335.174
TEKA SYSTEMS SA	17.317	13.395	17.268	14.061
VIENER SA	28.675	28.675		
ANTIMET SA	29.671	29.671	62.276	62.276
VIEXAL EPE	-	-	(132)	(132)
VIANATT S.A.	-	-	978	978
HELLENIC CABLES S.A.	5.841	5.841	1.031	1.031
ELVAL HALCOR S.A.	33.910	33.910	50.395	50.395
ERLIKON S.A.	2.512.907	2.512.907	6.790.306	6.790.306
SIDENOR S.A.	12.304.673	12.304.673	7.955.434	7.955.434
STEELMET S.A.	56.609	56.609	627	627
STEELMET PROPERTY S.A.	248	248		
CORINTH PIPEWORKS S.A.	7.018.240	7.015.776	5.492.108	5.490.150
TOTAL	**33.556.199**	**24.103.247**	**31.062.751**	**22.802.953**

Receivables				
	31/12/2019		31/12/2018	
Company	Group	Company	Group	Company
DOJRAN STEEL DOO	127	127	127	127
ECORESET SA	7.159	7.159	(0)	(0)
ETEM ALBANIA SA	(1.066)	(1.066)	-	-
ETEM BULGARIA SA	(1)	(1)	(1)	(1)
FITCO SA	-	-	1.716	1.716
FULGOR SA	103.523	103.523	123.379	123.379
ICME ECAB SA	60.697	-	64.535	-
PROSAL TUBES SA	30	30	30	30
SIDEROM STEEL Srl	213.442	-	321.791	-
SIDMA ROMANIA SA	-	-	-	8.898
SIDMA BULGARIA SA	-	-	-	11.439
SIDMA CYPRUS Ltd	-	2	-	2
SIGMA AD	17.880	-	49.089	(29)
SOFIA MED AD	2.401	-	-	-
SOVEL SA	31.130	31.130	98.486	98.486
STOMANA SA	11.731	-	11.731	-
TEKA SYSTEMS SA	-	-	124	124
AIFOROS SA	5.217	5.217	1.986	1.986
ANAMET SA	5.958	5.958	2.927	2.927
ANTIMET SA	974.896	974.896	897.275	897.275
VEPAL S.A.	-	-	675	675
VIANATT S.A.	8.492	8.492	22.892	22.892
VIOMAL S.A.	30.927	30.927	50.594	50.594
DIA.VI.PE.TH	123	123	244	244
ELVAL HALCOR S.A.	212.425	212.425	175.756	175.756
HELLENIC CABLES S.A.	3.056	3.056	13.618	13.618
ERGOSTEEL S.A.	2.025	2.025	130.175	130.175
ERLIKON S.A.	23.712	23.712	27.791	27.791
ETIL S.A.	83.212	83.212	315.463	315.463
METALLOURGIA ATTIKIS S.A.	99.632	99.632	42.932	42.932
SIDENOR S.A.	104.642	104.642	31.346	31.346
SIMETAL S.A.	2.164	2.164	316	316
HELLENIC CABLES S.A.	79.261	79.261	111.569	111.569
TOTAL	**2.082.797**	**1.776.647**	**2.496.567**	**2.069.731**

C.8 Post Balance Sheet Events

This year's growth momentum will be largely determined by the duration and intensity of the Covid-19 epidemic. According to the latest developments, it is predicted that the Covid-19 epidemic will have a negative impact on the global economy at least for 2020 and possibly in the coming years. Our country seems, for the time being, to respond positively to the situation, but our economy remains, as in all countries worldwide, subject to both demand and possibly supply-side disruptions.

Based on the above, the most likely shape of the disruption to the growth rate of the Greek economy will take the form of "V". That is, a significant drop in the market in the near future, with the potential for a rapid mitigation during the second half of the year, which will create even positive outlook for 2021. It is noted that these estimates are based on the information available so far and are highly uncertain, as the phenomenon is ongoing.

Management monitors developments, assesses risks and takes the necessary steps to minimize, as far as possible, the impact of the aforementioned risks and to continue operating smoothly and serving its customers.

C.9 Statement of Corporate Governance

This Corporate Governance Statement is prepared in accordance with article 152 of CL 4548/2018, as it is in force, and it is part of the Annual Management Report of the Company's Board of Directors.

INTRODUCTION
The term "corporate governance" describes the way in which companies are managed and audited.
In Greece, the corporate governance framework has been developed mainly through the adoption of binding rules, such as l. 3016/2002 and the Decision 5/204/2000 of the Capital Market Commission, that, inter alia, require the participation of non-executive and independent non-executive members in the Board of Directors of Greek listed companies, the establishing and functioning of an internal audit unit and the adoption of internal rules of operation with minimum mandatory content in accordance with the above provisions.

Finally, yet importantly, the law on public limited liability companies (CL 4548/2018 with its existing amendments) includes the basic rules of corporate governance of public limited liability companies.

C.9.1 Code of Corporate Governance

Disclosure of the Company's voluntary compliance with the Corporate Governance Code

The Company has voluntarily decided to adopt the Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies (hereinafter referred to as "Code"). This Code is at the following on-line address:
http://www.sev.org.gr/Uploads/pdf/kodikas_etairikis_diakivernisis_GR_20131003.pdf

Deviations from the Corporate Governance Code and their justification. Special provisions - practices of the Code for listed companies - not applied by the Company and explanation of the reasons for non-application

First, with this statement, the Company confirms that it faithfully and strictly applies the provisions of Greek law which form the minimum requirements to be met by any Corporate Governance Code applied by the Company, whose shares are traded only on a regulated market in Greece.
These minimum requirements are incorporated in the aforementioned Corporate Governance Code (SEV) in which the Company is subject, but this Code also contains a number of additional (to minimum requirements) special provisions.

The Company, as the case may be, **deviates from or does not apply in full** certain provisions of the Code, concerning "Special practices for listed companies".

These deviations are detailed below. Note that the report that follows includes exceptions for special practices for smaller listed companies, namely, not included in the FTSE / ATHEX 20 and FTSE / ATHEX Mid 40 indices, for which the Code provides in Annex 1 the possibility of their exception from the obligation to explain the non-compliance with them.

Regarding the Board of Directors and its members

Role and responsibilities of the Board

- The Board of Directors has not established a separate special committee, which presides over the application procedure for election to the Board and prepares proposals to the Board regarding the remuneration of executive members and key executives, since the Company's policy with respect to this remuneration is fixed and formed, and secondly because in view of the Company's size, the existence of such committees is not considered as indispensable. A I (1.2)

Size and composition of the Board

- There are 2 independent non-executive members according to the requirements of article 3 para.1 of L.3016/2002 and consequently there are not at least 3 i.e. 1/3 of the 9-member Board, defined by the specific practices in the Corporate Governance Code of SEV. A II (2.3)

Independence of Board members

- The Chairman of the Board has not changed for more than 3 years, since he is a non-executive member and independent of the Managing Director. A II (2.5)
- Five members remain on the company's Board for more than 12 years. A II (2.5)

Role and required qualities of the Chairman of the Board of Directors

- The Board does not appoint an independent Vice-Chairman from among its independent members, but an executive Vice President, as the Chairman of the Board is both a non-executive member and a person other than the Managing Director. A III (3.3 & 3.4)

Election of candidate members of the Board of Directors

- There is no nomination committee for the Board, as this committee is not considered necessary now due to the structure and operation of the Company. A V (5.4 to 5.8)

Functioning of the Board of Directors

- There is currently no provision for supporting the Board in the performance of its work by a competent, specialised and experienced corporate secretary, as his/her main duties are filled up by other services of the Company. A VI (6.2, 6.3)
- There is no need to hold meetings on a regular basis between the Chairman of the Board and its non-executive members without the presence of executive members to discuss the performance and remuneration of the latter, since all related matters are discussed in the presence of all Board members without discrimination. A VI (6.5)
- There is no provision for introductory information programs as there are no new members to the Board and for the continuing professional development and training for the other

members, since persons with proven experience and organizational–administrative skills are proposed for election as Board members. A VI (6.6).

Evaluation of the Board of Directors

- There is no institutionalized procedure for evaluating the effectiveness of the Board and its committees, while the performance of the Chairman of the Board is not evaluated during a procedure under the chairmanship of the independent Vice-Chairman or other non-executive member of the Board in the absence of an independent Vice-President. Apart from evaluating the Board through the Report on the Activities of the annual Ordinary General Meeting of shareholders, the Board monitors and reviews the implementation of its decisions annually. Besides the above, there is no evaluation system for the Board and the committees of A VII (7.1, 7.2 and 7.3).

Regarding internal audit

Internal audit system

There are no available specific funds to the Committee for the use of services by external consultants, as the composition of the Committee and the specialized knowledge and experience of its members ensure its efficient operation. B I (1.9)

Regarding remuneration

Level and structure of remuneration

Establishing the remuneration committee, in view of the Company's structure and operation, has not been considered necessary until now.

The overall remuneration of the Chairman of the Board, the Managing Director as well as the Board members, both executive and non-executive ones, is approved by the Ordinary General Meeting of shareholders and it is adequately disclosed in the financial statements under IAS 24. No remuneration report is disclosed in the corporate governance statement. C I (1.1 – 1.11).

- No bonuses are provided in the Company's contracts with the executive Board members who hold contracts with the Company. C I (1.3)
- There has been agreed no "compensation package" or variable remuneration for any member of the Board of Directors.

General Meeting of Shareholders

- There was no discrepancy, except for the possibility of electronic voting or by mail, at the General Meeting. The company enables shareholders abroad or those unable to attend the General Meeting to vote by proxy. The form is posted on the company's website, according to which the shareholder may authorize any person of their choice to vote in accordance with their specific instructions or as desired by the proxy D II (2.2).

C.9.2 Corporate governance practices applied by the Company in addition to the provisions of the law

The Company faithfully and strictly applies the provisions of the relevant corporate governance legal framework. There are currently no practices applied in addition to the above provisions.

C.9.3 Main Features of the Internal Audit and Risk Management Systems in relation to the preparation procedure of Financial Statements and Financial Reporting

The Internal Audit and Risk Management System of the Company in relation to the procedure of preparing financial statements and financial reports includes safeguards and control mechanisms at various levels within the Organization, as described below:

In general

Risk identification, assessment, measurement and management:
The identification and assessment of risks takes place mainly during the preparation phase of the strategic plan and annual business plan. The issues addressed vary depending on the conditions of the market and the company and include, among others, developments and trends in the industry in which the company operates. The Board carries out an annual review of the corporate strategy, main business risks and internal audit systems.

Planning and monitoring / Budget:
The course of the company is monitored through a detailed budget. The progress of the company's financial figures largely depends on external factors such as the raw material prices and other market factors. For this reason, the budget is adjusted at regular intervals to take account of these changes. The Management monitors the development of the company's financial figures through regular budget reports and comparisons as well as through meetings of the management team.

Adequacy of the Internal Audit System:
The Management has designed and performs ongoing supervisory activities, which are integrated into the Company's operations and which ensure that the Internal Audit System maintains its effectiveness over time. The Company also carries out periodic individual evaluations of the suitability of the Internal Audit System, which are mainly implemented through the Internal Audit Service.

The Company has an independent Internal Audit Service, according to art. 7 & 8 of law 3016/2002, which among other things ensures that the risk identification and management procedures applied by the Management are adequate and also ensures the effective functioning of the Internal Audit System and the quality and reliability of the information provided by the Management to the Board regarding the Internal Audit System.

The adequacy of the Internal Audit System is monitored on a regular basis by the Audit Committee through interactive communication with the Internal Audit Service.

Internal Rules of Operation

The Company has drafted relevant Internal Rules of Operation, which are approved by the Board of Directors. Within the framework of the Rules, the role and responsibilities of key jobs are defined, thus promoting the adequate separation of responsibilities within the Company.

Safeguards for the preparation procedure of financial statements and financial reporting

As part of the preparation procedures of the Company's financial statements, specific safeguards exist and operate, which are related to the use of commonly accepted tools and methodologies based on international practices. The main areas in which safeguards operate that are related to the preparation of the Company's financial reports and financial statements are as follows:

Organization - Distribution of Responsibilities

- The assignment of responsibilities and powers to both the top-level Management of the company and to the middle and lower level managers ensures that the effectiveness of the Internal Audit System is enhanced, while preserving the required separation of responsibilities.
- Appropriate staffing of financial services with individuals who have the necessary technical knowledge and experience for the duties assigned to them.

Accounting and financial reporting procedures

- Training and provision of information to staff involved in the preparation of the Financial Statements.
- Automated checks and inspections carried out between different information systems.
- The Management's judgements and estimates required for the preparation of financial statements are reviewed at each financial reporting period, in relation to the risks identified.

Internal audit procedures of financial statements

- The internal audit in the preparation procedure of financial statements is designed in such a way that the management's claims are confirmed, by specific processes, against those of third parties and the external auditors on the individual items in the financial statements, that are:

For the Balance Sheet: the existence and ownership of the data, the completeness, the consistent with the accounting framework measurement and classification.

For the Results: The existence of the transaction, the accrual-based accounting, the completeness, the accuracy and the classification based on the accounting framework.

Asset retention procedures

- Existence of safeguards for fixed assets, stocks, available funds - cheques and other company assets, including but not limited to physical security of the treasury and warehouses, the inventory and comparison of the measured quantities with those of accounting records, the adequate security of assets and others.

C.9.4 Board of Directors

Composition and functioning of the Board of Directors

The role, powers and relevant responsibilities of the Board are described in the statute as well as in the Company's Internal Rules of Operation.

The Board of Directors, acting collectively, has the administration and management of corporate affairs according to art. 86 of CL 4548/2018. It decides on all matters relating to the Company and carries out any action other than those that, either by law or by statute, the General Meeting of shareholders is responsible for.

Including but not limited to, the Board of Directors:

(a) Represents the Company judicially and extra judicially.

(b) Initiates and conducts trials, acts of seizure, underwriting and mortgage records, consents to their removal, waives privileges, lawsuits and judicial remedies, settles judicially and extra judicially and agrees arbitration.

(c) Acquires, creates or transfers rights in rem and in person to movable and immovable property, subject to article 19 of CL 4548/2018 and accepts obligations, enters into any form of contract, subject to article 99 of CL 4548/2018, participates in public or other competitions as well as in calls for bids and calls for tenders.

(d) Hires, appoints and makes redundant employees and agents of the Company, regulates wages and salaries and grants and rescinds any general and special power of attorney on behalf of the Company.

(e) Issues, accepts and signs or warrants or endorses promissory notes, bills of exchange, cheques and any negotiable instruments.

(f) Generally, determines the Company's expenses.

(g) Audits the books and the Treasury of the Company, prepares the annual financial statements, proposes the amortizations made in facilities and doubtful debts and proposes the dividends and profits to be distributed.

(h) Determines the internal operation of the Company and issues the relevant regulations and generally carries out all actions involved in managing the Company and its assets and has every power and right to manage corporate interests and to perform any act for the realization of the objectives pursued by the Company.

(i) Lawfully provides every kind of guarantees on behalf of the company in favor of natural or legal persons with whom the company has or maintains commercial or financial transactions to serve its purposes.

The Board of Directors may, by decision, entrust the exercise of all or some of its rights and powers relating to the administration, management and representation of the Company to one or more persons, irrespective of whether these persons are or are not members of the Board. Such persons may, if provided by the relevant decisions of the Board of Directors, further delegate the exercise of the powers assigned to them or part of them to other or third parties. The title and responsibilities of each of these persons is always determined by the decision of the Board of Directors to appoint them.

Each member of the Board of Directors is liable to the Company for the management of corporate affairs for that entire fault. They are responsible themselves if the balance sheet contains omissions or false statements that conceal the actual situation of the Company. This responsibility does not exist if the member proves that he/she followed the due care and diligence of a prudent businessperson. This diligence is also judged based on the capacity of each member and the duties assigned. In addition, this responsibility does not exist for acts and omissions based on lawful decisions of the General Meeting or related to a reasonable business decision taken in good faith, based on sufficient information and only in the interest of shareholders.

