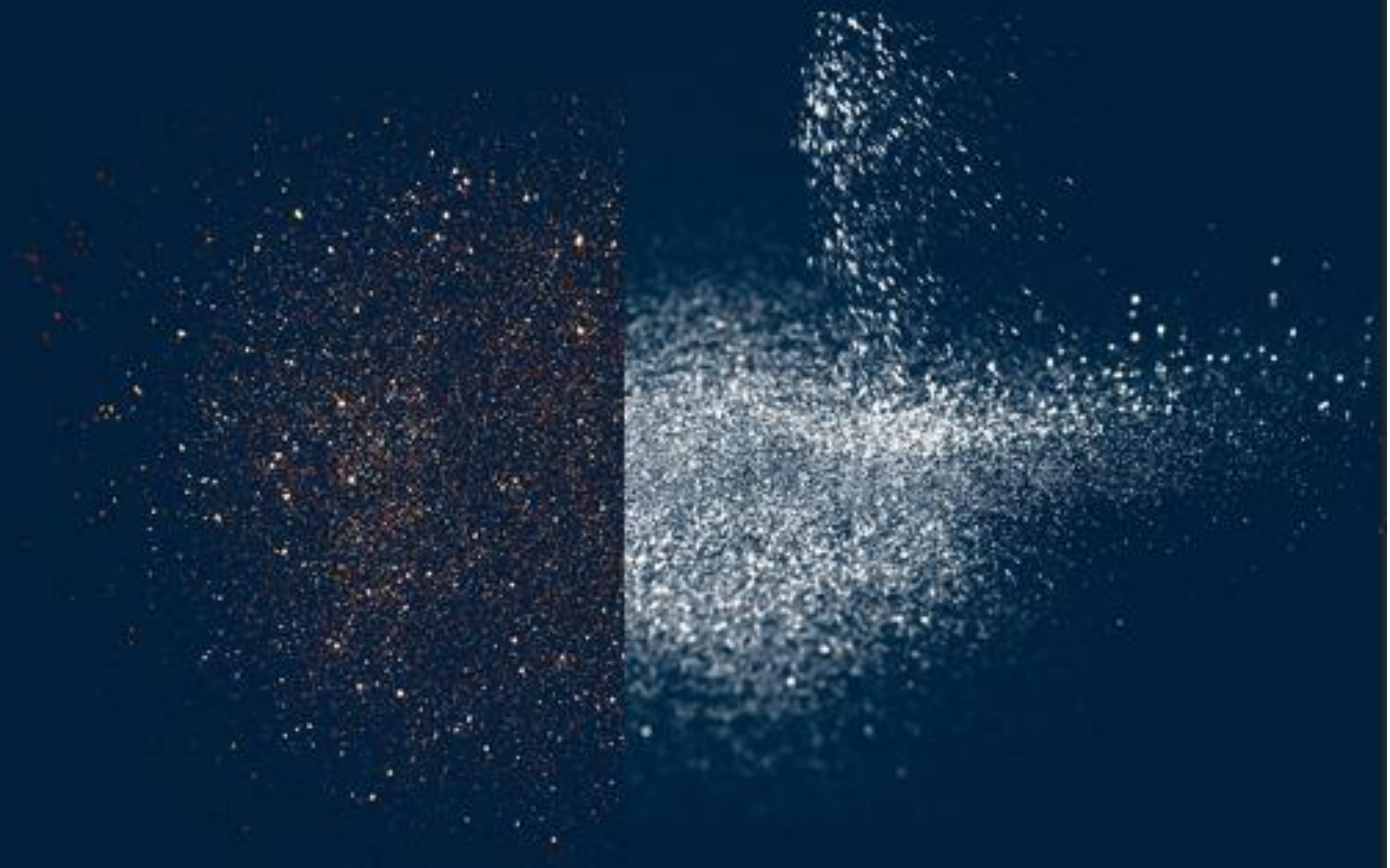
Annual Financial Report

of 31st December 2021



According to the International Financial Reporting Standards
and according to Law 3556/2007

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.
G.C. Registry: 303401000
LEI: 213800EYWS2GY56AWP42
S.A. Registry No.: 26/06/B/86/48
Seat: Athens Tower, Building B, 2-4 Mesogeion Ave., 11527 Athens

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The annual financial statements of the Company (in consolidated and non-consolidated basis), the Auditor's Report and the management report of the Board of Directors are posted on the Company's website (www.elvalhalcor.com) and the Athens Exchange website (www.helex.gr).

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to Article 4 par. 2 of Law 3556/2007)

The undersigned in our capacity as members of the Board of Directors of the company with the name ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A, trading as ELVALHALCOR S.A., whose registered offices are in Athens, at 2-4 Mesogeion Avenue, do hereby declare and confirm that as far as we know:

(a) the attached annual company and consolidated financial statements for the company ELVALHALCOR S.A. for the period from 1 January to 31 December 2021, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, accurately present the assets, liabilities, equity and results for the period ended on 31 December 2021 for ELVALHALCOR S.A. and the entities included in the consolidation taken as a whole, in line with the provisions of Article 4, paragraphs 3 to 5, of Law 3556/2007; and

(b) the attached annual report of the Board of Directors of ELVALHALCOR S.A. contains the true information required by Article 4, paragraphs 6 to 8, of Law 3556/2007.

Athens, 15th of March 2022

Confirmed by

The Vice-Chairman of the Board	The Board-appointed Member	The Board-appointed Member
DIMITRIOS KYRIAKOPOULOS	**LAMPROS VAROUCHAS**	**PANAGIOTIS LOLOS**
ID Card No. AK 695653	**ID Card No. AB 535203**	**ID Card No. AH 131173**

BOARD OF DIRECTORS ANNUAL REPORT

This Annual Report of the Board of Directors set out below (hereinafter referred to for the purpose of brevity as "Report") concerns year 2021 (1 January – 31 December 2021). This report was prepared in line with the relevant provisions of Codified Law 4548/2018, the provisions of Law 3556/2007 (Government Gazette 91A/30.4.2007) and of Law 4374/2016 (Government Gazette 50A/01.04.2016) and the decisions of the Hellenic Capital Market Commission (HCMC) issued pursuant to it, and in particular Decision No. 7/448/11.10.2007 of HCMC.

This report details financial information on the Group and the Company of ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A (hereinafter referred to for the purpose of brevity as "Company" or "ELVALHALCOR") for the year 2021, 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 which Group's companies were faced against and finally sets out the important transactions between the issuer and its affiliated parties. The principal activities of the Group lie in the production and trade of rolling and extrusion products made of copper, aluminium and their alloys, zinc rolling products and copper and aluminium winding (enamelled) wires.

1. Financials - Business report - Major events

Starting from the last quarter of 2020, signs of growth were evident, especially in markets that were directly affected by the pandemic in the previous year, and growth remained strong throughout 2021, with industrial production reaching pre-pandemic levels. Supply chain bottlenecks affected by the pandemic do not seem to be resolved at a fast pace, and the supply chain is slowly returning to normal, leading many companies to redesign their supply chain and policies, preferring local suppliers and increasing safety stocks. On the other hand, inflation and the increased prices of energy that apearred in the last quarter, threaten the positive outlook and put cost, retail consumption and profitability under pressure. [1]

The metal prices which the Group processes fluctuated at significantly higher levels, with the average price of aluminium at around Euro 2,101 per ton versus Euro 1,490 per ton for 2020, the average price of copper at Euro 7,881 per ton versus 5,395 per ton for 2020 and the average price of zinc at Euro 2,548 per ton versus Euro 1,980 per ton for the fiscal year 2020.

In regards to volumes, the aluminium segment presented a remarkable increase by 21.3% with volumes exceeding 362 thousand tons (including the impact by 9 thousand tons of the newly acquired Group of ETEM), surpassing the pre pandemic levels. The segment gradually took advantage of the increased capacity brought by the integration of the new four-stand tandem hot rolling mill in the production process of the parent company, achieving new production and sales record. The increase was significant in the US market after the final decision on 02.03.2021, when the authorities announced a final dumping margin of 0% for imports from ELVALHALCOR, justifying the Group and the Company, which remain committed in the principles of fair trade, while paving the way for further business development in the USA market. Concerning the sales mix, 51% of sales was directed to food packing industry (flexible and rigid), with the most of the new capacity directed towards there, 14% to the transportation industry and 18% to the construction and industrial applications and the remaining to other industrial applications industry.

Sales volumes of the copper segment increased by 7.9% for the fiscal year 2021, exceeding 190 thousand tons driven by the sales of brass rods and tubes, which increased by 36.3%, mainly due to the significant recovery of markets that suffered the most from the pandemic during 2020. Continuous rise was maintained for another year for the sales of copper and alloys rolled products of subsidiary SOFIA MED, which recorded an increase by 8.9%. Also, sales of copper bars, that the latter produces, grew by 7.9%, while the copper tubes segment of the parent company remain stable, growing by 0.9%, as the production capacity was limited due to a production stoppage for unscheduled maintenance. Sales of copper tubes leads the sales mix which represent 42% of total sales, followed by copper and alloys rolled products for industrial application participating in the product mix by 32%, copper bars by 15%, brass rods and tubes by 8%, enameled wires by 2% and the products of Epirus Metalworks by 1%.

[1] https://www.ecb.europa.eu/pub/pdf/ecbu/eb202201.en.pdf

Driven by the increased uptrend both in volumes and prices, consolidated revenue reached Euro 2,883 compared to Euro 2,029 in the previous year 2020, increased by 42.1%, setting a historic record for the consolidated figures of ElvalHalcor. As a result of the uptrend in sales volumes and revenue, consolidated gross profit increased by 74.3% and amounted to Euro 235 million compared to Euro 135 million in the prior year. This increase is attributable to the positive impact from the higher metal prices as the metal result recorded gains of Euro 56.1 million vs losses of Euro 9.0 million in the previous year, as well as the increased volumes from all of the activities and products of the Group. Consolidated earnings before taxes, interest and depreciation (EBITDA) amounted to Euro 215.3 in 2021 compared to Euro 121.4 million, i.e increased by 93.9 million, while the consolidated earnings before taxes and interest (EBIT) amounted to profits of Euro 146.9 million compared to 59.4 million in the respective prior year. Finally, consolidated earnings before taxes reached to profits of Euro 132.4 million, affected by the result of the valuation of the dividend in kind of Cenergy shares to the shareholders which was Euro 22.2 million, compared to Euro 38.8 million in 2020, with consolidated earnings after tax and non-controlling interest amounting to profits of Euro 111.7 million, i.e 0.2976 per share, compared to Euro 28.3 million, i.e 0.0754 per share in the prior year. It is worth to be noted, that adjusted earnings before taxes, interest depreciation and amortization (a-EBITDA) which isolates the impact of metal prices amounted to Euro 166.9 million for 2021 versus Euro 135.8 million in the corresponding previous year, i.e. increased by 22.9%.

Regarding the structure of the Group it is noted that on 30.03.2021 the Group incorporated ETEM GR and its subsidiaries after acquiring 80% of its share capital, by participating in a capital increase of “ETEM S.A.”. Some days later, on April, the listed securities of Cenergy Holdings were distributed by ElvaHalcor to its shareholders pursuant to Law 4548/2018, and this raised the total distributed dividends to Euro 94 million or 0.25 per share, including the amount of the dividend for the fiscal year 2020 that was distributed in June), and resulted to cessation of the consolidation of the Cenergy Group with the equity method, due to the fact that after the distribution in kind, the company retained only 3,034 shares, i.e 0.002% of the share capital of Cenergy. At the end of the same month, the major shareholder of ElvalHalcor carried out a placement of 6.6% of the Company’s shares, resulting in increasing free float to 15.2% and the share of ElvaHalcor entered the basic indexes of the Athens Exchange. Finally, concluding the corporate transformations, on 01.07.2021 the merger by absorption of the 100% subsidiary Fitco SA was completed with the ultimate goal of achieving further economies of scale.

The year 2021, however, was a milestone for one more reason. On 17.11.2021, the issuance of a listed bond loan amounting to Euro 250 million was successfully completed, with the commencement of trading of the bonds on the Athens Exchange. The final yield (interest rate) of the Bonds was set at 2.45%, one of the lowest in the market, confirming investors' confidence in the value of ELVALHALCOR. The raised funds aim to purchase properties to serve the needs for the investment programme, meet the needs for working capital and refinancing of loans. Finally, on December 2021 the Company signed two bond loans for the amounts of Euro 140 million and Euro 130 million for the refinancing of existing bond loans and financing general business operations with more favourable terms.

At the Company level, revenue for 2021 amounted to Euro 1,970 million versus Euro 1,406 million for 2020, recording an increase by 40.1%. Gross profit rose by 72.3% to Euro 149.2 million versus Euro 86.6 million for the fiscal year 2020, and earnings before taxes, interest and depreciation and amortization (EBITDA) amounted to Euro 145.0 million versus Euro 82.2 million with the metal result amounting to gain of Euro 36.8 million versus loss of Euro 2.7 million for the prior year. Adjusted EBITDA (a-EBITDA), which isolates the effect from the metal prices and presents in a better way the operational profitability of the Company amounted to Euro 113.6 million versus Euro 89.3 million in 2020, increased by 27.2%. Finally, earnings before taxes reached Euro 100.4 million compared to Euro 22.4 million with the Company’s overall performance being positively affected by the extraordinary result of the valuation of the dividend in kind of Cenergy shares of Euro 32.6 million.

In 2021 ELVALHALCOR Group carried out total investments of Euro 145.4 million, out of which the amount of Euro 106.8 million was dedicated to the upgrade of the parent company facilities at Oinofyta, distributed in Euro 99.5 million for the aluminium rolling division, mainly for the investment regarding the increase in production capacity (new cold mill and lacquering line) and Euro 7.3 million for the copper and alloys extrusion division. Finally, the subsidiaries of the copper segment invested Euro 7.8 million and the aluminium subsidiaries invested Euro 30.8 million, aiming at increasing production capacity, as well as at the production of high-added-value products.

2. Financial standing

ELVALHALCOR's management has adopted, measures and reports internally and externally Ratios and Alternative Performance Measure. These measures provide a comparative outlook of the performance of the Company and the Group and constitute the framework for making decisions for the management.

Liquidity: This is the measure of coverage of the current liabilities by the current assets and can be calculated by the ratio of the current assets to current liabilities. The amounts are drawn by the Statement of Financial Position. For the Group and the Company for the closing year and the comparative prior year are as follows:

GROUP €'000		31.12.2021		31.12.2020	
Liquidity =	Current Assets / Current Liabilities	1,106,940 / 648,591	1.71	797,900 / 524,331	1.52

COMPANY €'000		31.12.2021		31.12.2020	
Liquidity =	Current Assets / Current Liabilities	765,522 / 450,655	1.70	557,343 / 416,430	1.34

Leverage: This is an indication of the leverage and can be calculated by the ratio of Equity to Debt. The amounts are used as presented in the statement of financial position. For 2021 and 2020 the index is as follows:

GROUP €'000		31.12.2021		31.12.2020	
Leverage =	Equity / Loans & Borrowings	808,316 / 878,198	0.92	784,534 / 656,849	1.18

COMPANY €'000		31.12.2021		31.12.2020	
Leverage =	Equity / Loans & Borrowings	725,428 / 713,946	1.02	738,898 / 521,834	1.42

Return on Invested Capital: It is an indication of the returns of the equity and the loans invested and is measured by the ratio of the result before financial and tax to equity plus loans and borrowings. The amounts are used as presented in the statement of profit and loss and the statement of financial position. For the fiscal year 2021 and the prior year, the index for the Group and the Company is as follows:

GROUP €'000		31.12.2021		31.12.2020	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	146,909 / 1,686,514	8.71%	59,421 / 1,441,383	4.12%

COMPANY €'000		31.12.2021		31.12.2020	
Return on Invested Capital =	Operating profit / (loss) / Equity + Loans & Borrowings	98,554 / 1,439,732	6.85%	40,192 / 1,260,732	3.19%

Return on Equity: It is a measure of return on equity of the entity and is measured by the net profit / (loss) after tax to the total equity. The amounts are used as presented in the Statement of Profit and Loss and the Statement of Financial Position. For the closing years 2021 and 2020, the index is as follows:

GROUP €'000		*31.12.2021*		*31.12.2020*	
Return on Equity =	Net Profit / (Loss)	113,915	14.09%	29,366	3.74%
	Total Equity	808,316		784,534	

COMPANY €'000		*31.12.2021*		*31.12.2020*	
Return on Equity =	Net Profit / (Loss)	88,245	12.16%	16,954	2.29%
	Total Equity	725,428		738,898	

Pursuant to the 8.11.2021 issuance of the Common Bond Issue of EUR 250 million tradeable in the Athens Stock Exchange in the Bonds Category/Main Market under ISIN: GRC281121BD8, the Group undertook the commitment of reporting the following ratios at consolidated level. For reasons of transparency and uniformity the ratios are presented at company level as well.

Net Debt to a-EBITDA ratio: Is the measure of the number of years that will take for the entity to repay the Net Debt if the Net Debt and the a-EBITDA remain constant. Net Debt is the sum of "Loans and Borrowings" and "Lease Liabilities" as reported in the Non-current liabilities and Current liabilities, reduced by the "Cash and cash equivalents" as reported in the Financial Statements. For the fiscal year 2021 and 2020 stands as follows:

GROUP €'000		*31.12.2021*		*31.12.2020*	
Net Debt / a-EBITDA	Net Debt	787,054	4.72	623,011	4.59
	a-EBITDA	166,835		135,782	

COMPANY €'000		*31.12.2021*		*31.12.2020*	
Net Debt / a-EBITDA	Net Debt	656,703	5.78	509,208	5.70
	a-EBITDA	113,602		89,325	

Where Net Debt:

GROUP €'000		**31.12.2021**	**31.12.2020**
Net Debt	Non-Current Liabilities		
	Plus: Loans and Borrowings	662,111	452,706
	Plus: Lease Liabilities	10,392	10,480
	Current Liabilities		
	Plus: Loans and Borrowings	200,910	189,671
	Plus: Lease Liabilities	4,785	3,992
	(Less): Cash and cash equivalents	(91,144)	(33,838)
	=	**787,054**	**623,011**

COMPANY €'000			31.12.2021	31.12.2020
Net Debt	Non-Current Liabilities			
		Plus: Loans and Borrowings	599,191	382,339
		Plus: Lease Liabilities	6,543	9,222
	Current Liabilities			
		Plus: Loans and Borrowings	104,801	126,996
		Plus: Lease Liabilities	3,412	3,278
		(Less): Cash and cash equivalents	(57,242)	(12,627)
		=	**656,703**	**509,208**

Total Liabilities to Total Equity ratio: Is the measure of leverage of an entity. For the fiscal year 2021 and 2020 stands as follows:

GROUP €'000		*31.12.2021*		*31.12.2020*	
Total Debt / Total Equity	Total Debt / Total Equity	1,422,425 / 808,316	1,80	1,073,787 / 784,534	1.37

COMPANY €'000		*31.12.2021*		*31.12.2020*	
Total Debt / Total Equity	Total Debt / Total Equity	1,137,342 / 725,428	1,57	873,532 / 738,898	1.18

a-EBITDA to Net Finance Expenses: Is the measure of the financial expenses coverage. More specifically, Net Finance Expenses is calculated by “Finance Costs” minus “Finance Income”, as reported in the Financial Statements. For the fiscal year 2021 and 2020 stands as follows:

GROUP €'000		*31.12.2021*		*31.12.2020*	
a-EBITDA / Net Finance Expenses	a-EBITDA / Net Finance Expenses	166,835 / 30,987	5.38	135,967 / 25,218	5.38

COMPANY €'000		*31.12.2021*		*31.12.2020*	
a-EBITDA / Net Finance Expenses	a-EBITDA / Net Finance Expenses	113,602 / 23,987	4.74	89,325 / 19,014	4.70

Net Finance expenses:

GROUP €'000		31.12.2021	31.12.2020
Net Finance Expenses	Finance Costs	31,266	25,506
	(Less): Finance Income	(279)	(288)
	=	**30,987**	**25,218**

COMPANY €'000		31.12.2021	31.12.2020
Net Finance Expenses	Finance Costs	24,434	19,414
	(Less): Finance Income	(446)	(400)
	=	**23,987**	**19,014**

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. For the period including the results of the absorbed after the transaction date for the prior year comparatives, it was calculated as follows:

€ '000		GROUP		COMPANY	
		2021	**2020**	**2021**	**2020**
Operating profit / (loss)		**146,909**	**59,421**	**98,554**	**40,192**
	Adjustments for:				
	+ Depreciation of tangible assets	65,667	60,057	44.086	39,632
	+ Depreciation of right of use assets	3,003	2,458	1.686	1,659
	+ Amortization	1,226	1,024	649	701
	+ Depreciation of investment property	100	207	1.215	1,216
	- Amortization of Grants	(1,593)	(1,757)	(1.202)	(1,221)
EBITDA		**215,312**	**121,409**	**144,988**	**82,179**

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

For the fiscal year:

€ '000		GROUP		COMPANY	
		2021	**2020**	**2021**	**2020**
EBITDA		**215,312**	**121,409**	**144,988**	**82,179**
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	(56,135)	9,016	(36,819)	2,672
	+ Losses from Fixed assets write-offs or impairments	2,941	1,888	2,797	1,846
	- Profit / + Loss from sales of Assets	558	(569)	(138)	(313)
	+ Expenses for Covid-19 pandemic	4,159	4,038	2,774	2,941
a - EBITDA		**166,835**	**135,782**	**113,602**	**89,325**

Regarding the expenses for the treatment of the Covid-19 pandemic, the Group and the Company adjusted expenses of EUR 4.2 million (2020: EUR 4.0 million) and EUR 2.8 million (2020: EUR 2.9 million) respectively for the calculation of a-EBITDA. These expenses are directly linked to the pandemic and due to the special circumstances caused and are not expected to reoccur after it subsides.

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.

ELVALHALCOR and its subsidiaries use 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:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	€ '000	€ '000	€ '000	€ '000
(A) Value of Metal in Sales	2,225,743	1,460,594	1,385,188	921,455
(B) Value of Metal in Cost of Sales	(2,176,246)	(1,463,182)	(1,361,423)	(916,602)
(C) Result of Hedging Instruments	6,638	(6,428)	13,054	(7,525)
(A+B+C) Metal Result in Gross Profit	**56,135**	**(9,016)**	**36,819**	**(2,672)**

3. Main risks and uncertainties

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

Credit risk

The Group and the Company exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group'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. No client exceeds 10% of total sales (for the Group or Company), and, consequently, the commercial risk is spread over a large number of clients. More specific, should be noted that INTERNATIONAL TRADE S.A trades products of the Group to various foreign countries, with the delivery provided directly from the production facilities of the Group to customers, the majority of them does not represent 10% of total sales. ElvalHalcor's transactions with INTERNATIONAL TRADE are approved by the Board of Directors and are published to G.E.MI. (ΓΕΜΗ), pursuant to art. 99-101 of the Law L4548/2018.

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 Group and 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 collectability they have shown. Trade and other receivables include mainly wholesale customers of the Group and the Company. Customers characterized as being of "high risk" are included in a special list of customers and future sales should be collected in advance and approved by the Board of Directors. Depending on the background of the customer and his properties, the Group and the Company demands collateral demand collateral securities or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

Bearing in mind that there is no official definition of default, ElvalHalcor considers as default the occurrence of one or both of the following events: i) The Company assumes that the counterparty is unlikely to fully recover its obligation to the Company, unless the Company obtain measures, such as the liquidation of any collateral provided in favor of the insurance company. ii) The counterparty is overdue for payment / fulfillment of its obligation to the Company for a period of more than 30 days (provided that the terms of the credit have not been changed by agreement of the Company). Any write-off is carried out following the completion of the legal actions.

The Group and the Company record impairment allowances that reflect its assessment of losses and expected credit losses from customers, other receivables and investments in securities. This allowance 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, as well as an allowance for expected credit losses according to the Group's analysis which was formulated for the implementation of IFRS 9.

Investments

These items are classified by the Group pursuant to the purpose for which they were acquired. The Management decides on the proper classification of the investment at the time of the acquisition and reviews classification on each presentation date.

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

Guarantees

Group's and the Company's policy consists of not providing any financial guarantees unless the Board of Directors decides so on an exceptional basis, and as considered in article 99-101 of law 4548/2018; The guarantees provided by the Group do not pose a significant risk.

Liquidity risk

Liquidity risk is the inability of the Group to discharge its financial obligations when they mature. The approach adopted by the Group to manage liquidity is to ensure, by holding the necessary cash and having adequate credit limits from cooperating banks, that it will always have adequate liquidity in order to cover its obligations when they mature, under normal or more difficult conditions, without there being unacceptable losses or its reputation being jeopardized. It is noted that the Group held cash and cash equivalents on 31 December 2021, which amounted to Euro 91.1 million and the Company Euro 57.2 million as well as approved but not utilized lines of credit to cover current and medium-term liabilities. As far as investments are concerned, the Group and the Company take new loans according to their needs (see note 22). Moreover, the Group communicates with the banks to secure proper refinancing of loans that expire.

For the avoidance of liquidity risk, the Group and the Company makes a cash flow projection for one year while 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 the fulfilment of its financial obligations. This policy does not take into account any impact of extreme conditions which cannot be foreseen.

