ANNUAL FINANCIAL REPORT

AS AT 31 DECEMBER 2023

ACCORDING TO INTERNATIONIAL FINANCIAL AND REPORTING STANDARDS

EPIRUS METALWORKS S. A
G.C. REGISTRY: 149237801000
Athens Tower, Building B, 2-4Mesogeion Avenue

Contents

Board of Directors Annual Financial Report

This Annual Financial Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2023 (1 January – 31 December 2023). This report was prepared in line with the relevant provisions of Law 4548/2018.

This report presents detailed financial information of the company EPIRUS METALWORKS S.A. (hereinafter referred to for the purpose of brevity as "Company" or "EPIRUS METALWORKS") for the year 2023, important events that took place during the said year and their effect on the annual financial statements. It, also, points out the main risks and uncertainties were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The Company has no branches.

A. Financials - Business report - Major events

Since early 2023, rising inflationary pressures shrank economic activity in most segments of the economy, mostly in the construction sector. During the first half of 2023, the Eurozone entered a technical recession after two consecutive quarters of declining GDP. During the second half of the fiscal year, economic activity and growth remained weak, while monetary policy remained restrictive. The basic lending rates, following consecutive increases, were kept stable at high levels during the last quarter of 2023 by the Central Banks, which focused on the reducing inflation, which gradually declined vs the previous year. Regarding the energy prices, European natural gas prices declined, as supply was gradually increasing amid low demand, with gas consumption remaining below historical norms, owing to a combination of mild winter weather, changes in consumer behavior and weak industrial activity. The outlook for the Euro area remains weak in terms of growth, weighting on the tight financing conditions and the geopolitical crisis, with Russia's war against Ukraine and the conflict in the Middle East, which are dampening demand and foster uncertainty.

For 2023, revenue reached to Euro 16,332 thousand compared to 12,525 thousand in prior year, with gross profit recorded a loss of Euro 137 thousand versus loss of Euro 734 thousand in 2022. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to losses of Euro 693 thousand compared to 794 thousand in 2022. Adjusted earnings before interest, taxes, depreciation and amortization (a-EBITDA) which isolate the effect from the metal prices and present in a better way the operational profitability of the Company amounted to Euro 948 thousand for 2023 versus Euro 1,443 thousand. Earnings before interest and taxes (EBIT) recorded a loss of Euro 1.045 thousand for the fiscal year compared to Euro 1.059 thousand in 2022. Finally, the net result for the period (loss) considered to Euro 1,542 thousand compared to loss of Euro 1,479 thousand in prior year.

B. Financial standing

The ratios, which express the Company's financial position, are the following:

Ratios	31.12.2023	31.12.2022
Liquidity Current Assets/Current Liabilities	0.74	0.61
Leverage Equity/ Loans & Borrowings	(0.02)	0.12
Return on Invested Capital Operating Profit (Loss)/ Equity + Loans & Borrowings	(15.54%)	(11.06%)
Return on Equity Net Profit (Loss)/Equity	14.72	(1.39)

EBITDA: It is the measure of profitability of the entity before taxes, financial, depreciation and amortization. It is calculated by adjusting the depreciation and amortization to the operating profit, as this is reported in the statement of profit and loss. It was calculated as follows:

€ '000

		2023	2022
Operating profit / (loss)		**(1,045,404)**	**(1,059,801)**
	Adjustments for:		
	+ Depreciation of tangible assets	336,299	254,127
	+ Depreciation of right of use assets	7,603	2,595
	+ Amortization	8,968	8,827
EBITDA		**(692,533)**	**(794,252)**

a – EBITDA: adjusted EBITDA is a measure of the profitability of the entity after adjustments for:

- Metal result
- Restructuring Costs
- Special Idle costs
- Impairment of fixed assets
- Impairment of Investments
- Profit / (Loss) of sales of fixed assets, investments if included in the operational results
- Other impairment

€ '000

		2023	2022
EBITDA		**(692,533)**	**(794,252)**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(269,524)	(650,415)
	+ Loss from disposal or impairment of Assets	14,422	1,010
	- Profit / + Loss from sales of Assets	(300)	-
a - EBITDA		**(947,936)**	**(1,443,657)**

The metal results stems from:

1. The time period that runs between the invoicing of the purchase, holding time and metal processing versus the invoicing of sales.
2. The effect of the beginning inventory (which is affected by the metal prices of prior periods) in the cost of sales, from the valuation method which is the weighted average.
3. Specific contracts with customers with closed prices that end in exposure to metal prices fluctuations between the period that the price was closed and the date that the sale took place.

The Company uses derivatives to reduce the effect of the fluctuation of metal prices. However, there will always be a positive or negative effect in the result due to the safety stock that is held. The calculation of the metal price lag as derived from the financial statements after the acquisition date can be analysed as follows:

EUR	2023	2022
(A) Value of Metal in Sales	12,185,707	10,504,323
(B) Value of Metal in Cost of Sales	(11,916,183)	(9,853,907)
(A+B) Metal Result in Gross Profit	**269,524**	**650,415**

C. Corporate Social Responsibility and Sustainable Development

Reference to non-Financial Information

EPIRUS METALWORKS is a subsidiary of ELVALHALCOR S.A. The non-Financial Information Report of ELVALHALCOR includes information about the major production subsidiaries that are consolidated, including EPIRUS METALWORKS S.A.

For more information visit the websites https://www.elvalhalcor.com/investor-relations/reports-presentations/financial-statements, and http://www.epirusmetalworks.com/# .

Environment

EPIRUS METALWORKS, given the environmental issues that humanity is facing, seeks to actively contribute to international efforts to protect the environment, both through its responsible operation and by minimizing its environmental footprint.

The protection of the environment is implemented with significant investments in integrated measures to prevent pollution and to optimize production processes through the use of BAT (Best Available Techniques) that have been established by the European Union. In the context of adoption of the Best Available Techniques, the production processes are assessed based on the total environmental footprint, including the consumption of electricity, water and other natural resources, and not only in terms of waste produced.

Human resources

One of the main advantages of the Company is the quality of human capital that is credited a large share of its hitherto successful course. For this reason, the company gives great consideration to the selection, evaluation and rewarding of its staff.

Company's policy is to attract highly quality individuals which optimaly and timely meet its needs, the establishment of objective evaluation and selection criteria as well as to ensure fairness and merit-based recruitment through transparent procedures.

EPIRUS METALWORKS, in the context of its responsible operation, has established a code of values and behavior of employees. The Code is mandatory for all workers across the range of activities of the Company. This Code has been incorporated in the Internal Bylaws of the Company and outlines the basic principles and rules governing the internal life and practices of the organization, taking into account the existing provisions under national and international legislative framework.

In the context of the equal opportunities policy that is being applied, the Company desires and seeks a balanced distribution among employed men and women. However, given the nature of business, the involvement of men is higher.

Moreover, EPIRUS METALWORKS seeks and ensures jobs and recruitment from the wider society of Ioannina, supporting the employment in the region.

Health and Safety

EPIRUS METALWORKS cares of creating and maintaining a modern and safe working environment which is continuously improved reflecting the high levels of security that seeks to provide for their employees. For this reason, it maintains and implements a Management System for Safety and Health at Work.

In 2023, further steps were taken to improve the security culture while the training of employees to create a safe working environment was intensified. EPIRUS METALWORKS's virtue is the recording and reporting of "near misses" something that is the key element for improving and advancing worker safety.

D. Main Risks and Uncertainties

The Company is exposed to the following risks from the use of its financial instruments:

Credit Risk

The Company's exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect credit risk to a lesser extent since no geographical concentration of credit risk is noticed. During 2023, a significant proportion of sales of the Company was realized to high credit rated companies as public organizations and central banks, which considers that no significant risk of default exist.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of receivability they have shown. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company makes allowances which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

Investments

Investments are classified by the Company pursuant to the purpose for which they were acquired. The Management decides on adequate classification of the investment at the time of acquisition and reviews such classification on each presentation date.

The Management estimates that there will be no payment default for such investments.

Guarantees

The Company's policy consists in not providing any financial guarantees.

Liquidity risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Company to is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardised. Noted that on the 31st of December, 2023, the Company held an amount of Euro 277 thousand of cash and the necessary approved (but unused) credit lines, so it can easily serve short and medium term obligations.