Meetings of the Board of Directors

The Board of Directors meets at the Company's headquarters when the law or the needs of the Company so require and it is convened by the Chairman or the Vice-Chairman deputizing for him on a day and time specified by him. The Board is also convened whenever the Chairman deems it necessary or this is requested by two Directors, as defined in the relevant law. In addition to the Chairman or his alternate, the convening of the Board of Directors may be requested by two (2) of its members through an application form addressed to the Chairman or his alternate, who are obliged to convene the Board to meet within seven (7) days from the submission of the request. Moreover, the application form must, by penalty of inadmissibility, clearly outline the topics to be discussed at the Board. If the Board of Directors is not convened by the Chairman or his alternate within the above deadline, the members who have requested the convening may convene the Board of Directors themselves within five (5) days from the expiry of the above (7) seven-day period, announcing the relevant invitation to the other members of the Board of Directors. In the year 2019, thirty-eight meetings of the Board of Directors were held. Of these, 17 took place at the Company's offices, of which 14 were attended by all of its members and the remaining were attended by 7 members out of 9. The remaining 21 Board of Directors' resolutions have been passed as resolutions by circulation of which 14 were attended by all of its members and the remaining were attended by 7 members out of 9.

Information about the members of the Board of Directors

The current Board of Directors of the Company has nine (9) members, as elected by the Ordinary General Meeting on 23.05.2019 and consists of the following members:

Marcel - Haris Amariglio - Chairman of the Board (Non-executive member)

Mechanical Engineering graduate (BSc, MSc) of the University of Sussex, UK and executive MBA from Kellogg School of Management, USA.

Nikolaos Mariou - Vice-Chairman of the Board (Executive member)

Chemist, graduate of the University of Athens, he holds a postgraduate degree in Biochemical Engineering from University College London and in Business Administration (MBA) from Imperial College, London. Before joining SIDENOR S.A., he served as Area Sales Manager at VIORYL S.A., Category Marketing Manager at COLGATE PALMOLIVE HELLAS, Marketing & Exports Manager at P.D PAPOUTSANIS S.A. and Deputy General Manager at APIVITA S.A. In 2004 he joined the SIDENOR Group, where he was Commercial Director of SIDENOR S.A., as well as Strategic Business Planning Director. He is currently the Managing Director.

Daniel Benardout - CEO and Member of the Board (Executive member)
Civil Engineer graduate (BSc, MSc) from Technion Institute of Technolgy (Israel) and he also holds an executive MBA from the Athens University of Economics and Business. He has been working for the Company since 1981.

Panagiotis Konstantinou - Member of the Board (Executive member)
He is a graduate of Mechanical Engineer of the NTUA and holds a postgraduate degree in Automation Systems and Applied Economics from the Athens University of Economics and Business and studies in Industrial Marketing at INSEAD, France. He has been with SIDENOR SA since 2014 and he holds the position of Commercial Manager.

Konstantinos Karonis - Member of the Board (Non-executive member)
Graduate of the Athens Higher School of Commercial Studies and graduate of Law School, he has been working at VIOHALCO since 1985.

Haim Nahmias - Member of the Board (Non-executive member)
Electrical Engineering graduate from Technion Institute of Technology (Israel). He worked for the company from 1983 to 2014.

Antonis Karadeloglou - General Manager & Member of the Board (Executive member)
Chemist, graduate of the University of Patras. It belongs to the managerial staff of VIOHALCO SA since 1985. He has been working in the Company since 2012.

Minos Moissis - Member of the Board (Independent Non-executive member)
Graduate in Mathematics from the University of Athens and a postgraduate degree in Actuarial Science from the Heriot - Watt University, UK. Mr. Moissis has extensive experience in managing companies of the financial sector. From 1998 to 2001 he was employed in Interamerican at several senior positions and from 2001 to 2004 he served as the Managing Director of the Group. From 2005 to 2010 he worked in the Group of the National Bank of Greece, where he initially introduced and developed bancassurance activities and was then appointed as General Manager of its Network, Retail Banking General Manager, member of the Executive Committee and Managing Director of Ethniki Asfalistiki. From 2011 to 2013 he was employed as General Manager at Commercial Bank. Since 2013 he has been a freelance consultant specialized in insurance and banking.

Georgios Katsaros - Member of the Board (Independent Non-executive member)
Graduate of the Economics department of the Law School of the University of Athens. He also holds a Master's degree in Industrial Economics from Sussex University (U.K.) and an MBA from INSEAD (France). He has been working as Administration Consultant at EFG Eurobank Ergasias since 2003.

Based on the above composition, the Board of Directors is comprised of four (4) executive and five (5) non-executive members, two (2) of which are independent members, about whom the Board considers that they maintain its independence, based on the definitions of the Code.

The mandate of the Board is for one year and ends on the day of the Ordinary General Meeting of the year 2020.

C.9.5 Audit Committee

The Company, in compliance with the provisions and requirements Law 4449/2017, has set up an Audit Committee in order to support the Board with its duties relating to financial reporting, internal audit and the supervision of the statutory audit.
The Audit Committee consists of 3 members of the Board of Directors of the company designated by the AGM according to article 44 of Law 4449/2017. In particular, it consists of a non-executive member and two independent non-executive members, i.e. Mr. Georgios Katsaros (Independent Non-Executive Member), Mr. Minos Moisis (Independent Non-Executive Member) and Mr. Nahmias Haim (Non-Executive Member).
Mr. Georgios Katsaros has been appointed Chairman of the Audit Committee.

The term of office of the above Committee is the same as that of the Board of Directors and ends on the day of the Ordinary General Meeting of the year 2020.

The responsibilities and obligations of the Audit Committee consist of, inter alia:

a. Informing the Board of Directors for the outcome of the statutory audit,
b. Monitoring the financial reporting procedure,
c. Monitoring the effective operation of the internal audit and risk management systems, as well as supervising the Company's internal audit service and ensuring its independence.
d. Monitoring the progress of the statutory audit for the individual and consolidated financial statements of the Company.
e. Reviewing and monitoring issues relating to the existence and maintenance of objectivity and independence of the statutory auditor or audit firm, particularly with regard to the provision of other services to the Company by the statutory auditor or audit firm.
f. Helping the selection procedure of the statutory auditors and proposing to the Board of Directors their appointment.

C.9.6 Other management, supervisory bodies or committees of the Company

On the date of this document, no other management or supervisory bodies or committees of the Company exist under the functioning of the Board of Directors.

C.9.7 Diversity Policy in the composition of the administrative, management and supervisory bodies of the Company

Due to the Company's size and the small number of administrative, management and supervisory bodies of the Company (each of which is composed of a small number of members), the Company does not maintain a separate diversity policy in the composition of these bodies, respecting, however, inter alia, the principle of non-discrimination and equality.

C.9.8. Information required by Article 10 (1) of Directive 2004/25/EC on takeover bids

The above information is detailed in the Explanatory Report of the Board of Directors to the General Assembly of shareholders. (par. C.10)

This Corporate Governance Statement is an integral and distinct part of the annual Management Report of the Company's Board of Directors.

C.10 Explanatory Report of article 4, par. 7 of Law 3556/2007

(a) Share capital structure

On 31/12/2019, the Company's share capital amounted to 13.752.000,45 € and was divided into 10.186.667 common registered shares of a par value of 1,35 € each.

According to the Shareholders' Registry of the 31/12/2019, the Company's share capital structure was the following:

SHAREHOLDERS	Shareholder's book 31/12/2019	
	No.of shares	Stake %
Sovel A.E.	2.842.500	27,90%
Sidacier holding S.A.	1.580.230	15,51%
Andreas Pizante, son of Haim	695.256	6,83%
Rapallo invest holding S.A.	692.602	6,80%
Sidenor Steel Industry S.A.	797.918	7,83%
Nelly Amariglio, daughter of Daniil Andrea	300.889	2,95%
David Amariglio, son of Daniil Andrea	300.889	2,95%
Santy Amariglio, daughter of Andrea	173.882	1,71%
Nataly Pizante, daughter of Andrea	88.093	0,86%
Marcel Amariglio, son of Leon	25.190	0,25%
Victor Pizante, son of Andrea	5.021	0,05%
Public Investors	2.684.197	26,35%
Total	**10.186.667**	**100,00%**

All (100%) of the Company's shares are common, registered, indivisible and listed in the Athens Stock Exchange and are traded under the supervision category. There are no special categories shares. Rights and obligations arising from shares are the usual ones and are described in the relevant articles of the Articles of Association (articles 5, 11 and 24).

The main rights and obligations arising from the share, according to the Company's Articles of Association and L. 4548/2018 are as follows:

Each share entitles its owner to participate in the product of the liquidation of the Company's estate in case of dissolution of the Company and in the distribution of its profits pro rata of the ratio of the paid up capital of the share to the total paid up share capital.

(b) Restrictions to the transfer of the Company's Shares
According to the Company's Articles of Association:
The transfer of the Company's shares is free and is performed according to L. 4548/2018.

(c) Important direct or indirect participations according to Law 3556/2007
As at 31/12/2019, the Company is not aware of any other shareholder, who has a direct or indirect interest in 5% or more of the Company's paid in share capital.

(d) Owners of shares that offer special control rights
There are no issued shares of the Company that offer special control rights.

(e) Restrictions on voting rights – Deadlines in exercising those rights
There are no restrictions on voting rights. The usual deadlines apply to the deposition/blocking of the shares as a condition for the participation in the General Meeting according to the provisions of Article 125 of Law 4548/2018.

According to the Company's Articles of Association, the ownership of one share entitles the shareholder to one vote and the number of votes always increases in proportion with the number of shares.

All shareholders have the right to attend the General Meeting, having a number of voting rights equal to the shares held. The shareholders may be represented at the General Meeting by proxies appointed by means of a simple letter. Minors and restricted persons, as well as legal entities, are represented by their legal representatives.

The person holding the shareholding capacity at the beginning of the fifth day before the date of the original meeting of the general meeting (record date) may participate in the general meeting (initial meeting and repeat). The above recording date also applies in the case of a postponement or a repeat session, provided that the postponement or repeat session is no more than thirty (30) days from the recording date. If this is not the case or if in the case of the repeat general meeting a new invitation is published, according to the provisions of article 130 of Law 4548/2018, the person holding the shareholding at the beginning of the third day before the day of the postponement or the repeat general meeting. Demonstration of shareholder status can be done by any legal means, however, based on information received by the Company from the CSD, provided it provides registry services or through the participants and registered intermediaries in the CSD in any other case.

A natural person who owns part of the share capital of the Company and which participates as a member of its Board of Directors may not have the right to vote in the General Meeting of Shareholders for the assignment of audit of the financial statements to a statutory auditor or audit firm.
The appointment and revocation or replacement of the representative or representative shall be made in writing or by electronic means and shall be submitted to the Company at least forty-eight (48) hours prior to the scheduled date of the meeting. Notification of the appointment and revocation or replacement of a representative by electronic means requires a statutory

provision, which must explicitly mention at least one effective method of communication, such as electronic mail or other equivalent. Each shareholder may appoint up to three (3) Proxies. However, if the shareholder owns shares of the Company that appear in more than one securities account, this limitation does not prevent the shareholder from designating different Proxies for the shares appearing in each securities account in relation to a particular general meeting. Proxies are freely revocable.

The shareholders or representatives of shareholders who do not comply with the provisions of that article may participate in the General Meeting only after its permission.

(f) Shareholder agreements for restrictions in the transfer of shares or in the exercising of voting rights
There are no shareholder agreements regarding restrictions in the transfer of shares or in the exercising of voting rights that are known to the Company.

(g) Rules of appointment and replacement of the members of the Board of Directors and amendment of the Company's Articles of Association if they differ from the provisions of Codified Law 4548/2018.
g.1. According to Articles 11 and 12 of the Articles of Association regarding the Appointment and Replacement of the members of the Board of Directors:

<u>Article 11</u>

1. The Company is managed by a Board of Directors consisting of nine members, which is, in part, appointed according to paragraph 4 of the present article and, in part, elected by the General Meeting of the Shareholders through secret ballot and whose term of office is one year. Exceptionally, the term of office of the Board of Directors is extended until the expiry of the deadline, within which the General Meeting right after the end of the term of office thereof must be convened. The term of office of the members of the Board of Directors begins on the day following the General Meeting at which their election was approved and ends on the day the term of office of the new Board of Directors begins.

2. Members of the Board of Directors, whose term of office has expired, can be re-elected.

3. Members of the Board of Directors may also be legal entities. In this case, the legal entity must appoint a physical person to exercise the powers of the legal entity as member of the Board of Directors.

4. The following shareholders of the Company, ie. «VIOHALCO HELLENIC INDUSTRY OF COPPER AND ALUMINIUM», «SOVEL S.A. HELLENIC PROCESSING COMPANY OF STEEL SOCIETE ANONYME» and «SIDENOR STEEL INDUSTRY S.A.» have the right, according to article 18 paragraphs 3, 4 and 5 of L. 2190/1920, as amended and in force, to appoint three (3) out of nine (9) members of the Board of Directors, if either three (3) or two (2) of them jointly or each one of them separately, are the owners of shares

representing at least 34% of the Company's share capital. That right must be exercised with the notification of the appointment of the abovementioned directors to the Company three (3) full days before the convening of the general meeting of the Company's shareholders for the election of a Board of Directors. This notification is made through dispatching a document signed by the abovementioned shareholders. In that case, the General Meeting is restricted to electing the remaining members of the Board of Directors. For the exercise of the above mentioned right, the shareholders exercising it must deposit to the Company the documentary evidence mentioned in article 24 of the present Articles of Association proving their capacity as shareholders and blocking of the Company's shares representing at least 34% of its share capital at least three (3) full days before the date of the convening of General Meeting. The shareholders who exercise the abovementioned right do not participate in the election of the remaining Board of Directors. The appointed directors can be revoked at any time by the shareholders who have the right to appoint them and be replaced by others. In case the position of any of the appointed directors is vacated due to death, resignation or other reason, another one is appointed by those having the right of appointment. In case the number of the members of the Board of Directors is modified, the proportion of the special representation provided for here must be maintained. For the modification of this paragraph the consent of the shareholders who have the right to appoint members of the Board of Directors is necessary. The above right to appoint members of the Board of Directors is maintained and transferred in case of a transfer of company shares from the above shareholders to subsidiaries or parent companies or companies connected in any way to them and particularly to companies of the «Viohalco Group of Companies», ie, to companies included in the consolidated financial statements of the shareholder, «VIOHALCO HELLENIC INDUSTRY OF COPPER AND ALUMINIUM» or to subsidiaries or parent companies or companies connected in any way to them. In that case the abovementioned right will be valid only as long as the abovementioned shareholders and their successors are shareholders representing at least 34% of the Company's share capital.

Article 12

1) Subject to paragraph 4 article 11 hereof, the Board of Directors may elect members thereof in replacement of members who resigned, deceased or lost their office in any other way. The above election by the Board of Directors is effected by virtue of resolution of those remaining members who were elected by the General Meeting and not those who were appointed pursuant to paragraph 4 of article 11, provided that they are at least three (3), which is passed by the simple majority of said members and is valid for the remainder of the term of office of the member who is replaced. The resolution for the election is subject to the publicity requirements of article 7b of Law 2190/1920, as amended and in force, and is announced by the Board of Directors in the following General Meeting, which may replace the elected members, even if no respective issue has been registered on the agenda.

2) In any case, the remaining members of the Board of Directors, irrespective of their number, may proceed with the convention of a General Meeting with the sole purpose of electing a new Board of Directors.

g.2. According to article 21 of the Company's Articles of Association, the General Meeting is the only authority responsible to decide on the amendments to the Articles of Association. Especially, regarding the decisions of the General Meeting and the amendments to the Articles of Association in general, for which according to the Law, the usual quorum suffices, the Company's Articles of Association provide that, it will be achieved if shareholders representing 66,5% of the share capital are present or represented therein, deviating from Law L.4548/2018, which requires 1/5 of the paid share capital for the usual quorum.

In respect of the amendments to Articles 11,12,14,25 and 26 of the Articles of Association, which regulate the way of appointing and replacing the members of the B.o.D, the way of calling and decision making from the B.o.D, as well as the way of decision making from the General Meeting respectively, is required increased quorum of 70% of the paid-up Share Capital as well as majority of the 2/3 of the votes representing in the General Meeting. Especially, in order to amend paragraph 4 of article 11 of the Company's Articles of Association, it is required the consent of those shareholders to which the right to directly appoint members of the board has been granted.
Apart from the above, the remaining regulations regarding the amendments of the Articles of Association, do not deviate from the relative regulations of L.4548/2018.