Market risk

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

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

Risk from the fluctuation of metal prices (aluminium, copper, zinc, other metals, gas)

The Group and the Company base both their purchases and sales on stock market prices/ indexes for the price of copper and other metals used and incorporated in its products. In addition, the Company is exposed to risk from the fluctuation of gas prices, as part of its production cost. The risk from metal prices and gas fluctuation is covered by hedging instruments futures on (London Metal Exchange-LME) and Commodity Forward Start Swaps (Title Transfer Facility - TTF) respectively. The Group, however, does not hedge the entire working stock of its operation and, as a result, any drop-in metal prices may have a negative effect on its results through the impairment of inventories.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group and the Company hedge part of their estimated exposure to foreign currencies in relation to the anticipated sales and purchases and the greatest part of receivables and liabilities in foreign currency. The Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates variation, 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, 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 Group's operating activities and is mostly the Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group finances its investments and its needs in working capital through bank and bond loans, thus interest charges burden its results. Rising interest rates have a negative impact on results since borrowing costs for the Group rise.

The Group and the Company may undertake loans issued at fixed rates for the reduction of the Interest rate risk when it is deemed necessary.

Capital management

The Groups' policy is to maintain a strong capital base to ensure investors', creditors' and market's trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

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.

The Group does not have a specific plan for own shares purchase.

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

Cash Flow Hedging

The Group and the Company base both their purchases and sales on metals exchange prices for the price of copper, aluminium and other metals used and contained in their products and may invoice customers distinctly, but also to proceed to purchases from suppliers, regarding the quantities of metal required for their operation. Consequently, for each sale of a product or other inventory item that contains metal, at the point of time the LME price is agreed with the customer, a long position is opened on the LME for the corresponding quantity contained using derivatives, and for each order of raw materials from suppliers, at the point of time the LME price is agreed with the suppliers, a short position is taken on the LME for the corresponding quantity using derivatives, where and if these daily purchases and sales cannot be offset by each other (back-to-back). Thus, the Group and the Company cover purchases and sales with cash-flow hedging operations, ensuring that the fluctuation of the price of metals in the international markets will not affect the operating cash flows and consequently the regular, sustainable and optimal operation of the Group and the Company.

More specific, for cash flows hedges related to natural gas, the Group and the Company conduct Commodity Forward Start Swaps to hedge the risk of fluctuations in natural gas prices, that is embedded in future gas purchases. Also, the Company, from its operations, is exposed to fluctuations in gas prices as a component of production costs. The risk of natural gas price fluctuations is covered by cash flow hedging using Commodity Forward Start Swaps derivative contracts traded on the Title Transfer Facility (TTF). In particular, the Company assumes a long position for predetermined quantities of natural gas that will be consumed in its future production. Upon the commencement of the hedging transaction, the Group and the Company shall document the hedging relationship between the hedged item and the hedging instrument in relation to risk management and the strategy for future gas transactions. The Group and the Company document the assessment of the effectiveness of the hedging relationships in terms of offsetting changes in the fair value of cash flows of the hedged items, both at the inception of the hedging relationship and on an ongoing basis.

Macro-economic environment

Covid 19

The evolvement of the Covid-19 pandemic has had an adverse impact on global economic conditions. ElvalHalcor and its subsidiaries responded swiftly to the pandemic, prioritising the health and safety of all employees, suppliers and customers, and social distancing measures were successfully implemented without disrupting production activity, according to the recommendations of health authorities and international health protocols. For the additional measures and means of personal protection, according to the recommendation of health committees, the Group and the Company undertook expenses of Euro 4.2 million (2020: Euro 4.0 million) and Euro 2.8 million (Euro 2.9 million) respectively, which negatively affected the profitability.

In addition, the slowdown of the world economic outlook is expected to negatively affect a number of companies operating in different segments. The Group and the Company increased the posting of the “impairment loss on receivables and contract assets” for the expected credit losses (IFRS 9) following the increase of the risk factors, hence impacting financial results negatively, in order to include the new short-term conditions of the global market. It is noteworthy that the sales of ElvalHalcor are made to companies with long term commercial ties and presence in the local market, and they do not face any risks deriving from the macroeconomic environment. In spite of that, the Management constantly evaluates the situation and its possible ramifications in order to secure that all necessary measures and actions have been taken for the mitigation of any impact to the Group’s and the Company’s activities.

In spite of the lockdowns in the global economy, the materialization of the investment programmes was completed with minor delays, and the unhindered operation of the production facilities throughout the pandemic provided an advantage over many European producers. The availability and the prices of the basic raw materials follow the international market and are not affected by the domestic situation in any country. The extensive measures of the lockdowns in many economies reduced temporarily the availability of scrap of copper, while the traffic of raw materials was disrupted for a short period in certain major shipping ports. ElvalHalcor has access to multiple sources for raw materials, and acted proactively by increasing the safety stock in critical materials handling any supply chain irregularities, if any observed.

US anti-dumping investigation

ElvalHalcor participated in the investigation of US Department of Commerce as a Greek producer of aluminium sheets and cooperated with the authorities, with continuous transmission of information for the development of investigations. On 02.03.2021 the US Department of Commerce calculated a final dumping margin of 0%, for imports from ElvalHalcor.

Following issuance of the final determination by the DoC, the investigation concerning ElvalHalcor’s imports is terminated without imposition of an antidumping duty and the US International Trade Commission (ITC) will not make an injury determination with respect to imports from Greece.

Considering the above and the fact that for most of the other participants in the investigations a dumping margin has been calculated, and in some cases a high margin[2], the Company and the Group reasonably believe that the decision accommodates the continuation and expansion of the activity in the US market.

Disclosure for conflicts in the region of Ukraine

Regarding the developments in Ukraine region, the Group's sales for 2021 corresponding to 0.9% of its total turnover to the Russian market and 0.6% to the Ukrainian market, while at company level sales reached to 1% to the Russian market and 0.6% in the Ukrainian market. Both markets are not significant, and quantities are easily absorbed by other markets where there is demand for the Group's and the Company's products. It is worth to be noted that the Group and the Company procure raw materials from the Russian market, mainly primary aluminium, but this supplier represents 5% -7% of the value of the total purchases and can be replaced by others without significant impact in the smooth and uninterrupted operation of the Company and the Group. Finally, it is noted that the consolidated ETEM SYSTEMS LLC, based in Ukraine is a trading company with total assets of 274 thousand euros, turnover of 1,054 thousand euros and net profit after taxes of 30 thousand euros for the closing year 2021. Therefore and taking into account the size of the consolidated entity, it is reasonably estimated that they may not affect the size of the Group or the Company.

4. Outlook and targets for 2022

For 2022, and although the messages from the development of the pandemic seem optimistic, ELVALHALCOR is closely following these developments and is ready to react to any temporary fluctuations in demand. Increased energy prices and raw materials from inflationary pressures will occupy the world market for 2022, especially after the developments in the region of Ukraine. It is worth to be noted that in most of the sub-industries in which the company operates, metal prices are fully passed through, while the Company and its subsidiaries use a cash flow hedging strategy to deal with fluctuations between purchases and sales. Respectively, the Company uses hedging strategy techniques for a portion of its energy cost in respect of long-term product sales contracts, while demand for most products remains strong, allowing the increased energy costs to be passed to sales. The possible stabilisation of metal prices at increased levels will affect working capital, but the company has sufficient credit lines to meet its needs of increased production and sales programs. Also, it will exploit the most of its strategic advantages, such as the customer-centric philosophy, investments, production capacity and high flexibility that enable it to take advantage of any future opportunity.

In particular, the Aluminium segment after the completion of the Euro 150 million investment plan and responding to the growing demand for aluminium products from its customers, is in the process of implementing an investment that includes a 6-high aluminium cold rolling mill for aluminium segment, and the expansion of its existing infrastructure of lacquering and pre-lubricating lines at the Company's facilities in Oinofyta with the order of a new fully-automated lacquering line. Both of the investments are part of the initial stage of a wider investment programme of Euro 100 million, which will be carried out in the course of the next two years for production equipment and R&D infrastructure. The new investments are a confirmation of the commitment of the aluminium segment for sustainable, innovative solutions for the packing for food and beverages industries and fortify the Company's position and the Group among the leading aluminium rolling industries in the world with significant contribution in the value chain of aluminium as part of the cyclical economy.

In regards to the Copper segment, demand for 2022 is expected to fluctuate in satisfactory levels, which will help with the absorption of the production capacity of the copper and copper alloy rolling division of the subsidiary in Bulgaria, Sofia Med, which is growing fast by gaining market shares. At the same time, the copper tube division is expected to remain near full capacity level by testing the limits of the production capacity. Moreover, it is worth noting that the investment program of the joint venture of Nedzink, with the purpose of increasing the production of titanium-zinc, following the completion of its production facilities in 2021, it is expected to commence during 2022, when the first positive signal of the improvements in cost and capacity will affect its financial results of the related party.

[2] https://www.trade.gov/faq/final-determinations-antidumping-and-countervailing-duty-investigations-common-alloy-aluminum

Finally, the Group and the Company retain their long term expansion strategy through the increase of exports in Europe and in other markets outside Europe, as well as the production capacity and the market shares in products with dynamic prospects for development in the context of circular economy and sustainable development.

5. Transactions with related parties

Transactions with affiliated parties mainly concern purchases, sales and processing of copper and zinc products (finished and semi-finished). Through such transactions, the companies take advantage of the Group's size and attain economies of scale.

Transactions between affiliated parties within the meaning of IAS 24 are broken down as follows:

Transactions of the parent company with subsidiaries (amounts in thousands Euro)

COMPANY	Sales of goods, services, fix assets	Purchases of goods, services, fix assets	Receivables	Payables
SYMETAL SA	148,659	20,926	1,728	16
SOFIA MED AD	50,648	10,383	21,159	-
ELVAL COLOUR SA	25,352	1,076	10,635	-
FITCO SA *	13,499	2,902	-	-
VIOMAL SA	9,622	115	2,479	-
VEPAL SA	348	33,019	-	9,876
ANOXAL SA	841	10,495	4,639	1
TECHOR ROMANIA SA	-	-	-	-
EPIRUS METALWORKS SA	464	3	3,809	199
CABLEL WIRES SA	246	33	68	4
TECHOR SA	0	110	37	-
UACJ Elval Consulting (Associate)	-	-	4	-
ETEM COMMERCIAL SA	17,967	5,106	31,812	-
ETEM BG SA	164	154	17	53
ETEM ALBANIA SA	-	-	25	-
ETEM SCG DOO	505	2	156	1
TOTAL	***268,316***	***84,324***	***76,568***	***10,151***

*For the first six months till the abortion from ElvalHalcor.

Sofia Med SA purchases from ELVALHALCOR raw materials and semi-finished products of copper and copper alloys, depending on its needs, as well as finished products which distributes to the Bulgarian market. In addition, ELVALHALCOR provides technical, administrative and commercial support services to Sofia Med. Respectively, ELVALHALCOR buys from Sofia Med raw materials, semi-finished products according to its needs, as well as finished products which distributes to the Greek market.

ELVALHALCOR sells semi-finished products that Symetal uses as raw materials and purchases aluminium scrap from the production process of Symetal, which is re-used as raw material (re-casting). ELVALHALCOR, occasionally, sells spare parts and other materials to Symetal and provides other supportive services.

ELVALHALCOR S.A. sells final aluminium products to Viomal, which constitute raw material for the latter and Viomal sells back to ELVALHALCOR the returns from its production process.

Elval Colour S.A. buys final products from ELVALHALCOR, which are used as raw material by the latter and ELVALHALCOR processes Elval Colour’s materials.

Vepal S.A. processes ELVALHALCOR's products and delivers semi-finished products. ELVALHALCOR sells raw materials to Vepal and also provides supporting administrative services to the latter.

Anoxal S.A., also, processes ELVALHALCOR's raw materials and ELVALHALCOR provides administrative support to Anoxal. Furthermore, Anoxal purchases from ELVALHALCOR other materials (spare parts and other consumables) for its production process.

Epirus Metalworks purchases raw materials from ELVALHALCOR, proceed with the process and then sales finished products to ELVALHALCOR. ELVALHALCOR provides administrative services to Epirus Metalworks.

ETEM COMMERCIAL SA rents industrial facilities from ELVALHALCOR, purchases aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

Transactions of the parent company with other affiliated companies (amounts in thousands of Euro)

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	939	27,050	375	122
STEELMET GROUP	20	17,198	6	2,465
INTERNATIONAL TRADE	487,375	-	36,137	-
METAL AGENCIES LTD	77,892	304	6,102	90
TEPROMKC GMBH	86,650	1,934	6,953	211
REYNOLDS CUIVRE SA	65,629	773	7,195	166
ETEM Aluminium Extrusions SA	33,947	16,051	11,094	1,017
ETEM Automotive Bulgaria SA	-	2,124	-	865
UEHEM	49,836	148	2,052	18
STEELMET ROMANIA SA	15,292	322	148	724
GENECOS SA	5,391	402	1,039	8
BRIDGNORTH LTD	13,567	556	10,675	402
NEDZINK B.V.	172	-	5,778	200
BASE METAL TICARET VE SANAYI A.S.	-	853	-	338
ANAMET SA	696	597	299	16
ALURAME SPA	0	1,529	-	117
HC ISITMA	1	185	-	49
METALIGN S.A.	34	477	14	16
SIDMA S.A	346	13,348	20	737
TEKA SYSTEMS SA	-	8,550	-	2,426
ELKEME SA	217	1,502	19	467
VIEXAL SA	6	3,824	1	224
VIENER SA	-	2,650	333	95
SIDENOR INDUSTRIAL S.A	426	78	1,896	5
SOVEL SA	23,755	22	4,271	-
OTHER	345	1,856	1,403	276
ΣΥΝΟΛΟ	***862,535***	***102,332***	***95,812***	***11,055***

Cenergy Group purchases raw materials from ELVALHALCOR according to their needs. In its turn, it sells copper scrap to ELVALHALCOR from the products returned during its production process.

Steelmet Group provides ELVALHALCOR with administration and organization services.

INTERNATIONAL TRADE S.A trades products of the Group to various foreign countries, with the delivery provided directly from the production facilities of the Group to customers, the majority of them does not represent 10% of total sales. ElvalHalcor's transactions with INTERNATIONAL TRADE are approved by the Board of Directors and are published to G.E.MI. (ΓΕΜΗ), pursuant to art. 99-101 of the Law L4548/2018.

Metal Agencies LTD acts as a merchant - central distributor of ELVALHALCOR Group in Great Britain.

TEPROMKC Gmbh trades ELVALHALCOR's products in the German market.

Steelmet Romania trades ELVALHALCOR's products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for ELVALHALCOR and provides consulting services in IT issues and SAP support and upgrade.

Anamet S.A. provides ELVALHALCOR with considerable quantities of copper and brass scrap.

Viexal SA provides ELVALHALCOR with travelling services.

Tepro Metall AG trades (through its subsidiary MKC) ELVALHALCOR products and represents the latter in the German market.

Genecos, as well as its subsidiary Reynolds Cuivre sell ELVALHALCOR's products and represent ELVALHALCOR in the French market.

ETEM Gestamp Aluminium Extrusions purchases from ELVALHALCOR aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

H GESTAMP Etem Automotive Bulgaria sells aluminium scrap from ELVALHALCOR's production process.

UACJ ELVAL HEAT EXCHANGER MATERIALS purchases from ELVALHALCOR finished aluminium products and distributes them to international markets.

Transactions of ELVALHALCOR's *Group with other affiliated companies (amounts in thousands of Euro)*

Company	Sales of Goods, Services and Assets	Purchases of Goods, Services and Assets	Receivables	Payables
CENERGY GROUP	7,085	75,251	1,913	2,512
STEELMET GROUP	50	19,182	11	2,910
INTERNATIONAL TRADE	652,340	0	51,393	4
METAL AGENCIES LTD	125,704	375	8,403	94
TEPROMKC GMBH	147,931	4,126	11,451	558
REYNOLDS CUIVRE SA	91,961	1,276	9,425	194
STOMANA IDUSTRY SA	853	304	365	84
STEELMET ROMANIA SA	24,620	656	1,018	811
GENECOS SA	9,674	523	1,584	29
BRIDGNORTH LTD	13,567	670	10,675	402
UEHEM (UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH)	51,217	148	2,052	18
NEDZINK B.V.	370	19	5,857	219
ELKEME SA	235	1,951	23	584
ANAMET AE	960	782	374	31
ETEM Aluminium Extrusions SA	34,204	18,875	11,157	1,463
ALURAME SPA	0	2,359	0	220
ETEM Automotive Bulgaria SA	246	2,124	94	865
SOVEL SA	23,755	22	4,271	0
VIEXAL SA	6	4,527	1	316
VIENER SA	1	14,832	2,291	2,796
SIDMA SA	346	14,051	20	918
TEKA SYSTEMS SA	1	11,729	363	3,787
BASE METAL TICARET VE SANAYI A.S.	247	1,238	-	383
OTHER	967	5,754	3,428	1,016
TOTAL	***1,186,339***	***180,774***	***126,172***	***20,215***

Fees of Executives and Board members (amounts in thousands Euro)

The table below sets out the fees paid to executives and members of the Board of Directors:

	Group	**Company**
Total fees of Board members	1,812	585
Total fees of management executives	10,630	4,772

The company considers as management executives the General Manager of each division and subsidiary and all others that report directly to them.

6. Subsequent events

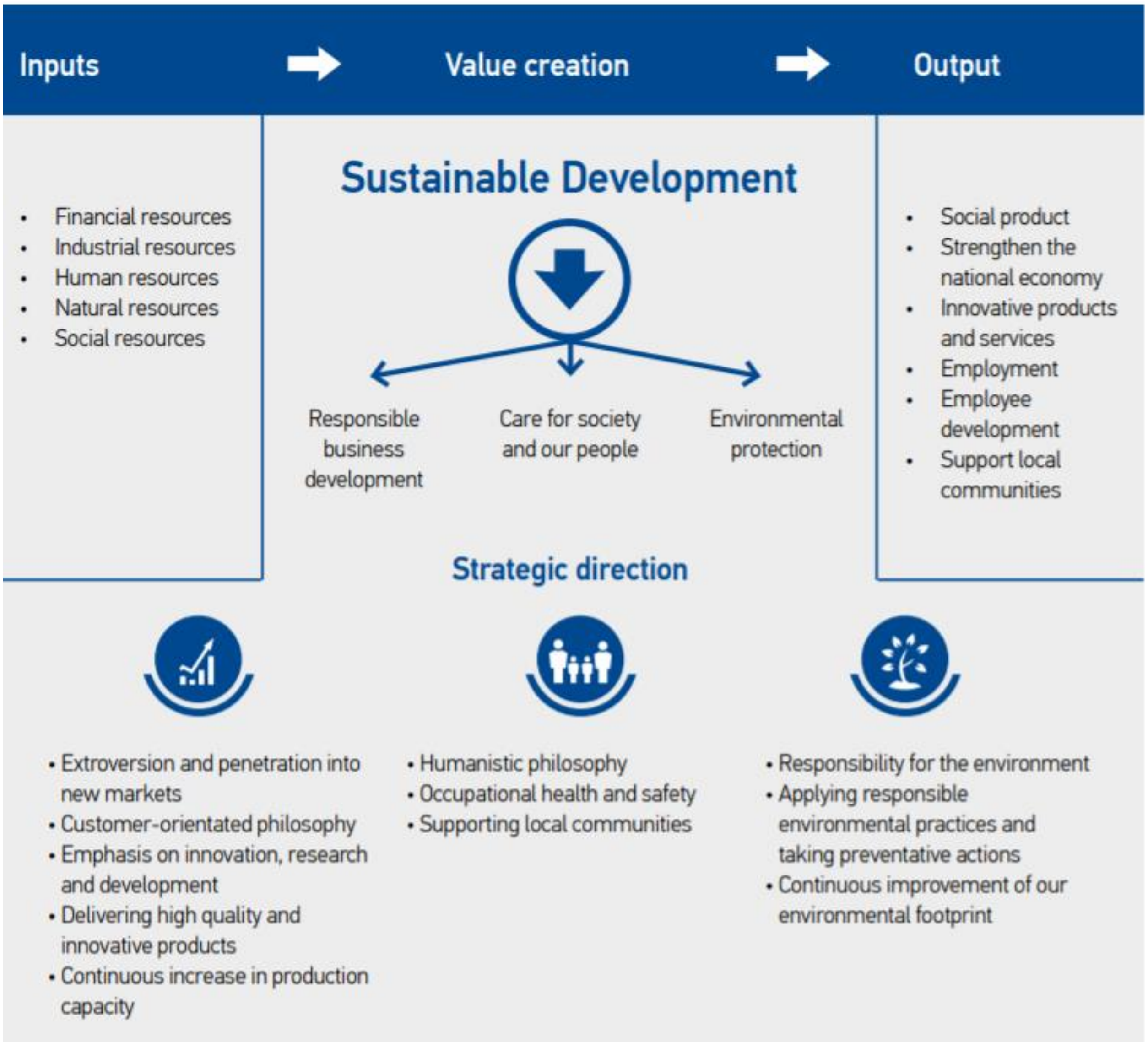
1. On 13.01.2022 ELVALHALCOR participated in the share capital increase of the joint venture Nedzink BV, with Euro 1.5 million, maintaining its share to 50%. On 28.02.2022, the amount of Euro 1.25 million from the loan provided to Nedzink BV, was converted to capital.
2. In regards to the developing events in Ukraine, the Group during 2021 had a 0.9% of the Turnover directed to Russia and 0,6% directed to Ukraine, while at company level the sales stood at 1% for the market of Russia and 0.6% for the Ukrainian market. Both markets are not significant in size and the respective quantities can be easily be replaced by other markets where there is demand for the products of the Group and the Company. It is worth noting that he Group and the Company purchase raw materials from the Russian market, mostly primary aluminium, but the specific vendor accounts for the 5%-7% of the required materials and can be easily be replaced by others without any repercussions to the orderly and unhindered operation of the Company and the Group. Finally, it is noted that the entity ETEM SYSTEMS LLC, based in Ukraine, is as commercial company with total assets amounting to Euro 274 thousand, turnover of Euro 1,054 thousand and net profit after tax of Euro 30 thousand for the year 2021. As a consequence, and considering the financial figures of the said entity, it is reasonably estimated that the aforementioned financial figures cannot affect the consolidated figures of the Group or the Company, while the said entity can restart operations swiftly after the turbulence ends.

ELVALHALCOR– Non-financial reporting

Business model

The ELVALHALCOR Hellenic Copper and Aluminium Industry S.A. (ElvalHalcor) business model aims to create value for all stakeholders, shareholders, customers, employees, suppliers and society as a whole.

ElvalHalcor operates in the aluminium and copper segments, boasting experience and know-how exceeding 80 years and offering innovative solutions of high added value perfectly suited to the modern requirements of its international customers. ElvalHalcor's success is derived from its commercial export orientation, customer-focused philosophy and continuous innovation with a strong focus on research and technology. Following its continuous strategic investments in research and development of new technologies, the Company currently owns state-of-the-art production facilities and is capable of creating new and innovative products and solutions, thus accomplishing its goal for continuous innovation at both domestic and international level.



Material issues (Materiality assessment)

ElvalHalcor's material issues evaluation process is based on the GRI global standards for sustainability reporting, as well as SASB industry specific standards. During the preparation of the 2021 Sustainable Development Report, the Company took into account and integrated new sectoral and global emerging trends and scaled and grouped the material issues in terms of their double materiality. ElvalHalcor evaluated its material issues and how they impact the economy, the environment and society, as well as their impact on the Company's business value and operation (dual materiality), while incorporating the evaluation data and information that it received from its stakeholders.

ElvalHalcor's "most important material issues" are presented in the table below and by ESG thematic pillar (E - Environment, S - Social, G - Governance).

	ElvalHalcor's material issues	Relevant SDG's	Relevant target (SDG's target)
E	Climate change	9	9.4
	Circular economy - Promote aluminium and copper recycling	9, 12	9.4, 12.5
	Waste and wastewater management	12	12.5
	Energy efficiency and GHG emissions	7	7.2
	Air emissions	9	9.4, 9.4.1
	Water use	6	6.4, 6.3
S	Occupational Health and Safety	8	8.8
	Employee training and development	-	-
	Supply chain responsibility	9, 12	9.3, 12.1
	Human and equal rights, diversity and inclusion	4, 8	4.3, 8.5
G	Corporate Governance and Business Ethics	16	16.5
	Risk and crisis management	-	-
	Information security & personal data privacy	-	-
	Creating shared value	-	-
	Supporting local communities	9	9.3
	Research, development, and innovation	9	9.5
	Sustainability enabling products	-	-
	Digitalisation	-	-

SDG's: *The 17 Global Sustainable Development Goals adopted in September 2015 by the 193 UN Member States (2030 Agenda) on achieving a sustainable future for all: https://sdgs.un.org/goals*

The table above shows how ElvalHalcor's important material issues correlate with the global goals of sustainable development that are directly related to the activities and practices of the Company that contribute to the achievement of the goals.

In ElvalHalcor's 2021 Sustainability Report, an extensive presentation of the important issues, their key performance indicators and their relevance to the U.N. Sustainable Development Goals (agenda 2030) are included. ElvalHalcor's Sustainability Report will be available (end of May 2022) on the corporate website: https://www.elvalhalcor.com/el/sustainability/reporting/overview/.

Impact of Covid-19 pandemic on non-financial matters

The pandemic posed a great challenge not only at a professional level but also on a personal level. ElvalHalcor and its subsidiaries acted in a responsible manner supporting, except its workforce, society as a whole as well, through an extensive list of donations in medical equipment as well as protective gear for medical centres and hospitals in need.

Since the beginning of the epidemiological crisis, we have faithfully followed all the instructions and prevention measures recommended by the State and the competent bodies while taking additional measures and initiatives to limit the spread of the virus based on the following three guidelines:

- Taking precautionary measures to protect the health and safety of our people and partners
- Supporting the National Health System and caring for our society
- Ensuring business continuity.

ElvalHalcor launched a series of emergency actions that included risk analysis and risk mitigation measures related to the health of employees and their families while closely monitoring the impact of Covid-19 on the supply chain.