In order to avoid liquidity risk the Company makes a cash flow projection for one year when preparing the annual budget as well as a monthly rolling projection for three months to ensure that it has adequate cash to cover its operating needs, including fulfilment of its financial obligations. This policy does not consider the impact of extreme conditions which cannot be foreseen.

Market Risk

Market risk is the risk of fluctuations in raw material prices, exchange rates and interest rates, which affect the Company's results or the value of its financial instruments. The purpose of risk management in respect of market conditions is to control Company exposure to such risks in the context of acceptable parameters while at the same time improving performance.

The Company enters into transactions involving derivative financial instruments so as to hedge a part of the risks arising from market conditions.

Exchange rate risk

The Company is exposed to foreign exchange risk in relation to the sales and purchases carried out in a currency other than the functional currency of the Company, which is mainly Euro.

Over time, the Company hedges the greatest part of its estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as receivables and liabilities in foreign currency. The Company enters mainly into currency forward contracts with external counterparties to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the balance sheet date. When deemed necessary, these contracts are renewed upon expiry. As the case may be, the foreign exchange risk may be hedged by taking out loans in the respective currencies.

Loan interest is denominated in the same currency with that of cash flows, which arises from the Company's operating activities and is mostly Euro.

Interest rate risk

The Company finances its investments and its needs for working capital from bank and bond loans with the result that interest charges reduce its results. Rising interest rates have a negative impact on results since borrowing costs for the Company rise.

The interest rate risk can be reduced because a share of the Company's loans has fixed interest rates.

Capital management

The Company's policy is to maintain a strong capital base to ensure investor, creditor and market trust in the Company and to allow Company activities to expand in the future. The Board of Directors monitors the return on capital employed which is defined by the Company as net results divided by total equity. Also, the Board of Directors observes the level of dividends to ordinary shareholders.

The Board of Directors tries to maintain equilibrium between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

Macro-economic environment

Announcement regarding conflicts in Ukraine

In regard to the evolution of the conflicts in Ukraine, the Company neither realized any sales to Russia and Ukraine nor procured any raw materials from them during the fiscal year.

E. Goals and Prospects for 2024

The first signs of 2024 present a weak growth mostly in Eurozone, although a further improvement in the following years is expected. Inflation is expected to decline further during 2024, as the negative effects of the increased energy prices of previous years and the delays in supply chain have begun to weaken after the opening of the economy. The tight monetary policy continues to burden demand, with Russia's ongoing war against Ukraine and the conflicts in the Middle East to increase geopolitical risk. Gas prices are dropping, as Europe responded well to the supply shortages with the use of alternative sources, assisted by a relatively warm winter. However, there can be no certainty that prices will stabilise in these low levels for the remainder of the year. By closely following up on the developments, the Company will continue to have as its main strategic goal to increase its market shares for all its products and to strengthen its activity in new markets of its production facilities. In addition, for the current year, the optimal management of working capital remains our main priority and as the macro trends remain positive for the products for Company, the long-term plan remains unchanged.

F. Subsequent events

With the decision of 25.07.2024 of the Extraordinary General Meeting of the company " METALLOURGIKI IPEIROU ANONYMI ETAIREIA" it was decided to increase the share capital by the amount of one million five hundred thousand euros (€1,500,000.00) with payment of cash and issuance of one hundred and fifty thousand(150,000) new shares, nominal value ten euros (€10.00) each, value (difference) premium of ten euros (€10.00)each, i.e. an issue (disposal) price of twenty euros (€20.00) each, and a total, for all newly issued shares, of a disposal amount of three million euros (€3,000,000.00).

The Vice President of the B.o.D	The Member of the B.o.D	The Chief Financial Officer
SPYRIDON KOKKOLIS	NIKOLAOS MARIOU	DIMITRIOS KAFOROS

Independent Auditor’s Report

To the shareholders of the Company EPIRUS METALWORKS S.A.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of EPIRUS METALWORKS S.A. (the Company), which comprise the balance sheet as at December 31, 2023, income statement and statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements that include significant accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company EPIRUS METALWORKS S.A. as at December 31, 2023, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been 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 financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management’s intention is to proceed with liquidating the Company or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as an aggregate, 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, incorporated into the Greek Legislation, 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 affect the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:
   a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150 of CL 4548/2018, and its content corresponds to the accompanying financial statements for the year ended as at 31.12.2023.

   b) 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 EPIRUS METALWORKS S.A. and its environment.

2. Note 24 to the Financial Statements makes reference to the fact that as at December 31, 2023, the Company's Total Equity has become negative and therefore the conditions of paragraph 4, article 119 of Law 4548/2018 are effective, based on which the Board of Directors convened the General Meeting of Shareholders dated 25/07/2024 in order to take the appropriate measures.

Athens, September 20, 2024

The Certified Public Accountant

Vasilios Xenidis

Registry Number SOEL 36441

Chartered Accountants Management Consultants
58, Katehaki Av., 115 25 Athens, Greece
Registry Number SOEL 127

FINANCIAL STATEMENTS

For the year ending at 31.12.2023

THE VICE PRESIDENT OF THE BOARD OF DIRECTORS	THE MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER
SPYRIDON KOKKOLIS ID No. AN 659640	NIKOLAOS MARIOU ID No. AE 083192	DIMITRIOS KAFOROS ID No AH 524735 Class A License Reg. No 106475

I. Statement of Financial Position

EUR	*Note:*	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	5,357,764	5,141,043
Right of use assets	*23*	56,892	1,514
Intangible assets and goodwill	*10*	24,719	33,687
Trade and other receivables	*13*	628	32,750
		5,440,003	**5,208,994**
Current Assets			
Inventories	12	12,941,078	3,231,794
Trade and other receivables	13	1,942,757	2,634,188
Cash and cash equivalents	14	277,028	346,331
		15,160,864	**6,212,313**
Total assets		**20,600,867**	**11,421,306**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	2,321,966	1,978,056
Share premium	15	1,476,619	1,444,625
Other reserves	15	400,490	400,000
Retained earnings/(losses)		(4,303,787)	(2,761,199)
Total equity		**(104,711)**	**1,061,481**
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	42,539	2,265
Deferred tax liabilities	11	100,385	159,235
Employee benefits	17	9,141	9,651
		152,065	**171,151**
Current liabilities			
Trade and other payables	18	13,606,727	1,674,107
Contract liabilities		156,285	-
Loans and Borrowings	16	6,776,373	8,512,960
Lease liabilities	16	14,128	1,608
		20,553,513	**10,188,674**
Total liabilities		**20,769,192**	**10,359,825**
Total equity and liabilities		**20,600,867**	**11,421,306**

Notes on pages 17 to 52 constitute an integral part of these Financial Statements.

II. Statement of Profit and Loss

EUR	**2023**	**2022**
Revenue	16,332,545	12,525,596
Cost of Sales	(16,469,092)	(13,259,610)
Gross Profit	**(136,548)**	**(734,014)**
Other Income	10,930	14,876
Selling and Distribution expenses	(244,668)	(107,819)
Administrative expenses	(639,796)	(217,079)
Other Expenses	(35,322)	(15,765)
Operating profit / (loss)	**(1,045,404)**	**(1,059,801)**
Finance income	25	-
Finance Costs	(554,991)	(418,057)
Net Finance income / (cost)	**(554,966)**	**(418,057)**
Profit/(Loss) before income tax	**(1,600,370)**	**(1,477,858)**
Income tax expense	58,723	(940)
Profit/(Loss) for the year	**(1,541,647)**	**(1,478,798)**

Notes on pages 16 to 50 constitute an integral part of these Financial Statements.

III. Statement of Other Comprehensive Income

Amounts in EUR	For the year ended 31 December 2023	2022
Profit/Loss (-) from continuing operations	**(1,541,647)**	**(1,478,798)**
Items that will never be reclassified to profit or loss		
Remeasurements of defined benefit liability	(1,205)	1,632
Related tax	265	(359)
Total	**(940)**	**1,273**
Items that are or may be reclassified to profit or loss		
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	628	-
Related Tax	(138)	-
Total	**490**	**-**
Total comprehensive income / (expense) after tax	**(450)**	**1,273**
Total comprehensive income	**(1,542,097)**	**(1,477,525)**

Notes on pages 16 to 50 constitute an integral part of these Financial Statements.