(h) Jurisdiction of the Board of Directors for the issuance of new shares/share buybacks according to article 49 of Law 4548/2018

h.1. According to article 6 of the Company's articles of association only the General Meeting has the right to increase its share capital by taking a decision by an increased quorum and majority.
h.2. It is forbidden to the Company and the members of the Board of Directors to acquire its own shares except in the cases and under the conditions imposed by the legislation in force from time to time.

(i) Significant agreements of the Company that become valid/are amended / expire in case of a change in the Company's control following a Public Tender Offer.
No such agreements exist.

(j) Agreements regarding compensation of members of the Board of Directors or personnel in case of resignation, termination of their employment agreement without an essential cause or expiration of their term/ agreement due to public tender offer
No such agreements exist.

C.11 Quality – Environment – Health & Safety – Work-related Issues

Aiming at Quality Assurance, the primary goal of SIDMA S.A. is to maximise customer satisfaction, develop trust in the Company and increase its value, all of which are achieved through:

- continuous efforts to secure the production of quality products and provide satisfactory customer service;
- the implementation of modern product production, control, management and distribution methods within the prescribed period at the lowest possible cost for the Company and its customers;
- the creation of a corporate environment that is conducive to Quality continuous improvement at all levels.

The development and implementation of the "Quality Management System" (QMS) in accordance with the requirements of the respective standard ISO 9001: 2015 aims at the satisfaction of customers, employees and shareholders of SIDMA S.A. as it contributes to the Company's development, based on its key and supporting processes, as well as on continuous improvement structured procedures. The QMS applied to the Company's administrative and production activities is certified by EURO CERT S.A. (European Inspection and Certification Company) in terms of assessment of its compliance with the requirements of the respective Standard.

In relation to Environmental Management, adherence to and compliance with applicable legal and other requirements and overall environmental protection are part of the Business Strategy of SIDMA S.A. The Company is entered in the Waste Electronic Register and participates in the System of Alternative Management of packaging and other products launched by HELLENIC RECOVERY RECYCLING CORPORATION S.A. – with reference to Law 2939 (Government Gazette 179/A/2001), as in force.
The Business Strategy of SIDMA S.A. includes the design of development and application of the Environmental Management System, in accordance with ISO 14001: 2015, to all its productive and administrative activities.

The development and application of an "Occupational Health and Safety System" (OHSS) compliant with the requirements of the respective standards ELOT 1801: 2008 and OHSAS 18001:2007 aims, among others, at identifying risks and primarily the hazardous situations at a workplace and investigating each incident. The OHSS applied to the Company's administrative and production activities is certified by EURO CERT S.A. (European Inspection and Certification Company) in terms of assessment of its compliance with the requirements of the respective Standards.

It should be noted that the following inspection (March 2021) by EURO CERT will concern the assessment of compliance of the applied OHSS with the requirements of new Standard ISO 45001: 2018, which replaces past OHSSs.

SIDMA S.A. has already undertaken the adaptation of the existing OHSS to new requirements.

The Company's Quality Policy and its separate Occupational Health and Safety Policy are determined by Management and are based on consent, engagement and involvement of all its personnel. The Policies are disclosed to all its personnel and to the personnel of its contractors and external associates so that they are all fully aware of their individual obligations in relation to the Management Systems applied.

The company makes systematic investments in its human resources as these are its most valuable assets. Its key principle is to recruit, retain and develop enthusiastic professionals with a high sense of responsibility, creativity and a joint vision for the future. Its personnel consist of talented persons standing out for their perseverance and respect for corporate principles and values, who are actively involved in daily efforts for ensuring success in a very challenging and ever-evolving field.

Halandri, 27 March 2020

CHAIRMAN

MARCEL-HARIS L. AMARILIO

D. Annual Financial Statements

D.1 Statement of Financial Position

S I D M A S.A.
Statement of Financial Position
for the period from 1st January to 31st December 2019

Amounts in EURO

		Group		Company	
		31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Assets	Notes				
Non Current Assets					
Tangible Assets	**8.1**	50.403.043	51.503.575	40.329.337	41.204.898
Intangible assets	**8.2**	487.576	524.431	59.113	91.562
Investments in subsidiaries	**8.3**	0	0	11.176.216	11.417.082
Other non current assets	**8.4**	82.456	107.633	77.755	103.328
		50.973.076	**52.135.639**	**51.642.421**	**52.816.871**
Current Assets					
Inventories	**8.5**	23.429.462	19.026.507	16.794.841	14.389.193
Trade receivables	**8.6**	42.656.614	47.871.053	35.750.618	39.349.667
Other receivables	**8.7**	3.476.758	2.918.785	3.201.605	2.807.152
Cash and cash equivalents	**8.8**	6.239.117	9.248.762	5.357.805	7.097.931
		75.801.951	**79.065.107**	**61.104.869**	**63.643.944**
Total Assets		**126.775.026**	**131.200.746**	**112.747.291**	**116.460.815**
EQUITY					
Shareholders of the mother company:					
Share Capital	**8.9**	13.752.001	13.752.001	13.752.000	13.752.000
Share Premium	**8.9**	9.875.000	9.875.000	9.875.000	9.875.000
Reserves	**8.10**	21.728.620	21.575.230	18.915.678	18.915.678
Retaining Earnings		-71.262.072	-69.234.625	-51.333.172	-50.021.385
		-25.906.451	**-24.032.395**	**-8.790.494**	**-7.478.708**
Non-controlling interests		0	0	0	0
		-25.906.451	**-24.032.395**	**-8.790.494**	**-7.478.708**
Liabilities					
Non Current Liabilities					
Long-term loans	**8.11**	9.347.681	3.941.586	1.338.321	0
Grants for investments in fixed assets	**8.12**	109.096	151.115	109.096	151.115
Deferred Tax Liabilities	**8.13**	2.979.449	2.888.440	3.024.655	2.753.055
Provision for Retirement benefit obligation	**8.14**	790.685	718.709	760.790	692.925
		13.226.911	**7.699.850**	**5.232.862**	**3.597.095**
Current Liabilities					
Trade Payables	**8.15**	40.902.973	38.248.629	31.314.809	29.640.897
Short-term loans	**8.11**	41.058.205	46.632.029	28.293.313	31.854.171
Current installments of long-term loans	**8.11**	54.462.793	59.631.156	53.852.722	56.184.805
Other Payables	**8.16**	3.030.595	3.021.476	2.844.079	2.662.555
		139.454.566	**147.533.291**	**116.304.923**	**120.342.428**
Total Equity and Liabilities		**126.775.027**	**131.200.746**	**112.747.291**	**116.460.815**

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

D.2 Statement of Comprehensive Income

SIDMA S.A.
Statement of Comprehensive Income
for the period from 1st January to 31st December 2019

Amounts in EURO	Notes	Group		Company	
		1.1 - 31.12.2019	**1.1 - 31.12.2018**	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**
Turnover (sales)	**8.17**	133.721.115	136.688.028	84.956.178	85.180.104
Cost of Sales	**8.18**	-122.664.571	-126.359.637	-76.398.226	-77.060.377
Gross Profit		**11.056.544**	**10.328.390**	**8.557.952**	**8.119.727**
Other income	**8.19**	5.450.299	5.386.819	4.215.617	3.750.893
Administrative Expenses	**8.20**	-3.981.019	-3.839.091	-2.949.953	-2.760.768
Distribution/Selling Expenses	**8.21**	-9.725.324	-9.535.455	-7.503.022	-7.165.642
Other expenses	**8.22**	-480.648	-186.613	-461.396	-155.129
Operating Profit (EBIT)		**2.319.852**	**2.154.051**	**1.859.198**	**1.789.082**
Finance Costs (net)	**8.23**	-4.262.687	-6.019.502	-2.658.747	-4.616.174
Income from investing operations	**8.24**	24.105	8	-217.261	8
Profit before taxation		**-1.918.730**	**-3.865.443**	**-1.016.810**	**-2.827.084**
Less: Income Tax Expense	**8.25**	-91.948	214.480	-277.184	152.184
Profit/(loss) after taxation for continued operations (a)		**-2.010.678**	**-3.650.963**	**-1.293.994**	**-2.674.901**
Profit/(loss) after taxation for discontinued operations (b)		**0**	**0**	**0**	**0**
Profit/(loss) after taxation (a)+(b)		**-2.010.678**	**-3.650.963**	**-1.293.994**	**-2.674.901**
Attributable to:					
Shareholders of the mother Company		-2.010.678	-3.650.963		
Non-controlling interests		0	0		
		-2.010.678	**-3.650.963**		
Basic earnings (losses) after tax per share	**8.26**	***-0,1974***	***-0,3584***	***-0,1270***	***-0,2626***
Depreciation & Amortization Expense		2.241.731	2.094.277	1.746.554	1.693.462
EBITDA		**4.561.584**	**4.248.328**	**3.605.751**	**3.482.544**
Actuarial gain/losses	**8.14**	-22.352	36.511	-23.376	24.827
Deferred Taxation	**8.13**	5.584	-6.207	5.584	-6.207
Exchange differences	**8.10**	153.390	10.794	0	0
Deferred Taxation	**8.13**				
Other Comprehensive Income after taxes		**136.622**	**41.097**	**-17.792**	**18.620**
Total Comprehensive Income after taxes		**-1.874.056**	**-3.609.865**	**-1.311.786**	**-2.656.280**
Attributable to:					
Shareholders of the mother Company		-1.874.056	-3.609.865		
Non-controlling interests		0	0		
		-1.874.056	**-3.609.865**		

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

D.3 Statements of Changes in Group's Equity

SIDMA S.A.
Consolidated Statement of changes in net equity for the period from 1st January to 31st December 2019

Amounts in EURO	Group SHAREHOLDER'S EQUITY								
	Share Capital	Share Premium	Reserves	Reserves from the revaluation of fixed assets in fair value	F.X. Differences	Retained Earnings	Equity of the shareholders	Non-controlling interests	Total Equity
Net Equity Balance on 01.01.2018	**13.752.000**	**9.875.000**	**12.688.604**	**9.094.714**	**-218.877**	**-65.376.013**	**-20.184.573**	**0**	**-20.184.573**
IFRS 9 adjustments	0	0	0	0	0	-237.957	-237.957	0	-237.957
Net Equity Balance 0n 01.01.2018 after adjustments	**13.752.000**	**9.875.000**	**12.688.604**	**9.094.714**	**-218.877**	**-65.613.970**	**-20.422.529**	**0**	**-20.422.529**
Transactions with the owners	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Profit (+)/Loss (-) after taxation	**0**	**0**	**0**	**0**	**0**	**-3.650.963**	**-3.650.963**	**0**	**-3.650.963**
Other Comprehensive Income									
Actuarial gain/losses	0	0	0	0	0	36.511	36.511	0	36.511
F.X. Differences	0	0	0	0	10.794	0	10.794	0	10.794
Deferred Taxation	0	0	0	0	0	-6.207	-6.207	0	-6.207
Other Comprehensive Income after taxes	**0**	**0**	**0**	**0**	**10.794**	**30.304**	**41.097**	**0**	**41.097**
Total Comprehensive Income after taxes	**0**	**0**	**0**	**0**	**10.794**	**-3.620.659**	**-3.609.865**	**0**	**-3.609.865**
Net Equity Balance on 31.12.2018	**13.752.000**	**9.875.000**	**12.688.604**	**9.094.714**	**-208.084**	**-69.234.629**	**-24.032.395**	**0**	**-24.032.395**
Net Equity Balance on 01.01.2019	**13.752.000**	**9.875.000**	**12.688.604**	**9.094.714**	**-208.084**	**-69.234.629**	**-24.032.395**	**0**	**-24.032.395**
Transactions with the owners									
Profit (+)/Loss (-) after taxation	**0**	**0**	**0**	**0**	**0**	**-2.010.678**	**-2.010.678**	**0**	**-2.010.678**
Other Comprehensive Income									
Actuarial gain/losses	0	0	0	0	0	-22.352	-22.352	0	-22.352
F.X. Differences	0	0	0	0	153.390	0	153.390	0	153.390
Deferred Taxation	0	0	0	0	0	5.584	5.584	0	5.584
Other Comprehensive Income after taxes	**0**	**0**	**0**	**0**	**153.390**	**-16.768**	**136.622**	**0**	**136.622**
Total Comprehensive Income after taxes	**0**	**0**	**0**	**0**	**153.390**	**-2.027.446**	**-1.874.056**	**0**	**-1.874.056**
Net Equity Balance on 31.12.2019	**13.752.000**	**9.875.000**	**12.688.604**	**9.094.714**	**-54.694**	**-71.262.075**	**-25.906.451**	**0**	**-25.906.451**

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

D.4 Statements of Changes in Company's Equity

SIDMA S.A.
Statement of changes in net equity for the period from
1st January to 31st December 2019

Amounts in EURO	Company				
	Share Capital	Share Premium	Reserves	Retained Earnings	Total Equity
Net Equity Balance on 01.01.2018	**13.752.000**	**9.875.000**	**18.915.678**	**-47.127.149**	**-4.584.472**
IFRS 9 adjustments	0	0	0	-237.957	-237.957
Net Equity Balance 0n 01.01.2018 after adjustments	**13.752.000**	**9.875.000**	**18.915.678**	**-47.365.106**	**-4.822.428**
Transactions with the owners	**0**	**0**	**0**	**0**	**0**
Profit (+)/Loss (-) after taxation	**0**	**0**	**0**	**-2.674.901**	**-2.674.901**
Other Comprehensive Income					
Actuarial gain/losses	0	0	0	24.827	24.827
Deferred Taxation	0	0	0	-6.207	-6.207
Other Comprehensive Income after taxes	**0**	**0**	**0**	**18.620**	**18.620**
Total Comprehensive Income after taxes	**0**	**0**	**0**	**-2.656.280**	**-2.656.280**
Net Equity Balance on 31.12.2018	**13.752.000**	**9.875.000**	**18.915.678**	**-50.021.386**	**-7.478.709**
Net Equity Balance on 01.01.2019	**13.752.000**	**9.875.000**	**18.915.678**	**-50.021.386**	**-7.478.709**
Transactions with the owners	**0**	**0**	**0**	**0**	**0**
Profit (+)/Loss (-) after taxation	**0**	**0**	**0**	**-1.293.994**	**-1.293.994**
Other Comprehensive Income					
Actuarial gain/losses	0	0	0	-23.376	-23.376
Deferred Taxation	0	0	0	5.584	5.584
Other Comprehensive Income after taxes	**0**	**0**	**0**	**-17.792**	**-17.792**
Total Comprehensive Income after taxes	**0**	**0**	**0**	**-1.311.786**	**-1.311.786**
Net Equity Balance on 31.12.2019	**13.752.000**	**9.875.000**	**18.915.678**	**-51.333.173**	**-8.790.495**

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

D.5 Cash Flows Statements

SIDMA S.A.
Cash Flow Statement
for the period from 1st January to 31st December 2019

Amounts in EURO	Group		Company	
	1.1 - 31.12.2019	**1.1 - 31.12.2018**	**1.1 - 31.12.2019**	**1.1 - 31.12.2018**
Operating Activities				
Profit before taxation	-1.918.730	-3.865.443	-1.016.810	-2.827.084
Adjustments for:				
Depreciation & amortization	2.283.750	2.136.435	1.788.573	1.735.620
Depreciation of granted assets	-42.019	-42.158	-42.019	-42.158
Provisions	136.525	99.010	31.323	38.622
Income from prior years' provisions	-6.289	-349.814	0	-19.677
Exchange Differences	-213.528	-13.243	0	0
Income and expenses from investing activities	-34.212	-13.904	207.677	-12.633
Other non cash income/expenses	-871.011	51.854	-1.000.000	0
Finance Costs	5.123.869	6.034.076	3.668.821	4.633.067
Adjustments for changes in working capital				
Decrease/(increase) in inventories	-4.402.955	52.581	-2.405.648	-399.310
Decrease/(increase) in receivables	4.588.813	-970.545	3.231.107	-1.039.842
(Decrease)/increase in payables(except bank loans and overdrafts)	2.847.270	3.572.060	1.915.314	2.969.456
Less:				
Financial Costs paid	-5.183.788	-6.097.620	-3.729.230	-4.697.218
Total inflows / (outflows) from operating activities (a)	**2.307.695**	**593.291**	**2.649.108**	**338.843**
Investing activities				
Acquisition of subsidiaries	0	0	0	-41.784
Purchase of tangible and intangible assets	-658.931	-257.642	-571.808	-180.424
Proceeds on disposal of tangible and intangible assets	64.130	162	64.130	162
Interest received	8.669	11.739	8.147	10.469
Total inflows / (outflows) from investing activities (b)	**-586.131**	**-245.740**	**-499.531**	**-211.577**
Financing Activities				
Share Capital Increase	0	0	0	0
New bank loans raised	-9.145	955.696		722.586
Repayments of loans	-4.704.665	-364.148	-3.889.702	0
Repayments of financial leasing agreements	0	0	0	0
Total inflows / (outflows) from financing activities (c)	**-4.713.810**	**591.548**	**-3.889.702**	**722.586**
Net Increase/(Decrease) in cash and cash equivalents (a) + (b) + (c)	**-2.992.247**	**939.099**	**-1.740.126**	**849.852**
Cash and cash equivalents at the beginning of the period	9.248.762	8.309.666	7.097.932	6.248.080
Cash and cash equivalents at the end of the period	**6.256.515**	**9.248.765**	**5.357.806**	**7.097.932**

The accompanying notes form an integral part of these Annual Separate and Consolidated Financial Statements

1 General Information about the Company and the Group

The parent company, SIDMA S.A., is a Société Anonyme, which operates in processing and trading steel products in Greece. The company's headquarters are located in Chalandri (at 30 VASILEOS GEORGIOU ST., 152 33) ATHENS, while the Company Management central office is located at 54th km of ATHENS – LAMIA N.R., 320 11 INOFYTA and its website is www.sidma.gr. The company is listed on the Athens Stock Exchange under the category of Basic Metals.