Throughout 2021, over 104.000 PCR tests were performed on ElvalHalcor's workforce (and its subsidiaries) in regular intervals in order to allow for early detection and quarantine of positive cases as well as their close contacts. This approach allowed for minimal spread of Covid-19 within company premises and also helped the workforce protect their families and close social network due to the early warning from the mandatory proactive testing. As a result, all companies were able to continue their operations smoothly and without interruptions throughout 2021.

Measures to mitigate potential supply chain risk were put in place in order to ascertain business continuity (orders for critical materials placed in advance, alternative suppliers identified, safety stocks were increased). As a result, no interruption of regular operation or delays in projects under construction/commissioning was experienced throughout 2021.

To date, the Company and its subsidiaries have managed to take the measures to cope with the difficult pandemic crisis and to operate smoothly without compromising any business continuity. We are optimistic that in 2022- with the implementation of solutions created by the international community we will be able to overcome this crisis, and normalcy will soon return to all of us. Until then, we remain on standby and will take all the necessary measures to protect our people, our partners, supporting the local community and society at large.

Taxonomy-related disclosures

Reporting requirements include the eligibility percentage of the Turnover, CAPEX and OPEX for the companies that are already included in the Sustainable Finance E.U. law. Article 10(1) of the Disclosures Delegated Act explicitly requires that in the first year of implementation, non-financial undertakings should disclose "the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operating expenditure".

We engage in secondary aluminium production (3.8), through the separate aluminium companies within the aluminium segment of ElvalHalcor. Below are the necessary KPIs for the eligible companies of Aluminium, based on Article 8 reporting requirements.

Aluminium segment

Aluminium Environmentally Sustainable - Eligible activities (Aluminium rolling division of ElvalHalcor, Anoxal)	
% of turnover: 60.82%	Turnover (EUR million): 815
% CAPEX: 11.76%	CAPEX (EUR million): 18
% OPEX: 23.12%	OPEX (EUR million): 9
Aluminium Non – Eligible activities (Aluminium rolling division of ElvalHalcor, Anoxal)	
% of turnover: 39.18%	Turnover (EUR million): 525
% CAPEX: 88.24%	CAPEX (EUR million): 135
% OPEX: 76.88%	OPEX (EUR million): 29

Turnover KPI

Definition

The proportion of Taxonomy-eligible economic activities has been calculated as the part of turnover derived from activity 3.8 - secondary aluminium production (numerator) divided by the turnover of aluminium segment (denominator) for financial year 2021.
For further details on our turnover accounting policy please refer to page 86 of our Annual Financial Report 2021.

Reconciliation

Turnover of aluminium segment can be reconciled to our consolidated financial statements, in “Operating segments” section, on page 89 of our Annual Financial Report 2021.

Capex KPI

Definition

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by aluminium segment Capex (denominator).

The numerator consists of Taxonomy-eligible Capex related to assets or processes that are associated with activity 3.8 - secondary aluminium production.

We consider that assets and processes are associated with Taxonomy-eligible economic activities when they are essential components necessary to execute an economic activity. Consequently, all Capex invested into machinery for secondary aluminium production have been included in the numerator of the Capex KPI.

More specifically, secondary aluminium Capex includes Capex related to the production of aluminium from secondary raw materials (including scrap and metal-bearing materials) and the remelting and alloying processes.

The denominator consists of Aluminium segment additions to tangible and intangible fixed assets during financial year 2021, before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in Capex, as it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding Capex please refer to page 82 of our Annual Financial Report 2021.

Reconciliation

Capex of aluminium segment can be reconciled to our consolidated financial statements, in “Operating segments” section, on page 89 of our Annual Financial Report 2021.

Opex KPI

Definition

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by total aluminium segment Opex (denominator).

The numerator consists of Taxonomy-eligible Opex related to assets or processes that are associated with activity 3.8 - secondary aluminium production.

Total Opex (denominator) consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This includes:

• Research and development expenditure recognised as an expense during the reporting period. This includes all non-capitalised expenditure that is directly attributable to research or development activities.

• The volume of non-capitalised leases was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases.

• Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the maintenance and repair costs allocated to our internal cost centers. The related cost items constitute a portion of "Cost of sales" line item of our Aluminium segment income statement (please refer to "Operating segments" section, on page 89 of our Annual Financial Report 2021).

This also includes building renovation measures. In general, this includes staff costs, costs for services, and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to our PP&E including an appropriate allocation of overhead costs.

This does not include expenditures relating to the day-to-day operation of PP&E such as raw materials, cost of employees operating the machine, electricity or fluids that are necessary to operate PP&E.

Direct costs for training and other human resources adaptation needs are excluded from the denominator and the numerator. This is because Annex I to Art. 8 Delegated Act lists these costs only for the numerator which does not allow a mathematically meaningful calculation of the Opex KPI.

This section is included for the first time in the section "Non-Financial Reporting", pursuant to Regulation (EU) 2020/852. The information contained follow the requirements of the Regulation, and the Group and the Company will follow the developments and they will adapt their approach accordingly.

Management of Sustainability matters

The Company has put in place mechanisms and procedures to highlight and manage sustainability issues focusing on occupational safety, respect for the environment and society as well as its financial and economically viable operations. Management commitment and the management framework of responsible operation matters are reflected on the Sustainability Policy established and implemented by ElvalHalcor. Seeking to ensure its continuous improvement in relevant matters, the Company sets specific goals and monitors their progress on an annual basis, based on the relevant key performance indicators it has developed. To attain these KPI's and goals, the Company prepares and implements adequate plans and actions of responsible operation.

Policies and Systems

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

- Internal Rules of Operation
- Sustainability Policy
- Health and Safety Policy
- Environmental, Energy and Climate Change Policy
- Business Ethics and Anti-Corruption Policy
- Labour and Human Rights Policy
- Code of Conduct and Business Ethics
- Supplier Code of Conduct.

Integrated management of ElvalHalcor's important matters is ensured through the Management Systems implemented by the Company. More specifically, ElvalHalcor implements the following certified systems:

- Environmental Management System (ISO 14001:2015).
- Energy Management System (ISO 50001:2018).
- Occupational Health and Safety Management System (ISO 45001:2018).

All production facilities of the Company have put in place the above certified Management Systems.

New certifications - ASI Performance Standard and ASI Chain of Custody Standard (CoC)

ElvalHalcor was the first company in Greece that in 2019 joined forces with the Aluminium Stewardship Initiative - ASI (https://aluminium-stewardship.org/), together with the other leading aluminium production and processing companies, organisations and social bodies that are also its members.

To date, ElvalHalcor is the first and only company in Greece, which has been certified according to the model of sustainable development in the aluminium supply chain, the ASI Performance Standard. ElvalHalcor's certification, according to this standard, was successfully completed in July 2020 and concerns the entire production activity of the aluminium rolling sector. In addition, in 2021, the aluminium rolling division of ElvalHalcor, was successfully completed the certification, according to the ASI Chain of Custody Standard (CoC).

asi CERTIFIED PERFORMANCE

asi CERTIFIED CHAIN OF CUSTODY

The first certification confirms the Company's excellent performance in the whole range that governs the responsible production of aluminium, specifically in the three ESG pillars:

	Certification pillars	Certification performance in ESG issues
E	Environmental protection and biodiversity	• Greenhouse gas emissions and other atmospheric emissions • Water emissions and waste management • Responsible water usage • Protection of biodiversity and prevention of the introduction and spread of invasive species
S	Social responsibility	• Protecting human and workers' rights • Supporting local communities and taking responsible action towards the community • Promoting safety and health at work (employees, co-workers and visitors) and making a commitment to continuous improvement
G	Good corporate governance	• Implementing policies aimed at good, fair, lawful and ethical governance towards employees, partners and society • Application of responsible procurement and aluminium production methods

The ASI CoC certification allows ElvalHalcor to offer its customers ASI-certified aluminium products, manufactured from material sourced and processed within the responsible supply chains that are certified by the Aluminium Stewardship Initiative. This certification confirms ElvalHalcor's commitment to sustainable development and strengthens its ability to offer aluminium products, ensuring that they originate from material that has been sourced and processed responsibly, in conformance with the criteria set out by the ASI standards, in every stage of their manufacturing process.

About main production subsidiaries

This Non-Financial Reporting includes a respective update on the main production subsidiaries that are consolidated. Specifically with respect to the production subsidiaries of the aluminium segment: Symetal S.A., Vepal S.A., Elval Colour S.A., Anoxal S.A., Viomal S.A., Etem S.A., and the copper segment: Sofia Med SA, Cablel Wires S.A. and Epirus Metalworks SA. Subsidiaries are also presented in the Sustainability Report in compliance with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards).

ElvalHalcor's subsidiaries have established and apply respective policies which strictly abide by the principles of the Company's policies, with the Management of each subsidiary being responsible for their implementation. Meanwhile, ElvalHalcor's subsidiaries have their own internal controls, procedures and management systems with respect to sustainable development matters and monitor their respective performance through the relevant indicators, the results of which are presented in this report. The entirety (100%) of ElvalHalcor production companies under the scope of this report are certified with the environmental Management System ISO 14001:2015 and the Occupational Health and Safety Management System ISO 45001:2018, while 50% of the companies under the scope are certified with the Energy Management System 50001:2015.

The following sections present the results of the policies and procedures implemented by ElvalHalcor and cite the relevant reports on performance in risk management in the relevant issues (presentation of relevant non-financial indicators) of both the Company and its main production subsidiaries. It is noted that due to the disparate production activity, the different geographical location of the companies, as well as the different degree of material issues that each company may face, it was deemed as necessary to present the important issues that are common to ElvalHalcor and its main production subsidiaries.

Environmental matters

Environmental protection is at the top of the Company's list of priorities. ElvalHalcor cultivates environmental responsibility as an integral part of its corporate philosophy, having integrated in its strategy the responsible management of all environmental matters associated with its activities.

Management's strong commitment in this field is reflected in the Environmental Policy (www.elvalhalcor.com, section «Sustainable Development/Environment). Management takes steps to implement good practices aiming at environmental protection and management of any environmental impacts arising from the Company's operation. The Company operates in accordance with the applicable environmental laws (applicable National and European laws). Wishing to reduce its environmental footprint on an ongoing basis with concrete actions, ElvalHalcor:

- implements an Environmental Management System (ISO 14001:2015) in all its production facilities aiming at the integrated;
- management of its environmental matters;
- implements targeted environmental management plans (e.g. energy-saving plans, actions and initiatives to reduce air emissions, etc.);
- seeks the rational use of natural resources and operates in accordance with the principles of circular economy, when possible;
- implements an integrated waste management system (which focuses primarily on waste management according to the appropriate hierarchy and on the adoption of good practices aiming to prevent their generation);
- makes continuous investments in environmental protection infrastructure;
- focuses on continuous training and awareness-raising of its employees and partners in environmental matters.

<u>Climate change and air emissions management</u>

Climate change is a global environmental challenge, the effects of which affect many sectors. Therefore, ElvalHalcor aims to continuously reduce carbon emissions through implementing specific procedures and initiatives.

The Company's carbon footprint is due to a greater extent to indirect emissions (generated from the electricity supplier) and to a lesser extent to direct emissions (from the combustion of hydrocarbons). In addition, ElvalHalcor and its subsidiaries have improved their carbon footprint through a combination of energy efficiency and energy-saving measures. The improvement of the emissions factor of energy mixtures (indirect emissions) in combination with the energy-saving actions have led to a gradual improvement of the overall carbon footprint.

ElvalHalcor (consolidated date)

Year	2019	2020	2021
Total Carbon Emissions (tn CO_2/tn products) (1)	0.798	0.736	0.702

(1) Based on the "location based" method according to the GHG Protocol Directive. Total $C0_2$ emissions are equal to the sum of direct and indirect CO_2 emissions (tn CO_2/tn of products).

Note: For the calculation of the direct CO_2 emissions for the years 2020, 2021 the coefficients of the year 2020 have been used by the European Residual Mixes 2020, AIB. As the numbers of the above indices may change according to changes in the reference indices, the final emission indicators for 2021 will be published in ElvalHalcor's Sustainable Development Report.

Energy consumption and saving

With respect to energy consumption, its main pursuit is to reduce its energy footprint, whenever possible, and ensure its increasingly efficient use. Concurrently, through the certified Energy Management System (ISO 50001:2018), the Company aims at the integrated management of energy matters and seeks to develop a continuous improvement culture. ElvalHalcor monitors, records the gas emissions and ensures full compliance with the relevant legislation.

ElvalHalcor and its subsidiaries purchase electricity from the main energy suppliers in the countries in which they operate as none of the companies has its own power generation.

Water and wastewater management

The two critical issues regarding water management are the issues of adequate treatment of wastewater and the water intensity, especially in water stressed areas. The Company takes all necessary steps to ensure its efficient use and limit its consumption in compliance with its environmental policy. At the same time, whenever possible, reuse practices are applied.

As part of the long-term environmental footprint improvement regarding both ElvalHalcor and its subsidiaries, continuous efforts are being made to reduce water consumption. The increase of the total production in both segments contributed to the improvement of the water consumption intensity for 2021.

ElvalHalcor (consolidated data)

Year	2019	2020	2021
Water consumption intensity (m^3/tn products)	2.85	2.81	2.73

With regards to ElvalHalcor's and its subsidiaries' water waste treatment, in 2021, all wastewater fell within the established limits of being discharged to specific water body recipients or sewerage networks, resulting in a 100% compliance rate.

Waste management and circular economy

ElvalHalcor has an integrated waste management system, covering all production stages right up to final waste disposal. Our approach to waste management focuses on techniques for waste volume reduction and reuse, either within the plant or in licensed external partners. ElvalHalcor applies Best Available Waste Management Techniques and, as a consequence, most of the waste generated is led to recycling and energy recovery.

Although waste generation intensity varies significantly depending on the production process, the waste intensity per company has remained at similar levels in the past three years with fluctuations due to the product mix and shipments of waste accumulated over time that may affect the waste intensity for a single year. However, the portion of the generated waste that is sent for recycling or recovery is steadily increasing in the majority of the companies supporting the transformation to a circular economy. In 2021, almost 96% of ElvalHalcor waste was recycled and reused.

ElvalHalcor (consolidated data)

Year	2019	2020	2021
Waste generation (Kg/tn product)	0.18	0.17	0.17
Waste recovered and recycled (%) (1)	97%	94%	96%

(1) Waste recovered and recycled measured versus total waste generated.

Using scrap and promoting aluminium and copper recycling

The Company's primary raw materials are aluminium and copper. As the benefits (reduction in energy consumption, greenhouse gas emissions and water use) of scrap use are significant (in relation to the use of primary metals), we focus on practices that maximise the efficient use of raw materials and scrap.

ElvalHalcor promotes and actively implements the principles of the circular economy, constantly increasing in the production of new products the use of aluminium and copper that comes from collecting products at the end of their life cycle.

Labour and social issues

This section presents all the issues that the Company recognises as being important and concerns its human resources and the interaction with the local community in which ElvalHalcor and its main subsidiaries operate.

ElvalHalcor recognises the determined contribution of their people in Company's successful business performance and future growth. In recognition of this, the Company invests materially and systematically in its people. ElvalHalcor's management places particular emphasis on human resources development and strives to maintain a working environment based on equal opportunities that respects each employee and rewards hard work. ElvalHalcor's human resources practices and policies focuses on empowering employees, strengthening leadership skills and promoting talent. Steadily oriented to human values, the Company strives to implement responsible management practices with regard to human resources. The Company focus on material issues such as:

- ensuring its employees and associates' health and safety;
- creating a rewarding work environment, respecting human rights and diversity;
- providing equal opportunities for all employees;
- applying objective evaluation systems;
- highlighting and exploiting all employees' skills;
- training and developing employees on an ongoing basis.

In 2021, ElvalHalcor's human resources amounted to 3,885 employees (data 31/12). The ratio between male and female workers is approximately 89% to 11% respectively. The percentage of female employees appears small because female professionals are not traditionally attracted to industry. As a result, the percentage of women in positions of responsibility (Managers and senior executives) is low, amounting to about 13% (percentage of the total number of the Company's executive staff). The participation rate of women in human resources varies, based on the geographical location of the companies. Specifically in the copper segment subsidiaries, the index is higher, due to the subsidiary Sofia Med which is located in Bulgaria (attributed to the cultural acceptance of women in positions related to industry).

Labour KPI's (ElvalHalcor consolidated data)

Year	2019	2020	2021
Employee turnover(1)	8.5%	6.6%	14%
% of women in total workforce	10.4%	10,8%	11.2%
% of women in management	11.1%	12.2%	12.9%

(1) Turnover rate: Percentage of employees who left the company (due to resignation, dismissal, retirement or death) in total company's workforce (31/12 data).

It is our constant commitment to maintain a culture that encourages development and makes the most of the knowledge and skills of our people. We consistently invest in our people, focusing on continuing education, designing and implementing high value-added training programs. During 2021, the Company proceeded with redesigning its existing training programs so they can take place through e-learning platforms, due to the special conditions created by Covid-19 and the restrictive measures which were implemented for everyone's health and safety.

ElvalHalcor consolidated data

Year	2018	2019	2020
Total training hours per employee [2]	12.2	7.8	9.4

[2] *Total training hours implemented (and concerning Company employees) during the year for the total number of Company employees (data 31/12).*

Remuneration and benefits policy and systems have been developed with a view to recruiting, employing and retaining experienced personnel with the necessary capabilities and skills which lead to optimisation of individual and, by extension, overall performance. The remuneration of each employee reflects the educational background, experience, responsibility as well as the value/importance of the post in the labour market. In addition, as part of its employee reward and satisfaction system, the Company provides a number of additional benefits.

Occupational Health and Safety

Ensuring the Health and Safety (H&S) of our employees, our partners and third parties is a firm priority and commitment of ElvalHalcor. This view is highlighted through the H&S Policy established and implemented by the Company, thus clearly reflecting Management commitment in this field.

Company Management is instantly notified of any issue relating to H&S and takes steps to ensure seamless implementation of the policy. This policy is defined by Management, is based on cooperation and involvement of all personnel and is binding on each employee and partner. The Company fully complies with the relevant laws and regulations with respect to working conditions and occupational H&S and focuses on the implementation of preventive measures and actions to avoid any incidents at work.

The goal of «zero accidents» remains the Company's top priority. For this reason, the Company makes substantial and systematic investments in measures aiming at the continuous improvement of working conditions, and focusing on prevention and infrastructures reinforcing occupational safety. The Company's approach to the management of occupational H&S matters includes:

- Implementation of a H&S Management System (ISO 45001:2018) in all its premises with the involvement of all employees and administration.
- Continuous investments in infrastructure projects to reinforce safety at work (zero access).
- Behavioural audits in order to create a «safety climate».
- In-depth investigation and recording of all incidents, as well as near misses by implementing improvement measures aiming to reduce accidents.
- Employee targeted training and awareness raising so as to create a safety culture.

ElvalHalcor and its main production subsidiaries in an effort to improve their risk capacity realisation, develop detailed risk assessments by conducting a systematic hazard identification associated risks evaluation, facilitating subsequently the implementation of reasonable control measures. Emphasis is also given in performing accurate incidents analysis to ensure there is a robust framework in place which provides for a systematic approach to incident reporting, management and investigation, thereby enabling effective corrective and preventive actions to be set.

ElvalHalcor and its main production subsidiaries implement internationally applicable and measurable indicators to monitor and evaluate performance in the field of Occupational Health and Safety.

We recognize that there is room for improvement and that much remains to be done in order to create a safer work environment. We strive to implement targeted programs related to health and safety at work and continue to work methodically in this area in order to achieve our goal of "zero accidents".

Health and safety KPI's
ElvalHalcor consolidated data

Year	2018	2019	2020
Lost time incident rate (LTIR) [1]	6.7	5.8	7.1
Severity rate (SR) [2]	194	134	174
# fatalities	0	0	0

[1] LTIR: Lost time incident rate (number of LTI incidents per million working hours)

[2] S.R.: Severity rate (number of lost workdays per million working hours)

Supporting local communities

ElvalHalcor's (and its subsidiaries) growth and operation is inextricably linked to its local communities. The Company wishes to have its business activities interact in a positive and constructive manner with the communities in which it operates, contribute to the overall economic development of Greece and benefit local communities by creating jobs and offering business opportunities. It is worth mentioning that more than 55% of ElvalHalcor total workforce originates from local communities (broader region of Viotia and Evia, as well as the regions of the North Attica: Avlona, Malakasa, Oropos, Chalkoutsi). In addition, the Company (and its subsidiaries) has a long tradition of fostering local entrepreneurship as it seeks to cooperate, when possible, with local suppliers.

As a Company operating responsibly, ElvalHalcor provides its support on an annual basis to a number of bodies, organisations and associations through various sponsorships while also supporting and promoting the voluntary activities of its employees.

Through its operations, ElvalHalcor and its subsidiaries generate multiple benefits for the society. In addition to the payment of salaries and other benefits to its employees, the Company pays the State the corresponding taxes and levies and makes continuous investments and payments to the collaborating suppliers of materials and services. Thus, the overall positive impact of the Company on both local and broader communities is important.

Responsible supply chain management

ElvalHalcor selects and treats its suppliers in a responsible manner. Having built long-standing partnerships and trust in its relationships with its customers and partners, the Company seeks to collaborate with suppliers showing respect for the environment and implementing responsible practices. Seeking to promote the principles of sustainable development across the supply chain, ElvalHalcor prepared a «Supplier Code of Conduct». ElvalHalcor communicates this Code to its suppliers and contractors (existing and new ones), who should be aware of and adopt the responsible practices applied by the Company in the context of Sustainable Development.

The Code describes the Company's expectations from its supply chain (suppliers and partners) in terms of responsible operation (environmental protection, occupational health and safety, labour practices, ethics and integrity, respect for competitiveness, merit-based advancement, equal opportunities, safeguard of human rights, etc.). The last revision of the Code took place in 2021.

Within the framework of the certified Management Systems (ISO 9001, ISO 45001, ISO 14001, ISO 50001), ElvalHalcor implements supplier evaluation processes. The Company's procurement policy applies a strategy aiming to boost the local economy, offering business opportunities and employment to local suppliers. When evaluating and selecting suppliers, local origin is a criterion factored in.

Human rights

With respect to human rights and acting responsibly toward its people, the Company implements a human resources management policy based on equal opportunities without any discrimination on the basis of gender, nationality, religious belief, age or educational background. ElvalHalcor opposes child labour and condemns all forms of forced and compulsory labour. In addition, the Company condemns and does not tolerate any behaviours that could lead to discrimination, unequal treatment, bullying or moral harassment, gestures and verbal or physical threats.

As a result of the control policies, procedures and mechanisms put in place, during 2021 like also in previous years, no incident of child or forced labour was identified, and no incident related to violation of human rights has taken place.

Anti-corruption and bribery-related issues

ElvalHalcor implements an integrated framework of corporate governance (relevant details are given in the section «Corporate Governance Declaration» of this report), which aims to ensure transparent, proper and effective management of the Company, which leads to business and economic development in the long run.

In addition, ElvalHalcor's Code of Conduct and Business Ethics, Supplier Code of Conduct and Business Ethics and Anti-Corruption Policy reflect the Company's commitment and views on transparency, anti-corruption and anti-bribery issues. Exposure to the risk of corruption is systematically monitored. The Company is fully opposed to any type of corruption and is committed to operating in an ethical and responsible manner. The Company takes all necessary preventive measures and implements procedures and controls in order to ensure the combating of corruption cases. As a result of the Company's practices and policies, during 2021 (as in previous years), no incident of corruption or bribery was recorded or reported. In addition, there were no fines paid due to settlements for unethical business practices or corruption matters.

Information security & personal data privacy

ElvalHalcor respects the personal data protection and undertakes the appropriate measures according to the provisions of the General Data Protection Regulation 679/2016 of the European Union and the national implementation law 4624/2019. Aiming the attunement with the international standards and best practices, it adapted a Personal Data Protection Policy and established strict procedures for the protection of personal data throughout its spectrum of activities. Moreover, the provision of "by design and by default" technological means, the formation of procedures, business activities and information systems, but also fostering a data protection culture is our primary concern and a continuous improvement goal. During 2021, there were no incidents of data privacy breaches.

Key non-financial risks

The Company operates in an economic and social environment characterised by various risks, financial and others (all financial risks are laid down in the section «Risks and Uncertainties» of this report). Within this framework, the Company has established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the Company are environmental risks and risks related to occupational H&S. Managing these risks is considered as very important by the Management of the Company since they have the risk of directly or indirectly affecting the smooth operation of the Company.

Managing the non-financial risks is considered to be a very critical task by the companies' management as these risks have the potential to create a direct or indirect impact on the companies' continuous operation as well as to create future liabilities. The companies have their own skilled personnel and consultants managing these matters, and they implement certified management systems ISO 14001:2015, ISO 45001:2018, as well as the energy management system ISO 50001:2018, thus providing an additional management tool for all related risks. The management systems are the pillars for taking the proper preventive steps, specific plans, and actions, and provide the continuous improvement culture necessary to ensure improving performance and risk management. The risks associated with the non-financial matters reported above are described below.

Environment

The major risks related to environmental issues are climate change and water supply and management. These risks are also critical to the supply chain of companies (ElvalHalcor and its subsidiaries) as the raw materials used by the companies carry more than 80% of the environmental footprint of the final products, while in certain cases, the footprint is close to 90% (aluminium rolled and extruded products).

Climate change

The companies (ElvalHalcor and its subsidiaries) consider that climate is an area with a material impact not only in respect of financial materiality (negative impact on Business segments Aluminium) but also from an environmental and social perspective (negative impact to climate, hence to the environment and society).

The financial materiality stems from the fact that the companies have transition as well as physical risks. Transition risks relate to risks arising from the transition to a low carbon economy such as policies that:

- require demanding energy efficiency measures,
- impose carbon pricing mechanisms that intend to increase carbon price, thus, increase cost of electricity
- impose carbon border adjustments that can disrupt supply chains as well as cause retributions from other countries where customers are currently located.