IV. Statement of Equity Movements

EUR	Share capital	Share premium	Reserves	Retained earnings	Total equity
Balance as at 1 January 2022	**1,979,556**	**1,444,625**	**400,000**	**(2,783,674)**	**1,040,506**
Total comprehensive income					
Net profit/(loss) of the period	-	-	-	(1,478,798)	**(1,478,798)**
Other comprehensive income	-	-	-	1,273	**1,273**
Total comprehensive income	**-**	**-**	**-**	**(1,477,525)**	**(1,477,525)**
Transactions with owners of the company					
Issue of share capital	1,498,500	-	-	-	**1,498,500**
Transfer of Reserves	(1,500,000)	-	-	1,500,000	**-**
Total transactions with owners of the company	**(1,500,000)**	**-**	**-**	**1,500,000**	**1,498,500**
Balance as at 31 December 2022	**1,978,056**	**1,444,625**	**400,000**	**(2,761,199)**	**1,061,481**

EUR	Share capital	Share premium	Reserves	Retained earnings	Total equity
Balance as at 1 January 2023	**1,978,056**	**1,444,625**	**400,000**	**(2,761,199)**	**1,061,481**
Total comprehensive income					
Other comprehensive income	-	-	-	(1,541,647)	**(1,541,647)**
Net profit/(loss) of the period	-	-	490	(940)	**(450)**
Total comprehensive income	**-**	**-**	**490**	**(1,542,587)**	**(1,542,097)**
Transactions with owners of the company					
Capitalization of reserves	117,650	(117,650)	-	-	**-**
Issue of share capital	226,261	149,644	-	-	**375,905**
Total transactions with owners of the company	**343,911**	**31,994**	**-**	**-**	**375,905**
Balance as at 31 December 2023	**2,321,966**	**1,476,619**	**400,490**	**(4,303,786)**	**(104,711)**

The notes on pages 16 to 50 constitute an integral part of these Financial Statements.

V. Statement of Cash Flows

EUR	**2023**	**2022**
Cash flows from operating activities		
Profit / (loss) after taxes	(1,541,647)	(1,478,798)
Adjustments for:		
- *Income tax*	(58,723)	940
- *Depreciation of fixed assets*	336,299	254,127
- *Depreciation of right of use*	7,603	2,595
- *Amortization*	8,968	8,826
- *Net finance costs*	554,966	418,057
- *(Gain) / loss from sale of property, plant & equipment and investment property*	(300)	-
- *Loss from write-offs of property, plant & equipment and investment property*	-	1,010
- *(Reversal of) / Impairment of property, plant & equipment and investment property*	14,422	-
- *(Reversal of) / Impairment of inventories*	289,156	-
	(389,255)	**(793,243)**
Decrease / (increase) in inventories	(9,998,441)	1,259,886
Decrease / (increase) in receivables	691,431	(1,238,197)
(Decrease) / Increase in liabilities (minus banks)	11,995,004	571,898
(Decrease) / Increase in contract liabilities	156,285	(871,449)
(Decrease) / Increase in defined benefit obligation	(15,500)	635
	2,439,523	**(1,070,470)**
Interest charges & related expenses paid	(554,991)	(418,057)
Net Cash flows from operating activities	**1,884,532**	**(1,488,527)**
Cash flows from investing activities		
Purchase of tangible assets	(567,442)	(83,565)
Proceeds from sales of fixed assets	300	-
Net Cash flows from investing activities	**(567,142)**	**(83,565)**
Cash flows from financing activities		
Proceeds from new borrowings	-	274,407
Repayment of borrowings	(1,752,411)	-
Payment of lease liabilities	(10,187)	(2,784)
Proceeds from capital increase	375,905	1,500,000
Net cash flows from financing activities	**(1,386,693)**	**1,771,622**
Net (decrease)/ increase in cash and cash equivalents	**(69,303)**	**199,530**
Cash and cash equivalents at the beginning of period	346,330	146,800
Cash and cash equivalents at the end of period	**277,028**	**346,330**

The notes on pages 16 to 50 constitute an integral part of these Financial Statements.

VI. Notes to the Financial Statements

1. Information about the Company

EPIRUS METALWORKS S.A. or "EPIRUS METALWORKS", or "the Company" was established on 07.08.2019 with the decision with ref. no Ω4ΞΚ465ΧΙ8-54Β of the Ministry of Development and Investments and it is registered in the Register of Societes Anonyme G.C.Registry. : 149237801000.

With the decision of the General Assembly on 02.12.2019, the term of the company is indefinite. The Company is a subsidiary of ElvalHalcor S.A. and member of Viohalco SA/NV.

The Company produces a wide range of coins as well as takes over trade and agency of them. The Company is vertically integrated and produces all types of coin blanks and rings for bi-colour coins.

The financial statements of the "Company" are included in the consolidated financial statements of the parent Company ELVALHALCOR S.A..

The "Company" is seated Athens, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525. The Company's main ofices as well as the contact address are at the Kefalovrisso, Ioannina GR 440 06. For more information about the Company and its activities, please visit the Company's website (http://www.epirusmetalworks.com***)***.

2. Basis of preparation of the Financial Statements

(a) Compliance Statement

The Financial Statements have been prepared in accordance with the IFRS as adopted by the European Union. These IFRS may be different from the IFRS issued by International Accounting Standards Board. The Financial Statements have been prepared on the basis of going concern.

The Company's Equity on 31/12/2023 has become negative and therefore, the provisions of article 45 of the Law. 3190/1955.

In order to treat the relevant risks, Management took the necessary measures to remove the conditions of application of this article and to improve capital adequacy and liquidity of the Company and to ensure the continued operation of the Company for a period of at least 12 months.

With the decision of 25.07.2024 of the Extraordinary General Meeting of the company " METALLOURGIKI IPEIROU ANONYMI ETAIREIA" it was decided to increase the share capital by the amount of one million five hundred thousand euros (€1,500,000.00) with payment of cash and issuance of one hundred and fifty thousand(150,000) new shares, nominal value ten euros (€10.00) each, value (difference) premium of ten euros (€10.00)each, i.e. an issue (disposal) price of twenty euros (€20.00) each, and a total, for all newly issued shares, of a disposal amount of three million euros (€3,000,000.00).

The Company is able to fulfill its obligations after the aforementioned increase in its share capital that has been completed at the date of the authorization and publication of these financial statements. The Company recorded negative operating cash flows as a result of its effort to increase its operations, although has already ensured the support of the parent company in order to implement its development plan, as provided in the latest share capital increase.

The Financial Statements ended on December 31, 2023, have been approved by the Company's Board of Directors on September 20, 2024.

(b) Basis of Measurement

The Financial Statements have been prepared in accordance with the historical cost basis except the financial instruments at fair value.

(c) Operating Currency and Presentation

The Financial Statements are presented in Euro, which is the operating currency of the "Company". The amounts reported in the Financial Statements are in Euro and they are rounded to the nearest unit (any differences in totals are due to rounding).

(d) Application of Estimates and Judgments

Preparing financial statements in line with the IFRS requires that Management take decisions, make assessments and assumptions which affect the implementation of accounting policies, and the book amounts of assets, liabilities, income and expenses. The actual results may finally differ from such estimates.

The assessments and related assumptions are reconsidered on an ongoing basis. These reconsiderations are recognized in the current and in any subsequent period.

Remarkable information about the areas where uncertainty exist about the assessments and critical decisions regarding the implementation of accounting policies, with significant impact on the figures included in the Financial Statements, are presented in the following notes:

Significant Assessments

- Evaluation of assets which are not measured in fair value: The Company makes assessments for impairment of assets that aren't measured in fair value (Investments in subsidiaries and associates, Intangible assets, Receivables from customers).
- Management of the company examines the useful lives of the depreciable assets in regular intervals and once for each fiscal year. On 31.12.2023, the management considered that the useful lives represent the expected use of assets.

3. Changes in the 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 01/01/2024.

- **Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (effective for annual periods starting on or after 01/01/2024)**

In September 2022, the IASB issued narrow-scope amendments to IFRS 16 "Leases" which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The issued amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the Accounting Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. The amendments do not affect the separate Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2024.