Apart from the Company SIDMA S.A., the Consolidated Financial Statements for 2017 include the following companies:

- "SIDMA WORLDWIDE LIMITED" (100% subsidiary), a holding company domiciled in Cyprus, established in
- 100% subsidiaries «SIDMA Romania SRL" domiciled in Romania and "SIDMA Bulgaria S.A.», domiciled in Bulgaria, with the same objective purpose as that of the parent company through the Cyprian holding company "SIDMA WORLDWIDE LIMITED».

The financial statements of our subsidiary companies domiciled abroad, for the fiscal year 2018, have been uploaded in the following link:
https://www.sidma.gr/default.asp?la=2&pid=22&etos=25

2 Framework for Preparing the Financial Statements

These financial statements include the Company's individual financial statements and the consolidated financial statements of the Group dated December 31, 2019, covering the period from January 1, 2019 to December 31, 2019. The aforementioned financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of specific assets at fair value and under the going concern principle.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Interpretations, as the Interpretations Committee (I.F.R.I.C.) of the IASB published these and approved by the European Union.

The preparation of the financial statements in accordance with the IFRS requires the use of certain significant accounting estimates. It also requires from the Management to exercise judgement on the process of applying the accounting principles. Areas that require a higher degree of judgement or are extremely complex, or areas where assumptions and estimates are important for the financial statements, are mentioned in the significant accounting estimates and judgements under note 5.

The presentation currency is the Euro (the currency of the country of the head office of the Group's parent company).

3 Changes in Accounting Policies

3.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The new Standard affects the consolidated and separate Financial Statements.

As for lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

As for lessor, 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.

The new accounting standard affected the accounting treatment of the operating leases of the Group as a lessee. The Group applied IFRS 16 since 1/1/2019, using the simplified transition method ("modified retrospective approach"), without restatement of comparative figures for prior years.
Based on the previous standard (IAS 17), the Group (as lessee) classified the leases as either financial (where the Group retained virtually all the risks and rewards of ownership) or as operating assets.
Leases where a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases and were not capitalized, while operating leases were recognized in the Income Statement proportionally over the lease term.

Following the first application of IFRS 16 on 1/1/2019, the Group applied the following:

Leases previously classified as operating leases

The Group recognized right-of-use assets and liabilities for these agreements that were previously clarified as operating ones, apart from the standard exemptions for leasing contracts with a remaining term less than twelve months at the initial standard application date, for contracts with a low value leased asset, as well as for short term contracts.

The Group applied the simplified transition method ("modified retrospective approach"), based on which recognized:

a) Liability for leasing, which is measured as the present value through discounting of future rentals applying the incremental borrowing rate as of the standard initial application date, and
b) "right-of-use asset", which is recognised at an amount equal to the relevant liability for leasing, adjusted for prepayments and accrued lease payments that had been recognized in Statement of Financial Position as of 31/12/2018.

The effect (increase / (decrease)) from the application of IFRS 16 on 1/1/2019 was as follows:

(Amounts in €)	1/1/2019	
	Group	**Company**
Tangible Assets:		
Right-of-use Bulidings and Transport Equipment	366.250	244.709
Non Current Assets	**366.250**	**244.709**
Short-term loans:		
Short term lease liabilities	178.497	121.241
Long-term loans:		
Long term lease liabilities	187.752	123.469
Total Liabilities	**366.250**	**244.709**

The Group had no impact on equity by the initial application of IFRS 16

Recognition of leases in financial statements of 30/6/2019

Following the initial recognition, the Group remeasures the right-of-use assets and depreciates them on a straight-line basis through the whole leasing term. Respectively, the Group remeasures the above lease liabilities and increases/decreases them through the recognition of the relevant interest and the lease payments.

Statement of Financial Position

Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

Right-of-use Bulidings and Transport Equipment	**Group**	**Company**
First application of IFRS 16	366.250	244.709
Opening Balance 1/1/2019	**366.250**	**244.709**
Additions	267.019	54.290
Depreciation	(221.010)	(122.944)
Closing Balance 31/12/2019	**412.259**	**176.055**

Income Statement

Below amounts recognised in Income Statement:

	1/1-31/12/2019	
	Group	**Company**
Depreciation from right of use assets	221.010	122.944
Interest expenses from lease liabilities	47.310	31.095
Rental expenses from transport equipment which tranfered to Tangible Assets	(251.881)	(143.173)
IFRS 16 effect in Income Statement	**16.439**	**10.867**

The positive impact on Group's and Company's EBITDA for FY 2019, was approximately € 252 k and € 123 k respectively, since according to IAS 17 payments from operating leases were included in EBITDA, while after the application of IFRS 16 the right-of-use assets depreciation charges and the liabilities interest charges will not be include in EBITDA calculation

• IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The new Interpretation does not affect the consolidated and separate Financial Statements.

• Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed 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. The amendments do not affect the consolidated and separate Financial Statements.

• Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to 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. The amendments do not affect the consolidated and separate Financial Statements.

• Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The amendments do not affect the consolidated and separate Financial Statements.

• Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments do not affect the consolidated and separate Financial Statements.

3.1.1. New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

• Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

• Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial

Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

• Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

• Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01/01/2020)

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2020.

• Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes 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. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

• IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

• **Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2022)**

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

4 Summary of Accounting Policies

4.1 Consolidation of Subsidiaries

Subsidiaries are the companies in which SIDMA S.A. has power to exercise control over their operations. The subsidiaries are consolidated in full, starting from the date on which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

The difference between acquisition cost and fair value of liabilities and contingent liabilities of the subsidiary's acquired assets is recorded as goodwill. When acquisition cost is less than the fair value of the acquired assets, liabilities and contingent liabilities of the subsidiary acquired, the difference is directly posted to period results. SIDMA revalue its participation in subsidiaries in acquisition cost less any impairment that might take place.

Non-controlling interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. Non-controlling interest is reported separately in the consolidated income statement as well as in the consolidated balance sheet separately from the Share capital and reserves. In case of purchase of non-controlling interest, the difference between the value of acquisition and the book value of the share of net assets acquired is recognized as goodwill.

As regards the purchases made by non-controlling shareholders, the difference between the price paid and the acquired relevant stake of the book value of the subsidiary's owner's equity is posted to owner's equity. Any gains or losses arising from the sale to non-controlling shareholders are also posted to owner's equity. As regards the sales made to non-controlling shareholders, the difference between the amounts received and the relevant stake of non-controlling shareholders is also posted to owners' equity.

All significant inter-company balances and transactions have been eliminated. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Company.
The financial statements of the subsidiaries are prepared for the same reporting date with the parent company.

4.2 Conversion into Foreign Currency

The consolidated financial statements are presented in Euro, which is the functional currency and the Group's reporting currency.

(a) Transactions in Foreign Currency

Foreign currency transactions are converted into the functional currency by using the exchange rates applicable on the date when the said transactions were performed. The monetary assets and liabilities, which are denominated in foreign currency, are converted into the Group's functional currency on the Statement of Financial Position reporting date using the prevailing exchange rate on that day. Any gains or losses due to translation differences that result from the settlement of such transactions during the period, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates on the Statement of Financial Position reporting date, are recognized in the Income Statement.

(b) Foreign Operations

The assets and liabilities in the financial statements, are converted into Euro by using the exchange rates applicable on the Statement of Financial Position reporting date. Revenues and expenses have been converted into the Group's reporting currency by using the average exchange rates prevailing during the financial year. Any differences arising from the said procedure have been debited / (credited) to the "FX translation reserve" account of the subsidiaries' while it's recognised in other income in the Statement of Comprehensive Income. Upon selling, elimination or derecognition of a foreign subsidiary the above FX translation reserve is transferred to the income statement of the period.

4.3 Property, plant and equipment

Group's and Company's Land, Buildings and Machinery which are held for use in the production process or for administrative purposes are presented in their revalued amounts in the Consolidated and Separate Financial Statements respectively, which are their fair values at the date of the valuation less accumulated depreciation and any impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that, which would be determined using fair value at the end of each reporting

period date. If an asset's carrying amount is increased because of a revaluation, the increase is recognised in Other Comprehensive Income and accumulated in equity as revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased because of a revaluation, the decrease is recognised in in profit or loss. However, the decease shall be recognised in Other Comprehensive Income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in Other Comprehensive Income reduces the amount accumulated in equity as revaluation reserve.
Transportation and other vehicle are recognized in the financial statements at cost, less accumulated depreciation. The acquisition cost includes all direct costs stemming from the acquisition of the assets. Gain or losses from the sale of tangible assets are recognized in line" Profit/(Losses) from investing operations". Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Depreciation is calculated on the straight-line method to write off the assets to their residual values over their estimated useful lives as follows:

Buildings (Offices & Warehouses)	26 - 45 years
Plants	5 - 14 years
Transportation means - vehicles	6 - 9 years
Other equipment	4 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

4.4 Intangible assets

A. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill on acquisitions of associates occurring is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.
Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents a separate Group's investment.

B. Computer software

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Software licenses are stated at historical cost less subsequent depreciation. Depreciation is calculated on the straight-line method over their estimated useful lives which are 4-5 years.

4.5 Financial Instruments

A financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another enterprise.

4.5.1 Initial Recognition

A financial asset or a financial liability is recognized in the Balance Sheet of the Group when it arises or when the Group becomes part of the contractual terms of the instrument.
Financial assets are classified at initial recognition and subsequently measured at amortized cost, at fair value through other comprehensive income and at fair value through results.
The Group initially assesses financial assets at their fair value. Trade receivables (which do not contain a significant financial asset) are valued at transaction price.
In order for a financial asset to be classified and measured at amortized cost or at fair value through comprehensive income, cash flows should be derived which are exclusively capital and interest payments on the initial capital. The Group's business model for managing financial assets refers to the way in which it manages its financial capabilities to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets or both. The purchase or sale of financial assets that require the delivery of assets within a time frame specified by a regulation or a contract is recognized on the trade date, i.e. on the date on which the Group commits to purchase or sell the asset.

4.5.2 Classification and Subsequent Measurement

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

i. *Financial assets measured at fair value through results*
Financial assets measured at fair value through results include financial assets held for trading purposes, financial assets designated at initial recognition at fair value through results or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired in order to be sold or repurchased in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless defined as effective hedging instruments. Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through results, irrespective of the business model.

ii. *Financial assets at amortized cost*
The Group measures financial assets at amortized cost if both of the following conditions are met: (1) The financial asset is retained to hold financial assets for the collection of contractual cash flows; and (2) the contractual terms of the financial asset create cash flows on specified dates that constitute only capital and interest payments on the balance of the initial capital. Financial assets at amortized cost are then measured using the EIR method and are subject to impairment. Profits and losses are recognized in results when the asset is derecognized, modified or impaired.

iii. *Financial assets classified at fair value through comprehensive income*
Upon initial recognition, the Group may elect to irrevocably classify its equity investments as equity instruments that are designated at fair value through comprehensive income when they meet the definition of net position and are not held

for trading. Classification is determined by financial instrument. Profits and losses from these financial assets are never recycled to profits or losses. Equity instruments designated at fair value through comprehensive income are not subject to an impairment test.

4.5.3 Derecognition

A financial asset is derecognized primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has undertaken to fully pay the cash flows received without significant delay to a third party under an agreement and either (a) it has substantially transferred all risks and rewards of the asset; or (b) it has not substantially transferred or held all the risks and estimates of the asset but has transferred the control of the asset.

4.5.4 Impairment

The Group recognizes a provision for loss against expected credit losses for all financial assets that are not measured at fair value through results. Expected credit losses are based on the difference between all contractual cash flows that are payable and all discounted cash flows that the Group expects to receive.

For client and contractual assets, the Group applies the simplified approach for calculating the expected credit losses. Therefore, on each reporting date, a loss provision for a financial instrument is measured at an amount equal to the expected credit losses over the lifetime without monitoring the changes in credit risk.

4.6 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4.7 Cash and cash equivalents

Cash, cash equivalents include cash in hand, sight deposits, time deposits, overdraft bank accounts, and other high liquidity investments that are directly convertible to specified amounts of cash that are subject to a material risk of change in value.

For the purpose of preparing the consolidated statements of cash flows, cash is made up of cash and balances with banks as well as cash as stated above.

4.8 Share capital

Ordinary shares and non-redeemable non-voting preferred shares with minimum statutory nondiscretionary dividend features are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where the Company or its subsidiaries purchases the Company’s own equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

4.9 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Long term borrowings that fall due within the next fiscal year are classified as short term.

4.10 Government grants

Government grants related to grants for assets are recognized at fair value when there is reasonable assurance that the grand will be received and that all the relevant conditions attached will be met.
These grants are recognized as deferred income, which is recognized in the profits or loss of each reporting period in equal instalments based on the useful life of the asset after deducting all related depreciation expenses.
Grants relating to expenses are recognized after deducting all the relevant expenses during the period required for their systematic correlation with subsidized expenses.

4.11 Taxation

Income tax includes the statutory tax, deferred taxation as well as provisions for any tax differences that may arise from a tax audit. Income tax is recognized in the P&L statement except the part of deferred tax of transactions carried directly to equity.
During the current year, no income tax has been calculated due to the losses registered by the companies of the Group.
Deferred tax assets are recognized to the extent it is probable that they will be offset against future income taxes. Deferred tax assets are reviewed on each balance sheet date and reduced to the extent it is no longer probable that adequate taxable profit will be available against which all or part of such deferred tax asset can be utilized.
Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the balance sheet date.
Most changes in deferred tax assets or liabilities are recognized as tax expense in profit or loss. Only changes in deferred tax assets or liabilities relating to a change in the value of asset or liability directly debited to equity shall be debited or credited directly to equity.
The Group recognizes a previously unrecognized deferred tax asset to the extent it is probable that a future taxable profit will enable the recovery of the deferred tax asset.

4.12 Employee benefits

a) **Short-term Benefits:** Short-term benefits to personnel (except for termination of employment benefits) in cash and in kind are recognized as an expense when considered accrued.
b) **Retirement Benefits:** Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service.