Physical risks relate to risks associated with long chronic effects such as rising sea levels and reduced freshwater availability.

The risk mitigation measures taken by the companies are, among others, the following:

- early policy trend identification;
- close cooperation with national and European federations for proper representation of the matters faced by ElvalHalcor and the subsidiaries;
- development of action plans and long term targets for investments in energy-efficient equipment and carbon abatement measures;
- procurement of electricity from producers of clean, renewable energy;
- increase of capacity for utilisation of secondary raw materials instead of primary; and
- proper budget management practices that incorporate projected carbon costs.

From an environmental and social perspective, the companies (ElvalHalcor and its subsidiaries) directly emit greenhouse gases in the atmosphere due to their routine production operations and indirectly through the consumption of electricity. ElvalHalcor and its subsidiary Sofia Med are currently in the European Trading Scheme, and these companies have made a series of investments in the past 15 years for carbon emissions reduction.

Upstream activities include raw materials extraction, such as aluminium and copper amount to significant emissions to the environment. Selection of raw materials suppliers is critical to identify areas of improvement and is considered the highest contributor to the overall emissions of the subsidiaries' products. As mentioned earlier, the carbon footprint attributed to upstream activities amount to over 80% in most cases. ElvalHalcor is in the process of identifying and evaluating different suppliers and their potential exposure to higher carbon costs as the increasing cost of carbon will eventually affect their competitiveness.

Water management

Water management-related risks include the availability of freshwater for production purposes and the quality of wastewater discharged to water receptors. Certain companies are relatively water-intensive as shown in the performance and KPIs section. These companies treat the water supply risk as a business continuity issue that can ultimately have a financial materiality (negative impact on the company). The risk is mainly mitigated through continuous efforts to improve the water footprint of the companies and have multiple sources of water, so there are alternative sources of supply. As for the quality of wastewater discharge, companies have made the appropriate investments in modern equipment in order to have the ability to meet and comply with very strict discharge limits.

Social and labour issues

The major risks related to social and labour matters are the occupational health and safety of the labour force and employee matters. With regards to occupational health and safety risks, ElvalHalcor and its subsidiaries have management systems in place following a comprehensive approach for improvement, which is translated into equipment upgrading, implementation of management principles (safety audits, guidelines, work instructions, etc.), the establishment of a targeted safety training program and the direct involvement of management. The companies' management have a clear understanding of the importance of providing a safe working environment to the labour force and how vital it is to continuously strive for improvement, as this is fundamental for good labour relations and business performance. Employee related risks entail potential violations of equal treatment and statutory working hours as social action by personnel that may lead to operation interruption risks. These risks are mitigated by the companies through a comprehensive employee Code of Conduct and Business Ethics, personnel evaluation and training, and regular internal audits.

Human rights

The major risks related to human rights are related to the supply chain of the companies provided that many suppliers are not located in Europe or North America. ElvalHalcor and its subsidiaries are in the process of developing a proper and comprehensive supplier evaluation management system in order to ascertain that all major suppliers meet certain sustainability standards such as standards in minimum environmental performance and compliance, worker safety, labour conditions, human rights and business ethics.

Anti-bribery and corruption

The risks related to anti-bribery and corruption lies in the failure to conduct business/operations ethically and comply with the laws and regulations in the jurisdictions in which ElvalHalcor and its subsidiaries operate. To prevent and mitigate these risks, ElvalHalcor ensures that the Sustainability Policy is properly implemented and that its employees are aware of ElvalHalcor's corporate values and related anti-corruption practices. The internal audit function is responsible for monitoring and reporting timely and properly any related deviation or misconduct. Simultaneously, subsidiaries separately organise training courses and communication actions in order to increase awareness and encourage compliance.

NOTE:

The non-financial KPI's for 2021 which are presented in this report are compliant with the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI-Standards). These KPI's were chosen strictly on the basis of their relevance to the Company's business (according to the materiality analysis conducted by the Company). Details on the performance in terms of sustainable development, and the actions of the Company's responsible operation will be set forth in the 2021 Sustainability Report of ElvalHalcor (May 2022). The Sustainable Development Report is an important tool as it reflects the way in which the Company responds to major issues and to the expectations of all its stakeholders. All the ElvalHalcor's Sustainability Reports (according to the GRI Guidelines) are available on the Company's website http://www.elvalhalcor.com/sustainability.

BOARD OF DIRECTORS EXPLANATORY REPORT

(Article 4(7) and (8) of Law 3556/2007)

1. Structure of share capital

The Company's share capital following the 22.11.2017 decision of the General Meetings and the 131569/30-11-2017 decision of the Ministry of Economy and Development, amounts to Euro 146,344,218.54 divided in 375,241,586 common, dematerialized, bearer shares with nominal value of Euro 0.39 each. All the shares are listed in the Athens Stock Exchange, included in the "Basic Resources" sector and the "Metal Fabricating" Subsector. Pursuant to the decisions of the General Meetings of 30.09.2019 and the 106722/21.10.2019 decision of the Ministry of Development and Investments (ΑΔΑ: 97ΔΔ465ΧΙ8-9Υ0), the Company's shares converted to dematerialized, registered with voting rights, in compliance with articles 40 and 184 of the L.4548/2018, as in force.

According to the Company's Articles of Associations, the rights and obligations of shareholders are as follows:

- Right to obtain a dividend from the Company's annual profits. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months from the date of approval by the General Meeting of the financial statements. The right to collect a divided shall be deleted after the elapse of five (5) years from the end of the year in which the General Meeting approved distribution.
- Pre-emptive right in any share capital increase, which is not carried out by contribution in kind and in any case of issuance of bonds convertible into shares.
- Right to participate and vote in the General Meeting of Shareholders.
- Subject to the provisions on the community, pledge and usufruct, securities are only issued and transferred accompanied by the total of the rights they include and any separate disposal of rights is prohibited. Exceptionally, the profit sharing, interest or capital payments, as well as other independent rights generated by securities, are freely transferred, upon condition that the relevant securities terms of issuance do not provide for otherwise.
- Shareholder liability is limited to the nominal value of each share they hold.

2. Restrictions on the transfer of shares of the Company

The transfer of the shares of the Company is made as provided by Law and there exist no restrictions in the transfer pursuant to its Articles of Association.

3. Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) known on 31 December 2021 were as follows:

- VIOHALCO SA/NV: 84,78% of voting rights.

4. Shares granting special rights of control

There are no shares in the Company granting τo their holders special rights of control.

5. Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares.

6. Agreements between Company's shareholders

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

7. Rules on the appointment and replacement of Board members and amendment of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the latter are not different from those contained in L. 4548/2018.

8. Powers of the Board of Directors to issue new shares or purchase own shares

- Article 6 § 1 of the Company's Articles of Association states that for the capital increase of the Company's capital the General Shareholders Meeting is required with an increased quorum and majority of the shareholders, according to the provisions of article 27 § 1 and 2 of the Company's Articles of Association (regular increase), unless the increase takes place according to article 24 of the L.4548/2018 as in force, under the provisions of paragraph 2 of article 6 of the Company's Articles of Association. In any case of increase the decision of the competent body is subject to publicity.

• According to paragraph 2 of Article 6 of the Company's Articles of Association: a) for a period of no longer that five years of the incorporation of the Company, the Board of Directors has the right, with its decision, taken by a 2/3 majority quorum to increase the share capital in part or in total with the issuance of new shares, for an amount that may not exceed three-times the initial capital. b) The aforementioned power can be granted to the Board of Directors with decision of the Shareholders' General Meeting, for time period no longer than five years. In this case, the capital can be increased by an amount no greater than three times the amount of the capital, which exists at the date when the power to capital increase was granted to the Board of Directors. c) The said power of the Board of Directors can be renewed with decision of the Shareholders' General Meeting for a period no longer than five years for every renewal granted. Each renewal applies from the expiry of the term of the previous. The decisions of the General Meeting for the grant or renewal of the capital increase power to the Board of Directors are subject to publicity. d) For a time period not exceeding five years from the incorporation of the company, the General Meeting may, by its decision, adopted by simple quorum and majority, increase the capital, wholly or partially, by the issue of new shares, in total up to eight-times the initial capital.

• The Board of Directors may acquire own shares in implementation of a decision of the General Meeting taken under Article 49 of L. 4548/2018, as in force.

9. Major agreements which take effect have been amended or expire in the case of change in control

The bank loans of both the Company and ELVALHALCOR Group, taken out fully by Banks and set out in Note 22 of the Annual Financial Report include clauses of change in control granting lenders the right to early terminate them.

Furthermore, the Company (pursuant to the decision of its Board of Directors of 05.11.2021, by authorization and in execution of the resolution of the extraordinary General Meeting of its shareholders of 05.11.2021) has issues an ordinary bond loan of a total principal amount of €250.000.000, divided into 250.000 dematerialised, ordinary bonds of nominal value of €1.000 each, listed for negotiation in the category of Fixed Income Titles of the Regulated Market of the Athens Exchange, offered by a public offer and the negotiation of which started on 17.11.2021 ("Bond Loan"). According to the Program (clause 9.4) of the Bond Loan, in case of, among others, occurrence of Notification of Change of Control (as defined in the said Program, i.e. notification of the Company to the investor community, on the basis of the provisions of Law 3556/2007, in relation with (a) failure to keep the direct or indirect participation of Viohalco in the Company by a percentage higher than fifty percent (50%) of the shares and voting rights, or (b) loss by Viohalco of the control of the Company), each Bondholder shall have, under the other relevant terms and conditions provided in the above Program of the Bond Loan, the right to demand from the Company the early repayment of all or part of the Bonds held by them (Put Option).

There are no other significant agreements which take effect, have been amended or expire in the case of change in control of the Company.

10. Agreements with Board of Directors members or Company's staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment.

CORPORATE GOVERNANCE STATEMENT

Rules of Operation – Corporate Governance Code

On July 17, 2020, Law 4706/2020 was published in the Official Gazette A '136 / 17-07-2020 ("Corporate governance of public limited companies, modern capital market, incorporation into Greek legislation of Directive (EU) 2017/828 of the European Parliament and the Measures to implement Regulation (EU) 2017/1131 and other provisions"), the provisions of articles 1 - 24 of which, in accordance with article 92 par. 3 thereof, entered into force twelve (12) months after publication in the Government Gazette, i.e. on 17.07.2021, unless otherwise specified in the individual provisions. This law changed the current corporate governance legislation and introduced new provisions.

The Company, responding to the new legislative framework, while respecting the existing one as provided by Law 4449/2017 and Law 4548/2018, proceeded, based on the decision of its Board of Directors dated 12.07.2021, to update, revise, amend and replacement of the (internal) Rules of Operation for its adaptation to the provisions of Law 4706/2020. The said Rules of Operation of the company include, in particular, the organizational structure of the Company, its Units and Committees, their object, the policies and procedures applied by the Company, the characteristics of the Company's Internal Control System (BCC) etc., while a summary of the Regulation has been published on the Company's website https://www.elvalhalcor.com/investor-relations/corporate-governance/rules-of-operation, in accordance with the provisions of article 14 par. 2 point b) of Law 4706/2020.

Also, the Company, based on the above decision of its Board of Directors, decided to adopt and implement the Greek Corporate Governance Code issued in June 2021 by the Hellenic Corporate Governance Council (HGCC), as recognized by the Board of Directors of the Committee Capital Market during its 916th /7.6.2021 meeting (see press release of the Capital Market Commission of 07.06.2021), as a National Authority of Recognized Validity for the issuance of a Corporate Governance Code, according to the provisions of law 4706/20120 and no. 2/905/3.3.2021 Decision of the Board of Directors of the Hellenic Capital Market Commission (hereinafter the "Code"), which is available on the internet at the following link:

https://www.esed.org.gr/documents/20121/62611/Hellenic+Corporate+Governance+Code+2021.pdf/f1a35fbf-1126-ca0e-160c-dbdc55c7198a?t=1626350753153.

The Company decided, as above, its compliance with the Code, with deviations from paragraphs 1.14, 2.3.4, 3.1.5, 3.3.4, 3.3.8, 3.3.12, regarding the Managing Director, and 1.17, 2.2.15, 2.2.21, 2.3.1, 2.4.7, 3.3.3, 3.3.4, 3.3.5, 3.3.8, 8.4 and 8.5 of what, according to the Code, relate to “Special Practices” Governed by the Comply or Explain principle. According to the decision of the Board of Directors dated 15.03.2022, these deviations are justified (article 152 par. 1 per. B) Law 4548/2018) and are explained as follows:

– Regarding the Special Practices of par. 1.14, 2.3.4, 3.1.5, 3.3.4, 3.3.8 and 3.3.12 of the Code: These Special Practices concern the Managing Director. By decision of the Ordinary General Meeting of Shareholders of the Company of 24.05.2021, the Articles of Association (article 13 par. 1) of the Company were amended and the possibility of electing one or more Managing Directors by the Board of Directors of the Company was provided, defining at the same time their responsibilities. The current Board of Directors of the Company elected by the Ordinary General Meeting of Shareholders of the Company of 24.05.2021, has not appointed a Managing Director (whose appointment is not mandatory under law), and has assigned specific powers of management and representation of the Company to one or more persons, members of the Board of Directors (authorized Directors) or not, reserving otherwise to the Board of Directors itself the management and representation of the Company collectively. Therefore, the corresponding deviations from the above Special Practices exist, as long as the Board of Directors has not elected a Managing Director. According to the current, updated with Law 4706/2020, Rules of Operation of the Company, in the absence of a Managing Director, the responsibilities provided for by the Managing Director according to Law 4706/2020 (e.g. a person, to whom administratively reports the Head of the Internal Audit Unit) are exercised by the Vice President of the Board of Directors of the Company who is an executive member. It is therefore considered that there is no risk from this deviation.

– Regarding the Special Practice of par. 1.17 (meeting calendar and annual action plan of the Board of Directors): The Company, based on the decision of its Board of Directors dated 15.03.2022, approved and adopted a meeting calendar and annual action plan for the current year 2022 and, therefore, complies with this Special Practice and there is no deviation from it.

– Regarding the Special Practice of par. 2.2.15 (diversity criteria for senior senior executives with specific gender representation goals, as well as timetables for achieving them): In accordance with the Company’s Suitability Policy, the

Company applies diversity policy in order to promote an appropriate level of differentiation in the Board of Directors and a diverse group of members. Through the accumulation of a wide range of qualifications and skills in the selection of the members of the Board of Directors, the variety of views and experiences is ensured in order to make the right decisions. The Suitability Policy is included / referred to in the diversity policy, to ensure that it has been taken into account when appointing new members of the Board. Adequate gender representation of 25% of all members of the Board of Directors is explicitly provided, and based on the current fifteen-member Board of Directors the minimum number of women or men is three (3) and no exclusion is applied due to gender, race, color, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation. The Company elaborates and investigates the terms and conditions of further specialization of these diversity criteria and the relevant objectives and schedule, the finalization of which, due to the scope and nature of the Company's activities, is estimated to require additional time from the leaked adoption of the Code to date. It is estimated that there is no risk from this deviation, as long as it exists.

– Regarding the Special Practice of par. 2.2.21 - 2.2.23 (on the election of the Chairman of the Board of Directors from among the independent non-executive members, otherwise the appointment of one of the independent non-executive members, either as vice chairman (Senior Independent Director), in case the President is elected by the non-executive members): The current Board of Directors of the Company, of which the Chairman is a non-executive member, and the Vice-Chairman is an executive member, was elected by the Ordinary General Meeting of Shareholders of the Company on 24.05.2021, i.e. before the entry into force of Law 4706/2020 (17.07.2021). The capacity of the Chairman as a non-executive member is in accordance with the provision of par. 1 of article 8 of Law 4706/2018 which stipulates that the Chairman of the Board of Directors is a non-executive member. In view of the next election of a new Board of Directors of the Company, after the end of the current term, the Company will examine, whether it is appropriate and under what conditions it is possible, to comply with the above Special Practice. It is estimated that there is no risk from this deviation, for as long as it exists.

– Regarding the Special Practice of par. 2.3.1 - 2.3.3 (regarding a framework for filling positions and succession of the members of the Board of Directors): The Company is in the process of elaborating and designing a framework / plan for filling positions and succession of its members Board of Directors, for adoption and implementation, to comply with the above Special Practice, which is estimated to be completed within the current year. Until then, according to the consistently followed practice of the Company in all cases of replacement of missing members of its Board of Directors, for the executive members of the Board of Directors who are in charge of the management and the achievement of the Company's purpose and are mainly Company executives with a paid employment relationship, the Human Resources Divisions of the Company ensure the permanent availability of candidates, from the existing executive staff of the Company, to fill the positions of the executive members of the Board of Directors. As for the succession of the independent, in particular, members of the Board of Directors and the members of the Company's Committees (which are composed by a majority of independent members) the Remuneration and Nomination Committee of the Company takes care of the identification and evaluation, according to principles of the approved Suitability Policy of the Company, of persons as possibly available as suitable candidates for members of the Board of Directors, whenever there is a question of replacement of existing members of the Board of Directors, in combination with the periodic evaluation of the fulfillment of suitability requirements and, above all, independence. It is estimated that there is no risk from this deviation, for as long as it exists, according to the above.

– Regarding the Special Practice of par. 2.4.7 (regarding the fact that the member of the remuneration committee who will be appointed as its Chairman, must have served in the committee as a member for at least one year): The Chairman of the Remuneration and Nomination Committee of the Company (appointed by the Board of Directors of the Company on 26.05.2021 and formed in a body on 28.05.2021, after the election of the existing Board of Directors of the Company by the Ordinary General Meeting of its shareholders on 24.05.2021) is an independent non-executive member of the Board of Directors, elected for the first time as a member of the Board of Directors of the Company. Therefore, he has not served on the Remuneration and Nomination Committee of the Company as a member for at least one year before his appointment as Chairman. The same applies to all existing independent non-executive members of the Board of Directors, none of whom has served in the Remuneration and Nomination Committee of the Company as a member for at least one year. Therefore, based on the existing composition of the Board of Directors, it is not possible to comply with the above Special Practice. It is estimated that there is no risk from this deviation, for as long as it exists.

– Regarding the Special Practice of par. 3.3.3, 3.3.4, 3.3.5 and 3.3.8 (regarding the annual evaluation of the Board of Directors), it is noted that the planned evaluation of the Board of Directors on an annual basis mainly concerns Boards of Directors with a term of office longer than one year. In the case of the Company, the relevant discrepancy does not exist in principle, but may occur, for practical reasons, due to the fact that the term of the Board of Directors of the Company, according to article 11 par. 1 of its articles of association, is annual (extended automatically until the expiration of the deadline within which the next Ordinary General Meeting must convene and until the relevant decision is taken, not exceeding two years). Therefore, with the lapse of one year from the election of the Board of Directors of the Company, when it is foreseen that its evaluation take place according to the above Special Practice, as a rule, its term expires, and in any case if a new Board of Directors is elected. In this case, that assessment becomes, in principle, devoid of purpose. It is estimated that in this case there is no risk of this deviation, as a new Board of Directors will be elected, following the evaluation process of the candidates to be elected members from the beginning, in accordance with the Company Suitability Policy. If in any way the term of the Board of Directors of the Company is extended beyond one year, the Company will arrange for the annual evaluation of the Board of Directors, in accordance with the above Special Practice. In the present case, from the election of the existing Board of Directors by the Ordinary General Meeting of its shareholders on 24.05.2021 until the date of the present, less than one year has lapsed. Therefore, upon the completion of one year from the election of the current Board of Directors and depending on whether his term of office will expire or be extended as mentioned above, the Company will consider whether it is appropriate for such an evaluation to take place.

– Regarding the Special Practice of par. 8.4, 8.5 (regarding the use of a communication platform to ensure a constructive dialogue between the Company and its shareholders): The Company, under the responsibility of the Shareholder Service Unit and Corporate Announcements, uses basically the corporate website to provide shareholders with adequate and equal access to information and generally to communicate with them on a regular basis. The Company is in the process of reforming and upgrading the content and in general environment of its website and exploring the existing available tools, possibly by enriching it with a communication platform, in order to find the best possible technical solution for the empowerment of its communication with its shareholders and its absolute compliance with the above Special Practice.

The Company will examine periodically on whether the above deviations continue to serve the corporate interest and will proceed to the necessary adjustments.

Main features of the Internal Audit System in relation to the Process of Preparation of Financial Statements and financial reports.

i. Description of the main features and components of the Internal Audit System (internal audit, risk management, regulatory compliance).

The Company has an adequate and effective Internal Audit System, which consists of all the internal control mechanisms and procedures, including risk management, internal control and regulatory compliance, and covers on a continuous basis every activity of the Company and contributes to the safe and effective its operation. The Company's Internal Audit System aims at the following objectives, in particular:

a) Consistent implementation of the business strategy, with the effective use of available resources.

b) The efficient operation of the Internal Audit Unit, whose organization, operation and responsibilities are defined in the law and its Rules of Operation.

c) In the effective risk management, through the recognition and management of the essential risks related to the business activity and operation of the Company.

d) Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements, as well as its non-financial statement, in accordance with article 151 of Law 4548 / 2018.

e) The effective compliance of the Company with the regulatory and legislative framework, as well as the internal regulations governing the operation of the Company (regulatory compliance).

The Board of Directors ensures that the functions that make up the Internal Audit System are independent of the business sectors they control, and that they have the appropriate financial and human resources, as well as the powers to operate them effectively, as required by their role. The reporting lines and the division of responsibilities are clear, enforceable and duly documented.

The Internal Audit Unit of the Company controls the correct implementation of each process and internal control system regardless of their accounting or non-accounting content and evaluates the company through a review of its activities, acting as a service to the Management. Its main mission is to monitor and improve the operations and policies of the

Company and its subsidiaries (hereinafter the "Group") and to provide advisory support by submitting relevant proposals to the Board of Directors regarding the Internal Audit System. The Internal Audit Unit also aims to provide reasonable confirmation to shareholders to achieve the goals and objectives of the Group. The Head of the Internal Audit Unit meets all the formal and substantive selection criteria provided by law.

The Internal Audit System aims, among other things, at ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial situation and the production of reliable financial statements.

Regarding the preparation of financial statements, the Company reports that the financial reporting system of the Issuer uses an accounting system that is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on an individual and consolidated basis in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, as well as for publication purposes in line with the applicable regulations and on a quarterly basis. Both administrative information and financial reports to be published include all the necessary details about an updated internal control system including analyses of revenue, cost/expenses and operating profits as well as other data and indexes. All reports towards the Management include the data of the current period compared to the respective data of the budget, as the latter has been approved by the Board of Directors, along with the data of the respective period of the previous year.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements, in compliance with the International Financial Reporting Standards, as adopted by the European Union, are reviewed by the Audit Committee and respectively approved in their entirety by the Board of Directors.

Audit controls are implemented with respect to: a) risk identification and evaluation as for the reliability of financial statements; b) administrative planning and monitoring of financial figures; c) fraud prevention and disclosure; d) roles and responsibilities of executives; e) year-end closing procedure including consolidation (e.g. recorded procedures, access, approvals, agreements, etc.) and f) safeguarding the data provided by information systems.

The preparation of the internal reports towards the Management and the reports required under L. 4548/2018 and by the supervisory authorities is conducted by the Financial Services Division, which is staffed with adequate and experienced executives for this purpose. Management takes steps to ensure that these executives are adequately updated about any changes in accounting and tax issues concerning both the Company and the Group.

The Company has established separate procedures regarding the collection of the necessary data from its subsidiaries, and ensures the reconciliation of individual transactions and the implementation of the same accounting principles by the companies of the Group.

The Risk Management Unit of the Company aims, through appropriate and effective policies, procedures and tools, to assist the Board in identifying, evaluating and managing the substantial risks associated with the business and operation of the Company and the Group, with adequate and effectiveness.

The Company's Regulatory Compliance Unit aims to assist the Board of Directors in the full and continuous compliance of the Company with the current legal and regulatory framework and the internal Regulations and Policies that govern its operation, providing at all times a complete picture of the degree of achievement of this purpose.

ii. Evaluation of corporate strategy, main business risks and Internal Audit System

The Company’s Board of Directors states that it has examined the main business risks that the Group faces as well as the Internal Audit System. On an annual basis, the Board of Directors reviews the corporate strategy, main business risks and Internal Control System, on the basis of a relevant proposal by the Audit Committee.

According to article 14 par. 3 case j of Law 4706/2020 and No. 1/891/ 30.9.2020 decision of the Board of Directors of the Hellenic Capital Market Commission, as amended by no. 2/917/17.6.2021 decision of the Board of Directors of the Hellenic Capital Market Commission, a periodic evaluation of the Internal Audit System takes place, in particular as to the adequacy and effectiveness of the financial information, on an individual and consolidated basis, in terms of risk management and regulatory compliance, in accordance with recognized standards of evaluation and internal control, as well as the implementation of the provisions on corporate governance of Law 4706/2020. This evaluation is carried out by an independent evaluator who meets the provisions of the above provision of Law 4706/2020 and the above decision of the Board of Directors of the Hellenic Capital Market Commission, in accordance with the relevant policy / procedure of evaluation the Company's Internal Control System. According to the above decision of the Board of Directors of the Hellenic Capital Market Commission, as amended and in force, the first evaluation of the Internal Audit System must be completed by 31.03.2023 with a reference date of 31.12.2022 and a reference period from the entry into force of Article 14 of Law 4706/2020 (17.07.2021).

iii. Provision of non-audit services to the Company by its statutory auditors and evaluation of the effect that this fact may have on the objectivity and effectiveness of mandatory audit, taking also into consideration the provisions of Law 4449/2017

The statutory auditors of the Company for the fiscal year 2021, "PriceWaterHouseCoopers Auditing Company SA" (AM SOEL 113) (268 Kifisias Av. PC:15232, Chalandri, tel: 2106874400) have been elected by the Ordinary General Assembly of the Company's Shareholders on 24.05.2021.