- **Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2024)**

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment that aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. The amendments do not affect the separate Financial Statements. The above have been adopted by the European Union with effective date of 01/01/2024.

3.2 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.

- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Finance Arrangements (effective for annual periods starting on or after 01/01/2024)**

In May 2023, the International Accounting Standards Board (IASB) issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The IASB issued Supplier Finance Arrangements to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to provide users of financial statements with information that enable them a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments to IAS 7 and IFRS 7 are effective for accounting periods on or after 1 January 2024. The Company 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 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" (effective for annual periods starting on or after 01/01/2025)**

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates that require entities to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments introduce a definition of currency exchangeability and the process by which an entity should assess this exchangeability. In addition, the amendments provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods on or after 1 January 2025. The Company 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 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods starting on or after 01/01/2027)**

In April 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. The objective of the Standard is to improve how information is communicated in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to a) the requirement of defined subtotals in the statement of profit or loss, b) the requirement of the disclosure about management-defined performance measures and c) the new principles for aggregation and disaggregation of information. The Company 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. Significant Accounting Principles

The Company consistently applies the accounting principles for all periods when the financial statements are presented, with the exception of the application of the new standards, modifications of standards and interpretations mentioned above, the application of which is mandatory for the annual financial statements that start or after January 1, 2023.

4.1 Foreign currency

Transactions and balances that are carried out in a foreign currency are converted to the Company's functional currency based on the exchange rate that is applicable on the day the transaction is carried out. Profits and losses from foreign exchange differences that arise from the settlement of such transactions and from the conversion of monetary assets and liabilities from foreign to domestic currency using the current exchange rate are recorded in the profit and loss statement.

4.2 Financial assets and liabilities

a) Initial recognition and measurement

Financial assets and liabilities are recognized by the company at their acquisition date and measured at fair value, after the Management has considered the business model and the purpose for which they have been acquired.

b) Trade and Other Receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their amortized cost less impairment losses. Impairment losses are recognised when there are objective indications that the Company is not in a position to collect all or part of the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of the estimated future cash flows. The amount of provision is recognised in the income statement as an expense.

Regarding the allowances for expected credit losses, the company implement the simplified impairment model considered by IFRS 9, which are equal to the amount of the lifetime expected credit losses for all trade and other receivables. The measurement of those expected credit losses, trade and other receivables are classified based on the common credit ratings and due dates. The company used the credit ratings obtained from approved credit rating agencies for customers that evaluated individually and the country rating for each customer that could not be evaluated individually, as key drivers of the expected credit losses calculation and subsequently measures any change that affect the allowance according to those factors.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash balances, sight deposits and short-term, high-liquid and low-risk investments.

d) Other investments

These include non-derivative financial assets that after the management has considered the business model and the purpose that have been acquired and based on the provisions of IFRS 9, are designated as at fair value through other comprehensive income (FVOCI). Purchases and sales of investments are recognized on trade date that is the date the Company commits to buy or sell the asset. Investments are initially recognized at fair value plus any transaction costs. Then, these investments are measured at FVOCI, while any subsequent fair value measurement recognized.

e) Fair Value

The fair value of financial assets, which are traded in active markets, is determined by the current market price. The fair value of non-traded assets is determined using valuation techniques, such as analysis of recent transactions, reference to comparable items traded and discounted cash flow.

f) Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at non-depreciated cost based on the effective interest rate method. Any difference between the amount that has been collected (net of relative expenses) and the settlement value is recorded in the results during the term of the loan based on the effective interest rate method.

Loans are classified as “Short-term Liabilities” unless the Company has the right to defer the settlement thereof for at least 12 months from the balance sheet date. Loan interest charges are directly posted to the income statement of the period they concern.

g) Trade payables

Commercial liabilities are initially recognized at fair value and are subsequently measured to amortized cost using the effective interest rate.

4.3 Derivatives and Hedge Accounting

Derivatives are booked at their fair value. The method of recognizing earnings and losses depends on whether the derivatives are used as hedging instruments or as held for trading. Derivatives, at the date of the transaction, are determined as hedges of the fair value of a receivable, a liability or a commitment (fair value hedge), or as hedge of highly probable transactions (cash flow hedge).

The Company documents at the inception of the transaction the relationship between instruments of hedging and hedged items as well as the strategic management of risk. At the conclusion of the contract and on an ongoing basis later recorded assessment of the high efficiency of hedging for both fair value hedges and for cash flow hedges. To offset future transaction demonstrates the possibility of completing the transaction.

a) Fair Value Hedging

Changes in the fair value of derivatives which are defined as fair value hedges are posted to the results as are the changes in the fair value of the hedged assets which are attributed to the risk offset.

b) Cash Flow Hedging

The effective proportion of change in the fair value of derivatives defined as cash flow hedges are posted to an equity reserve. The gain or loss on the non-effective proportion is posted to the results. The amounts posted as an equity reserve are carried forward to the results of the periods where the hedged assets affect profits or losses. In cases of hedging forecast future transactions which result in recognition of a non-monetary asset (e.g. inventory) or liability, profits or losses which had been posted to equity are carried forward to acquisition cost of the non-financial asset generated.

When a hedge matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to Equity remain as a reserve and are carried forward to the results when the hedged asset affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realized, the profits or losses accrued to Equity are carried forward to the income statement.

4.4 Share Capital

The share capital consists of common shares. Direct expenses for the issuance of shares appear after deducting the relevant income tax, reducing the amount of growth.

4.5 Property, Plant and Equipment

a) Recognition and Measurement

The Company uses property, plant and equipment (PPE) in the area of production, supply of goods and services or for administrative purposes, which are presented in the Statement of Financial Position in their historic cost, which is their carrying amount less any subsequent accumulated depreciations and impairments. The company assesses at each reporting date if any indication for impairment exists for its PPE on that date. The impairment is calculated as the difference between the book value of the asset with its recoverable amount. The recoverable amount is considered as the higher between the FV of the asset less any selling expenses and its value in use. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Upon sale of tangible assets, the differences between the proceeds and the carrying value is recorded as gains or losses on the results and the item 'Other operating income' or 'Other operating expenses' as appropriate. Any revaluation recognized in the fixed assets' revaluation reserve, is transferred to income statement. When the book value of tangible assets exceeds its recoverable amount, the difference (impairment loss) is recognized immediately as an expense in the income statement.

b) Depreciation

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method during the estimated useful life of fixed assets and their segments if they have a different useful life. The estimated useful life of these categories is as follows:

- Buildings 16-58 years
- Machinery & equipment 5-20 years
- Transportation equipment 2-10 years
- Furniture and fixtures 3-5 years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date, if deemed necessary.

4.6 Intangible Assets

Intangible assets acquired separately are recognized at acquisition cost while any intangible assets acquired through the purchase of entities are recognized at their fair value on acquisition date. After acquisition they are valued at that amount less accumulated depreciation and any accumulated impairment losses. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited useful life is depreciated over the estimated useful life using the straight-line method. Intangible assets are depreciated from the date they become available for use.

Intangible assets with unlimited useful life are not depreciated but are subject periodically (at least annually) to an estimate of any impairment based on the provisions of IAS 36 "Impairment of Assets". Residual values are not recognized. The useful life of intangible assets is evaluated on an annual basis. Intangible assets are tested for impairment at least annually individually or at cash-generating unit level.

Software licences are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets which is 3 years.

The industrial property rights are valued at acquisition cost less accumulated depreciation and any accumulated impairment. Depreciation is recorded using the straight-line method over the useful life of the assets.

Expenses required to develop and maintain software are posted as expenses in the income statement during the year they incur.

4.7 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. Acquisition cost is determined by applying the annual average weighted cost method and includes the cost to buy, produce or manufacture and other expenses so as to acquire its current condition and location and the ratio of production expenses. The cost may include any transfer from the cash flow hedging reserve. Net realisable value is assessed based on current sale prices of inventories in the course of ordinary activities less any termination and sales expenses which apply to the case.

4.8 Impairment

(a) Non-Derivative Financial Assets

The carrying values of Company financial assets not recognized at fair value through profit or loss, including investments accounted for by the equity method, are examined in each reporting period to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset is impaired include:

- bankruptcy of a debtor or designation as insusceptible to recovery,
- amount of debt adjustment because of changing conditions of payment,
- evidence that due to adverse economic conditions, the borrower or issuer will go into bankruptcy,
- adverse developments in the method of payment of borrowers or issuers,
- the disappearance of an active market for a share or
- observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets.