Defined Benefit Plan (non- funded)
Under Laws 2112/20 and 4093/2012, the Company must pay compensation upon retirement or termination to its employees. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The entitlement to participate in these plans is usually based on years of service of the employee until retirement.
The liability recognized in the Statement of financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method.
A defined benefit plan establishes, based on various parameters, such as age, years of service, salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying separate and consolidated Income Statements and comprise of the current and past service cost, the relative financial cost, the actuarial gains or losses and any possible additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting for defined benefit plans, including:
• recognition of actuarial gains / losses in other comprehensive income and their permanent exclusion from the income statement,
• non-recognition of the expected returns on the plan investment in the income statement but recognition of the relative interest on net liability / (asset) of the benefits calculated based on the discount rate used to measure the defined benefit obligation,
• recognition of past service cost in the income statement at the earliest between the plan modification date or when the relative restructuring or terminal provision,
• other changes include new disclosures, such as quantitative sensitivity analysis.

4.13 Provisions, Contingent Liabilities and Contingent Assets

The Group forms provisions when:
(a) the group or the company has a present obligation (legal or constructive) as a result of a past event;
(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(c) a reliable estimate can be made of the amount of the obligation.
If these conditions are not met, no provision shall be recognized.

Contingent liabilities and contingent assets are not recognized in the financial statements. Contingent assets are disclosed, where an inflow of economic benefits is probable while contingent liabilities are disclosed when the possibility of an outflow of resources embodying economic benefits, is high.

4.14 Revenue and Expenses recognition

Revenue and expenses are recognized in accordance with the principle of accrual basis.

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognized as follows:

a) **Sales of goods – wholesale**
   Sales of goods are recognized when a Group entity has delivered products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.
b) **Services**
   Revenue from provision of services is accounted for in the period, in which the services are rendered, based on the stage of completion of the service provided in relation to all the services provided.
c) **Revenue from electricity generation**
   Electricity sales are recognized on the date that the relevant risks are transferred to the buyer, and in particular, according to the monthly electricity production provided to the Greek network and confirmed by the LAGHE (the operator of the Greek electricity market) and ADMHE (the independent power transmission operator). Revenue also includes the ancillary services received from ADMHE.
d) **Interest income**
   Interest income is recognized on a time-proportion basis using the effective interest method.
e) **Dividend income**
   Dividend income is recognized when the right to receive payment is established, that means when dividends are approved by the General Assembly of the Shareholders.
f) **Expenses**
   Expenses are recognized in profit or loss on an accrual basis. Payments made for operating leases are transferred to the income statement as expenses when the lease is used. Interest expense is recognized on an accrual basis.

4.15 Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the Lease period. Where the Group has substantially all the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

4.16 Dividends

The allotment of dividends and management fees (from the profits of each year), is recognized as a liability in the financial statements, only when the allotment is being approved by the General Assembly of the Shareholders.

5 Important accounting estimates and judgements of Management

The preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires the Management to make judgements, estimates and assumptions that affect the assets and liabilities, the notifications of contingent assets and liabilities, as well as income and expenses during the periods presented. Actual results may differ from those estimates. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are considered reasonable under specific circumstances, while they are reassessed continuously based on all available information.

During the preparation of the financial statements, the significant accounting estimates and judgements adopted by the Management for the implementation of the Group's accounting principles are consistent with those applied in the annual financial statements of December 31, 2017 and mainly related to the following:

5.1 Provision for Income Tax

The provision for income tax based on IAS 12 is calculated by estimating the taxes payable to the tax authorities and includes the current income tax for each fiscal year and a provision for any additional taxes that may arise in tax audits.

The companies of the Group are subject to income taxes in different jurisdictions. For the overall evaluation of the provision for income taxes as shown in the Balance Sheet, significant assumptions are required. For specific transactions and calculations, the final tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will come up. Where the final tax outcome of these issues is different from the amount that was originally recognized, the differences affect the provision for income tax and deferred tax in the period in which these were determined.

5.2 Deferred Tax Assets on Tax Losses

Deferred tax assets are recognized for all unused tax losses to the extent that it is possible to have sufficient taxable profits that will offset these tax losses. For determining the amount of deferred tax assets that can be recognized, the Group's Management must make significant judgements and estimates, based on future taxable profits together with future tax planning strategies that will be followed.

5.3 Provisions for Doubtful Debts

The Group makes provisions for doubtful debts in relation to specific customers, when there are data or evidence showing that the recovery of the relevant claim is not possible in whole or in part. The Group's Management periodically reassess the adequacy of the provision for doubtful debts in connection with its credit policy and considers data from the Legal Department of the Group, which arise from processing past data and recent developments in the cases handled.

5.4 Contingencies

The Group is involved in litigations and claims in the normal course of its operations. The Management reckons that any resulting settlements would not materially affect the financial position of the Group on December 31, 2019. However, the determination of contingent liabilities relating to litigations and claims is a complex process that involves judgements regarding the outcomes and the interpretation of laws and regulations. Changes in the judgements or interpretations may result in an increase or a decrease in the Group's contingent liabilities in the future.

5.5 Useful Life of Depreciable Assets

The Management examines the useful lives of depreciable assets at each annual reporting period. On December 31, 2019, the Management estimates that the useful lives represent the expected utility of the assets.

5.6 Goodwill Impairment tests

The Group carries out the relevant goodwill impairment testing arisen from a subsidiary at least on an annual basis and/or whenever there is indication of impairment, in accordance with the provisions of IAS 36. In order to determine whether there are reasons for impairment, the calculation of the value in present use and of the fair value less costs to sell the business unit is required. Usually, the methods of the present value of cash flows, the valuation based on indices of similar transactions or businesses traded in an active market and the stock price are used. For the application of these methods, the Management is required to use elements such as estimated future profitability of the subsidiary, business plans as well as market factors, such as interest rates etc.

5.7 Subsidiary Impairment test

The Group conducts a related impairment test of investments in subsidiaries whenever there is evidence of impairment in accordance with IAS 36. In order to determine whether there are any reasons for impairment, it is necessary to calculate the use value and the fair value less costs to sell of each Cash Generation Unit (CGU). Recoverable amounts of CGUs have been determined for impairment testing purposes based on the calculation of their value in use, which requires estimates. For the purpose of calculating the value in use, the estimated cash flows are discounted at their present value using a discount rate that reflects the risks associated with that particular CGU. The calculation uses cash forecasts based on business-approved business plans. These business plans and cash flow projections usually cover a five-year period. Cash flows, beyond the period in which provisions are available, projected at the estimated growth rates. The key assumptions used to determine the recoverable amount of the different CGUs are reported in note 8.3 of the financial statements.

6 Group's structure

The parent company and the subsidiaries included in the Consolidated Financial Statements, with the percentage of participation and the country located as in 31st December 2019, are presented in the following table:

Company	Direct % of participation	Indirect % of participation	Total percentage	Country	Consolidation Method	Activity Sectors
SIDMA S.A.	Mother	-	Mother	Greece	Full	STEEL SERVICE CENTER
SIDMA WORLDWIDE LIMITED	100%	0%	100%	Cyprus	Full	HOLDING
SIDMA ROMANIA SRL.	0%	100%	100%	Romania	Full	STEEL SERVICE CENTER
SIDMA BULGARIA S.A	0%	100%	100%	Bulgaria	Full	STEEL SERVICE CENTER

The Consolidated Financial Statements of SIDMA S.A. Group are included under Equity Method, in the Consolidated Financial Statements of VIOHALCO S.A. group of companies, domiciled in Brussels. The percentage applied for the consolidation of the period 01/01/2019 – 31/12/2019 is calculated at 33.76%.

7 Operating Segments

In accordance with IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who, in the case of SIDMA Group, is considered to be the Chief Executive Officer that is responsible for measuring the business performance of the segments.

For management purposes, the Group is organized in into business units based on the nature of the product and services provided. SIDMA had identified two reportable profit generating segments, "Steel segment" and "Other".

	1.1 - 31.12.2019				1.1 - 31.12.2018			
Amounts in Euros	Steel	Other	Intergroup	Total	Steel	Other	Intergroup	Total
Sales to other companies	133.364.015	357.100	0	133.721.115	136.330.269	357.759	0	136.688.028
Sales to the companies of group	0	0	0	0	0	0	0	0
Total Sales	**133.364.015**	**357.100**	**0**	**133.721.115**	**136.330.269**	**357.759**	**0**	**136.688.028**
Operational Profits	**2.106.125**	**213.727**	**0**	**2.319.852**	**1.935.674**	**218.377**	**0**	**2.154.051**
Finance cost	-4.262.687	0	0	-4.262.687	-6.019.502	0	0	-6.019.502
Result from investing activities	24.105	0	0	24.105	8	0	0	8
Profit before taxation	-2.132.458	213.727	0	-1.918.730	-4.083.819	218.377	0	-3.865.443
Profit after taxation	-2.213.412	202.734	0	-2.010.678	-3.839.362	188.400	0	-3.650.963
Depreciation	2.115.088	126.643	0	2.241.731	1.967.634	126.643	0	2.094.277
EBITDA	**4.221.213**	**340.370**	**0**	**4.561.584**	**3.903.308**	**345.020**	**0**	**4.248.328**
Non Current Assets	125.387.037	1.387.990	0	126.775.027	129.660.274	1.540.472	0	131.200.746
	125.387.037	**1.387.990**	**0**	**126.775.027**	**129.660.274**	**1.540.472**	**0**	**131.200.746**
Long-term & Short-term Liabilities	152.387.569	293.909	0	152.681.478	154.869.703	363.438	0	155.233.141
	152.387.569	**293.909**	**0**	**152.681.478**	**154.869.703**	**363.438**	**0**	**155.233.141**

The analysis of the turnover in respect of domestic and foreign geographical operations is presented below:

Amounts in Euro	1.1 - 31.12.2019			1.1 - 31.12.2018		
Company	Greece	Abroad	Total	Greece	Abroad	Total
SIDMA S.A.	74.092.690	10.707.372	**84.800.063**	75.274.265	9.852.751	**85.127.016**
SIDMA BULGARIA S.A.	0	25.871.597	**25.871.597**	0	25.781.119	**25.781.119**
SIDMA ROMANIA SRL	0	23.049.455	**23.049.455**	0	25.779.893	**25.779.893**
Total	**74.092.690**	**59.628.425**	**133.721.115**	**75.274.265**	**61.413.762**	**136.688.028**

8 Financial Data Analysis

8.1 Property Plant and Equipment

Property, plant and equipment for the Group and the company as at December 31, 2019 are shown in the following tables:

Tangible Assets	Group						
	Land	Buildings	Machinery	Transportation	Other equipment	Assets under construction	Grand Total
Acquisition cost							
Acquisition cost or deemed cost 1.1.2018	**17.889.290**	**27.402.831**	**12.168.738**	**1.714.839**	**2.138.246**	**76.272**	**61.390.216**
Additions	12.602	42.809	56.883	8.750	21.445	73.159	**215.649**
Sales or Deletions	0	0	-2.384	-1.954	-44.039	-275	**-48.651**
Transfers	0	38.282	87.796	6.213	-3.705	-128.586	**0**
Exchange differences	-1.690	-2.082	-783	12	6	0	**-4.538**
Acquisition cost or deemed cost 31.12.2018	**17.900.202**	**27.481.839**	**12.310.250**	**1.727.861**	**2.111.953**	**20.570**	**61.552.676**
Depreciation							
Accumulated Depreciation 01.01.2018	**0**	**-1.124.407**	**-3.217.525**	**-1.697.649**	**-1.972.162**	**0**	**-8.011.743**
Depreciation of the year	0	-843.804	-1.164.371	-12.345	-65.076	0	**-2.085.596**
Transfers	0	0	0	0	0	0	**0**
Depreciation of sold or deleted assets	0	0	2.337	1.954	43.952	0	**48.242**
Accumulated Depreciation 31.12.2018	**0**	**-1.968.211**	**-4.379.559**	**-1.708.040**	**-1.993.287**	**0**	**-10.049.097**
Book value in 31.12.2018	**17.900.202**	**25.513.629**	**7.930.690**	**19.821**	**118.666**	**20.570**	**51.503.578**
Acquisition cost							
Acquisition cost or deemed cost 1.1.2019	**17.900.202**	**27.481.839**	**12.310.250**	**1.727.861**	**2.111.953**	**20.570**	**61.552.676**
Right of use assets	0	191.333	0	480.016	0	0	**671.350**
Additions	0	10.047	70.493	41.300	69.006	435.484	**626.330**
Sales or Deletions	0	0	-20.094	-56.031	-20.854	0	**-96.978**
Transfers	0	7.373	27.989	0	0	-61.228	**-25.867**
Exchange differences	-45.276	-58.777	-24.515	10	-182	0	**-128.740**
Acquisition cost or deemed cost 31.12.2019	**17.900.202**	**27.690.593**	**12.388.637**	**2.193.147**	**2.160.105**	**394.826**	**62.598.770**
Depreciation							
Accumulated Depreciation 01.01.2019	**0**	**-1.968.211**	**-4.379.559**	**-1.708.040**	**-1.993.287**	**0**	**-10.049.097**
Right of use depreciation of the year	0	-52.182	0	-165.831	0	0	**-218.013**
Depreciation of the year	0	-843.593	-1.086.365	-32.059	-54.506	0	**-2.016.522**
Transfers							**0**
Depreciation of sold or deleted assets	0	0	13.718	56.031	18.167	0	**87.916**
Accumulated Depreciation 31.12.2019	**0**	**-2.863.985**	**-5.452.206**	**-1.849.899**	**-2.029.625**	**0**	**-12.195.716**
Book value in 31.12.2019	**17.900.202**	**24.826.607**	**6.936.431**	**343.248**	**130.480**	**394.826**	**50.403.053**

Tangible Assets	Company						
	Land	Buildings	Machinery	Transportation	Other equipment	Assets under construction	Grand Total
Acquisition cost							
Acquisition cost or deemed cost 1.1.2018	**13.662.000**	**22.360.506**	**9.945.817**	**1.480.622**	**1.915.591**	**76.271**	**49.440.807**
Additions	0	20.532	39.424	8.750	12.526	73.159	**154.392**
Sales or Deletions	0	0	-2.384	-1.954	-44.039	-275	**-48.651**
Transfers	0	38.282	87.796	2.508	0	-128.586	**0**
Acquisition cost or deemed cost 31.12.2018	**13.662.000**	**22.419.320**	**10.070.653**	**1.489.927**	**1.884.079**	**20.569**	**49.546.547**
Depreciation							
Accumulated Depreciation 01.01.2018	**0**	**-674.662**	**-2.770.986**	**-1.479.008**	**-1.775.339**	**0**	**-6.699.995**
Depreciation of the year	0	-675.287	-959.643	-1.809	-53.155	0	**-1.689.893**
Depreciation of sold or deleted assets	0	0	2.337	1.954	43.952	0	**48.242**
Accumulated Depreciation 31.12.2018	**0**	**-1.349.948**	**-3.728.292**	**-1.478.863**	**-1.784.543**	**0**	**-8.341.647**
Book value in 31.12.2018	**13.662.000**	**21.069.372**	**6.342.361**	**11.063**	**99.536**	**20.568**	**41.204.901**
Acquisition cost							
Acquisition cost or deemed cost 1.1.2019	**13.662.000**	**22.419.320**	**10.070.653**	**1.489.927**	**1.884.079**	**20.569**	**49.546.547**
Right of use assets	0	0	0	343.452	0	0	**343.452**
Additions	0	10.047	12.700	41.300	31.680	435.484	**531.211**
Sales or Deletions	0	0	-20.094	-56.031	-5.941	0	**-82.066**
Transfers	0	7.373	27.989	0	25.867	-61.228	**0**
Acquisition cost or deemed cost 31.12.2019	**13.662.000**	**22.436.740**	**10.091.247**	**1.818.648**	**1.935.685**	**394.824**	**50.339.145**
Depreciation							
Accumulated Depreciation 01.01.2019	**0**	**-1.349.948**	**-3.728.292**	**-1.478.863**	**-1.784.543**	**0**	**-8.341.647**
Right of use assets depreciation	0	0	0	-137.920	0	0	**-137.920**
Depreciation of the year	0	-676.234	-878.888	-4.281	-46.519	0	**-1.605.921**
Depreciation of sold or deleted assets	0	0	13.718	56.031	5.941	0	**75.690**
Transfers	0	0	0	0	0	0	**0**
Accumulated Depreciation 31.12.2019	**0**	**-2.026.182**	**-4.593.462**	**-1.565.034**	**-1.825.120**	**0**	**-10.009.799**
Book value in 31.12.2019	**13.662.000**	**20.410.558**	**5.497.785**	**253.614**	**110.565**	**394.824**	**40.329.346**

Land, buildings and machinery are measured at their revalued value (revaluation method). Means of transport, other equipment and fixed assets under construction are stated at cost less accumulated depreciation. In order to secure the Group's and the Company's loans, there are mortgage foreclosures listed in note 8.29.2 below.