Regarding year 2021, the fees of our auditor's PriceWaterhouseCoopers S.A. for the Group and for the Company in respect of audit of the financial statements of the Company amounted to Euros 213.000 plus VAT (2021: Euros 202.000), for tax audit to Euros 44.800 plus VAT (2020: Euros 42.000) and fees for other services to Euros 4.000 plus VAT (2020: Euros 4.000). At a Group level amounted to Euros […] thousand (2020: Euros 312 thousand), for tax audit Euros […] thousand (2020: Euros 69 thousand) and fees for other services to Euros […] thousand (2020: Euros 4 thousand).

iv. Head of Internal Audit Unit

The Company has appointed as Head of the Internal Audit Unit Mr. Epameinondas Batalas. Mr. E. Batalas holds a bachelor's degree in Economics and a postgraduate degree in Applied Economics and Finance from Athens University of Economics and Business (AUEB). Moreover, holds the Diploma in IFRS from the Association of Chartered Certified Accountants (ACCA). He initially joined STEELMET S.A. as a member of the Internal Audit in 2008 and was involved in the audit procedures which were performed in the subsidiaries of VIOHALCO, serving for a number of years as internal audit manager.

Public Takeover Offers – Information

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company takes part in such a procedure, this will take place in accordance to applicable laws (European and Greek legislation).

General Meeting of the Shareholders and rights of shareholders

The General Meeting of the shareholders of the Company is, according to the Law, the supreme body of the Company and is entitled to resolve on any affair that involves the Company. It is convened and operates in compliance with the provisions of the Articles of Association and the relevant provisions of Law 4548/2018, as amended and in force today. The Company makes the necessary publications and generally takes all steps required for the timely and thorough information of shareholders in regard to the exercise of their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these can be exercised.

Composition and operation of the Board of Directors, the Supervisory Bodies and the Committees of the Company

Board of Directors

Roles and responsibilities of the Board of Directors

The Company's Board of Directors manages the Company and is responsible for the long-term strategy and operational goals of the Company and generally for the control and decision-making within the framework of the provisions of Law 4548/2018 and the Articles of Association, and for compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively.

More specifically and indicatively, the Board has the following responsibilities:

- Defines the long-term strategy and operational goals of the Company.
- Has the responsibility of controlling and making decisions within the framework of the provisions of the current legislation and the Articles of Association, as well as the observance of the principles of corporate governance.

- Defines the corporate governance system of articles 1 to 24 of law 4706/2020, supervises its implementation and monitors and evaluates periodically, every three (3) financial years, its implementation and effectiveness.
- Ensures the adequate and efficient operation of the Company's Internal Control System, which aims at the following objectives, in particular:
  - (a) the consistent implementation of the operational strategy, making effective use of the resources available;
  - (b) the identification and management of substantial risks associated with its business and operation;
  - (c) the efficient operation of the Internal Audit Unit,
  - (d) to ensure the completeness and reliability of the data and information required for the accurate and timely determination of the financial situation of the Company and the preparation of reliable financial statements, as well as the non-financial situation of the Company, according to article 151 of law 4548 / 2018,
  - (e) the compliance with the regulatory and legislative framework, as well as the internal regulations governing the operation of the Company.

Composition – Term of Office of the Board of Directors

The existing Board of Directors of the Company was elected by the Ordinary General Meeting of the Company held on 24.5.2021, with an annual term (according to article 11 par. 1 of its articles of association) until 24.5.2022, which is extended, according to article 85, par. 1, par. c of Law 4548/2018, as in force, and article 11 par. 2 of the Company's Articles of Association, until the expiration of the deadline, within which the next Ordinary General Meeting must be convened in 2022 and until the receipt of the relevant decision, not exceeding two years. The above elected Board of Directors was formed in a body during its meeting on 24.05.2021, when the representation of the Company was determined.

On 30.06.2021 Mr. Nikolaos Galetas, an independent non-executive member of the Board of Directors of the Company, submitted his resignation from the above position, for personal reasons, with effect from 10.07.2021.

Subsequently, following the decision of the Company's Board of Directors dated 12.07.2021, Mr. George Lakkotrypis was elected, replacing the resigned Mr. Nikolaos Galetas of Ioannis, as a temporary independent non-executive member of the Company's Board of Directors, until the first (immediately following) General Meeting of the Company's shareholders, which would be called to definitively return the status of independent non-executive member to Mr. Georgios Lakkotrypis.

Subsequently, the Extraordinary General Meeting of the Company's shareholders of 05.11.2021 (as the next General Meeting of the Company's shareholders after the aforementioned election of a temporary independent non-executive member of the Company's Board of Directors to replace the resigned independent non-executive Director) definitively assigned the status of independent non-executive member of the Board of Directors to Mr. Georgios Lakkotrypis of Antonios for the period from then on until the end of the term of office of the resigned, Mr. Nikolaos Galettas of Ioannis, that is, until 24.05.2022, extended (of the term), according to article 85, par. 1, par. c of Law 4548/2018, as in force, and article 11 par. 2 of the Company's Articles of Association, until the expiration of the deadline, within which the next Ordinary General Meeting of the Company's Shareholders must be convened in 2022 and until the relevant decision, not exceeding two years.

Subsequently, following the resignation of Mr. Periklis Sapountzis of Christos from 24.11.2021 from the position of executive member of the Board of Directors (and the General Manager of the Copper Division of the Company), with the effective date of his resignation on 29.11.2021, the Administrative Council, at its meeting of 29.11.2021, in replacement of the resigned Mr. Periklis Sapountzis, elected Mr. Panagiotis Lolos of Charalambos for the rest of the term of the resigned, that is, until 24.05.2022, such term being extended, according to article 85, par. 1, par. c of Law 4548/2018, as in force, and article 11 par. 2 of the Company's Articles of Association, until the expiration of the deadline, within which the next Ordinary General Meeting of the Company's Shareholders must be convened in 2022 and until the relevant decision, not exceeding two years.

The current Board of Directors of the Company (elected by the Ordinary General Meeting of the Company's shareholders from 24.05.2021, following the replacements of its members from 12.07.2021 and 29.11.2021, as mentioned above), consists of 15 members, of which :

- 4 are executive members (Vice President & 3 Members).
- 6 are non-executive members (Chairman and 5 Members).
- 5 are independent non-executive members.

12 of the members of the Board of Directors are men and 3 are women.

The composition of the current Board of Directors is as follows:

(1) Michael N. Stassinopoulos, Chairman, Non-Executive member

(2) Dimitrios Kyriakopoulos, Vice-chairman, Executive member

(3) Lampros Varouchas, Executive member and General Manager of the Aluminium Segment

(4) Panagiotis Lolos, Executive member and General Manager of the Copper Segment

(5) Konstantinos Katsaros, Executive member

(6) Christos-Alexis Komninos, Non-executive Member

(7) Nikolaos Koudounis, Non-executive member

(8) Elias Stassinopoulos, Non-executive member

(9) Aikaterini-Nafsika Kantzia, non-executive member

(10) Athanasia Kleniati Papaioannou, Non-executive member

(11) Vasileios Loumiotis, Independent Non-executive member

(12) Ploutarchos Sakellaris, Independent Non-executive member

(13) Ourania Ekaterinari, Independent, Non-executive member

(14) Thomas George Sofis, Independent, Non-executive member

(15) Georgios Lakkotrypis, Independent Non-executive member

The Board of Directors meets whenever the law, the articles of association or the needs of the Company require it.

Suitability Policy

The current Suitability Policy of members of the Board of Directors of the Company (according to article 3 of Law 4706/2020, hereinafter "Suitability Policy") was approved by the Ordinary General Meeting of its shareholders from 24.05.2021. The Suitability Policy is an essential part of the Company's Corporate Governance System. Aims to ensure the quality staffing, efficient operation and fulfillment of the role of the Board of Directors based on the overall strategy and medium-term business aspirations of the Company in order to promote the corporate interest. Through its implementation, the acquisition and retention of persons with skills, knowledge, skills, experience, crisis independence, guarantees of morality and good reputation that ensure the exercise of good and effective management for the benefit of the Company, shareholders and all stakeholders. The Suitability Policy, as well as any substantial modification, is proposed to the Board of Directors of the Company by the Remuneration and Promotion Committee of the Company, in collaboration with the Internal Audit Unit and the Legal Service of the Company, then approved by the Board of Directors and is submitted for approval to the General Meeting of the Company. The Company has and implements a diversity policy in order to promote an appropriate level of differentiation in the Board of Directors and a diverse group of members. Through the accumulation of a wide range of qualifications and skills in the selection of the members of the Board of Directors, the variety of views and experiences is ensured in order to make the right decisions. The Eligibility Policy is included / referred to in the diversity policy, to ensure that it has been taken into account when appointing new members of the Board. Adequate gender representation of 25% of all members of the Board of Directors is explicitly provided, and based on the current fifteen-member Board of Directors, the minimum number of women or men is three (3) and no exclusion is applied due to gender, race, color, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation. The Suitability Policy is available on the Company's website at the following link: https://www.elvalhalcor.com/investor-relations/corporate-governance/board-of-directors/suitability-policy-bod.

The composition of the existing Board of Directors of the Company (from its election by the Ordinary General Meeting of the Company's shareholders from 24.05.2021 and then from the replacements of its members from 12.07.2021 and 29.11.2021, according to the above) meets the requirements and the criteria of suitability (individual and collective) and diversity, as provided in Law 4706/2020 and the Suitability Policy, as determined by the Remuneration and Promotion Committee of the Company at the level of candidate members, before the election of the Board of Directors and each member to replace a missing person, as well as by the Board of Directors, during the respective election.

Also, the Board of Directors during its meeting of 15.03.2021, following a relevant proposal of the Remuneration and Nomination Committee of the Company, reviewed and found the fulfillment of the conditions of independence of article 9 par. 1 and 2 of Law 4706/2020 of the existing independent non-executive members of the Board of Directors.

Participation of members of the Board of Directors in its meetings

In 2021, a total of 39 meetings of the Board of Directors were held. The frequency of participation of the members of the Board of Directors in its meetings in the year 2021 is as follows:

DIRECTOR	DIRECTOR'S TERM OF OFFICE		NR. OF MEETINGS DURING DIRECTORSHIP	TOTAL PRESENCES	PRESENCE PERCENTAGE
	FROM	UNTIL			
CHAIRMAN – NON-EXECUTIVE					
Papageorgopoulos Theodosios	1/1/2021	24/5/2021	22	7	31,82%
Stassinopoulos Michael	24/5/2021	31/12/2021	17	17	100,00%
VICE-CHAIRMAN – EXECUTIVE					
Kyriakopoulos Dimitrios	1/1/2021	31/12/2021	39	39	100,00%
EXECUTIVE MEMBERS					
Varouchas Lambros	1/1/2021	31/12/2021	39	39	100,00%
Sapountzis Periklis	1/1/2021	29/11/2021	36	36	100,00%
Kotsabasakis Eytychios	1/1/2021	12/1/2021	2	2	100,00%
Katsaros Konstantinos	1/1/2021	31/12/2021	39	39	100,00%
Voloudakis Stavros	1/1/2021	24/5/2021	22	22	100,00%
Kokkolis Spyridon	1/1/2021	24/5/2021	22	21	95,45%
Lolos Panagiotis	29/11/2021	31/12/2021	3	3	100,00%
NON-EXECUTIVE MEBERS					
Katsambas Georgios	1/1/2021	24/5/2021	22	22	100,00%
Koudounis Nikolaos	1/1/2021	31/12/2021	39	39	100,00%
Stassinopoulos Elias	1/1/2021	31/12/2021	39	17	43,59%
Komninos Christos - Elias	19/1/2021	31/12/2021	36	29	80,56%
Aikaterini-Nafsika Kantzia	24/5/2021	31/12/2021	17	17	100,00%
Kleniati Papaioannou Athanasia	24/5/2021	31/12/2021	17	17	100,00%
INDEPENDENT NON-EXECUTIVE					
Loumiotis Vasileios	4/1/2021	31/12/2021	39	39	100,00%
Sofis Thomas George	1/1/2021	31/12/2021	39	19	48,72%
Galetas Nikolaos	1/1/2021	12/7/2021	28	27	96,43%
Ekaterinari Ourania	24/5/2021	31/12/2021	17	11	64,71%
Sakellaris Ploutarchos	24/5/2021	31/12/2021	17	11	64,71%
Lakkotrypis Georgios	12/7/2021	31/12/2021	11	8	72,73%

CVs of the members of the Board of Directors

The CVs of the members of the Board of Directors of the Company (from which it appears that the composition of the Board of Directors reflects the knowledge, skills and experience required to exercise its responsibilities, in accordance with the Suitability Policy and the professional model and Company strategy) are set out below.

Audit Committee

i. Description of the composition, operation, work, responsibilities and of the issues discussed during the Audit Committee meetings

The Audit Committee, according to its current Rules of Operation, which consists of at least three (3) members, can be a) a committee of the Board of Directors, consisting of non-executive members, or b) an independent committee, which consists of non-executive members of the Board of Directors and third parties, or c) an independent committee, which consists only of third parties. Third party means any person who is not a member of the Board of Directors. The type of the Audit Committee, the term of office, the number and the qualities of its members are decided by the general meeting of the Company's shareholders. The term of office of the members of the Audit Committee is the same as the term of office of the members of the Board of Directors. The re-election of the members of the Audit Committee is possible. The members of the Audit Committee are appointed by the Board of Directors, when it is a committee, or by the general meeting of shareholders of the Company, when it is an independent committee, and are in their majority independent of the Company, in accordance with applicable provisions (article 9 of Law 4706/2020). The Chairman of the Audit Committee is appointed by its members, at its meeting, to form it in a body, and is independent of the Company.

The members of the Audit Committee as a whole have sufficient knowledge in the field in which the Company operates. At least one (1) member of the Audit Committee, who is independent of the Company, with sufficient knowledge and experience in auditing or accounting, is required to attend the meetings of the Audit Committee regarding the approval of the annual corporate and consolidated financial statements.

Following the decision of the Ordinary General Meeting of the Company's shareholders dated 24.05.2021, which decided the appointment of the Company's Audit Committee, as a committee of the Board of Directors, consisting of non-executive members of the Company's Board of Directors, in accordance with article 44 of Law 4449/2017, as in force, the Board of Directors of the Company, during its meeting of 26.05.2021, ascertaining the fulfillment of all the criteria and conditions of par. 1 of article 44 of Law 4449/2017, as in force after its amendment by article 74 of Law 4706/2020, appointed as members of the Company's Audit Committee Messrs. Vassilios Loumiotis, independent non-executive member of the Board of Directors, Plutarch Sakellaris, independent non-executive member of the Board of Directors, and Nikolaos Koudounis, independent non-executive member of the Board of Directors. All members of the Audit Committee have proven sufficient knowledge and experience of the sector in which the Company operates. The Audit Committee during its meeting of 28.05.2021 was formed in a body and appointed as its Chairman Mr. Vassilios Loumiotis, an independent non-executive member of the Board of Directors, who has sufficient knowledge and experience in auditing and accounting.

The main mission of the Audit Committee is to assist the Board of Directors in the execution of its duties, supervising the financial reporting procedures, the completeness and correctness of the annual corporate and consolidated financial statements, the policies and the internal control system of the Company (Article 2 of Law 4706/2020) and evaluating the adequacy, efficiency and effectiveness of the internal control systems (article 44 par. 3 par. c L.4449 / 2017), the audit function of the internal audit work and the external auditors, in order to ensure the independence of the quality, formal qualifications and performance of the auditors.

The Audit Committee receives from the Internal Audit Unit the following reports for the audit activity:

- Ad-hoc reports.
- Semi-annual financial audit reports.
- Ordinary annual audit reports.
- Corporate Governance Reports.
- Stock exchange reports.
- Inventory-counting reports.
- Productivity Efficiency reports.
- Audit Opinion .

The Audit Committee examines and ensures the independence of the Company’s external auditors and takes consideration of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of financial reports or other important functions of the Company.

The Audit Committee meets at the Company's headquarters or where its Articles of Association provide, in accordance with article 90 of Law 4548/2018, as in force. The Audit Committee meets regularly and, however, at least as many times in each year, to consider and take decisions on all matters within its competence.

ii. Number of meetings of the Audit Committee and frequency of participation of each member in the meetings

The Audit Committee met 16 times in 2021. The frequency of participation of the members of the Audit Committee in its meetings in the year 2021 is as follows:

AUDIT COMMITTEE MEMBER	MEMBER'S TERM OF OFFICE		NR. OF MEETINGS DURING DIRECTORSHIP	TOTAL PRESENCES	PRESENCE PERCENTAGE
	FROM	UNTIL			
Loumiotis Vasileios	4/1/2021	31/12/2021	16	16	100,00%
Galetas Nikolaos	1/1/2021	24/5/2021	8	6	75,00%
Sakellaris Ploutarchos	24/5/2021	31/12/2021	8	8	100,00%
Koudounis Nikolaos	1/1/2021	31/12/2021	16	16	100,00%

iii. Work of the Audit Committee

Regarding the activities of the Audit Committee, please refer to the annual Report of the Acts of the Audit Committee to the Ordinary General Meeting of the Company's shareholders (article 44 par. 1 per. i. of Law 4449/2017) to be convened in 2022, as approved at the meeting of the Audit Committee of 15.03.2022 and included here below, which includes all issues on the which the Audit Committee consulted and resolved during the financial year 2021.

Remuneration and Nomination Committee

i. Description of the composition, operation, work, competences

According to its current Rules of Operation, the Remuneration and Nomination Committee (hereinafter "RNC") exercises, as a single committee, the responsibilities of both the remuneration committee (article 11 of law 4706/2020) and the candidacy committee (of article 12 of law 4706/2020), which have been assigned to the RNC, according to par. 2 of article 10 of law 4706/2020, based on a relevant decision of the Board of Directors of the Company. The RNC has three members and consists entirely of non-executive members of the Board of Directors of the Company, at least two (2) of which must be independent. The term of office of the Committee is equal to the term of office of the Board of Directors.

With its decision of 26.05.2021, the Board of Directors appointed Mr. Plutarchos Sakellaris, an independent non-executive member of the Board of Directors of the Company, as members of EAAY. Ourania Aikaterinari, independent non-executive member of the Board of Directors, and Mrs. Ekaterini - Nafsika Kantzia, non-executive member of the Board of Directors. During its meeting of 28.05.2021, the EAW was formed into a body and appointed as its Chairman Mr. Ploutarchos Sakellaris, an independent non-executive member of the Board of Directors. The members of the RNC have in their entirety sufficient knowledge in the field in which the Company operates.

The main responsibilities of the RNC are the following:

- In terms of the remuneration:
  - Formulates proposals to the Board of Directors regarding the remuneration policy of the Company (article 110 of law 4545/2018, hereinafter "Remuneration Policy") which is submitted for approval to the General Meeting (according to article 110 par. 2 law 4548/2018), and the remuneration of the persons that fall within the scope of the Remuneration Policy, according to article 110 of law 4548/2018, the remuneration of the Company's executives and the remuneration of the Head of the Internal Audit Unit, according to the existing provisions (article 11 par. b L.4706/2020).
  - Evaluates, on a periodic basis, the need to update the company's Remuneration Policy taking into account the legislative developments, best practices, as well as the relevant findings / reports / reports of the Internal Audit Unit.
  - Reviewes, on a periodic basis, the level of benefits of the Company based on the best practices and the levels of remuneration of the respective branch, proposing, if necessary, the necessary changes in the level of benefits and the Remuneration Policy.
  - Examines the information included in the final draft of the annual remuneration report of the Company (article 112 of law 4548/2018, hereinafter "Remuneration Report") and issues an opinion to the Board of Directors on

it, before submitting the Remuneration Report to the General Assembly (according to article 112 of law 4548/2018).

- Regarding the nomination of candidates:
  - Monitors the effectiveness and reviews the design and implementation of the Company Suitability Policy and conducts its periodic evaluation, at regular intervals, or when significant events or changes take place.
  - Locates and proposes to the Board of Directors persons suitable for the acquisition of the status of member of the Board of Directors, the Company Audit Committee (article 44 of law 4449/2017) and any other committees of the Board of Directors, taking into account the factors and criteria of individual and collective suitability determined by the Company, in accordance with the Suitability Policy it adopts and based on the relevant procedure provided in its Rules of Operation.
  - Evaluates the performance of the members of the Board of Directors and the committees of the Company, evaluating the skills, knowledge and experience of the members of the Board of Directors and the committees of the Company and informs the Board of Directors accordingly.
  - Evaluates the structure, composition and size of the Board of Directors of the Company and submits proposals for appropriate changes.
  - Monitors on an ongoing basis the suitability of the members of the Board of Directors, in particular to identify, in the light of any relevant new event, cases in which it is deemed necessary to re-evaluate their suitability, in accordance with the relevant definitions of the Suitability Policy.
  - Examines the independence of the independent non-executive members of the Board of Directors, periodically, at least once a year, as well as in case of election of a new Board of Directors or election of a member to replace a deceased independent member, and exceptionally, when required and submits proposals to the Board as to the appropriate actions and/or changes in its composition.
  - Examines the selection policy of the senior executives (key management personnel, within the meaning of article 2 per. 13 of Law 4706/2020) of the Company.

The RNC meets at the Company's registered office or where it provides for its Articles of Association, as in force, in accordance with article 90 of Law 4548/2018, as in force, at regular intervals and extraordinarily, whenever deemed necessary by the President or any of its members.

ii. Number of meetings of the RNC and frequency of participation of each member in the meetings – activities

The RNC met 10 times in 2021 with a full quorum (all its members participated in all the meetings). The main issues addressed by the RNC at its meetings are as follows:

- Establishment of the RNC in a body and election of its President.
- Examination of the periodically submitted statements of independence of the independent members of the Board of Directors.
- Determination of remuneration and benefits in accordance with the approved Remuneration Policy of the Company.
- Determination of remuneration of the members of the Board of Directors of the Company for the year 2020 - advance payment of remuneration of the members of the Board of Directors of the Company (article 109 par. 4 Law 4548/2018 as in force).
- Submission of opinion - suggestion to the Board of Directors of the Company on the draft Remuneration Report of the corporate year 2020 regarding its approval and submission by the Board of Directors to the Ordinary General Meeting of Shareholders for discussion and approval by advisory vote, according to articles 117 par. 1 par. c and 112 par. 3 of Law 4548/2018.
- Recommendation to the Board of Directors of the Company for the election (re-election or not) of members of the Board of Directors from the next Ordinary General Meeting of the Company's shareholders.
- Recommendation to the Board of Directors of the Company regarding the type of Audit Committee, the term of office, the number and the qualities of its members, according to article 44 of Law 4449/2017, as in force.

- Recommendation to the Board of Directors of the Company for the appointment (re-election or not) of members of the Audit Committee, the Remuneration and Nomination Committee of Candidates and any other committees of the Board of Directors, from the members of the Board of Directors proposed for election (and if elected)) from the next Ordinary General Meeting of the Company's shareholders.
- Recommendation to the Board of Directors of the Company for the (election of a temporary independent non-executive member of the Board of Directors in) replacement of a resigned independent non-executive member.
- Recommendation to the Board of Directors of the Company for the (election of an executive member of the Board of Directors in) replacement of a resigned executive member (or the continuation of the term of office without his replacement).
- Evaluation of fulfillment of duties of the Audit Committee.
- Approval of a draft of the revised Rules of Operation of EAAY in order to adapt it to Law 4706/2020 and a relevant proposal - proposal to the Board of Directors of the Company for the revision thereof.
- Approval of (a) policy / process of recruitment & performance appraisal of senior executives and (b) procedure of notification of dependent relations of the independent non-executive members of the Board of Directors, as part of the Company's Rules of Operation and relevant recommendation – proposal to the Company Board of Directors the corresponding revision of that Regulation.
- Defining and approving agenda items and schedule of meetings of the RNC during the remainder of its term.

AUDIT COMMITTEE OF ELVALHALCOR S.A.

Vasileios Loumiotis, President

Ploutarchos Sakellaris, Member

Nikolaos Koudounis, Member

Athens, March 15th, 2022

To: The Shareholders of the Ordinary General Meeting of the Company ELVALHALCOR S.A. of 2022

Activity Report of the Audit Committee on the audited financial year 2021

Dear Shareholders,

In our capacity as Members of the Audit Committee of the Company under the name "ELVALHALCOR HELLENIC COPPER AND ALUMINUM INDUSTRY SOCIETE ANONYME" (hereinafter referred to as the “Company”), and in accordance with article 44 of L. 4449/2017 (the "Law") on the one hand, and as referred to in detail in reference numbers 1302/28-4-2017 and 1508/17.7.2020 Announcements of the Directorate of Listed Companies / Department of Supervision of Listed Companies of the Hellenic Capital Market Commission (hereinafter the "Announcements") on the other hand, we state our Report below and we bring to your attention, within the responsibilities of the Audit Committee, findings regarding the objects regulated by the Law and the aforementioned announcements.

Specifically:

A) *In relation to the mandatory audit (external audit) (article 44, par. 3, case a of the Law). Particularly:*

a) Regarding the performance of the statutory audit (external audit) of the corporate and consolidated financial statements of the Company for the year ended December 31, 2021, we did not find significant deviations in the recognition, valuation and classification of assets and liabilities and we consider that the Management's assumptions and estimates are reasonable. We have found that the relevant disclosures in the notes to the financial statements are adequate.

b) During the mandatory inspection, we performed the following matters:

1. Review of health, safety and environmental issues.
2. Review of the process of registration and accounting of expenses, fixed assets, sales and other accounting circuit.
3. Review of tax and customs issues.
4. Review of production and export procedures and processes.
5. Visit and briefing at the premises of two of the Company's significant subsidiaries, SYMETAL S.A. and ANOXAL S.A., in Inofyta, Attica.
6. Review of processes and procedures of Financial Services of Hedging department.
7. Internal Audit Unit Reports.
8. Report of the group of External Auditors.
9. Review of processes and procedures of Human Resources
10. Examination of pending litigation risks.