Financial Assets at Amortized Cost

The Company recognizes an indication of impairment of these assets both at independent asset and at entire. All individually significant assets reviewed individually for impairment. Whatever is not impaired individually, is collectively evaluated for impairment. Assets that are not individually significant, are collectively evaluated for impairment. Collective assessment results from the aggregation of assets with common risk characteristics.

An impairment loss is recognized as the difference between the carrying amount of the asset and the present value of expected future cash flows at the effective interest rate. The loss is recognized in the income statement as a provision. Where the Company decides that there is no realistic reason to restore the carrying amount of the asset, the provision deleted. If the amount of the impairment loss decreases and the decrease is linked to an objective event occurring after the impairment, then the original impairment loss was reversed and recognized in the Income Statement.

(b) Non-financial assets

For non-financial assets, other than investment property, inventories and deferred tax asset, the book value is examined at each balance sheet date for impairment. The assets with indefinite life are examined annually for impairments.

The recoverable amount of the asset or cash-generating unit, is the higher between value in use and its fair value, less any cost to sell. The value in use is based on expected future cash flows discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk directly associated with the asset or cash-generating units.

Impairment is recognized, if the accounting values are greater than the estimated recoverable amount.

Impairments is recognized in the Income Statement.

The impairment of the goodwill can't be reversed. The impairment loss is reversed by restoring the carrying value of the asset to its recoverable amount, until it doesn't exceed the asset's carrying value (net of depreciation) that would have been determined if the impairment loss hadn't be posted.

4.9 Employee Benefits

(a) Short-term Benefits

The staff's short-term benefits in cash and kind are posted as expenses when they become accrued. A liability is recognized for the amount which is expected to be paid as benefit to the Company's staff and executives, if there is a legal or contractual obligation to pay this amount as a result of employee services and if this obligation can be reliably measured.

(b) Defined-contribution Plans

The defined-contribution plans are plans for the period after the employee has ceased to work, and during this period the Company is pays a defined amount to a third legal entity without any other obligation.

(c) Defined-Benefit Plans

The defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation which is posted in the balance sheet for the defined-benefit plans is the present value of the future benefit of the employee for the services he supplied in the current period or previously, less the fair value of the program's assets.

The defined benefit is calculated in annual basis by an independent actuary using the projected unit credit method.

The changes in the liability for defined-benefit plans that are related to actuarial gains and losses, are recognized directly in the Statement of Comprehensive Income. The discount rate corresponds to the rate of the index applying to the low credit risk European bonds "iBoxx – AA-rated Euro corporate bond 10+

year". Interests and other expenses which are related to the defined-benefit plans are recognized to the Income Statement.

When there is a change in the benefits of a plan or the plan shrinks, the change which is related to the past service cost or the profit/loss from the shrinkage is directly posted to the Income Statement. The Company recognizes profits and losses from the settlement of a plan, when this settlement is realized.

(d) Benefits for Employment Termination

The benefits for employment termination are paid when employees depart before their retirement date. The Company books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. Employment termination benefits that are due in 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees that will use that benefits, these will not be accounted for but will be disclosed as a contingent liability.

4.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. Also, the amount of this obligation should be reliably measurable. Provisions are re-examined on each balance sheet date and, if it is likely that there will no longer be an outflow of resources to settle the obligations, the provisions are reversed. Provisions are used only for the purpose for which they were originally created. No provisions are recognized for future losses. Contingent assets and contingent liabilities are not recognized in the financial statements.

4.11 Income

(a) Sales of goods

Revenues from sales of goods are recognized when the significant risks and rewards from the ownership have been transferred to the buyer of the good, the collection of the price is reasonably secured, the relevant expenses and the eventual returns of goods can be reliably estimated and there is no continuous involvement in goods management. Any returns or turnover-related discounts are deducted from the income from sales of goods. The time at which the risk and rewards are transferred varies per product.

(b) Services

Revenues from services are recognized in the period which the services are rendered, based on the stage in completion of the service in relation to the services as a whole.

(c) Income from Interest

Income from interest is recognized when the interest becomes accrued (based on the effective interest rate method).

(d) Income from Dividends

Dividends are recognized as income when the right of the Company to receive payment is established.

4.12 Government Grants

Government grants for investments in assets are recognised as accrued income where there is a reasonable assurance that the grant will be received and the Company will comply with all relevant conditions.

Government grants relating to the purchase of fixed assets are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

Government grants compensating the Company for expenses are recognized in the results so that these will match the expenses that they will cover.

4.13 Leases

<u>**As a lessee**</u>

From 1 January 2019, leases are recognized in the statement of financial position as a right of use of assets and the respective lease liability, on the date the leased asset is available for use. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term or over the useful life of the underlying asset when this considers more appropriate. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, according to the contract terms. When the lease liability is remeasured, the corresponding adjustment is made to the right of use respectively or the adjustment is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.14 Income Tax

The income tax of the year includes both current and deferred tax. Income tax is recognized in profit or loss except any cases concerning items directly posted to Equity, in which case it is recognized in Equity.

Current income tax is the tax expected to be paid on the taxable income for the year, based on enacted tax rates on the balance sheet date, and any re-adjustment to prior-period payable tax.

Deferred tax is calculated using the financial position method which calculates the temporary differences between the book value and taxation basis of the assets and liabilities on the reporting date. Deferred income tax is not calculated (a) if it is clear from initial recognition of an asset or liability in a transaction apart from business combinations in which the transaction occurred that it did not affect either the book or tax profits or losses, (b) for investments in subsidiaries to the extent that the temporary difference will not be reversed, (c) the initial recognition of goodwill. Deferred tax is determined using the tax rates that are expected to apply to the period in which the asset will be liquidated or the liability will be settled. The determination of future tax rates is based on laws passed on the date the financial statements are prepared.

Deferred tax assets are recognized only to the extent that there will be a future taxable profit for use of the temporary difference which is generating the deferred tax assets. Deferred tax assets are reduced when the relevant tax benefit is realized.

Additional income taxes arising from the allocation of dividends are posted in the same year with the obligation to pay the relevant dividend.

4.15 Borrowing Cost

The borrowing cost that is directly linked with the purchase, construction or production of fixed assets for which a considerable amount of time is required so they can be completed for use or sale, is added to the cost of those assets until the time when this assets will be available for use or sale. Revenue from temporary placements of committed funds to finance the above assets as well as the collection of subsidies reduce the cost of borrowing that is capitalized. In any other case the cost of borrowing is affecting the Income Statement of the fiscal year. To the extent that the consideration arises from issued general borrowing and is used for the purchase of an asset that which meets the conditions, the capitalized borrowing cost can be estimated using a capitalization rate based on the investments for this asset.

5. Revenue

Revenue according to the geographical distribution is as follows:

EUR	2023	2022
Greece	4,664,652	811,667
France	1,194,088	6,066,847
Germany	6,406,071	5,647,083
United Kingdom	1,303,735	-
Other European Countries	1,128,691	-
Asia	426,349	-
Africa	1,130,617	-
Oceania	78,342	-
	16,332,545	**12,525,596**

Breakdown of revenue by segment:

EUR	2023	2022
Sale of goods	16,270,867	12,523,940
Sales of raw materials	61,678	1,656
Total	**16,332,545**	**12,525,596**

6. Other Operating Income & Expenses

EUR	2023	2022
Other Income		
Income from fees	5,507	4,273
Gain from disposal of property, plant & equipment	300	-
Other Income	5,123	10,602
Total	**10,930**	**14,876**

Other Expense	**2023**	**2022**
Loss from write-offs of Property, plant & equipment	-	(1,010)
Impairment of Fixed assets	(14,422)	-
Other Expenses	(20,900)	(14,754)
Total	**(35,322)**	**(15,765)**
Net other income-expenses	**(24,392)**	**(889)**

7. Expenses by Nature

EUR	**2023**	**2022**
Cost of inventories recognized as an expense	13,904,548	11,073,829
Employee benefits	757,924	695,443
Energy	142,185	176,808
Depreciation and amortisation	352,871	265,549
Taxes - duties	31,952	21,207
Other insurance expenses	21,132	33,542
Rental fees	12,956	9,768
Transportation costs (goods and materials)	293,752	260,383
Promotion & advertising	17,158	10,498
Third party fees and benefits	1,724,624	904,056
Maintenance expenses	22,268	18,871
Travel and personnel transport expenses	23,794	34,483
Commissions	3,216	-
Other expenses	45,177	80,071
Total	**17,353,556**	**13,584,508**

The cost of benefits to employees can be broken down as follows:

EUR	**2023**	**2022**
Employee remuneration & expenses	475,281	526,218
Social security expenses	108,211	104,673
Defined benefit plan expenses	13,786	6,466
Other employee benefits	160,647	58,086
Total	**757,925**	**695,443**

The number of employees at the end of the current year was 26 (2022:23).