8.2 Intangible Assets

The intangible assets for the Group and the Company are shown in the following tables:

	Group			Company
Amounts in €	**Goodwill**	**Software**	**Total**	**Software**
Acquisition cost				
Acquisition cost or deemed cost 1.1.2018	**419.115**	**1.565.609**	**1.984.724**	**1.401.760**
Additions	0	42.301	42.301	26.340
Transfers	0	0	0	0
Exchange differences	0	5	5	0
Acquisition cost or deemed cost 31.12.2018	**419.115**	**1.607.915**	**2.027.030**	**1.428.100**
Depreciation				
Accumulated Depreciation 01.01.2018	**0**	**(1.451.743)**	**(1.451.743)**	**(1.290.794)**
Depreciation of the year	0	(50.856)	0	(45.743)
Depreciation of sold or deleted assets	0	0	0	0
Accumulated Depreciation 31.12.2018	**0**	**-1.502.599**	**-1.451.743**	**-1.336.537**
Book value in 31.12.2018	**419.115**	**105.316**	**575.287**	**91.563**
Acquisition cost				
Acquisition cost or deemed cost 1.1.2019	**419.115**	**1.607.915**	**2.027.030**	**1.428.100**
Additions	0	13.199	13.199	12.275
Sales or Deletions	0	0	0	
Transfers	0	0	0	0
Exchange differences	0	(144)	(144)	0
Acquisition cost or deemed cost 31.12.2019	**419.115**	**1.620.970**	**2.040.085**	**1.440.375**
Depreciation				
Accumulated Depreciation 01.01.2019	**0**	**(1.502.599)**	**(1.451.743)**	**(1.336.537)**
Depreciation of the year	0	(51.895)	(51.895)	(46.710)
Depreciation of sold or deleted assets	0	0	0	0
Transfers	0	0	0	0
Accumulated Depreciation 31.12.2019	**0**	**-1.554.494**	**-1.503.638**	**-1.383.247**
Book value in 31.12.2019	**419.115**	**66.476**	**536.446**	**57.128**

The goodwill arose from the acquisition of the subsidiary in Romania, which is considered as a cash-generating unit and consists of one operating sector (steel). The recoverable amount of the above cash-generating unit was defined according to the method of value in use.
Goodwill impairment test is conducted annually and when indicators of impairment appear. Under those circumstances the corresponding forecasts are taken into consideration.
At 31.12.2019, Group management performed an impairment test for the goodwill and no indicator for impairment arose. The recoverable amount 31.12.2019 was determined by the value in use calculated on the basis of projected cash flows of the Group financial budgets approved by management covering a period of five years. The projected cash flows were calculated to reflect the operating segment's demand conditions. The provision for future income over the next five years was based on the ratio between the sector's expected sales and the company's respective sales (this ratio determines the company's market share).

The pre-tax rate used to discount projected cash flows is 7.5%, while the growth rate in perpetuity (after five years) used is 3.2% and EBITDA margin of 4.5% - 6.7%. The above percentages are based on estimates of the Group's and are consistent with independent external information sources.

The calculation of the Value in Use is more sensitive to the assumptions below:
a) Gross profit margin before depreciation
b) Discount rate
c) Market share during the budget period
d) Growth rate on perpetuity.

Gross profit margin before depreciation – The gross profit margins before depreciation are based on estimates during the budget 5-year period and converge to the gross margins achieved in the past before the outbreak of the crisis.

Discount rate – Discount rates reflect the assessment of risk current situation with respect to each cash flow generating unit. The discount rate was calculated based on the average percentage of the sector's weighted average cost of capital. This percentage was further adjusted to reflect the market assumptions about each risk of cash flow generating units for which the estimates of future cash flows have not been adjusted. The discount rate used in the impairment test incorporates the creditworthiness of Romania and Eurozone as a whole.

Market share during the budget period – Management anticipates a slight upward trend in the market where the segment operates, during the budgeting period, in line with the GDP growth estimates of the Romanian economy according to IMF. The average rate of growth is 5.2% per annum. Also expecting its market share to increase from 1.43 % today to 2.2 % at the end of the budgeting period.

Growth rate on perpetuity – The growth rate is based on the Group's long-term prospects about the segment under review.

8.3 Investments in Subsidiaries

Investments in subsidiaries are analysed in the following table:

	Company	
	31.12.2019	31.12.2018
Balance at the beginning of the year	**11.417.082**	**11.375.298**
Decrease of investment due to merger with subsidiary PANELCO	0	0
Impairment provision	-2.441.366	41.784
Impairment provision reversal	2.200.000	0
Balance at the end of the year	**11.175.716**	**11.417.082**

SIDMA WORLDWIDE LIMITED is participating to the following companies:

	Company	
	31.12.2019	31.12.2018
SIDMA BULGARIA	7.894.953	5.694.953
SIDMA ROMANIA	3.280.763	5.680.345
Balance at the end of the year	**11.175.716**	**11.375.298**

				Company	
	Balance at the beginning of the year	Cummulative Impairment	Reversal of impairment	31.12.2019	31.12.2018
SIDMA Bulgaria	7.894.953	-2.200.000	2.200.000	7.894.953	5.694.953
SIDMA Romania	8.839.635	-5.558.872	0	3.280.763	5.680.345
Balance at the end of the year	**16.734.588**	**-7.758.872**	**2.200.000**	**11.175.716**	**11.375.298**

On 31/12/2019, impairment testing of subsidiaries was carried out due to impairment indications, which resulted in an additional impairment loss of € 2,399,582 to subsidiary SIDMA ROMANIA and of € 41.784 to SIDMA WORLDWIDE LIMITED. At the same time, considering the positive results of the recent years and the approved business plan of the subsidiary SIDMA BULGARIA SA, a total reversal of the provision for impairment of the Company's participation in the subsidiary SIDMA BULGARIA SA took place which amounted to € 2,200,000.
For the purpose of impairment testing, the recoverable amount was determined based on the Valuation performed according to the business plans of the Group approved by the Management, covering a period of five years.
The discount rate used to discount the expected cash flows is 6.9% for SIDMA BULGARIA S.A. and 7.5% for SIDMA ROMANIA SRL, while the growth rate on perpetuity (following the lapse of 5 years) was 2.5% for SIDMA BULGARIA S.A. and 3.2% for SIDMA ROMANIA SRL, considering the Group’s long-term prospects.

8.4 Other non-current assets

The other non-current assets include the guarantees that have been provided and will be collected within a period exceeding twelve (12) months from the balance sheet preparation date. The fair value of the specific receivables does not substantially differ from the value presented in the financial statements and is annually subject to review.

	Group		**Company**	
Amounts in Euros	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Non-current assets (guarantees)	81.956	107.633	77.755	103.328
Other	500	0	500	0
Total	**82.456**	**107.633**	**78.255**	**103.328**

8.5 Inventories

	Group		**Company**	
Amounts in Euros	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Merchandise	6.870.274	5.701.520	5.607.907	4.735.547
Finished and semi-finished products	4.607.645	4.993.107	3.505.810	3.779.696
Raw, auxiliary materials and spare parts	11.018.235	8.117.149	7.681.125	5.873.950
Payments in advances to suppliers	933.308	214.731	0	0
Total	**23.429.462**	**19.026.507**	**16.794.841**	**14.389.193**

In order to secure the Group's and Company's loans, there is a floating collateral on stocks as mentioned in paragraph 8.29.2 below.

8.6 Trade Receivables

The Group's and Company's receivables and other trade receivables are analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Customers	29.374.682	32.578.662	23.137.147	25.331.496
Notes receivable	1.190.633	1.684.912	0	0
Cheques receivable	14.237.071	15.689.626	14.074.538	15.494.582
Less: Allowances for doubtful trade receivables	-2.145.772	-2.082.147	-1.461.066	-1.476.412
Total	**42.656.614**	**47.871.053**	**35.750.618**	**39.349.667**

The account "Allowances for doubtful trade receivables” is analysed below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance at the beginning of the year	2.082.147	2.130.967	1.476.411	1.250.438
Deletion of doubtful clients/debtors	-15.346	-11.983	-15.346	-11.983
IFRS 9 Adjustments	0	237.957	0	237.957
Provisions for doubtful receivables	99.840	55.399	0	0
Income from prior years' provisions	-6.245	-329.400	0	0
FX differences	-14.624	-792	0	0
Balance at the end of the year	**2.145.773**	**2.082.147**	**1.461.066**	**1.476.411**

The Company has specified criteria applying to the credit granted to customers who are generally based on the size of the customer's activity, economic circumstances and the assessment of relevant financial information. On each date of statement of financial situation, all overdue or doubtful debts are assessed to determine whether it is necessary to raise provisions for doubtful debts or not. Any balances of customers that are crossed out are charged to the current provision for doubtful debts.

The fair values of the above receivables are approximately the same with their book values.

The time horizon of receivables collection for both the Company and the Group is set out below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Non-due trade receivables	29.300.252	34.394.858	23.099.183	26.853.898
Overdue and non-impaired receivables				
<90 days	11.060.636	12.985.715	10.859.104	12.064.158
<91 - 180 days	1.336.598	439.016	1.271.023	391.365
<181 - 360 days	792.497	123.613	759.266	123.613
> 360 days	404.588	165.808	0	154.590
Total	**42.894.571**	**48.109.010**	**35.988.576**	**39.587.624**

Balances up to 120 days from the invoice date are considered as non-matured.

8.7 Other Receivables

The Other receivables of the Group and the Company are analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Sundry debtors	513.756	256.161	374.765	188.088
Receivables from the State (taxes, etc)	112.631	151.998	14.153	146.102
Purchases in transit	2.479.237	2.272.886	2.479.237	2.272.886
Blocked deposits	0	0	0	0
Short-term receivables against associated companies	0	0	0	0
Prepaid expenses	194.818	120.709	157.135	83.046
Accrued Income	176.315	117.032	176.315	117.032
Advances account	0	0	0	0
Total	**3.476.758**	**2.918.786**	**3.201.605**	**2.807.153**

8.8 Cash and Cash Equivalents

The cash and cash equivalents of the Group and the Company are analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash on hand	32.517	17.830	11.275	6.914
Short-term deposits	6.206.601	9.230.933	5.346.530	7.091.017
Total	**6.239.118**	**9.248.762**	**5.357.806**	**7.097.932**

8.9 Share Capital and Share Premium

After absorbing the subsidiary PANELCO, the share capital of SIDMA SA amounts to a total of € 13,752,000.45, divided into 10,186,667 common registered shares of nominal value € 1.35 each.

	Ομίλου		Εταιρίας	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Μετοχικό Κεφάλαιο (10.186.667 μετ * 1,35 €)	13.752.000	13.752.000	13.752.000	13.752.000
Διαφορά από έκδοση μετοχών υπέρ το άρτιο	9.875.000	9.875.000	9.875.000	9.875.000
Σύνολο	**23.627.000**	**23.627.000**	**23.627.000**	**23.627.000**

8.10 Reserves

The breakdown of the capital reserves is as follows:

	Group						
	Legal Reserve	Extraordinary Reserves	Special Reserves	Tax-free reserves under special laws	Difference from the revaluation of assets in fair values	FX differences from the consolidation of associates	Total
Balance in 1.1.2018	**2.518.248**	**239.720**	**866.370**	**9.064.267**	**9.094.714**	**(218.882)**	**21.564.436**
Changes during the current year	0	0	0	0	0	10.794	10.793,52
Balance in 31.12.2018	**2.518.248**	**239.720**	**866.370**	**9.064.267**	**9.094.714**	**(208.088)**	**21.575.230**
Changes during the current year	0	0	0	0	0	153.390	**153.390**
Balance in 31.12.2019	**2.518.248**	**239.720**	**866.370**	**9.064.267**	**9.094.714**	**(54.699)**	**21.728.620**

	Company					
	Legal Reserve	Extraordinary Reserves	Special Reserves	Tax-free reserves under special laws	Difference from the revaluation of assets	Total
Balance in 1.1.2018	**2.518.248**	**239.720**	**866.379**	**9.064.267**	**6.227.065**	**18.915.678**
Changes during the current year	0	0	0	0	0	**0**
Balance in 31.12.2018	**2.518.248**	**239.720**	**866.379**	**9.064.267**	**6.227.065**	**18.915.678**
Changes during the current year	0	0	0	0	0	**0**
Balance in 31.12.2019	**2.518.248**	**239.720**	**866.379**	**9.064.267**	**6.227.065**	**18.915.678**

8.11 Loans

The borrowings of the Group and of the Company are as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Long-term loan liabilities				
Bond loans	53.677.720	56.184.805	53.677.720	56.184.805
Long-term bank loans	9.886.694	6.809.070	1.425.000	0
Derivative Financial Instruments	0	0	0	0
Leasing liabilities (long-term)	246.060	0	88.323	0
Less: Current installments of long-term loans	-54.462.793	-59.052.289	-53.852.722	-56.184.805
Total long-term liabilities (a)	**9.347.681**	**3.941.586**	**1.338.321**	**0**
Short-term loan liabilities				
Short-term bank loans	28.606.656	31.162.832	16.397.432	16.384.973
Derivative Products	0	0	0	0
Leasing liabilities (short-term)	198.240	0	120.272	0
Financing through factoring	12.253.309	15.469.198	11.775.609	15.469.198
Total short-term liabilities (b)	**41.058.205**	**46.632.030**	**28.293.313**	**31.854.171**
Plus: Current installments of long-term loans (c)	54.462.793	59.631.156	53.852.722	56.184.805
Grand Total (a)+(b)+(c)	**104.868.679**	**110.204.772**	**83.484.356**	**88.038.976**

Regarding total debt (short and long-term loans) the following table shows the future payments for the Group and the Company as at 31/12/2019 and 31/12/2018 respectively:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Up to 1 year	95.520.998	106.263.186	82.146.035	88.038.976
Between 1 and 5 years	9.347.681	3.941.586	1.338.321	0
More than 5 years	0	0	0	0
Total	**104.868.679**	**110.204.772**	**83.484.356**	**88.038.976**

The Bond Loans of the Company

- With regard to the bond loan of the company amounting to € 49 million with the banks "EUROBANK ERGASIAS S.A., NATIONAL BANK OF GREECE S.A., PIREUS BANK S.A., COMMERCIAL BANK OF GREECE S.A., ALPHA BANK S.A." and "HSBC BANK PLC" as bondholders and "EUROBANK ERGASIAS S.A." as paying agent and representative of the bondholders, based on the relevant decision of the bondholders meeting and on the amendment of the loan agreement dated 17/11/2014, the extension for the repayment of the above loan was set in September 2016. On 21/02/2020, following its request submitted in December 2019, the Company received the consent of the bondholders to extend the maturity of the loan until end of May 2020. The balance of the bond loan as at 31/12/2019 amounts to € 46.5 million.
- With regard to the bond loans of the absorbed company PANELCO S.A. amounting to € 4 million with the "NATIONAL BANK OF GREECE S.A." and to € 4 million with the "EUROBANK

ERGASIAS S.A.", in February 2019 the company received the consent of the bondholders for the rollover of the maturity of all loans until May 2020 and June 2020 respectively. On 31/12/2019 the undepreciated values of the above loans amounted to € 3,657 thousand and € 3,520 thousand respectively.

The Group's loans in foreign currency amount to € 10,397 thousand (RON 49,692 thousand).

The average cost of borrowing for the Company amounted to 4.2% while for the Group to 4.9%.
The Group's standard practice is not to make use of all available routes, but to have disposable credit limits or cash flows at least 7.5% of the total on any occasion. The company's financial statements have been prepared based on the principle of going concern.

In order to secure the Group's and Company's loans, there are prenotations of property, floating security on a group of stocks and guarantees (postdated cheques and customer invoices) referred to in paragraphs 8.29.1 and 8.29.2 below.