In the exercise of our responsibilities, we have not identified any significant weaknesses that need improvement.

It is noted that the Audit Committee always takes into account the content of any additional reports submitted to it by the chartered accountant of the auditing company hired by the Company, which contains the results of the statutory audit performed and meets at least the specific requirements in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

c) Within the framework of our responsibilities, we were informed about the procedure and the schedule of preparation of the financial information by the management of the Company, as well as we were informed by the chartered accountant on the statutory audit program for the year 2021 before its implementation. We evaluated it and made sure that this program covered the most important areas of control, taking into account the key areas of business and financial risk of the Company. We also held meetings with the Company's management / responsible executives and the chartered accountant, during the preparation of the financial statements, during the planning stage of the audit, its execution and during the stage of preparation of the audit reports, respectively.

d) We have taken into account and examined the most important issues and risks that may have an impact on the Company's financial statements, as well as the significant judgments and estimates of management during their preparation. Specifically, we examined and evaluated in detail the following issues with reference to specific actions on these issues:

d1) Regarding the important judgments, assumptions and estimates in the preparation of the financial statements, we found that they are reasonable (reasonable).

d2) Regarding the accounting treatment of the acquisition of ETEM EMPORIKI SA through the participation in the share increase, we evaluated the correctness of the accounting of the transaction in accordance with the provisions of IFRS 3 "Business Combinations" and we assessed that the recognition criteria provided by IAS 38 "Intangible Assets" regarding the recognition of intangible assets.

d3) In addition, regarding the above transaction, in terms of the distribution of consideration in the identifiable assets acquired and the liabilities assumed as well as the calculation of goodwill, from the difference between the consideration and the net identifiable assets, no exceptions were identified.

d4) Regarding the accounting for the dividend distribution in kind of shares of Cenergy Holdings S.A. ownership of ELVALHALCOR, we assessed the correctness of the accounting treatment, given the absence of specific provision of IFRS / IAS that provides for the handling of such cases. We reviewed and evaluated the correct application of IAS 8 in conjunction with the use of standards with a similar conceptual framework, such as "IFRIC 17 Interpretation of Non-Cash Assets to Owners" and "ASC 845 US GAAP" – “Non-monetary transactions”, and the treatment applied by the Company was judged to reflect the transaction in every fair and reasonable way.

d5) We examined and evaluated the accounting treatment for the change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, i.e. 2020, in accordance with paragraphs 19 - 22 of IAS 8, following the final decision of the IFRS Interpretations Committee regarding the International Accounting Standard (IAS) 19 "Attributing benefit to periods of service".

d6) Regarding the disclosures on the above issues required by IAS / IFRS, we found that the disclosures included in the financial statements are sufficient.

d7) Regarding the transactions with related parties, as shown in the Annual Financial Report for the year 2021, we did not find any significant unusual transactions.

e) Finally, we had timely and substantial communication with the chartered accountant in view of the preparation of the audit report and its supplementary report to the Audit Committee, while we point out that we reviewed the financial reports before their approval by the Company's Board of Directors and consider that is complete and consistent in relation to the information that was brought to our attention, as well as to the accounting principles applied by the Company.

B) <u>In relation to the financial information process (article 44, par. 3, per. B' of the Law). Particularly:</u>

In relation to the process of preparing the financial information, the Audit Committee monitored, examined and evaluated:

(a) the mechanisms and systems of production, flow and dissemination of financial information produced by the involved organizational units of the Company and

(b) other disclosed information in any way (e.g. stock market announcements, press releases) in relation to financial information.

In the exercise of our responsibilities, we did not find any weaknesses in the process of compiling the financial information that need to be improved.

C) <u>In relation to the procedures of internal control and risk management systems and the internal control unit (article 44, par. 3, point B' of the Law). Particularly:</u>

In connection with the monitoring, examination and evaluation of the adequacy and effectiveness of all the policies, procedures and safety controls of the Company regarding the internal control system and the assessment and management of risks, in relation to the financial information, the Audit Committee proceeded to actions below:

(a) Evaluation of the proper functioning of the Internal Audit Unit according to the professional standards as well as the current legal and regulatory framework and evaluation of the work it performs, its adequacy and effectiveness, without however affecting its independence,

(b) Overview of the disclosed information regarding the internal audit and the main risks and uncertainties of the Company in relation to the financial information,

(c) Evaluation of the staffing and organizational structure of the Internal Audit Unit and its weaknesses, i.e. if it does not have the necessary means, if it is insufficiently staffed with insufficient knowledge, experience and training,

(d) Assessing the existence or non-existence of restrictions on the work of the Internal Audit Unit, as well as the independence that it must have, in order to perform its work unobstructed,

(e) Evaluation of the annual control program of the Internal Audit Unit before its implementation, taking into account the main areas of business financial risk as well as the results of previous audits,

(f) Considering that the annual audit program, in conjunction with any corresponding medium-term programs, covers the most important areas of control and financial information systems,

(g) Organizing regular meetings with the Head of the Internal Audit Unit on matters within its competence and gaining knowledge of its work and its regular and extraordinary reports,

(h) Monitoring the effectiveness of internal control systems through the work of the Internal Audit Unit and the work of the chartered accountant;

(i) Overview of the management of the main risks and uncertainties of the Company and their periodic review, evaluating the methods used by the Company to identify and monitor the risks, the treatment of the main ones through the internal audit system and the Internal Audit Unit as well as their disclosure to the disclosed financial information in a proper manner.

The Audit Committee was informed and has evaluated the reports of the audit program for the current year, while it was also informed and evaluated the audit program of the coming year. The following is what the Audit Committee has learned and evaluated:

- 2021 Audit Program Review.
- Summary of the Annual Audit Program of 2022.
- Human Resources of Internal Audit.
- Resource Allocation Guides.
- Risk Assessment.

During the internal audit process, the Audit Committee became aware of the following actions of the Internal Audit Unit:

- Audit of health and safety issues, as well as environmental issues.
- Audit of the process of registration and accounting of expenses, fixed assets, sales and other accounting circuit.
- Financial management audit (Copper Division).
- Audit of tax and customs issues.
- Audit of personnel management issues and GDPR.
- Adherence to Internal Rules of Operation.
- Inventory control.
- Industrial Production Control.
- Audit of warehousing & costing procedures and gate-weighing.
- Audit of the efficiency of production resources.
- Night surveillance audit.
- Premises security audit.

The Audit Committee, having taken into account the effects and risks of the pandemic due to coronavirus COVID-19, was informed of the following main risks for the year 2022:

1. Commercial Risk - Distribution Risk, associated with:
    - Additional quantities of final products to be available for sale in the year 2022, due to increased production capacity (Aluminum Sector).
    - Maintaining high stocks - Slow moving products (Copper & Aluminum Sector).
    - Additional costs after the completion of the production process, transportation and handling costs, etc. (Aluminum Sector).
    - Logistics for sales abroad (Aluminum Sector).
2. Information Systems Risk, related to:
    - Data Security (Cyber Security) (Copper & Aluminum Segment).
    - Multiple Information Programs (Copper & Aluminum Segment).
    - Information System Users Access / Authorization (Copper & Aluminum Segment).
3. Foreign Exchange Risk, related to the risk of exchange rate fluctuations, British Pound and US Dollar (Copper & Aluminum).

4. Compliance risk, related to:
    - Environmental Risk (Possible non-compliance with environmental legislation). (Copper & Aluminum Segment).
    - Health & Safety Risk (Possible non-compliance with Health & Safety rules). (Copper & Aluminum Segment).
    - Risk of application of GDPR provisions (Copper & Aluminum Segment).
    - Risk of an increase in contractor's staff due to new investments (Copper & Aluminum Segment).
5. Legal risk, related to the risk of:
    - Pending legal claims against third parties.
    - Legal claims of third parties.

In the exercise of our responsibilities on the above-mentioned issues, we have not identified any weaknesses that need to be improved.

D) Sustainable development policy followed by the Company

In accordance with the provisions of article 44 par. 1 of Law 4449/2017, as replaced by the provisions of article 74 par. 4 case 9 of L.4706/2020, the Audit Committee is obliged to include in the annual report of the proceedings to the ordinary general meeting also a description of the sustainable development policy followed by the Company.

Large modern companies implement a Sustainable Development Policy, in accordance with the international best practice. This policy empowers companies, gives them a social dimension and perspective for the future and makes them real cells of the national economy.

The Company and consequently the ELVALHALCOR Group, following the policy of the broader VIOHALCO group, implements a Sustainable Development Policy and seeks, over time, to create value for its participants, i.e. shareholders, customers, employees and society in general.

To achieve this goal, the Group places particular emphasis on, among others, the training and development of human resources, health and safety at work, as well as respect for the environment, following the principles of sustainable operation and development.

The Sustainable Development Policy of the Company reflects the approach and commitment of the Management to the issues of sustainable development and responsible operation. Responsible operation is a continuous commitment to action of substance, in order to generate value for all stakeholders that meet the modern needs of society and contribute in general to its prosperity. The Company has a specific strategy, which focuses on the important issues related to its activity and seeks its continuous responsible development, focusing on the critical pillars of business responsibility: Economy, Society, Environment. Sustainable development policy is an integral part of the Company's business practice model and culture. In the context of the implementation of Sustainable Development policy, the Company develops activities, among others, in the following areas:

a) Staff health and safety

The Company has set as an unnegotiable priority and primary concern the protection of the health and safety of its staff. In the context of the implementation of this policy, the Company has established every best international practice that contributes to the reinforcement and improvement of the safety culture and the achievement of the goal of "zero accidents" and at the same time organizes training programs, both for the knowledge of the risks in the production process and for the cultivation of a common consciousness and safety behavior among employees.

Promoting the protection of health as a maximum good, the Company treats the current situation, regarding the COVID-19 pandemic, with due seriousness, aiming at the health and safety of the employees. At the same time, with a high sense of social responsibility and in order to contribute to tackling the crisis facing our country from the spread of the coronavirus, he participated with a significant amount in strengthening the National Health System in hospital equipment and consumables.

b) Training and development of human resources

The Company recognizes the decisive contribution of the staff in its successful business path so far. The great experience, the high specialization, the know-how and the creativity of the staff support the course of the Company for a stable, dynamic and continuous development. The Company attaches great importance to the objective evaluation of the staff, to the detection and development of talent, as well as to the continuous training, designing and implementing training programs of high added value. The Company encourages professional development and makes the most of the knowledge and skills of the staff. The Academy of the Company, which has been operating for four years, aims to effectively develop the skills, knowledge and know-how of employees, through educational programs, which are based on structured methodology, selected subjects and educational material that meet specific needs and cover a wide range of knowledge fields. Within the Academy, in the year 2021, educational programs were implemented giving the opportunity to participants to take part and reap the benefits of learning provided by highly qualified instructors. Some of these programs were implemented on a recurring basis.

c) Responsibility for society

The Company seeks the sustainability of the local community and therefore maintains a bilateral, continuous cooperation with it. The Company draws from the local community that operates a significant part of its needs in human resources and suppliers. Of the total workforce, 56% concerns workers from local communities, thus contributing to the local and national economy.

Regarding the Company's social contribution initiatives, notable are the support of vulnerable groups, the strengthening of local health centers and hospitals with the provision of appropriate equipment, the response to emergencies (e.g. natural disasters), the voluntary blood donations in the facilities are noted, donations to charities, support to schools, sports and cultural organizations and other initiatives that promote common values for progress, development and social contribution.

d) Environmental protection

For the Company, the protection of the environment is a key element of its Sustainable Development Policy and is a key pillar of its business strategy, which is adjusted to the ever changing international business environment. Environmental awareness is expressed through targeted, environmental protection investments and systematic and daily practices, which combine responsible environmental management with the effort to constantly reduce the environmental footprint. In the context of environmental protection, the Company implements the current legislation and in particular:

- Implements targeted environmental management programs (e.g. energy saving programs, actions and initiatives to reduce air emissions, etc.).
- It seeks the rational use of raw materials and natural resources (eg rainwater, etc.) and promotes the recycling of aluminum and copper.
- Implements an integrated waste management system (with emphasis on prevention to avoid their production).
- Monitors technology developments and regularly upgrades environmental protection infrastructure.
- Provides for the continuous training and awareness of employees on environmental issues.
- Ensures that there is an appropriate risk analysis and incident response organization.

The Company has adopted an environmental management policy to protect the environment from its operation.

e) Protection of personal data

We found that the Company respects the protection of personal data not only as an obligation of legal compliance with the General Regulation of Personal Data Protection but also takes appropriate measures in accordance with the provisions of the General Regulation of Personal Data Protection (EU) 679/2016 and the implementing internal law 4624/2019. In order to harmonize with international standards and best practices, the Company has adopted a Personal Data Protection Policy of employees, customers, suppliers and partners by setting specific roles, procedures and mechanisms for the full range of activities. At the same time, ensuring the appropriate technological means, planning its processes with a view to protecting from the outset and planning of business activities and information systems, but also the formation of a similar culture is a primary concern and goal of continuous improvement but also for added value and the competitive advantage it offers to the Company. The protection of personal data is a commitment.

f) Corporate governance

The Company, recognizing the importance of corporate governance principles but also the advantages deriving from their adoption, follows international best practices and international standards that apply in its areas of activity, in order to maximize the benefit for its shareholders and the production of value in general for all participants and for society as a whole.

As a listed company on the Athens Stock Exchange, it implements the current corporate governance legislation. In order to enhance corporate transparency and control mechanisms, effective management and optimal operational efficiency, the Company implements an Internal Operating Regulation and has adopted the Hellenic Corporate Governance Code issued by the Hellenic Corporate Governance Council (HCGC) of June 2021. In addition, the Code of Ethics and Business Ethics, the Code of Conduct for Suppliers / Partners of the Company and the Business Ethics and Anti-Corruption Policy reflect its commitment and position on the issues of transparency, anti-corruption and gift. The Company's exposure to the risk of corruption is systematically monitored.

It is pointed out that in order to achieve the above mentioned objectives of the Sustainable Development policy, the Company has established and operates the following Directorates, which are fully staffed with sufficient and appropriate staff:

- Directorate of Health and Safety.
- Environment Department.
- Directorate of Sustainable Development.
- Human Resources Department.
- Directorate of Quality Assurance and Environment.

We remain at your disposal for any additional information or clarification.

With kind regards,

THE MEMBERS OF THE AUDIT COMMITTEE

VASILEIOS LOUMIOTIS	PLOUTARCHOS SAKELLARIS	NIKOLAOS KOUDOUNIS
PRESIDENT	MEMBER	MEMBER

CVs OF MEMBERS OF THE BOARD OF DIRECTORS AND KEY EXECUTIVES OF THE COMPANY

Michael N. Stassinopoulos, Chairman, Non-executive member

Mr. Michael Stassinopoulos was born in Athens in 1967. He graduated from Athens College (1985) and holds a Bachelor's Degree in Management Sciences from London School of Economics (1989). He also holds a postgraduate diploma (MSc) in Shipping, Trade and Finance from City University Business School UK. Mr. Stassinopoulos is a member of the Board of Directors of Viohalco SA. since 2013. He was a member of the Board of Directors of Elval SA Aluminium Industry for 11 years. He also participates in the Board of Directors of the Hellenic Federation of Enterprises since 2016 and was previously a member during 1996-2006. He is a member of the Board of Directors of the Hellenic Production - Industry Roundtable for Growth, a newly established nongovernmental organization.

Dimitrios Kyriakopoulos, Vice-chairman, Executive member

Mr. Kyriakopoulos studied Business Administration at AUEB and holds a Diploma in Business Studies from the City of London College and Marketing from the British Institute of Marketing. He holds the position of the executive Vice-chairman of ElvalHalcor and the executive Vice-chairman Cenergy Holdings S.A He works for Viohalco since 2006, and since holds various managerial positions, among them financial manager of Viohalco and vice-chairman of the non-ferrous metals. Prior to Viohalcor, he had a long standing carreer in Pfizer/Warner/Lambert holding the position of Regional Director of Europe / Middle East / Africa of ADAMS (Confectionery Division of Pfizer), chairman of the consumer products of Warner Lambert for Italy/ France/ Germany, and President and CEO of Warner Lambert in Greece. He was also appointed Deputy Managing Director of Duty Free SA.

Lampros Varouchas, Executive member and General Manager of the aluminium segment

Mr. Varouchas is an Electrical Engineer of NTUA and he has been working in the aluminium rolling division of ElvalHalcor (former Elval) since 1969. He has served as Factory Manager and from 1983 to 2004 he was the Technical Director responsible for the implementation and design of the Company's Investment Program. Since 2005 he has been General Manager at the aluminium rolling division of ElvalHalcor. At the same time, he is a member of the BoD and Technical Officer of Bridgnorth Aluminium Ltd.

Panos Lolos, Executive BoD Member & General Manager of the Copper Segment

Mr. Panos Lolos was born in 1972. He holds a B.A. in Political Science & International Studies from Panteion University, an M.A. in International Economics from North Carolina State University and an MBA from the University of Piraeus.
From 2000 until 2001 he worked in AV VASSILOPOULOS S.A., a subsidiary of the Belgian food retailer DELHAIZE. Since 2001, he joined the heavy industry, having an experience in the domestic and exports sales of former "HALCOR S.A." and now "ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A." (Copper Segment / Copper & Alloys Extrusion Division – "HALCOR") a leading European manufacturer that specializes in the production, processing and marketing of copper and copper alloy products with dynamic commercial presence in the European and global markets. He undertook the position of the General Manager of the Copper & Alloys Extrusion Division of ELVALHALCOR S.A. in 2020, whereas today he also holds the position of the General Manager of the Copper Segment of the same company.
Mr. Lolos is the Chairman of the ASSOCIATION OF INDUSTRIES OF CENTRAL GREECE, member of the BoD of ELVALHALCOR S.A., SOFIA MED A.D., EANEP-O.A. S.A., EDEP-O.A. S.A., the HELLENIC FEDERATION OF ENTERPRISES (SEV), in which he holds the position of the Chairman of the International Trade Committee, the HELLENIC PRODUCTION – Industry Roundtable for Growth, and registered member of the ECONOMIC CHAMBER OF GREECE.
He has a strong interest in technology, competition, pricing techniques, regulation, market analysis and marketing strategies in the heavy industry.
Apart from industry-related topics, his pubic presence and his published articles in Greek and English are related to the economy and the regulation policies.

Konstantinos Katsaros, Executive member

Mr. Katsaros is a Mechanical and Electrical Engineer of the National Technical University of Athens. He is an Aeronautical Engineer of the Ecole Nationale Superieure d 'Aeronautique (Paris) and a Ph.D. Engineer of the University of Paris. He has been working in the aluminium rolling division of ElvalHalcor (former Elval) since 1974 and he is mainly engaged in the international development of the division. Previously he worked in Pechiney in France for 6 years. He is a member of the Board of Directors of many companies, chairman and vice chairman of the Hellenic Aluminium Association and today is a member of the Board of the European Union of Aluminium.

Nikolaos Koudounis, Non-executive member

Mr. Nikolaos Koudounis is a graduate of the Athens University of Economics and Business. He has been working in subsidiaries of the VIOHALCO group since 1968 and served as the Financial Director of the aluminum-rolling sector of ELVALHALCOR SA. (former ELVAL SA) (1983), General Manager of the aluminum-rolling sector of ELVALHALCOR SA (former ELVAL SA) (2000) and CEO of FITCO SA (2004). Currently, he is the Vice Chairman of the BoD of SYMETAL SA, the Chairman of the BoD of FITCO SA, a non- executive member of the BoD of ELVALHALCOR SA and a member of the Audit Committee and the Remuneration and Nomination Committee of ELVALHALCOR SA. During his long-standing career, he has performed audits for corporations operating in the production and processing of metal products. In addition, he has published numerous articles in magazines and in the regional and Athenian press on development issues, spatial planning issues, business parks and business taxation.
Furthermore, Mr. Koudounis has been the Chairman of the BoD of the Association of Industries of Central Greece (ΣΒΣΕ) since 2003, Chairman of the BoD of the Managing Body of the Thisvi Industrial Area (DIA.VI.PE.THI.V SA), Chairman of the BoD of the Inofyta Asopou Business Park Management Company (Ε.Δ.Ε.Π. Ο.Α. Α.Ε) and Vice Chairman of the BoD of the Development Company of the Region of Central Greece (ΑΝΔΙΑ Α.Ε.). He is a member of the BoD of the Hellenic Federation of Enterprises (SEV), of the Hellenic Association of Business Parks (ΕΣΕΠΠΑ), of the AgriFood Partnership (ΑΣΣΕ) as well as of all the Regional Councils of the Region of Central Greece.

Christos-Alexis Komninos, Non-executive Member

Mr. Christos Komninos is a Graduate (MSc) of the Department of Chemical Engineering of the Technical University of Istanbul (1971). During his career he has worked in many firms, like COCA-COLA 3E (1972-1987), where he assumed a leading position, as CEO of Coca-Cola Bottlers Ireland (a subsidiary of COCA COLA 3E) in 1987-1990 and later as CEO of the above said COCA COLA 3E until 2000, as Chairman and CEO, of PAPASTRATOS SA (2000-2004), as Executive Vice Chairman of SHELMAN SA, ELMAR S.A., (2005-2010) and as Chairman of the BoD of Hellenic Petroleum SA (2011-2014).
In addition to the above, Mr. Komninos has been Vice Chairman of the BoD and member of the Executive Committee of the Hellenic Federation of Enterprises (SEV) and he has been a member of the BoD of FINANSBANK (Turkey), of the BoD of ANADOLU EFES (Turkey) and of the BoD of HALCOR SA.(current ELVALHALCOR SA) while today he is Vice Chairman of the BoD of TRACE PLASTICS CO S.A.
During his career, Mr. Komninos has taken on important administrative duties and has gained experience in managing companies with international activities. He is fluent in English, French, Italian and Turkish.

Elias Stassinopoulos, Non-executive member

Mr. Elias Stasinopoulos holds a Ph.D. from the Technical University of Clausthal-Zellerfeld in Germany and has been working in the LHoist Group since 1994 in leading positions of responsibility. He speaks in addition to Greek, English, French, German.

Aikaterini-Nafsika Kantzia, Non-executive member

Mrs. Aikaterini-Nafsika Kantzia holds a Degree in Law from National and Kapodistrian University of Athens; Upper Second-Class Honours. As far as her professional experience, she practiced law from 1974-1993 at The Hellenic Chemical Products and Fertilizers Company S.A., Chemical Industries of the BODOSSAKI Group, and at the Greek Wine and Spirits Company S.A. and Larco S.A., belonging to the same group of companies. Within 1993-1996 she only worked for the Greek Wine and Spirits Company S.A. and Larco S.A., due to the fact that The Hellenic Chemical Products and Fertilizers Company S.A., of the BODOSSAKI Group was put into liquidation. In 1988, she began collaborating with VIOHALCO group of companies and offered her services as a freelancer to various subsidiary companies namely SIDENOR S.A., HELLENIC CABLES S.A., METEM S.A., VET S.A., VIOTIA CABLES S.A., ALUMINIUM OF ATHENS S.A., ELLINIKI XALIVDEMPORIKI S.A., ERLIKON S.A., VECTOR S.A., DEPAL S.A., SIDEP S.A, VIEM S.A., TELECABLES S.A., and STEELMETAL S.A. From 1995 until today she stipulates services as an in - house attorney to the companies SIDENOR S.A. and STEELMET S.A. Furthermore, Mrs. Kantzia has language diplomas in both German (Grosses Sprachdiplom) and French (Sorbonne II). She attains intermediate knowledge of the English language.

Athanasia Kleniati Papaionnou, Non-executive member

Ms. Athanasia Kleniati Papaioannou is a graduate of the School of Economics of the University of the Rhine "Frederick - William" in Bonn. The subject of her thesis was the comparison of regional productivity by industry in Greece and the conducting of economic policy conclusions. As a professional, she has participated in companies active in the retail and wholesale trade. She was a research associate at the University of Piraeus (Department of Economics) between 1980 and 1998 and in this setting she participated in the University's research programs and taught macroeconomic and microeconomic theory courses. Moreover, she has been involved for two years in conducting and compiling studies in various industries under her role as a research associate of the ICAP Group. She has knowledge of German and English.

Vasileios Loumiotis, Independent Non-executive member

Mr. Vasileios Loumiotis is a graduate of the Department of Business Administration and Management (1973) of the Athens University of Business and Economics (formerly ASOEE) and holds a Master's Degree in Business Administration (M.B.A.) from Roosevelt University in Chicago (1979). He is an auditor since 1980 and especially as a member of the Institute of Chartered Accountants of Greece (ΣΟΛ) from 1980 until 1992 and the Institute of Certified Public Accountants of Greece (ΣΟΕΛ) since 1993 until today. From 1993, under his capacity of the Certified Public Accountant, Mr. Loumiotis participates in "Associated Certified Public Accountants S.A." ("SOL S.A.") a partner. During his career as a Certified Public Accountant, he was elected, as auditor, by a significant number of companies to perform audits of annual financial statements. During his tenure as an auditor, he completed projects, as special audits for the initial public offering of companies in the Athens Exchange, corporate valuations, application of International Financial Reporting Standards, for a substantial number of companies. In addition, he served as a member of the technical desk of "SOL S.A." from 2006 until March of 2009. In regards to his teaching experience, he is serves as a professor for the Training Institute of Certified Public Accountants of Greece (Ι.Ε.Σ.Ο.Ε.Λ.) since 1997, a professor for National and Kapodistrian University of Athens, for the post-graduate course "Master in Applied Auditing", from 2006 until today and a professor for the University of Macedonia for the post-graduate course "Master in Applied Accounting and Auditing" since 2011 to date. In addition to the above, he serves as a professor of "SOL S.A." for the subjects of International Financial Reporting Standards, International Auditing Standards and Consolidated Financial Statements.