8. Financial Income - Cost

	2023	**2022**
Income		
Interest income	25	-
Total Income	**25**	**-**

EUR	2023	2022
Expenses		
Interest expenses	(517,336)	(389,193)
Other bank commissions	(36,640)	(28,751)
Interest lease liabilities	(1,015)	(113)
Total expenses	**(554,991)**	**(418,057)**
Financial Income & Cost (Net)	**(554,966)**	**(418,057)**

9. Fixed Assets

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2022	**63,762**	**2,717,002**	**2,040,702**	**3,194**	**83,181**	**964,690**	**5,872,533**
Additions	-	-	1,057	-	3,277	79,231	**83,565**
Write offs	-	-	(1,263)	-	-	-	**(1,263)**
Reclassifications	-	9,262	29,473	-	-	(77,266)	**(38,532)**
Balance as at 31 December 2022	**63,762**	**2,726,264**	**2,069,969**	**3,194**	**86,458**	**966,655**	**5,916,303**
Accumulated depreciation							
Balance as at 1 January 2022	**-**	**(288,654)**	**(188,059)**	**(1,046)**	**(43,627)**	**-**	**(521,386)**
Depreciation of the period	-	(118,629)	(120,408)	(288)	(14,802)	-	**(254,127)**
Write offs	-	-	253	-	-	-	**253**
Balance as at 31 December 2022	**-**	**(407,284)**	**(308,214)**	**(1,334)**	**(58,429)**	**-**	**(775,260)**

EUR	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2023	**63,762**	**2,726,264**	**2,069,969**	**3,194**	**86,458**	**966,655**	**5,916,303**
Additions	-	-	-	-	-	567,442	**567,442**
Disposals	-	-	-	(300)	-	-	**(300)**
Reclassifications	-	185,601	1,291,864	-	-	(1,477,464)	**0**
Balance as at 31 December 2023	**63,762**	**2,911,865**	**3,361,833**	**2,894**	**86,458**	**56,632**	**6,483,445**
Accumulated depreciation							
Balance as at 1 January 2023	**-**	**(407,284)**	**(308,214)**	**(1,334)**	**(58,429)**	**-**	**(775,260)**
Depreciation of the period	-	(121,785)	(200,769)	(288)	(13,458)	-	**(336,299)**
Disposals	-	-	-	300	-	-	**300**
Impairment loss	-	-	(14,054)	-	(368)	-	**(14,422)**
Balance as at 31 December 2023	**-**	**(529,069)**	**(523,037)**	**(1,321)**	**(72,255)**	**-**	**(1,125,681)**
Carrying amount as at 1 January 2022	63,762	2,428,348	1,852,644	2,148	39,554	964,690	5,351,147
Carrying amount as at 31 December 2022	**63,762**	**2,318,980**	**1,761,755**	**1,861**	**28,029**	**966,655**	**5,141,043**
Carrying amount as at 31 December 2023	**63,762**	**2,382,796**	**2,838,796**	**1,573**	**14,203**	**56,632**	**5,357,764**

(a) Assets under Construction

The account "Assets under construction" includes machinery the installation of which has not been completed at each year-end.

10. Intangible Assets

EUR	Development costs	Software	Total
<u>Cost</u>			
Balance as at 1 January 2022	**-**	**13,350**	**13,350**
Reclassification	38,532	-	**38,532**
Balance as at 31 December 2022	**38,532**	**13,350**	**51,882**
<u>Accumulated amortization and impairment</u>			
Balance as at 1 January 2022	**-**	**(9,368)**	**(9,368)**
Amortization for the period	(6,422)	(2,404)	**(8,826)**
Balance as at 31 December 2022	**(6,422)**	**(11,772)**	**(18,194)**
Carrying amount as at 31 December 2022	**32,110**	**1,578**	**33,688**

EUR	Development costs	Software	Total
<u>Cost</u>			
Balance as at 1 January 2023	**38,532**	**13,350**	**51,882**
Additions	-	-	-
Balance as at 31 December 2023	**38,532**	**13,350**	**51,882**
<u>Accumulated amortization and impairment</u>			
Balance as at 1 January 2023	**(6,422)**	**11,772)**	**(18,194)**
Amortization for the period	(7,706)	(1,262)	(8,968)
Balance as at 31 December 2023	**(14,128)**	**(13,034)**	**(27,162)**
Carrying amount as at 1 January 2022	-	3,982	3,982
Carrying amount as at 31 December 2022	32,110	1,578	33,688
Carrying amount as at 31 December 2023	**24,404**	**316**	**24,720**

11. Income Tax

For the year 2023, 2022, 2021, 2020 and 2019, the Company elected to be subject to the tax audit of the Certified Auditors Accountants provided for by the provisions of Article 65A of Law 4174/2013. The audit for the year 2023 is in progress and the relevant tax compliance report is expected to be issued after the publication of the financial statements for the year ended 31 December 2023. It is estimated that the outcome of the audit will not have a material impact on the financial statements.

Reconciliation of effective tax rate:

Amounts recognised in profit or loss

EUR	**2023**	**2022**
Deferred Tax (Expense)/Income	58,723	(940)
Tax Expense	**58,723**	**(940)**
Reconciliation of effective tax rate		
Accounting Profit/loss (-) before income tax	**(1,600,370)**	**(1,477,858)**
At statutory income tax rate of 22%	352,081	325.129
Non-deductible expenses for tax purposes	(7,528)	(326.069)
Current-year losses for which no deferred tax asset is recognized	(286,436)	-
Other taxes	605	-
Income tax expense reported in the statement of profit or loss	**58,723**	**(940)**
	-4%	**0%**

The movement in deferred tax can be presented as follows:

EUR	**Net balance at 1 January 2022**	**Recognised in profit or loss**	**Recognised in OCI**	**Net Balance at 31 December 2022**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant & equipment	(150,241)	(2,602)	-	**(152,843)**	-	(152,843)
Right of use asset	-	(333)	-	**(333)**	-	(333)
Intangible assets	687	(58)	-	**629**	629	-
Inventories	(10.265)	244	-	**(10.021)**	-	(10.021)
Loans and borrowings	1,440	(588)	-	**852**	852	
Employee benefits	443	2,398	(359)	**2,481**	2,481	-
Tax assets/liabilities (-) before set-off	**(157,937)**	**(940)**	**(359)**	**(159,235)**	**3,962**	**(163,197)**
Set-off tax				**-**	(3,962)	3,962
Net tax assets/(liabilities)	**(157,937)**	**(940)**	**(359)**	**(159,235)**	**-**	**(159,235)**

EUR	**Net balance at 1 January 2023**	**Recognised in profit or loss**	**Recognised in OCI**	**Net Balance at 31 December 2023**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(152,843)	(3,591)	-	**(156,434)**	-	(156,434)
Right of Use of Assets	(333)	(12,183)		**(12,516)**	-	(12,516)
Intangible assets	629	(310)	-	**319**	319	-
Derivatives	-	-	(138)	**(138)**	-	(138)
Inventories	(10,021)	63,614	-	**53,593**	53,593	-
Loans and borrowings	852	11,615	-	**12,467**	12,467	-
Employee benefits	2,481	(422)	265	**2,324**	2,324	-
Tax assets/liabilities (-) before set-off	**(159,235)**	**58,723**	**127**	**(100,386)**	**68,703**	**(169,089)**
Set-off tax				-	(68,703)	68,703
Net tax assets/(liabilities)	**(159,235)**	**58,723**	**127**	**(100,386)**	**-**	**(100,386)**

12. Inventories

EUR	31.12.2023	31.12.2022
Finished goods	383,322	8,493
Semi-finished goods	3,067,377	1,402,035
Work in progress	1,753,430	1,495,271
Raw and auxiliary materials	7,573,733	293,097
Consumables	70,460	18,670
Packaging materials	92,756	14,228
Total	**12,941,078**	**3,231,794**

Inventories are recognized in the net realizable value, which reflects the estimated value of sale less expenses for sale.