8.12 Government Grants

Government Grants relate to grants received from the parent Company and are analyzed below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Grants	109.096	151.115	109.096	151.115
Total	**109.096**	**151.115**	**109.096**	**151.115**

Depreciated Government Grants amounted to € 42,019 in 2019 and € 42,158 in 2018.

8.13 Deferred Tax

The Group has chosen to set off the deferred tax assets against the deferred tax liability of the same taxable entity if, and only if, they relate to income taxes levied by the same taxation authority and the entity has a legally enforceable right to do so.
Deferred taxes of the Group and the Company are reviewed in each financial year so that the balance set out in the balance sheet is reflected at the applicable tax rates.
The tax rate of public limited companies in Greece for the fiscal year ended 31/12/2019 is 24%.

	Group							
	Fixed Assets	Investments	Retirement Benefits to personnel	Provision for doubtful debtors	Losses	Interest Hedging	other provisions	Total
01.01.2018	**(5.719.631)**	**0**	**197.085**	**356.129**	**2.069.256**	**0**	**824**	**(3.096.336)**
(Credit)/Debit of profit - loss statement	11.375	0	9.366	(3.758)	(410.231)	0	(152)	**(393.401)**
Effect from the change of tax rate in the P&L	741.768	0	(28.710)	(49.538)	(55.639)	0	0	**607.881**
(Credit)/Debit of Comprehensive Income	0	0	(7.200)	0	0	0	0	**(7.200)**
Effect from the change of tax rate in the O.C.I Statement	0	0	993	0	0	0	0	**993**
FX differences	(12.012)	0	0	0	11.636	0	0	**(376)**
31.12.2018	**(4.978.500)**	**0**	**171.534**	**302.833**	**1.615.022**	**0**	**672**	**(2.888.440)**
01.01.2019	**(4.978.500)**	**0**	**171.534**	**302.833**	**1.615.022**	**0**	**672**	**(2.888.440)**
(Credit)/Debit of profit - loss statement	46.886	0	11.542	(3.837)	(226.863)	0	0	**(172.272)**
Effect from the change of tax rate in the P&L	191.978	0	(7.358)	(12.231)	(96.959)	0	0	**75.430**
(Credit)/Debit of Comprehensive Income	0	0	6.613	0	0	0	0	**6.613**
Effect from the change of tax rate in the O.C.I Statement	0	0	(1.029)	0	0	0	0	**(1.029)**
FX differences	249	0	0	0	0	0	0	**249**
31.12.2019	**(4.739.387)**	**0**	**181.302**	**286.765**	**1.291.199**	**0**	**672**	**(2.979.449)**

	Company							
	Fixed Assets	Investments	Retirement Benefits to personnel	Provision for doubtful debtors	Losses	Interest Hedging	other provisions	Total
01.01.2018	**(5.423.230)**	**446.416**	**198.440**	**362.626**	**1.516.564**	**0**	**152**	**(2.899.032)**
(Credit)/Debit of profit - loss statement	10.028	0	9.708	(3.475)	(410.231)	0	(152)	**(394.122)**
Effect from the change of tax rate in the P&L	741.768	(61.575)	(28.710)	(49.538)	(55.639)	0	0	**546.306**
(Credit)/Debit of Comprehensive Income	0	0	(7.200)	0	0	0	0	**(7.200)**
Effect from the change of tax rate in the O.C.I Statement	0	0	993	0	0	0	0	**993**
31.12.2018	**(4.671.434)**	**384.842**	**173.232**	**309.612**	**1.050.694**	**0**	**(0)**	**(2.753.055)**
01.01.2019	**(4.671.434)**	**384.842**	**173.232**	**309.612**	**1.050.694**	**0**	**(0)**	**(2.753.055)**
(Credit)/Debit of profit - loss statement	63.081	(384.841)	11.133	(3.837)	(38.149)	0	0	**(352.613)**
Effect from the change of tax rate in the P&L	191.978	0	(7.358)	(12.231)	(96.959)	0	0	**75.430**
(Credit)/Debit of Comprehensive Income	0	0	6.613	0	0	0	0	**6.613**
Effect from the change of tax rate in the O.C.I Statement	0	0	(1.029)	0	0	0	0	**(1.029)**
31.12.2019	**(4.416.375)**	**1**	**182.590**	**293.545**	**915.586**	**0**	**(0)**	**(3.024.654)**

8.14 Pensions obligations

The change in the present value of the liability for defined benefit plans is as follows:

	Group		Company	
Reconciliation of Benefit Obligation	31.12.2019	31.12.2018	31.12.2019	31.12.2018
DBO at start of period	**718.709**	**717.772**	**692.924**	**685.776**
Service Cost	35.968	43.487	31.323	38.622
Interest Cost	13.656	13.638	13.166	13.030
Actuarial (gain)/loss- financial assumptions	0	0	0	0
Actuarial (gain)/loss - other assumptions	22.352	-36.511	23.376	-24.827
	0	0	0	0
Benefits paid directly by the companies	0	-60.232	0	-60.232
Settlement/Termination loss/(gain)	0	40.555	0	40.555
Past service cost arising over the period	0	0	0	0
DBO at end of period	**790.685**	**718.709**	**760.789**	**692.924**

The amounts recognized in the Income Statement are:

	Group		Company	
Amounts recognized in P & L Statement	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Service Cost	35.968	43.487	31.323	38.622
Recognition of past service cost		-	-	-
Net interest on the net defined benefit liability/(asset)	13.656	13.638	13.166	13.030
Total P & L Charge	**49.623**	**57.125**	**44.489**	**51.652**

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are:

	Group		Company	
Amounts recognized in OCI	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Actuarial (gain)/loss- financial assumptions	22.352	-36.511	23.376	-24.827
Total amount recognized in OCI	**22.352**	**-36.511**	**23.376**	**-24.827**

For determination of the pension liability, the following actual assumptions were used:

	Group		Company	
Assumptions	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Discount Rate	1,5%	1,9%	1,5%	1,9%
Rate of compensation increase	1,0%	1,0%	1,0%	1,0%

The amount of the obligation is particularly sensitive to the assumptions used, and especially in cases of compensation increase and the discount rate. A sensitivity analysis of such changes is shown below:

31.12.2019	Group		Company	
Discount Rate	+ 0,50%	- 0,50%	+ 0,50%	- 0,50%
Benefit Obligation	760.196	884.378	705.743	819.309
Service Cost	35.581	43.370	25.110	30.423

31.12.2019	Group		Company	
Future price inflation	+ 0,25%	- 0,25%	+ 0,25%	- 0,25%
Benefit Obligation	851.099	788.796	789.426	733.347
Service Cost	41.241	37.337	28.973	26.310

8.15 Trade payables

Trade suppliers and other liabilities of the Group and the Company are as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trade Suppliers	40.902.973	38.238.557	31.314.809	29.630.824
Notes payable	0	10.073	0	10.073
Total	**40.902.973**	**38.248.629**	**31.314.809**	**29.640.897**

Payment terms of domestic suppliers amounted to 90 days. Regarding foreign suppliers, the payment terms range from cash up to 90 days. The weighted average payment terms are 49 days.

8.16 Other Current Liabilities

Other liabilities of the Group and the Company are as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Advances from trade debtors	515.931	681.083	510.456	674.527
Social Security	222.574	220.541	222.574	220.541
Sundry debtors	1.923.148	1.621.611	1.783.793	1.431.049
Accrued Expenses	264.361	118.458	248.081	118.458
Other short-term liabilities	93.844	370.017	68.438	208.213
Other (accruals or deffered income)	10.736	9.766	10.736	9.766
Total	**3.030.595**	**3.021.476**	**2.844.079**	**2.662.555**

8.17 Turnover (Sales)

Sales are analysed by category of products and services as follows:

	1.1 - 31.12.2019		1.1 - 31.12.2018	
	Group	Company	Group	Company
Manufacture of basic iron, steel and ferro-alloys	60.307.311	38.368.397	62.811.946	41.148.893
Wholesale of metals and metal ores	49.123.824	22.297.800	52.199.297	22.354.426
Manufacture of metal structures and parts of structures	14.326.070	14.326.070	13.323.924	13.323.924
Treatment and coating of metals	7.110.754	7.110.754	5.715.249	5.715.249
Produstion of Electricity	357.100	357.100	357.759	357.759
Manufacture of steel tubes	2.496.056	2.496.056	2.279.852	2.279.852
Σύνολο	**133.721.115**	**84.956.178**	**136.688.028**	**85.180.104**

The turnover amounts as appeared in the Statement of Comprehensive Income, do not include the sales made by the parent company on behalf of third parties (consignment) amounting to € 32,885,156. The respective amount of the previous year 2018 was € 34,625,497. The above amounts should be considered for the calculation of any ratios based on the turnover of the Group and the Company.

8.18 Cost of Sales

The Group's and Company's Cost of Sales is analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cost of Goods	117.536.986	121.904.936	72.003.018	73.394.138
Devaluation of stock	0	0	0	0
Payroll & Related Expenses	1.443.550	1.380.405	1.096.415	1.068.720
Third Party Fees & Related Expenses	1.750.882	1.045.938	1.689.154	988.360
Utilities - Services	545.561	562.294	473.924	416.420
Taxes - Stamp Duties	64.227	56.623	17.842	13.783
Various Expenses	152.595	146.767	109.301	76.380
Depreciation	1.170.770	1.262.675	1.008.572	1.102.576
Total	**122.664.571**	**126.359.637**	**76.398.226**	**77.060.376**

8.19 Other Income

The Other Income for the Group and the Company is analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Income from rendering services to third parties	773.562	747.251	773.562	747.251
Agency Fees	2.020.116	2.124.589	1.565.819	1.685.307
Rentals	159.757	147.445	159.757	147.445
Invoiced expenses for dispatching goods	1.410.280	1.263.521	1.109.526	901.699
Incidental activity income	64.758	53.871	0	0
Prior year's income	217.972	426.014	180.966	82.874
Income from the depreciation of granted assets	42.019	42.158	42.019	42.158
Other non-operating income	760.047	562.293	383.968	124.482
Income from prior years' provisions	1.789	19.677	0	19.677
Total	**5.450.299**	**5.386.819**	**4.215.617**	**3.750.893**

8.20 Administrative expenses

The administrative expenses of the Group and the Company are analysed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Payroll & Related Expenses	1.835.569	1.837.538	1.327.972	1.343.776
Third Party Fees & Related Expenses	901.813	806.874	695.529	543.033
Utilities - Services	240.567	325.059	120.545	150.360
Taxes - Stamp Duties	324.343	261.826	272.227	238.320
Various Expenses	250.728	239.273	149.110	144.774
Depreciation	396.676	329.899	353.247	301.882
Provisions	31.323	38.622	31.323	38.622
Total	**3.981.019**	**3.839.091**	**2.949.953**	**2.760.768**

8.21 Selling/Distribution expenses

The Selling and Distribution expenses of the Group and the Company are analysed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Payroll & Related Expenses	3.402.108	3.456.361	2.284.136	2.335.398
Third Party Fees & Related Expenses	1.074.647	1.048.035	622.337	617.700
Utilities - Services	998.095	992.773	869.397	898.965
Taxes - Stamp Duties	101.714	69.818	66.539	69.818
Various Expenses	3.330.842	3.095.681	3.233.859	2.912.599
Depreciation	716.784	544.037	426.754	331.162
Provisions	101.135	328.750	0	0
Total	**9.725.324**	**9.535.454**	**7.503.022**	**7.165.642**

8.22 Other expenses

The other expenses of the Group and the Company are analysed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Prior years expenses	303.566	140.247	303.566	140.247
Other non-operating expenses	177.083	46.367	157.830	14.882
Provisions for doubtful receivables	0	0	0	0
Total	**480.648**	**186.613**	**461.396**	**155.129**

8.23 Finance expenses (net)

The Group's and Company's net financial expenses are analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Credit interest	10.634	24.006	10.074	16.893
Other related income	1.000.000	0	1.000.000	0
Financial Income	**1.010.634**	**24.006**	**1.010.074**	**16.893**
Interest Expense	-4.288.957	-5.121.638	-2.907.399	-3.783.016
Other bank expenses	-787.602	-912.339	-730.327	-850.051
Τόκοι από χρηματοδοτική μίσθωση (leasing)	-47.310	0	-31.095	0
F.X. differences	-149.452	-9.531	0	0
Financial Expenses	**-5.273.322**	**-6.043.508**	**-3.668.821**	**-4.633.067**
Total	**-4.262.687**	**-6.019.502**	**-2.658.747**	**-4.616.174**

8.24 Investing Activities

The Group's and Company's Investment Activities are analysed in the table below:

	Investing Activities			
	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Extraordinary Profits\Losses	24.105	8	24.105	8
Reversal of impairment in subsidiaries	0	0	2.200.000	0
Impairment of investments in subsidiaries	0	0	-2.441.366	0
Total	**24.105**	**8**	**-217.261**	**8**

At 31/12/2019, impairment testing of subsidiaries was carried out due to indications of impairment, which resulted in an additional total impairment loss of € 2,441,366. At the same time, considering the positive results of recent years and the approved business plan of the subsidiary SIDMA BULGARIA SA, a total reversal of the provision for impairment of the Company's participation in the subsidiary SIDMA BULGARIA SA took place which amounted to € 2,200,000.

8.25 Taxation

The Group's and Company's taxes are analysed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Income Tax	-3.750	0	0	0
Deferred Tax	-88.198	214.480	-277.184	152.184
Tax audit differences	0	0	0	0
Total	**-91.948**	**214.480**	**-277.184**	**152.184**

The tax of the Group and the Company differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Income tax of the year	-3.750	0	0	0
Deffered tax	-88.198	214.480	-277.184	152.184
Other taxes	0	0	0	0
Total	**-91.948**	**214.480**	**-277.184**	**152.184**
Profit before taxation	-1.918.730	-3.865.443	-1.016.810	-2.827.084
Tax rate	24%	29%	24%	29%
Expected Tax Cost	**460.495**	**1.120.978**	**244.034**	**819.854**
Previous years' losses without recognition of a deffered tax asset	-123.743	-886.117	-96.607	-722.545
Deffered taxes of previous years	-282.528	-410.231	-384.842	-410.231
Effect from non-deductable expenses	-131.630	-98.475	-115.200	-81.200
Effect from the change of the tax rates	75.431	607.881	75.431	546.306
Effects from differences in the tax rates of foreign subs	-89.972	-119.556	0	0
Total	**-91.947**	**214.480**	**-277.184**	**152.184**

8.26 Basic Earnings per Share

The basic earnings per share have been calculated using the net results attributable to shareholders of SIDMA S.A. as numerator. The weighted average number of outstanding shares used as denominator.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit to the Shareholders of the mother company	-2.010.678	-3.650.963	-1.293.994	-2.674.901
Weighted number of shares	10.186.667	10.186.667	10.186.667	10.186.667
Basic Earnings Per Share (EURO/share)	-0,1974	-0,3584	-0,1270	-0,2626

8.27 Dividends per share

Due to accumulated losses and the fact that as at December 31, 2017, the equity of the Company is negative, the conditions of Article 48 of CL 2190/1920 apply and therefore no distribution of dividends is possible.

8.28 Non-Audited Fiscal Years

The Company has been audited by the tax authorities up to and including 2010. For the fiscal years 2011 to 2018 included, the Company received a Tax Compliance Report, according to par. 5 of article 82 of L. 2238/1994 and article 65A par.1 of L.4174 /2013, without any substantial differences. According to circular POL. 1006/2016, the companies which have been subject to the above special tax audit are not exempted from the regular audit carried out by the competent tax authorities. The Company's Management reckons that in any future re-audits by the tax authorities, if conducted, additional tax differences with significant effect on the Financial Statements will not incur.

For the fiscal year 2019, the special audit to obtain a Tax Compliance Report is in progress and the related tax certificates are expected to be granted upon publication of the Financial Statements for the fiscal year 2019. If, until the completion of the tax audit, additional tax liabilities arise, the Company believes that these will not have a significant effect on the Interim Condensed Financial Statements. It should be noted that, in accordance with the recent legislation, the audit and the issuance of the Tax Compliance Report apply for the fiscal years 2016 onwards on a voluntary basis.