Ploutarchos Sakellaris, Independent, Non-executive member

Mr. Ploutarchos Sakellaris is Professor of Economics and Finance at Athens University of Economics and Business, focusing his research and teaching on macroeconomics, finance and banking. In parallel, Mr. Sakellaris is a member of the Board of Directors and Chairman of the Audit Committee of CEPAL Hellas, a company servicing loans and credit claims, and a member of the Board of Directors of Hellas Capital Leasing. Mr. Sakellaris was Vice-President and Member of the Management Committee of the European Investment Bank (2008-2012), where he was responsible for risk management and financing in the energy sector. During the period 2004-2008, he was Chairman of the Council of Economic Advisers at the Ministry of Finance, Deputy to the Minister of Finance in the European Union Councils of Eurogroup and ECOFIN, and a member of the EU Economic and Financial Committee (EFC) and the Eurozone Working Group (EWG). He has been a member of the Board of Directors and the Audit Committee of the TITAN Group (2013-2019), a member of the Board of Directors of CreditM (2013-2018), a member of the Board of Directors, the Audit Committee and the Corporate Governance and Nominations Committee of the National Bank of Greece (2004-2008), member of the Board of Directors of the Public Debt Management Agency (2004-2008), as well as Deputy Governor for Greece at the World Bank (2004-2008). His professional career includes the positions of economist at the US Federal Reserve Board (1998-2000), visiting expert at the European Central Bank (2001-2003) and professor at the University of Maryland (1991-2004). Mr. Sakellaris holds a Ph.D. in economics and a M.A. and a M. Phil. from Yale University. He also holds a B.A. degree in economics and computer science from Brandeis University.

Ourania Ekaterinari, Independent Non-executive member

Ourania Ekaterinari holds a degree in electrical engineering from Aristotle University and an MBA from City University Business School. During the period 2017-2021, Ourania Ekaterinari served as CEO and member of the Board of Directors of the Hellenic Corporation of Assets and Participations SA (''HCAP''). HCAP is a holding company, owning a big portfolio of state real estate assets as well as participations in large state-owned enterprises active in key sectors of the Greek economy with the aim to optimize their operations but also develop and exploit them so as to generate more revenues for the State. Before these positions, Ourania was Partner at Ernst & Young (EY) in Transaction Advisory Services and also Energy Sector leader for Southeast Europe. Between 2010 - 2015, she was Deputy CEO of Public Power Corporation (PPC), the largest Greek electric utility, and member of its Board of Directors. She has also worked for more than 10 years in corporate & investment banking, in London and in Athens for Deutsche Bank, BNP Paribas and Eurobank. In the 90s, she worked in the oil industry in the Caspian region for Texaco in London as well as an electrical engineer in Greece and Denmark. Mrs. Ekaterinari is member of the European Network for Women in Leadership (WIL), member of the Advisory Board of Dianeosis, member of the Leadership Committee of American Hellenic Chamber of Commerce (AmCham), member of the Council for Competitiveness of Greece (COMPETEGR) and until recently member of the Hellenic Corporate Governance Council (HCGC). She was also member of the Energy Committee of the American-Hellenic Chamber of Commerce, member of the Board of the Greek Independent Transmission Operator and Deputy Chairman of the Energy Committee of the Technical Chamber of Greece.

Thomas George Sofis, Independent Non-executive member

Mr. Thomas George Sofis is graduate of the West Point military academy in the USA, and started his career as a pilot of the US Air Force. After that, he assumed various administrative positions in the procurement department of ACF Industries and Westinghouse Corporation. During his long-standing professional career assumed managerial positions in Reynolds Metal Co., Findal SRL and served as sales representative of ELVAL's products in Italy.

Georgios Lakkotrypis, Independent Non-executive member

Mr. Georgios Lakkotrypis holds a BSc. degree in Computer Science and Mathematics from the University of Keele in the United Kingdom (1988-1991) and an MBA in Business Administration, from the University of Colorado in the United States (1993-1995). Between 1991 and 1993 he served as IT Systems Administrator for J & P, one of the top construction companies in the world, where he overlooked the company's IT systems in Benghazi, Libya. Subsequently, he became part of the IBM team in Nicosia, Cyprus (1996-2002) where he worked in sales, and customer and partner relationships. He then worked for eleven years at Microsoft Corporation, as Cyprus & Malta Business Development Manager (2002-2004), Cyprus Country Manager (2004-2008), Cyprus & Malta Regional Country Manager (2008-2011) and CEE Multi-Country Public Sector Director (2011-2013). During this time, he also served as a non-executive member of the Board of Directors of the then newly established University of Nicosia Research Foundation (2008-2013), the first Board of Directors of the Cyprus Investment Promotion Agency (2007-2011) and the first Board of Directors of the Natural Gas Public Company (2009-2013). In March 2013, Mr. Lakkotrypis was appointed as Minister of Energy, Commerce, Industry and Tourism of the Republic of Cyprus, a position in which he was reappointed in March 2018. He concluded his term in office in July 2020. Currently, through his private firm, LMA Advisory Ltd, Mr. Lakkotrypis is providing consultancy services in areas such as digital transformation and energy transition, while he serves on the board of directors of Ronin Europe Ltd as a non-executive member.

<u>KEY EXECUTIVES OTHER THAN MEMBERS OF THE BOARD OF DIRECTORS</u>

Spyridon Kokkolis, Group CFO

Mr. Kokkolis is an economist, graduate of Athens University of Economics. Mr. Kokkolis has worked for the internal auditing department of Viohalco Group since 1993. His professional career includes the positions of Head of Financial Planning and reporting (2001-2003) and Group CFO (2004-2017) of HALCOR S.A., where he was responsible for M&A activities and projects, including the merger with FITCO in 2006 and subsequent spin-off in 2010, the acquisition of 50% of NEDZINK in 2017 and the merger with ELVAL within the same year. He currently holds the position of Group CFO of ELVALHALCOR S.A. since the merger with ELVAL and his responsibilities include, among others, the supervision of the Supply Chain Department of the Copper Tubes Division, the Preparation for Bond Issuance and Risk and Inventory management of metals exposure. He also served as BoD member of ELVALHALCOR S.A. during the period 2017-2021.

Nikolaos Karabateas, Deputy General Manager of the Aluminium Segment

Mr. Nikolaos Karabateas holds a degree in Mechanical Engineering from the National Technical University of Athens (1988-1993) and a Ph.D. in Mechanical Engineering from Imperial College London (1993-1997). He has been working in the Aluminum Rolling Segment of ELVALHALCOR (formerly ELVAL) since 1999. In 2012 he took over the position of Commercial Director where he was responsible for the sales, marketing and development strategy in the international markets. In 2021 he took over the position of Deputy General Manager of the Aluminum Segment of ELVALHALCOR.

Stavros Voloudakis, Aluminum Segment Subsidiaries Coordinator

Mr. Stavros Voloudakis is a graduate Production & Management Engineer from the Technical University of Crete (1989), holder of a postgraduate degree M.Sc. in Artificial Intelligence (AI) from UGA University USA (1992) as well as postgraduate programs for senior executives from IMD (2007). Between 1996-2001 he was the coordinator of central procurement agreements for Intracom Telecom SA. From 1994-2004 he was a professor (Part Time) at the American College of Greece (Deree College) while from 2001 he took over the General Management of TOP ELECTRONIC COMPONENTS SA. Since September 2003 he has been a member of the VIOHALCO Group and has been the Director of Central Procurement of the Group. Then, from 2015 and for the next 16 years, he was the Deputy General Manager, initially of ELVAL SA. and then ELVALHALCOR SA while at the same time from 2015 until May 2021 he was an Executive Member of the Board of Directors of these companies. Since the beginning of 2021, he has taken over as Coordination Director of the Aluminum Subsidiaries of ELVALHALCOR as well as General Manager of the Subsidiary ANOXAL SA. At the same time, Mr. Voloudakis is the Executive Chairman of the subsidiary VIOMAL SA as well as the Executive Board Member of the subsidiaries SYMETAL SA, VEPAL SA, ANOXAL SA, ELVAL COLOR SA and ELVIOK SA.

NUMBER OF SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND KEY EXECUTIVES AS OF THE DATE HEREOF

(Article 18 par. 3 N. 4706/2020 and protocol nr. 425/21.02.2022 letter of the Hellenic Capital Market Commission to the listed companies)

On the date hereof, the number of shares held by each member of the Board of Directors and each key executive officer of the Company is as follows:

FULL NAME	CAPACITY	NR. OF SHARES
Michael N. Stassinopoulos	Chairman, non-executive Director	1,294,771
Spyridon Kokkolis	Group CFO	50,000
Stavros Voloudakis	Aluminum Segment Subsidiaries Coordinator	15,000

Vice-Chairman of the BoD	General Manager of the Aluminium Segment & Member of the BoD	General Manager of the Copper Segment & Member of the BoD	Group Chief Financial Officer
DIMITRIOS KYRIAKOPOULOS	**LAMPROS VAROUCHAS**	**PANAGIOTIS LOLOS**	**SPYRIDON KOKKOLIS**

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Elvalhalcor Hellenic Coppers and Aluminium Industry SA"

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of Elvalhalcor Hellenic Coppers and Aluminium Industry SA (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2021, the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31st December 2021, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018**.**

Basis for opinion

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

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

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1st January 2021 to 31st December 2021 during the year ended as at 31 December 2021, are disclosed in the note 32 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key audit matter	*How our audit addressed the key audit matter*
Loan Liabilities (Separate and Consolidated financial statements) As disclosed in Note 22 of the attached financial statements, as at 31st December 2021 the Group had loan liabilities amounting to Euro 878 million, of which amount Euro 113,4 million related to instalments of long-term and syndicated loans and finance lease liabilities, expiring in the short-term as at the balance sheet date. The contracts of the long-term syndicated loans contain financial covenants and other terms, such as change of control clauses. As disclosed in Note 22 of the attached financial statements, in 2021 the Group has obtained new loan contracts of Euro 290 million. For the evaluation of refinancing and the available future cash flows of the Group, management applied assumptions and estimates. The risk of non-compliance to the terms of the loan agreements was considered a significant audit risk. For these reasons, we consider this area to be a key audit matter.	We performed the following audit procedures: • We obtained the agreements of the long term and syndicated loans and gained understanding of the terms of the agreements. • We recomputed financial loan covenants ratios and confirmed the assessment of the management in relation to compliance with those covenant ratios. • We examined the accounting classification of the new and amended contract relating to the main loans. • We tested the key assumptions used by the Group in the future cash flows. We utilised our internal valuation experts to assess the reasonableness of the assumptions used by management. • We assessed the reliability of management's forecast by reviewing actual performance against previous forecasts. • We tested the mathematical accuracy of the cash flow models and agreed relevant data to approved financial budgets. • We assessed management's estimate as regards the adequacy of future cash flows relating to the repayment of loan obligations of the Group. • As a result of our work, we did not identify exceptions as regards, recognition, measurement and classification of the loan liabilities and considered that the assumptions and estimates of management are within reasonable range. We found that the related disclosures included in the financial statements were adequate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Explanatory Report of the Board of Directors, the Corporate Governance Report, the Non-financial statements, the Statement of Members of the Board of Directors and the Report of the Board of Directors (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

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

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

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

- The information given in the the Board of Directors' Report for the year ended at 31st December 2021 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

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2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 26/5/2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 5 years.

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3. Operating Regulation

"The Company has an Operating Regulation in accordance with the content provided by the provisions of article 14 of Law 4706/2020".

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4. Assurance Report on the European Single Electronic Format

We have examined the digital files of ABC (hereinafter referred to as the “Company and / or Group”), which were compiled in accordance with the European Single Electronic Format (ESEF) defined by the Commission Delegated Regulation (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter “ESEF Regulation”), and which include the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML format «213800EYWS2GY56AWP42-2021-12-31-el.xhtml», as well as the provided XBRL file «213800EYWS2GY56AWP42-2021-12-31-el.xhtml» with the appropriate marking up, on the aforementioned consolidated financial statements.

Regulatory framework

The digital files of the European Unified Electronic Format (ESEF) are compiled in accordance with ESEF Regulation and 2020 / C 379/01 Interpretative Communication of the European Commission of 10 November 2020, as provided by Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter “ESEF Regulatory Framework”).

In summary, this Framework includes the following requirements:

• All annual financial reports should be prepared in XHTML format.

• For consolidated financial statements in accordance with International Financial Reporting Standards, the financial information stated in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows should be marked-up with XBRL 'tags', according to the ESEF Taxonomy, as in force. The technical specifications for ESEF, including the relevant classification, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the current ESEF Regulatory Framework are suitable criteria for formulating a reasonable assurance conclusion.

Responsibilities of the management and those charged with governance

The management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company and the Group, for the year ended December 31, 2021, in accordance with the requirements set by the ESEF Regulatory Framework, as well as for those internal controls that management identifies as necessary, to enable the compilation of digital files free of material error due to either fraud or error.

Auditor’s responsibilities

Our responsibility is to plan and carry out this assurance work, in accordance with no. 214/4 / 11.02.2022 Decision of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the "Guidelines in relation to the work and the assurance report of the Certified Public Accountants on the European Single Electronic Format (ESEF) of issuers with securities listed on a regulated market in Greece" as issued by the Board of Certified Auditors on 14/02/2022 (hereinafter "ESEF Guidelines"), providing reasonable assurance that the separate and consolidated financial statements of the Company and the Group prepared by the management in accordance with ESEF comply in all material respects with the applicable ESEF Regulatory Framework.

Our work was carried out in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standard Board for Accountants (IESBA Code), which has been transposed into Greek Law and in addition we have fulfilled the ethical responsibilities of independence, according to Law 4449/2017 and the Regulation (EU) 537/2014.

The assurance work we conducted is limited to the procedures provided by the ESEF Guidelines and was carried out in accordance with International Standard on Assurance Engagements 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information". Reasonable assurance is a high level of assurance, but it is not a guarantee that this work will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, we conclude that the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML file format «213800EYWS2GY56AWP42-2021-12-31-el.xhtml», as well as the provided XBRL file «213800EYWS2GY56AWP42-2021-12-31-el.xhtml» with the appropriate marking up, on the aforementioned consolidated financial statements have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

PricewaterhouseCoopers S.A.	
Certified Auditors – Accountants	Athens, 15 March 2022
268, Kifissias Avenue	The Certified Auditor Accountant
152 32 Halandri	Konstantinos Michalatos
SOEL Reg. 113	SOEL Reg. No 17701

Annual Financial Statements (Group and Company) as at 31 December 2021 according to International Financial Reporting Standards

THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS	THE GENERAL MANAGER OF THE ALUMINIUM SEGMENT AND MEMBER OF THE BOD	THE GENERAL MANAGER OF THE COPPER SEGMENT AND MEMBER OF THE BOD	THE GROUP CHIEF FINANCIAL OFFICER
DIMITRIOS KYRIAKOPOULOS ID Card No. AK 695653	LAMPROS VAROUCHAS ID Card No. AB 535203	PANAGIOTIS LOLOS ID Card No. AH 131173	SPYRIDON KOKKOLIS ID Card No. AN 659640 Reg.Nr. A' Class 20872

ELVALHALCOR SA

G.C.Registry.: 303401000
SA Registry No: 2836/06/B/86/48
SEAT: Athens Tower, Building B, 2-4Mesogeion Avenue

ELVALHALCOR
HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

I. Statement of Financial Position

		GROUP		COMPANY	
EUR		2021	2020	2021	2020
ASSETS	Note	€ '000	€ '000	€ '000	€ '000
Non-current assets					
Property, plant and equipment	*10*	967,684	851,942	685,581	582,956
Right of use assets	*33*	22,021	19,734	16,989	17,838
Intangible assets and goodwill	*11*	89,929	79,474	70,329	70,627
Investment property	*12*	3,244	6,267	17,499	18,714
Investments in Viohalco subsidiaries	*13*	-	-	269,353	271,359
Investments in Viohalco associates	*13*	29,964	91,745	30,417	84,965
Other Investments	*14*	4,231	4,301	4,189	2,185
Deferred income tax assets	*15*	1,679	172	-	-
Derivatives	*18*	-	64	-	64
Trade and other receivables	*17*	5,048	2,748	2,890	2,403
Non-current loan receivables	*34*	-	3,975	-	3,975
		1,123,801	**1,060,421**	**1,097,248**	**1,055,086**
Current Assets					
Inventories	*16*	697,605	503,773	436,739	308,816
Trade and other receivables	*17*	298,243	254,606	251,758	232,555
Income tax receivables		78	206	-	-
Loan Receivables	*34*	5,746	-	8,746	-
Derivatives	*18*	14,125	5,477	11,037	3,346
Cash and cash equivalents	*19*	91,144	33,838	57,242	12,627
		1,106,941	**797,900**	**765,522**	**557,343**
Total assets		**2,230,742**	**1,858,321**	**1,862,770**	**1,612,430**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	*20*	146,344	146,344	146,344	146,344
Share premium	*20*	65,030	65,030	65,030	65,030
Other reserves	*20*	291,419	310,790	287,424	319,045
Retained earnings/(losses)		286,426	248,017	226,629	208,478
Equity attributable to owners of the company		**789,219**	**770,182**	**725,428**	**738,898**
Non-Controlling Interest		19,098	14,352	-	-
Total equity		**808,316**	**784,534**	**725,428**	**738,898**
LIABILITIES					
Non-current liabilities					
Loans and Borrowings	*22*	662,111	452,706	599,191	382,339
Lease liabilities	*22*	10,392	10,480	6,543	9,220
Derivatives	*18*	3,205	270	3,205	270
Deferred tax liabilities	*15*	57,006	57,421	46,963	47,521
Employee benefits	*23,37*	12,585	11,176	8,836	7,902
Grants	*24*	15,233	15,607	9,044	8,590
Provisions	*25*	1,608	1,597	1,411	1,260
Trade and other payables	*26*	11,695	200	11,495	-
		773,835	**549,456**	**686,687**	**457,102**
Current liabilities					
Trade and other payables	*26*	412,266	309,706	319,647	269,597
Contract liabilities		9,267	8,826	4,562	6,427
Current tax liabilities	*15*	18,093	10,062	15,685	8,926
Loans and Borrowings	*22*	200,910	189,671	104,801	126,996
Lease liabilities	*22*	4,785	3,992	3,412	3,278
Derivatives	*18*	3,108	1,912	2,439	1,097
Provisions	*25*	162	162	110	110
		648,591	**524,331**	**450,655**	**416,430**
Total liabilities		**1,422,425**	**1,073,787**	**1,137,342**	**873,532**
Total equity and liabilities		**2,230,742**	**1,858,321**	**1,862,770**	**1,612,430**

The notes on pages 74 to 153 constitute an integral part of these Financial Statements. 2020 is restated pursuant to the implementation of IAS 19. (Please see note 37).

II. Income Statement

EUR	Note	GROUP 2021 € '000	GROUP 2020 Restated € '000	COMPANY 2021 € '000	COMPANY 2020 Restated € '000
Revenue	6	**2,883,042**	**2,028,588**	**1,969,822**	**1,405,660**
Cost of sales	8	(2,648,216)	(1,893,826)	(1,820,663)	(1,319,072)
Gross profit		**234,826**	**134,762**	**149,159**	**86,588**
Other Income	7	15,636	10,785	12,869	10,690
Selling and Distribution expenses	8	(28,455)	(21,430)	(11,370)	(11,772)
Administrative expenses	8	(61,761)	(54,306)	(43,420)	(37,954)
Impairment loss on receivables and contract assets		(489)	(485)	(131)	(112)
Other Expenses	7	(12,846)	(9,904)	(8,554)	(7,248)
Operating profit / (loss)		**146,911**	**59,421**	**98,554**	**40,192**
Finance Income	9	279	288	446	400
Finance Costs	9	(31,266)	(25,506)	(24,434)	(19,414)
Dividends		113	-	2,822	1,208
Net Finance income / (cost)		**(30,874)**	**(25,218)**	**(21,166)**	**(17,806)**
Share of profit/ (loss) of equity-accounted investees, net of tax	13	89	4,580	-	-
Impairment of participations	13	(5,865)	-	(9,535)	-
Profit / (Loss) from distribution in kind	36	22,157	-	32,603	-
Profit/(Loss) before income tax		**132,418**	**38,783**	**100,456**	**22,386**
Income tax expense	15	(18,504)	(9,417)	(12,211)	(5,432)
Profit/(Loss) for the year		**113,914**	**29,366**	**88,245**	**16,954**
Attributable to:					
Owners of the Company		111,689	28,309	88,245	16,954
Non-controlling Interests		2,226	1,057	-	-
		113,914	**29,366**	**88,245**	**16,954**
Shares per profit to the shareholders for period (expressed in € per share)					
Basic and diluted		0.2976	0.0754	0.2352	0.0452

The notes on pages 74 to 153 constitute an integral part of these Financial Statements. 2020 is restated pursuant to the implementation of IAS 19. (Please see note 37)

ELVALHALCOR
HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

III. Statement of Other Comprehensive Income

		GROUP		COMPANY	
	Note:	2021	2020 Restated	2021	2020 Restated
		€ '000	€ '000	€ '000	€ '000
Profit / (Loss) of the period from continued operations		**113,914**	**29,366**	**88,245**	**16,954**
Items that will never be reclassified to profit or loss					
Remeasurements of defined benefit liability	*23,37*	(343)	(424)	(335)	(237)
Equity investments in FVOCI - net change in fair value		-	178	-	-
Related tax		102	49	74	57
Total		**(241)**	**(197)**	**(262)**	**(180)**
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences		(132)	(1,145)	-	-
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion		3,300	3,899	4,144	2,642
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss		(433)	8	(2,033)	(235)
Other movements		49	(314)	-	-
Related Tax		(474)	(655)	(422)	(578)
Total		**2,310**	**1,794**	**1,689**	**1,830**
Other comprehensive income / (expense) after tax		**2,069**	**1,597**	**1,427**	**1,649**
Total comprehensive income / (expense) after tax		**115,983**	**30,962**	**89,672**	**18,603**
Attributable to:					
Owners of the company		**113,653**	**29,728**	**89,672**	**18,603**
Non-controlling interests		2,329	1,234	-	-
Total comprehensive income / (expense) after tax		**115,983**	**30,962**	**89,672**	**18,603**

The notes on pages 74 to 153 constitute an integral part of these Financial Statements. 2020 is restated pursuant to the implementation of IAS 19. (please see note 37)

IV. Statement of Changes in Equity

GROUP € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Other Reserves	Results carried forward	Foreign Exchange translation reserve	Total	Non-Controlling Interest	Total Equity
Balance as at 1 January 2020	**146,344**	**65,030**	**69,588**	**235,969**	**230,555**	**(295)**	**747,190**	**14,084**	**761,274**
Effect from implementation of IAS 19	-	-	-	-	5,752	-	5,752	-	**5,752**
Restated Balance as at 1 January 2020	**146,344**	**65,030**	**69,588**	**235,969**	**236,307**	**(295)**	**752,942**	**14,084**	**767,026**
Net Profit / (Loss) for the period	-	-	-	-	28,309	-	28,309	1,057	**29,366**
Other comprehensive income	-	-	-	3,252	(689)	(1,145)	1,419	177	**1,597**
Total comprehensive income	-	-	-	3,252	27,620	(1,145)	29,728	1,234	**30,962**
<u>Transactions with the shareholder's directly in equity</u>									
Transfer of reserves	-	-	-	3,418	(3,418)	-	-	-	**-**
Dividend	-	-	-	-	(11,257)	-	(11,257)	-	**(11,257)**
Acquisition of NCI	-	-	-	4	(1,234)	-	(1,230)	(966)	**(2,196)**
Total transactions with the shareholders	-	-	-	3,422	(15,909)	-	(12,487)	(966)	**(13,453)**
Balance as at 31 December 2020	**146,344**	**65,030**	**69,588**	**242,643**	**248,019**	**(1,440)**	**770,183**	**14,352**	**784,534**
Balance as at 1 January 2021	**146,344**	**65,030**	**69,588**	**242,643**	**248,019**	**(1,440)**	**770,183**	**14,352**	**784,534**
Net Profit / (Loss) for the period	-	-	-	-	111,689	-	111,689	2,225	**113,914**
Other comprehensive income	-	-	-	2,392	(295)	(132)	1,965	104	**2,069**
Total comprehensive income	-	-	-	2,392	111,394	(132)	113,654	2,329	**115,983**
<u>Transactions with the shareholder's directly in equity</u>									
Transfer of reserves	-	-	(23,444)	1,809	21,634	-	-	-	**-**
Dividend	-	-	-	-	(94,619)	-	(94,619)	-	**(94,619)**
Change in ownership interests	-	-	-	3	-	-	3	2,416	**2,419**
Total of transactions with the Shareholder's	-	-	(23,444)	1,812	(72,985)	-	(94,617)	2,416	**(92,201)**
Balance as at 31 December 2021	**146,344**	**65,030**	**46,144**	**246,847**	**286,427**	**(1,572)**	**789,221**	**19,097**	**808,316**

The notes on pages 74 to 153 constitute an integral part of these Financial Statements. 2020 is restated pursuant to the implementation of IAS 19. (Please see note 37)