13. Trade and Other Receivables

EUR	31.12.2023	31.12.2022
Current Assets		
Trade receivables	1,219,958	316,559
Receivables from related entities	520,110	204,917
Trade receivables	**1,740,069**	**521,476**
Tax assets	-	2,101,656
Other debtors	24,210	11,056
Other receivables	178,478	-
Total	**202,688**	**2,112,712**
Non-current assets		
Non-current receivables from related parties	-	32,750
Total	**-**	**32,750**
Total receivables	**1,942,757**	**2,666,937**

14. Cash and Cash Equivalents

On 31.12.2023, the cash and cash equivalents amounted to Euro 277,028 (2022: 346,331).

Bank deposits are levied according to the applicable reference rates. The duration of short-term bank deposits is less than three months.

15. Share capital and reserves

EUR	
Balance as at 1 January 2022	**3,824,181**
Share Capital	1,978,056
Special Premium	1,444,625
Special reserve	400,000
Balance as at 31 December 2022	**3,822,681**

EUR	
Balance as at 1 January 2023	**3,822,681**
Share Capital	2,321,967
Share Premium	1,476,619
Special reserve	400,490
Balance as at 31 December 2023	**4,199,075**

Share capital and special reserves

The Company's share capital was initially set at five hundred thousand euros (€ 500,000.00), divided into fifty thousand (50,000) shares of Euros ten (€ 10.00) each. Following the decision of the General Assembly dated 02.12.2019, the share capital of the Company decreased by an amount of Euro 400,000, with the simultaneous cancellation of forty thousand (40,000) shares in order to form a special reserve that will offset its cumulative losses.

The share capital increased by the decision of the General Assembly on 12.11.2020 by Euro 1,000,000, with the issue of 100,000 new shares with a nominal amount of Euro 10.00 each.

Following the decision of the General Assembly on 22.02.2021 the share capital of the Company increased by Euro 444,500.00 paid in cash with the issue of 44,450, with a nominal amount of Euro 10,00 each and issue price 42.50 each. The amount of share premium amounted to Euro 1,444,625.00 recorded in balance sheet account "Share Premium".

Following the decision of the Extraordinary General Assembly of the sole shareholder of the Company dated 21.12.2022, the share capital of the Company:

(a) increased by one million five hundred thousand euros (€1,500,000.00) by cash payment and issue of one hundred fifty thousand (150,000) new, ordinary, registered shares of the Company, with a nominal value of ten euros (€10.00) each.

(b) reduced by the amount of one million five hundred thousand euros (€1,500,000.00) by offsetting equal losses of previous years and cancelling.

Following the decision of the Extraordinary General Assembly of the Company dated 10.02.2023, the share capital of the Company was increased by the amount of two hundred thirty-five thousand two hundred ninety euros (€235,290.00) by cash payment and issue of twenty-three thousand five hundred twenty-nine (23,529) new, ordinary, registered shares of the Company, with a nominal value of ten euros (€10.00) and a value (difference) in favor of the par amount of six euros and thirty-six cents (€6.36) each, i.e. an issue price of sixteen euros and thirty-six cents (€16.36) each and in the amount of one hundred seventeen thousand six hundred and fifty euros (€117,650.00) with capitalization of an equal amount of reserve from the issue of shares premium account and issue of eleven thousand seven hundred sixty-five (11,765) new, ordinary, registered shares of the Company.

16. Loans and Obligations

EUR	31.12.2023	31.12.2022
Non-current		
Lease liabilities (ex. operating leases)	42,539	2,265
Total	**42,539**	**2,265**
Current		
Unsecured bank loans	6,776,373	8,512,960
Lease liabilities (ex. operating leases)	14,128	1,608
Total	**6,790,501**	**8,514,568**
Total loans and borrowings	**6,833,040**	**8,516,833**

The maturities of non-current loans are:

EUR	31.12.2023	31.12.2022
Between 1 and 2 years	42,539	2,265
Total	**42,539**	**2,265**

The average interest rate for the company considered to 6.56%.

Company's bank loans do not contain any covenant clauses in case of non-compliance event that gives to lenders the right for denouncement.

On 21.12.2021 the Company signed a credit loan agreement with the parent company ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A. ("ElvalHalcor"), according to which, ElvalHalcor provides a revolving credit facility to the Company up to the amount of Euro 3.0 million. The tenure of the facility is 5 years. The interest rate considered to 6M Euribor plus margin.

17. Liabilities for employee's retirement benefits

According to the Hellenic Labor Law, employees are entitled to compensation in the event of dismissal or retirement of an amount related to the employee's salary, length of service and way of leaving (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the compensation that would be payable in case of unjustified dismissal.

The Company considers that this is a defined benefit plan and charges the results for accrued benefits in each period with a corresponding increase in the pension liability. Benefit payments to retirees in each period are charged against this liability. The Company's employee benefit obligation movement as at 31 December 2023 and 31 December 2022 presented below.

EUR	2023	2022
Net defined benefit liability	9,141	9,650
Liability for social security contributions	27,621	29,569
Total employee benefit liabilities	**36,762**	**39,220**

	2023	2022
Balance at 1 January	**9,650**	**9,016**
Amounts recognized in profit or loss		
Current service cost	1,948	2,248
Settlement/curtailment/termination loss	11,556	4,200
Interest cost	282	18
Total P&L Charge	**13,786**	**6,466**
Amounts recognized in OCI		
Demographic assumptions	105	-
Financial assumptions	174	(1,487)
Experience adjustments	926	(145)
Total amount recognized in OCI	**1,205**	**(1,632)**
Other		
Benefits paid	**(15,500)**	**(4,200)**
Balance at 31 December	**9,141**	**9,650**

The main assumptions used are as follows:

	2023	2022
Discount rate	3.10%	3.65%
Price Inflation	2.00%	2.80%
Rate of compensation increase	3.00%	3.25%

The aforementioned results depend on assumptions (financial and demographic) of the actuarial study. Therefore, if a discount rate less by 50 basis points had been used then the liability would be higher by approximately 3.15%, although with a discount rate increased by 50 basis points, the liability would have been dropped by 3.01%. If an assumption of a future salary increase by 50 basis points annually had been used, then the liability would be higher by 2.94%, and if a future salary decreased by 50 basis points, then the liability would have been less by 2.84%.

18. Trade payables and other liabilities

EUR	31.12.2023	31.12.2022
Suppliers	1,116,081	398,077
Social Security funds	27,621	29,569
Amounts due to related parties	12,304,681	1,219,899
Sundry creditors	13,195	11,151
Accrued expenses	71,513	2,652
Other Taxes	73,637	12,758
Total	**13,606,727**	**1,674,107**

19. Financial assets

The Board of Directors of the Company in conjunction with the parent Group has set rules and procedures for measuring the following risks:

- Credit risk
- Liquidity risk
- Exchange rate risk
- Interest rate risk

Below there were presented analytically the evidence of the size of each risk.

(a) Credit Risk

Company exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Company's clientele, including payment default risk characterizing the specific market and the country in which customers are active, affect less the credit risk since no geographical concentration of credit risk is noticed. Commercial credit risk is deteriorized as the major portion of its sales are distributed to organizations with high credit ratings.

Based on the credit policy adopted by the Board of Directors, each new customer is tested separately for creditworthiness before normal payment terms are proposed. The creditworthiness test made by the Company includes the examination of bank sources. Credit limits are set for each customer, which are reviewed in accordance with current circumstances and the terms of sales and collections are readjusted, if necessary. In principal, the credit limits of customers are set on the basis of the insurance limits received for them from insurance companies and, subsequently, receivables are insured according to such limits.