For the other companies of the Group, the following applies: "SIDMA WORLDWIDE CYPRUS" has been tax audited until the fiscal year 2011 included, "SIDMA Romania S.R.L." until September 2008 included, while "SIDMA Bulgaria S.A." has not been tax audited for the years 2005 to 2019. Due to accumulated tax losses, no additional taxes are foreseen.

8.29 Contingent liabilities

8.29.1 Guarantees

On 31 December 2019 the Group and the Company had the following contingent assets & liabilities:

<u>Guarantees for assets</u>

- Issuance of letter of guarantees as assurance for receivables, amounting to € 3,350 thousand for the Group and the Company.

<u>Guarantees for liabilities</u>

- Issuance of performance guarantees amounting to € 13 thousand for the Group and the Company.
- Issuance of letter of guarantees as assurance for payables, amounting to € 11,991 thousand for the Group and the Company.
- Guarantees (cheques receivable and ceded receivables-invoice factoring) amounting to € 1.8 million, for loans of approximately € 2.4 million for the subsidiaries in Romania and Bulgaria.
- Issuance of guarantees amounting to € 14.7 million and letters of guarantees amounting to € 2.1 million for the assurance of bank financing of € 20.8 million.

8.29.2 Encumbrances

There are prenotations of property mortgages on the assets of the Group and the Company and floating security right on inventory and receivables amounting to a total of € 77.7 million as detailed below:

a) An amount of € 49 million, recorded on the property of the company for the Common Bond Loan of € 46.4 million of the Parent company and an amount of € 8 million on a property of the absorbed subsidiary PANELCO following the amendments of the bond loans of a total value of € 7.2 million.
b) An amount of € 9 million (creation of a floating security right in rem) in accordance with L. 2844/2000, on a group of its stocks for the Common Bond Loan of € 46,5 million of the Parent company as well as a bilateral one of € 7.2 million.
c) An amount of € 7.5 million (mortgage on the premises and machinery of the subsidiary in Bulgaria, SIDMA Bulgaria, as well as the creation of a floating security right in rem on its inventory and receivables) for loans with a nominal value of € 6.8 million.
d) An amount of € 5 million, recorded on the property, and an amount of € 1.2 million, recorded on the mechanical equipment of the subsidiary SIDMA Romania S.R.L. for loans with a nominal value of € 10.1 million.

8.29.3 Legal Affairs

There are no legal or arbitration decisions by judicial or arbitration bodies that may have an impact on the financial position or operating results of the Group companies.

8.30 Risk management

8.30.1 Macroeconomic Environment

The growth momentum of the running year will be defined in principle by the duration and intensity of Covid-19 outbreak. Pursuant to the latest developments, it is estimated that Covid-19 outbreak will have negative impacts on global economy for at least 2020 and probably for the following years. At the moment, Greece seems to respond positively to the situation but our economy remains exposed, like all countries around the world, to disruptions in terms of demand and probably supply.

Based on the foregoing, most probably the disruption in the growth rate of the Greek economy will be V-shaped, which means a considerable drop in the market in the near future, with a likely rapid mitigation of the phenomenon during the second half of the year, which will also generate positive prospects for 2021. It is noted that these estimates are based on the currently available information and are subject to high degree of uncertainty as the phenomenon is still ongoing.

Management monitors developments, assesses risks and undertakes the necessary actions to minimize, as much as possible, the effect of the aforementioned risks, and pursue its seamless operation and customer service.

8.30.2 Credit Risk

The Parent company as well as its subsidiaries have a policy to insure their credit sales through insurance companies and, therefore, no significant concentrations of credit risk are generated. Wholesale sales are mainly made to customers with an appropriate credit history. In 2019, no customer participated in the turnover by more than 2.0%, while there was dispersion to a large number of customers. Retail sales are made in cash. On 31/12/2019, the Management believes that there is no material credit risk exposure that has not already been covered by provisions for bad debts. It has also organized a credit control department, charged with assessing the creditworthiness of its customers as well as determining their credit limits. The Group's exposure to credit risk is limited to financial assets, which are as follows:

	Group		Company	
Financial Assets	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash and cash equivalents	6.239.117	9.248.762	5.357.805	7.097.931
Trade and other receivables	46.215.828	50.897.471	39.030.478	42.260.147
Total	**52.454.945**	**60.146.233**	**44.388.283**	**49.358.079**

8.30.3 Interest Rate Risk

The interest rate risk mainly arises from long-term and short-term loans. Loans with variable interest rates expose the Group to cash flow risk. The Group does not consider a rapid increase in Euribor interest rates being possible given the economic situation and development prospects of the Eurozone countries and therefore it has not carried out any interest rate risk management transactions.

The table shows the sensitivity to the Period Results and the Stockholders' Equity in case of a possible change in the Group's interest rates by +/- 1%.

	Group				Company			
	Effect to P & L		Effect to Equity		Effect to P & L		Effect to Equity	
amounts in thousand €	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**
31st December 2019	(1.048.687)	1.048.687	(1.048.687)	1.048.687	(834.844)	834.844	(834.844)	834.844
31st December 2018	(1.102.048)	1.102.048	(1.102.048)	1.102.048	(880.390)	880.390	(880.390)	880.390

8.30.4 Liquidity Risk

Liquidity risk is maintained at low levels through availability of adequate credit limits from credit institutions. On 31/12/2019, the Group maintained reserves of € 6,239 thousand.

The Group's standard practice is not to make use of all available lines, but to have disposable credit limits or cash flows at least 7.5% of the total on any occasion. The company's financial statements have been prepared based on the principle of going concern.

The company's equity on 31.12.2019 became negative so company's Management examines various measures in order to address this negative equity issue.

On December 31, 2019 the total value of the Company's and the Group's short-term liabilities exceeded the total value of their circulating assets by an amount of € 55.2 ml and € 63.7 ml respectively. However, € 53.9 ml pertain to long-term bond loans of the company that are classified as short-term loans, due to their expiration within 12 months from the issue date. The Management is currently in the process of renegotiating with the lending banks in order to sign a new long-term loan agreement. These negotiations aim to achieve time shift capital payment, further reduction in the cost of borrowing, as well as the renewal of existing untapped short-term borrowing lines. The result of this restructuring will be the time-shifting of the short-term borrowing up to € 53,9 ml into long term. With this move, the company's working capital will become marginally negative, amounting to € 1.3 ml approximately.

Within the framework of any emergency to enhance liquidity beyond the cost saving program already implemented, the Group evaluates strategies that can bring significant benefits. Namely, it examines a series of actions to improve its financial position, such as restructuring of its loans, the limitation of supporting expenditure and the appropriate use of assets that will bring benefits without affecting the Parent company and the Group from operating smoothly.

The maturity of the Group's financial liabilities is as follows:

	Group							
	31.12.2019				31.12.2018			
Group	**Up to 6 months**	**6-12 months**	**1-5 years**	**More than 5 years**	**Up to 6 months**	**6-12 months**	**1-5 years**	**More than 5 years**
Long-term borrowings	41.058.205	54.462.793	9.347.681	-	46.632.030	59.631.156	3.941.586	-
Trade Payables	40.902.973	-	-	-	38.248.629	-	-	-
Other Payables	3.030.595	-	-	-	3.021.476	-	-	-
Total	**84.991.773**	**54.462.793**	**9.347.681**	**0**	**87.902.135**	**59.631.156**	**3.941.586**	**0**

	Company							
	31.12.2019				31.12.2018			
Group	Up to 6 months	6-12 months	1-5 years	More than 5 years	Up to 6 months	6-12 months	1-5 years	More than 5 years
Long-term borrowings	28.293.313	53.852.722	1.338.321	-	31.854.171	56.184.805	-	-
Trade Payables	31.314.809	-	-	-	29.640.897	-	-	-
Other Payables	2.844.079	-	-	-	2.662.555	-	-	-
Total	**62.452.201**	**53.852.722**	**1.338.321**	**0**	**64.157.623**	**56.184.805**	**0**	**0**

8.30.5 Risk of Fluctuation of Raw Material Prices

The selling prices of manufactured products largely depend on the prices of raw materials and the behavior of competition. The fluctuations in world prices for steel products affect (positively or negatively) the Group's profit margin, since changes in the selling prices of products cannot be perfectly synchronized with price changes in the markets and price changes in the Group's reserves. The Group's gross profit margin is affected positively when raw materials prices are rising in and negatively if this is not the case. The fluctuation of metal prices is not covered by hedging transactions of the Group, and therefore, its results are affected through the devaluation or appreciation of reserves accordingly.

However, the Group maintains a permanent contact and a good cooperation with all key suppliers, thus it is directly informed of all developments in the international steel market, taking care to prepare ahead of time and to amend its commercial policy (purchases and sales) according to current trends. This is very important nowadays since the uncertainty surrounding the steel production capacity due to the coronavirus epidemic is high.

8.30.6 Currency Risk

The Group operates in Europe and therefore the bulk of its transactions is carried out in Euros. However, for the small part of the Group's goods purchases made in US Dollars, the Group carries currency forward contracts.

In addition, the Group is exposed to currency risks from investments in foreign countries. Specifically, for the subsidiary in Romania, as a natural hedge the Group's policy is to use borrowings in the respective currency - whenever this is possible - in order to reduce exposure to risk in case of devaluation of local currency against the Euro. The foreign exchange risk problem does not apply to the Bulgarian subsidiary because its currency is locked against the euro.

The tables with the remaining receivables and liabilities in Foreign Currency for the Group are as follows:

	Group			
	31.12.2019		31.12.2018	
amounts in €	**USD**	**RON**	**USD**	**RON**
Financial Current Assets	237.935	6.754.299	359.093	8.716.567
Financial Liabilities	0	-17.967.346	0	-20.476.410
Short-term elements	**237.935**	**-11.213.047**	**359.093**	**-11.759.842**
Financial Current Assets	0	5.524.461	0	5.797.482
Financial Liabilities	0	0	0	0
Long-term elements	**0**	**5.524.461**	**0**	**5.797.482**

The change in the results and the Stockholders' Equity of the Group from a possible change in the foreign currency exchange rate is as follows:

	31.12.2019			
	+ 10%	- 10%	+ 10%	- 10%
amounts in €	**USD**		**RON**	
Profits (losses) before taxes	-21.630	26.437	120.076	-146.759
Equity	-21.630	26.437	637.220	-778.824

	31.12.2018			
	+ 10%	- 10%	+ 10%	- 10%
amounts in €	**USD**		**RON**	
Profits (losses) before taxes	-32.645	39.899	93.039	-113.470
Equity	-32.645	39.899	635.071	-775.954

8.31 Capital Management

The policy of the Group consists in maintaining a strong capital base so as to preserve the trust of investors, creditors and the market and enable the future development of Group activities. The Group monitors capital performance which is defined as net results divided by total equity, excluding the non-controlling interests. In addition, the Group monitors the level of dividends distributed to shareholders.

The Group tries to maintain the equilibrium between higher returns that could be attained through higher borrowing levels and the advantages and security provided by a robust and sound capital structure. The Group does not have a specific plan for own shares acquisition. There were no changes in the approach adopted by the Group in relation to capital management during the fiscal year.
At December 31, 2019, the Company's and the Group's Equity are negative. However, Management is considering immediate measures to address the Company's and the Group's negative equity.

8.32 Classification of financial instruments based on their valuation at fair value

Financial assets and liabilities measured at fair values in the Balance Sheet were classified into three hierarchical levels. The classification table of financial data is defined by the quality of the data used to determine the fair value, as follows:

Level 1: financial instruments measured at fair value using quoted prices in active markets.

Level 2: financial instruments measured at fair value using other indisputable objective prices outside active markets.

Level 3: financial instruments measured based on the Company's estimates, as there are no observable market data.

The fair value of the following financial assets and liabilities of the Group and the company approximate their carrying amount:
• Trade and other receivables
• Other current assets

- Trade and other financial liabilities
- Loans
- Cash and cash equivalents

Regarding the non-financial assets (land, buildings and machinery), their fair values (level 3) on 31/12/2019 and 31/12/2018 are for the Group and the company were as follows:

	Group		Company	
Level 3	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Non financial assets	49.534.840	51.344.524	39.570.510	41.073.734

8.33 Number of personnel

The average number of employees at the end of the reporting and the previous year for the group and the company is presented in the following table:

	Group		Company	
No. of persons	1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Average no. of personnel	223	224	144	144

8.34 Intra-Group Transactions and Balances

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Sales of goods				
Subsidiares	0	156.115	0	53.087
Associates	0	0	0	0
Other companies of the group	3.637.899	3.069.055	3.322.934	2.777.539
Total	**3.637.899**	**3.225.170**	**3.322.934**	**2.830.626**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Sales from services rendering				
Subsidiares	0	0	0	14.494
Associates	0	0	0	0
Other companies of the group	3.228.841	2.462.816	3.397.844	2.506.094
Total	**3.228.841**	**2.462.816**	**3.397.844**	**2.520.588**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Sales of fixed assets				
Subsidiares	0	0	0	150
Associates	0	0	0	0
Other companies of the group	50.050	50.050	12	12
Total	**50.050**	**50.050**	**12**	**162**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Receivalbes				
Subsidiares	0	2	0	20.339
Other companies of the group	2.082.797	1.776.645	2.496.597	2.049.392
Total	**2.082.797**	**1.776.647**	**2.496.597**	**2.069.731**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Purchases of goods				
Subsidiares	0	0	0	2.719
Associates	0	0	0	0
Other companies of the group	29.938.225	8.300.972	32.876.337	9.112.020
Total	**29.938.225**	**8.300.972**	**32.876.337**	**9.114.739**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Receiving of services				
Subsidiares	0	0	0	0
Associates	0	0	0	0
Other companies of the group	898.363	876.060	510.457	493.621
Total	**898.363**	**876.060**	**510.457**	**493.621**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Purchases of fixed assets				
Subsidiares	0	0	0	0
Associates	0	0	0	0
Other companies of the group	23.875	12.103	26.343	13.440
Total	**23.875**	**12.103**	**26.343**	**13.440**

	1.1-31.12.2019		1.1-31.12.2018	
Amounts in euros	**Group**	**Company**	**Group**	**Company**
Payables				
Subsidiares	0	-14	0	-14
Other companies of the group	33.556.199	24.103.261	31.062.751	22.802.967
Total	**33.556.199**	**24.103.247**	**31.062.751**	**22.802.953**

8.35 Management and Board of Directors' fees

	Group		Company	
	1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Management Fees (short-term)	505.003	521.541	304.251	307.877
Board of Directors fees (short-term)	254.184	255.014	237.503	238.333
Total	**759.187**	**776.555**	**541.755**	**546.210**

There are no other receivables or payables than the aforementioned in relation to BoD members of the company or its executives.

8.36 Independent Auditors' Fees

The fees paid by the Group to auditors or auditing firms for the mandatory audit of the annual accounts and the total fees charged for tax audit services are presented in the following table:

	31.12.2019			
Companies	**Auditing Services Fees**	**Fees for Tax Compliance Services**	**Fees for other non Auditing Services**	**Total Fees**
SIDMA	48.000	22.000	81.000	151.000
SIDMA CYPRUS	1.785	0	0	1.785
SIDMA BULGARIA	10.000	0	0	10.000
SIDMA ROMANIA	18.614	0	0	18.614
Total	**78.399**	**22.000**	**81.000**	**181.399**

The other non-audit services provided by statutory auditors or audit firms in the company and its subsidiaries during the year ended 31 December 2019 amount to € 81,000.

8.37 Events after the Reporting Period

There are no post balance sheet events which require disclosure in accordance with IFRS.

8.38 Approval of Financial Statements

The Annual Financial Report for the year 2019 (1.1.2019 to 31.12.2019) was approved by the Company's Board of Directors on March 27, 2020 and has been posted on the Company's website www.sidma.gr.

Halandri – March 27, 2019

PRESIDENT OF THE BOARD OF DIRECTORS

MARCEL L. AMARIGLIO

VICE PRESIDENT OF THE BOARD OF DIRECTORS

NIKOLAOS P. MARIOU

CHIEF EXECUTIVE OFFICER

DANIEL D. BENARDOUT

THE CHIEF FINANCIAL OFFICER

MICHAEL C. SAMONAS

ACCOUNTING DEP. HEAD

PARIS G. PAPAGEORGIOU