When monitoring the credit risk of customers, the latter are grouped according to their credit characteristics, the maturity characteristics of their receivables and any past problems of recoverability they have shown. Trade and other receivables include mainly wholesale customers of the Company. Any customers characterized as being of "high risk" are included in a special list of customers and future sales must receive in advance and approved by the Board of Directors. Depending on the background of the customer and its status, the Company demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Company makes impairment provisions which reflect its assessment of losses from customers, other receivables and investments in securities. This provision mainly consists of impairment losses of specific receivables that are estimated based on given circumstances that they will be materialized though they have not been finalized yet.

The financial assets subject to credit risk are as follows:

EUR	**2023**	**2022**
Trade & Other receivables - Current	1,942,757	2,634,188
Trade & Other receivables - Non-current	-	32,750
Total	**1,942,757**	**2,634,188**
Less:		
Tax assets	-	(2,101,656)
Other receivables	(24,210)	(11,056)
Total	**(24,210)**	**(2,112,712)**
Financial assets entailing credit risk	**1,918,546**	**554,226**

"Trade and other receivables" do not include receivables from costumers and related parties that are overdue.

The Company insures the greater part of its receivables in order to be secured in case of failure to collect.

(b) Liquidity Risk

Liquidity risk is the inability of the Company to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding necessary cash and adequate credit limits from cooperating banks, that it will always have adequate liquidity to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. Note that on 31 December 2023, the Company had an amount of Euro 277 thousand and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily.

To avoid liquidity risk the Company makes a cash flow provision for one year when preparing the annual budget as well as a monthly rolling provision for three months to ensure that it has adequate cash to cover its operating needs, including fulfillment of its financial obligations. This policy does not take into account the impact of extreme conditions, which cannot be foreseen.

			31.12.2022		
EUR	**Carrying amount**	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Total**
Bank loans	**8,512,960**	8,643,361	-	-	**8,643,361**
Lease liabilities	**3,873**	3,889	-	-	**3,889**
Trade and other payables	**1,674,107**	1,674,107			**1,674,107**
Total	**10,190,939**	**10,321,356**	-	-	**10,321,356**

			31.12.2023		
EUR	**Carrying amount**	**Up to 1 year**	**1 to 2 years**	**2 to 5 years**	**Total**
Bank loans	**6,776,373**	6,776,374	-	-	**6,776,374**
Lease liabilities	**56,667**	56,668	-	-	**56,668**
Trade and other payables	**13,606,727**	13,606,727			**13,606,727**
Contract Liabilities	**156,285**	156,286	**-**	**-**	**156,286**
Total	**20,596,051**	**20,596,051**	-	-	**20,596,051**

(c) Foreign Exchange Risk

The Company is not exposed to foreign exchange risk in the area of sales and purchases it carries out and in the area of loans that have been issued in different than Company's functional currency, which is mainly the Euro.

(d) Interest Rate Risk

The Company finances its investments and its needs for working capital through bank lending and bond loans with the effect of charging its results with debit interest. The increase in interest rates has a negative effect on Company's results, because the lending costs for the Company rise.

The risk which arises from the change in interest rates is the following:

EUR	**31.12.2023**	**31.12.2022**
Fix-rate Instruments		
Financial liabilities	56.667	3.873
Variable-rate Instruments		
Financial liabilities	6.776.373	8.512.960

An increase in interest rates by 0.25% would have the following effect in the Statement of Profit and Loss:

EUR	**0.25% increase**	**0.25% decrease**
2023		
Financial liabilities	(16.941)	16.941
2022		
Financial liabilities	(21.282)	21.282

(e) Capital Management

The Board of Directors' policy is to maintain a strong capital base to ensure the investors', creditors' and markets trust, and to be able to expand its activities in the future. The Board of Directors monitors the return on capital, which is defined by the Company as net results divided by total equity.

The Board of Directors tries to keep a balance between higher returns that would be feasible through higher borrowing levels and the advantages and security offered by a strong and robust capital structure.

There were no changes in the approach adopted by the Company in how capital was managed during the financial year.

(f) Macroeconomic environment

The Company closely and continuously monitors developments in the international and domestic environment and adjusts its business strategy and risk management policies in a timely manner in order to minimize the impact of macroeconomic conditions on their operations.

20. Fair Value of Financial Assets

The fair value has the following hierarchy levels:

- Level 1: This level includes derivatives which are based on market prices.
- Level 2: This level includes OTC derivatives that are based on prices from brokers.
- Level 3: This level includes unlisted shares, which come from Company's estimations as there are no observable market data.

For the financial year of 2023 there was no difference between the fair and the book value of loans. The book value of Company's loans relates to loans in Euro.

21. Contingent Liabilities / Assets

The contingent liabilities and assets of the Company arise by its ordinary activities. The tax liabilities of the Company, for the year 2023, haven't been audited by taxation authorities and thus are not finalized yet for such years.

22. Related parties

Related parties are all companies and natural persons with whom the Company has a direct (subsidiaries, associated companies, joint ventures, collaborating companies, shareholders or management with executive tasks) or indirect relation (entities controlled by shareholders, employees performing administrative tasks or close relatives of the latter).

EUR	**2023**	**2022**
Sale of goods		
Parent	469,506	-
Other	1,585,126	-
Total	**2,054,632**	**-**
Sale of fix assets		
Parent	752	-
Other	53	
Total	**805**	**-**
Purchase of goods		
Parent	13,981,625	9,061,728
Other	9,083,381	230,186
Total	**23,065,007**	**9,291,914**
Purchase of services		
Parent	813,088	312,565
Other	836,144	362,221
Total	**1,649,232**	**674,786**
Purchase of fixed assets		
Parent	2,243	1,753
Other	352,437	782
Total	**354,681**	**2,535**

EUR	2023	2022
Fees - benefits to the members of the Board of Directors and executives	-	79.107
Total	**-**	**79.107**

End-of-year balances from sale / purchase of goods, services, fixed assets, etc,

EUR	2023	2022
Receivables from related parties		
Parent	199,492	199,252
Other	320,859	38,415
Total	**520,350**	**237,667**
Liabilities to related parties		
Parent	11,025,055	4,168,129
Other	4,351,289	97,493
Total	**15,376,344**	**4,265,622**

The sales / purchases of goods and the services from and towards related parties, are realized according to the fee schedules, which apply for non-related parties.

23. Right of use of Assets

The Company recognized Right of Use of assets and finance lease liabilities (ex. operating), regarding the leases that Company considered as lessor. The liabilities measured to the present value of the remaining lease payments discounted by the incremental borrowing rate, approximately 4%. The leases above related to rental for cars. The movement in the RoU of assets presented below:

EUR	Transportation equipment
Cost	
Balance as at 1 January 2022	11,680
Balance as at 31 December 2022	**11,680**
Accumulated depreciation	
Balance as at 1 January 2022	**(7,571)**
Depreciation of the period	(2,595)
Balance as at 31 December 2022	**(10,166)**

EUR	Transportation equipment
Cost	
Balance as at 1 January 2023	**11,680**
Additions	62,981
Terminations	(11,680)
Balance as at 31 December 2023	**62,981**
Accumulated depreciation	
Balance as at 1 January 2023	**(10,166)**
Depreciation of the period	(7,603)
Absorption	11,680
Balance as at 31 December 2023	**(6,089)**
Carrying amount as at 1 January 2022	**4,109**
Carrying amount as at 31 December 2022	**1,514**
Carrying amount as at 31 December 2023	**56,892**

During the fiscal year, the company recognized financial costs regarding finance lease (ex-operating) amounted to EUR 1 thousand (2022: 0,1 thousand EUR) and included in the statement of profit and loss EUR 13 thousand (2022: 10 thousand) related to rental fees for low value assets or short-term rents under the provisions of IFRS 16.

24. Subsequent events

With the decision of 25.07.2024 of the Extraordinary General Meeting of the company " METALLOURGIKI IPEIROU ANONYMI ETAIREIA" it was decided to increase the share capital by the amount of one million five hundred thousand euros (€1,500,000.00) with payment of cash and issuance of one hundred and fifty thousand(150,000) new shares, nominal value ten euros (€10.00) each, value (difference) premium of ten euros (€10.00)each, i.e. an issue (disposal) price of twenty euros (€20.00) each, and a total, for all newly issued shares, of a disposal amount of three million euros (€3,000,000.00).