COMPANY € '000	Paid-in Capital	Share Premium	Acquisition Reserve	Reserves	Results carried forward	Total
Balance as at 1 January 2020	**146,344**	**65,030**	**83,153**	**232,439**	**200,460**	**727,427**
Effect from implementation of IAS 19	-	-	-	-	4,126	**4,126**
Balance as at 1 January 2020	**146,344**	**65,030**	**83,153**	**232,439**	**204,586**	**731,553**
Net Profit / (Loss) for the period	-	-	-	-	16,954	**16,954**
Other comprehensive income	-	-	-	1,829	(180)	**1,649**
Total comprehensive income	-	-	-	1,829	16,773	**18,603**
Transactions with the shareholder's directly in equity						
Transfer of reserves	-	-	-	1,623	(1,623)	**-**
Dividend	-	-	-	-	(11,257)	**(11,257)**
Total transactions with the shareholders	-	-	-	1,623	(12,881)	**(11,257)**
Balance as at 31 December 2020	**146,344**	**65,030**	**83,153**	**235,892**	**208,478**	**738,898**
Balance as at 1 January 2021	**146,344**	**65,030**	**83,153**	**235,892**	**208,478**	**738,898**
Net Profit / (Loss) for the period	-	-	-	-	88,245	**88,245**
Other comprehensive income	-	-	-	1,689	(262)	**1,427**
Total comprehensive income	-	-	-	1,689	87,984	**89,672**
Transactions with the shareholder's directly in equity						
Transfer of reserves	-	-	(22,826)	-	22,826	**-**
Dividend	-	-	-	-	(94,620)	**(94,620)**
Mergers and absorptions	-	-	(10,484)	-	1,961	**(8,522)**
Total transactions with the shareholders	-	-	(33,310)	-	(69,833)	**(103,142)**
Balance as at 31 December 2021	**146,344**	**65,030**	**49,843**	**237,581**	**226,630**	**725,428**

The notes on pages 74 to 153 constitute an integral part of these Financial Statements. 2020 is restated pursuant to the implementation of IAS 19. (please see note 37)

V. Statement of Cash-Flows

	Note	GROUP 2021	GROUP 2020 Restated	COMPANY 2021	COMPANY 2020 Restated
Cash flows from operating activities		**€ '000**	**€ '000**	**€ '000**	**€ '000**
Profit / (loss) after taxes		**113,914**	**29,366**	**88,245**	**16,954**
Adjustments for:					
Tax		18.502	9.417	12.211	5.432
Depreciation and Amortization		68.403	61.988	46.434	41.987
Depreciation of tangible assets		65.667	60.057	44.086	39.632
Depreciation of right of use assets		3.003	2.458	1.686	1.659
Depreciation of intangible assets		1.226	1.024	649	701
Depreciation of Investment Property		100	207	1.215	1.216
Amortization of grants		(1.593)	(1.757)	(1.202)	(1.221)
Finance Income		(279)	(288)	(446)	(400)
Dividends		(113)	-	(2.822)	(1.208)
Share of profit/ (loss) of equity-accounted investees, net of tax		(89)	(4.580)	-	-
Impairment loss on investments		5.865	-	9.535	-
Interest charges & related expenses		31.266	25.506	24.434	19.414
(Profit) / loss from sale of tangible assets		558	(569)	(1.009)	(313)
(Reversal) of dividend in kind		(22.157)	-	(32.603)	-
Impairment/ (Reversal of Impairment) on tangible assets		2.057	-	2.057	-
Loss from assets and investment property write off		884	1.887	740	1.846
Impairment of inventories		(513)	(1.342)	-	-
Impairment/ (Reversal of Impairment) of receivables		696	485	131	112
		218.994	**121.871**	**146.907**	**83.824**
Decrease / (increase) in inventories		(193.319)	(32.480)	(127.923)	(8.758)
Decrease / (increase) in receivables		(43.148)	(39.025)	(29.620)	(36.936)
(Decrease) / Increase in liabilities (minus banks)		68.867	70.097	52.502	68.859
(Decrease) / Increase in defined benefit obligation		1.409	(1.589)	934	(418)
(Decrease) / Increase in contract liabilities		-	104	(1.865)	(376)
		(166.190)	**(2.892)**	**(105.972)**	**22.371**
Interest charges & related expenses paid		(27.276)	(26.483)	(21.371)	(20.024)
Income tax paid		(3.232)	(5.810)	(355)	(4.956)
Net Cash flows from operating activities		**22.295**	**86.686**	**19.209**	**81.214**
Cash flows from investing activities					
Purchase of tangible assets	*10*	(145.519)	(115.572)	(106.794)	(93.258)
Purchase of intangible assets	*11*	(798)	(182)	(181)	(155)
Proceeds from sales of fixed assets	*12*	2.091	1.635	1.877	1.010
Proceeds from sales of investment properties		-	148	-	148
Dividends received		113	-	2.822	1.208
Interest received		253	288	446	400
Acquisition of investments and other investments		(1.755)	(4.512)	(4.750)	(11.165)
Acquisition of other investments		(3.500)	(9.100)	(32.706)	(9.100)
Cash acquired from business combinations		(20.223)	-	1.676	-
Net Cash flows from investing activities		**(169.337)**	**(127.296)**	**(137.610)**	**(110.912)**
Cash flows from financing activities					
Dividends paid		(9.381)	(11.257)	(9.381)	(11.257)
Loans received		537.131	127.020	477.978	102.696
Loans settlement		(320.289)	(85.917)	(303.383)	(62.030)
Payment of lease liabilities		(4.340)	(4.086)	(3.417)	(3.327)
		1.227	-	1.219	-
Net cash flows from financing activities		**204.348**	**25.760**	**163.016**	**26.082**
Net (decrease)/ increase in cash and cash equivalents		57.306	(14.850)	44.615	(3.616)
Cash and cash equivalents at the beginning of period		33.838	48.688	12.627	16.243
Effect of Foreign exchange in the cash and cash equivalents		-	-	-	-
Cash and cash equivalents at the end of period		**91.144**	**33.838**	**57.242**	**12.627**

The notes on pages 74 to 153 constitute an integral part of these Financial Statements. 2020 is restated pursuant to the implementation of IAS 19. (Please see note 37)

1. Incorporation and Group Activities:

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A was created by the merger by absorption of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." (hereinafter "ELVAL") by the listed "HALCOR METAL WORKS S.A." (hereinafter "HALCOR") with the 131569/30-11-2017 of the Ministry of Economy and Development.

The duration of the company has been set until 31.12.2200. It is listed on Athens Stock Exchange and is a subsidiary of VIOHALCO S.A.. The Company is registered at the Companies registry (M.A.E.) with number 2836/06/B/86/48 and at the General Commercial Registry (GEMI) with registration number 303401000, and LEI: 213800EYWS2GY56AWP42.

These Financial Statements (the "Financial Statements") of the Company for the year ended on 31 December 2021 include the individual financial statements of ELVALHALCOR and the consolidated financial statements of the Company (together the "Group"). The names of subsidiaries and affiliated companies are presented in Note 30 of the Financial Statements.

The Financial Statements of ELVALHALCOR are included in the consolidated Financial Statements of VIOHALCO S.A/NV that is traded on the EURONEXT stock exchange in Belgium as well as in the Athens Exchange.

The principal activities of the Group lie in the processing of metals, and more specifically in the production, manufacturing and trade and agency of products made of copper, copper alloys, aluminium, aluminium alloys and zinc as well as from other metals or alloys, and any type of their products. The Group is operating in Greece, Bulgaria and Turkey.

The Company is seated in Greece, 2-4 Mesogeion Ave., Athens Tower, Building B, 11525, Athens. The central offices of the Company and its contact address are located at the 61 - 62nd km of "Athens-Lamia" National Highway, Inofyta (Pref. of Viotia), GR-32011. The company's website is www.elvalhalcor.com.

2. Basis of preparation of the Financial Statements

(a) Compliance note

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The International Financial Reporting Standards issued by the IASB may differ from those adopted by the European Union.

The financial statements ended 31 December 2021 were approved for publication by the Company's Board of Directors on 15th of March, 2022 and remain under the approval of the General Assembly of Shareholders.

(b) Measurement basis

The Financial Statements have been prepared in accordance with the historical cost principle except derivatives and investments measured at fair value.

(c) Functional exchange rate and presentation

The Financial Statements are presented in Euro, which is the Company's functional currency. The amounts indicated in the Financial Statements are denominated in thousands of Euro and are rounded up/down to the nearest thousand (any differences in sums are due to rounding up/down).

(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.

Estimates and related assumptions are continuously revised. These revisions are recognized in the period they were made and any subsequent ones.

Specific information about the areas for which estimates are uncertain and vital decisions must be made with respect to the application of accounting policies having a considerable effect on the amounts posted in financial statements is given in the notes below:

Significant Estimates

- Valuation of assets that are not measured at fair values: The Group and the company make estimates regarding any impairment of the fixed assets which are not measured in fair values (Investments in subsidiaries and associates, Intangible assets, Property, Plant and Equipment and Investment property). In regards, to the investments in subsidiaries and other related companies, the Company examines at each reporting period if there are any indications of impairment of the investment in participations. Where there are indications of impairment, the Company proceeds to relative test according to the accounting policy which if follows. The significant estimates of the Management during the calculation of the recoverable value concern the estimation of the future cash flows, which depends on the a number of factors, including forecasts regarding the sales in future periods, forecasts of costs, as well as the use of proper discount rate. In regards to the PPE and investment property, the impairment of land-plots and buildings (including investment property) requires the formulation of estimates mainly linked to the cause, the time and the amount of impairment. The Group examines at each reporting period if there are any indication for impairment of the PPE and Investment property according to the accounting policy. The Management makes significant estimates in regards to the determination of the recoverable value. The determination of the indication for impairment, as well as the estimate of future cash flows and the determination of the fair values of the assets (or group of assets) require the Management to make significant estimates regarding the determination and the valuation of indication of impairments, the expected cash-flows, the discount rates which are applied, the useful lives and the residual values of the assets. In regards to the investment property, the impairment test may be conducted by the Management in cooperation with independent valuator.
- Assessment of goodwill and intangible assets impairment: The group assessed the impairment in goodwill and intangible assets. (Refer to note 11).

3. New principles

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1st January 2021 and afterwards. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

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

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9'

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 April 2021)

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

IFRS 17 'Insurance contracts' and Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023)

IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2023)

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

IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies' <u>(effective for annual periods beginning on or after 1 January 2023)</u>

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' <u>(effective for annual periods beginning on or after 1 January 2023)</u>

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction' <u>(effective for annual periods beginning on or after 1 January 2023)</u>

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

IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' <u>(effective for annual periods beginning on or after 1 January 2023)</u>

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendment has not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 <u>(effective for annual periods beginning on or after 1 January 2022)</u>

<u>*IFRS 9 'Financial instruments'*</u>

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

<u>*IFRS 16 'Leases'*</u>

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

<u>*IAS 41 'Agriculture'*</u>

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

4. Significant accounting principles

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

4.1. Basis of consolidation

a) Business combinations

The acquisitions of subsidiaries accounted under the purchase method on the date of acquisition, the date on which control is transferred to the Group. Control power is the power of operating and financial policies of an enterprise so as to benefit from the activity. In assessing control, the Group takes account of potential voting rights that presently may be exercisable.

The goodwill arises from the acquisition of subsidiaries and constitutes the exceeding amount between the sum of purchase price and the amount of the non-controlling participation to the acquired entity at the date of acquisition and the fair value of the net assets acquired. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets then the difference of a bargain purchase is recognized in the profit and loss.

Any expenses related to the acquisition are posted directly on the profit and loss. Any consideration transferred is recognized at fair value at the acquisition date.

b) Accounting for acquisitions of minority interests

Acquisitions of minority interests are accounted as transactions of shareholders and percentages and therefore no goodwill is recognized in such transactions. If the sum of the total price paid, the non-controlling participation recognized and the prior participation in the company is less than the fair value of the net assets of the subsidiary acquired, then the difference of a bargain purchase is recognized in the profit and loss. Gains or losses that result from the sale of the participation to non-controlling interest recorded to equity.

c) Subsidiaries

Subsidiaries are entities that the Group, directly or indirectly, controls their financial and operating policies. Subsidiary companies are fully consolidated from the day control over them is acquired and cease to be consolidated from the day this control is no longer exist.

In its financial statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an investment in an associate or as an available-for-sale financial asset depending on the level of influence retained.

e) Investments in associates and joint ventures

Associated companies are companies over which the Group exercises significant influence, but not control, which, in general, applies when the holding percentage in the voting rights ranges between 20% and 50%. A joint venture is an arrangement in which ELVALHALCOR has joint control, whereby ELVALHALCOR has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Investments in associates and joint ventures are accounted for using the equity method and recognised initially at their acquisition cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment losses. In the consolidated financial statements, the Group represents the ratio of the results and the total income after any changes in accounting principles to be comparable to those of the Group from the date of obtaining significant influence until the date we lose it. When the Group's share of losses exceeds its interest in an investment in associate or joint venture the carrying amount of that interest is reduced to zero and no recognition of further losses are recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

In the Company's financial statements, investments in associates and joint ventures are recorded at cost minus any impairment that may occur.

f) Transactions eliminated in consolidation

Inter-company transactions, balances and unrealised profits from transactions between Group companies are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between associates or joint ventures are eliminated against the Group's stake in the affiliated company. The same applies to non-realised losses, unless there are indications that the value of the assets that was transferred have been impaired.

g) Business combinations under common control

IFRS 3 "Business Combinations" does not apply to mergers of companies under common control and no guidance from IFRS applies for such transactions. According to paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" the Group selects to apply the method of acquisition as described in IFRS 3 for such transactions, as stated above.

4.2. Foreign currency

a) Transactions and balances

Transactions 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. Gains and losses from foreign exchange differences that arise from the settlement of such transactions are recorded in the profit and loss statement. These gains or losses follows the respective income/ expense of such transaction.

b) Transactions with Group companies in different currency

The financial statements of Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities of foreign activities including goodwill and fair value adjustments arising during consolidation are converted into Euro based on the official exchange rate for the foreign currency that is in effect on the balance sheet date.
- Income and expenses are converted into Euro on the basis of the average rate of the foreign currency during the year which approaches the exchange rate in effect on the date of transactions.
- Any foreign exchange difference that may arise is recorded in an equity reserve named "Foreign exchange differences due to consolidation" through OCI and transferred to profit and loss when these companies are sold.

4.3. Financial instruments

a) *Classification*

The Group classifies its financial assets to the below categories according for measurement purposes.

- Financial assets measured to fair value (either at FVOCI or FVPL)
- Financial assets measured to amortized cost

The classification depends on the business model of managing the financial assets of the Group and the objective of the contractual cash flows of the financial asset.

Investments that are not held for trading measured at fair value through profit and loss except the investments for which the Group, upon initial recognition, designs irrecoverably to measure them at fair value through OCI.

The Group reclassifies these investments only when the business model change.

b) *Initial recognition and measurement*

Common purchases and sales of financial instruments are recognized at the inception date of the transaction which is the date at which the Group is obliged to purchase or sale the financial asset.

At initial recognition the Group measures a financial asset to fair value plus, in case of a financial asset that cannot be measured to FVPL, the transaction costs that are attributable directly to the acquisition of the financial asset. Transaction costs of the financial asset that measured to FVTPL are recorded in the statement of profit and loss.

Investments cease to be recognized when the contractual cash flows for the financial assets cease or transferred and the Group has transferred all the risks and rewards.

c) *Subsequent measurement*

Investments to financial instruments

The subsequent measurements of the debt investments depends on the business model of the Group for managing the debt investments and the specific characteristics of the contractual cash flows. The Group classifies the debt instruments to the following categories:

- *Amortized cost:* Financial instruments that held to collect the contractual cash flows at given dates that consist by sole payment of principal and interest, measured at amortised cost. Interest income is calculated based on the nominal interest rate and are recognized as financial income. Gains/losses occurred by the recognition-write off of the financial asset recorded in income statement with any foreign exchange gains/losses. Any impairment losses are recognized in the caption “Impairment loss on receivables and contract assets” in the statement of profit and loss.

- *Fair value through other comprehensive income (FVOCI)*: Financial instruments that held either for collect of their contractual cash flows or sale and give rise to cash flows of solely principal and interest at specific dates, are measured at fair value through other comprehensive income. Changes in fair value are recognized in other comprehensive income except for the recognition of impairment losses, interest income and foreign exchange gains / losses recognized in the income statement. When the asset is derecognised, the accumulated gain / loss recognized in other comprehensive income is reclassified to the statement of profit and loss under "Other income / expense". Interest income is calculated using the effective interest method and recognized as interest income. Impairment losses are recognized in the line "Impairment of receivables and contract assets" in the statement of profit and loss.
- *Fair value through profit or loss (FVTPL)*: Assets that do not meet the criteria for classification in the category "Amortized cost" and "Fair value through other comprehensive income" are measured at fair value through profit or loss. The gain / loss is recognized in the statement of profit and loss in the period in which it arises.

For Investments in equity instruments, refer to note "Other investments".

d) Trade and other receivables

Receivables from customers are initially booked at their fair value and are subsequently measured at their amortized cost less impairment losses. Impairment losses are recognised when there are objective indications that the Group 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.

In regards to the provision for expected credit losses, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has identified the ratings by ratings agencies for a customer who is rated individually, and the country rating in the case of a non-rated customer, as identifiers of the expected credit loss and accordingly adjusts the provision after those factors.

e) Cash and cash equivalents

Cash and cash equivalents include cash balances, sight deposits, time deposits up to 3-months, high-liquid and low-risk investments.

f) Other investments

In this category are included equity investments.

4.4. 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 Group 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. The recognition stops when the contractual obligations cancelled, terminated or sold.

4.5. Trade liabilities

Trade liabilities are initially booked in fair value and are subsequently valued at their amortized cost based on the effective interest rate method.

4.6. Derivatives and hedge accounting

The Group established a 'risk management strategy' as holds derivative instruments to offset the risk of foreign currency change. Derivatives are initially and subsequently recognized at fair value. The method of recognizing gains and losses depends on whether derivatives designated as hedging instruments or as held for trading.

The Group 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 hedge 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 realised, the profits or losses accrued to 'Equity' are carried forward to the income statement.

4.7. 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.

4.8. Property, plant and equipment

a) Recognition and measurement

Non-current assets include Land, Buildings, Machinery, Transportation equipment, Furniture and other equipment are shown at acquisition cost, less subsequent depreciation. Items of Property Plant and equipment should be recognised as assets as costs incurred. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. 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.

Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is probable that the future financial benefits will accrue to the Group or the Company and their cost can be reliably measured. The net book value of an assets that is replaced, ceased to be recognised in balance sheet.

The cost of repairs and maintenance is posted to the results when incurred.

The book value of a tangible asset is recorded down to its net realisable value when its book value exceeds its recoverable amount.

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.

b) Depreciation

Plots – lots (Land) and assets under construction 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	20-50	years
Machinery & equipment	1-40	years
Transportation equipment	4-15	years
Furniture and fixtures	1-8	years

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

4.9. 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 finite or indefinite. The cost of intangible assets with a definite 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 indefinite 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.

Goodwill do not amortized although measured to its carrying amount less any impairment losses.

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 ranges from 3 to 5 years.

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

In respect of trademarks and licences initially recognised at the inception date and then amortized during their useful life. Licences have a useful life of 10 years.

Finally, the client relationships are recognised initially at their acquisition date are amortized during their useful life. The client relationships with indefinite useful life do not amortize although are tested at least annually for impairment according to the provisions of IAS 36 “Impairment of assets”.

4.10. Investment property

Investment property includes properties held by the Group to earn long term rentals and cannot be own used. Investment property is initially measured at cost less any accumulated despeciation. If the net book value of the investment property exceeds its recoverable amount, the difference is posted as an impairment in the Statement of Profit and Loss.

The land-plots included in the investment property are not depreciated. The depreciation of the buildings are calculated on a straight-line method based on their useful life varies from 20 to 50 years.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in the profit or loss as incurs.

4.11. Assets Held for sale

Assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of carrying amount and fair value minus costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

4.12. 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 that apply to the case.

4.13. Impairment

(a) Non-derivative financial assets

Financial assets

The Group recognize expected credit losses related to:

- Financial assets that measured at amortized cost
- Contract assets
- Receivables from leases

The impairment losses recognized are always equal to the lifetime expected credit losses, except the cash and cash equivalents (12 months expected credit losses). The Group considers that a financial asset is credit-impaired when the borrower is unlikely to repay its obligations in full, without the Group companies taking measures, such as the liquidation of collateral (if any).

Lifetime expected credit losses are the expected credit losses arising from all events of possible default throughout the life of a financial instrument. 12 month expected credit losses are the percentage of the expected credit losses that arise from events of possible default during the next twelve months of the reporting date (or earlier). The maximum period considered when estimating expected credit losses is the maximum contractual period during which the Group companies are exposed to credit risk.

Measurement of expected credit losses

Measurement of expected credit losses is the weighted average of the expected credit losses of probability, based on the respective probabilities. The credit-impaired losses are the present value of expected credit losses (the difference between the cash flows of the contract and the cash flows that are expected to recover). The expected credit losses are discounted using the original effective interest rate of the financial instrument.

Presentation of expected credit losses in the statement of financial position

Expected credit losses for financial instruments that are measured at amortized cost are deducted from the gross carrying amount of these assets. The credit losses that are related to trade and other receivables and contract assets are presented separately in the statement of profit and loss.

Investments accounted for by the equity method

Impairment loss on investments accounted for by the equity method is measured by comparing the recoverable amount of the investment with its carrying value. Impairment is recognized in profit and loss and is reversed if there is a favourable reversal in the estimates used to determine the recoverable amount of the investment.

(b) Non-financial assets

Excluding goodwill and fixed assets with unlimited lives tested for impairment at least annually, the carrying amounts of other non-financial assets of non-current term assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

When the carrying amount of an asset exceeds its recoverable amount, the respective credit loss recorded in the statement of profit and loss. The recoverable amount of the asset or cash-generating unit is the higher of value in use and fair value less any costs to sell. For impairment purposes, financial assets classified to the lowest level for which the cash flows can be directly associated with the asset (cash-generating units). Impairment losses have been recognised at previous years in respect of non-financial assets (excluding goodwill) are tested at each reporting date for reversal.

4.14. Employee benefits

(a) Short-term benefits

Short-term benefits to staff in cash and kind are posted as expenses when accrued. A liability is recognized for the amount expected to be paid as a benefit to the staff and its executives if there is a legal or contractual obligation to pay this amount as a result of employee services and insofar as such liability can be reliably measured.

(b) Defined-contribution Plans

Defined-contribution plans are plans for the period after the employee has ceased to work during which the Company pays a defined amount to a third legal entity without any other obligation. Obligations for contributions to defined-contribution plans are recognized as an expense in profit or loss at the time they are due.

(c) Defined-Benefit Plans

Defined-benefit plans are any other retirement plans excluding defined-contribution plans. The obligation posted to the balance sheet for defined-benefit plans is the current value of the future benefit of the employee for these services for the defined benefit less the fair value of the plan assets and changes arising from the non-posted actuarial gains and losses and the past service cost. The discount rate corresponds to the rate of return on high-quality fixed-income investments of the appropriate maturity. Independent actuaries using the projected unit credit method calculate the defined benefit obligation.

The past service cost is recorded directly in the income statement, with the exception of the case where changes in the plan depend on the remaining service lives of employees. In this case, the past service cost is recorded in the income statement using the straight-line method within the maturity period.

(d) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either a) when it terminates the employment of existing employees according to a detailed programme for which there is no departure possibility, or b) when the company recognises expenses for restructuring according to the provisions IAS 37 for which are included the benefits paid. In the case of termination, where it is impossible to determine the number of employees that will make use of such benefits, these will not be accounted for but will be disclosed as a contingent liability. Employment termination benefits that are due in 12 months after the balance sheet date are discounted.

4.15. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation which will probably demand an outflow of resources for its settlement. In addition, 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.

When time value of money is significant, provisions are measured at their present value of the costs expected to be incurred in order to settle the liability, using a pre-tax interest rate as a discount rate, reflecting current market estimates for time value of money and other associated risks. The increase of provision-liability over time is recognized as a financial expense.

4.16. Income

(a) Sales of copper goods

Income from sales of goods is recognised when the control is transferred to the buyer. Indicatively, income from sales of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, no performance obligations which could affect the acceptance of the goods by the buyer have been left unfulfilled, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured, and no continuous involvement in goods management applies. 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) Sales of aluminium goods

Income from sales of goods is recognised when the control is transferred to the buyer. Indicatively, income from sales of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, no performance obligations which could affect the acceptance of the goods by the buyer have been left unfulfilled, the collection of the price is reasonably secured, the relevant expenses and eventual returns of goods can be reliably measured, and no continuous involvement in goods management applies. 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.

(c) Rendering of Services

Rendering of services is recognised in the period in which the services are rendered, on the basis of the stage in the completion of the actual service to the services as a whole.

4.17. 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 Group 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 Group for expenses are recognized in the results so that these will match the expenses that they will cover.

4.18. Leases

<u>The Group as a lessor</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.

Lease liabilities include the present value of fixed future payments, variable leases, which depends on an index or interest rate, which are initially measured with the use of an index or interest rate at the date of commencement of the lease term, the amounts expected to be paid under guaranteed residuals value, the exercise price of the purchase option, if it is certain that the Company will exercise that right, and the payment of a penalty for termination of the lease if the duration of the lease reflects the exercise of its right Company for termination of the lease.

The above lease payments are discounted at the interest rate implicit in the lease or if this rate cannot be reliably determined by the incremental borrowing rate of the lessee. The incremental borrowing rate is the rate at which the lessee would be charged to borrow the necessary capital to acquire an asset of similar value to the leased asset for a similar period of time period, with similar collateral and in a similar economic environment.

For these lease categories where payments include fixed payments on non-leases, the Group has chosen not to separate them from the leases and to include them in the lease obligation.

After initial recognition, lease liabilities increase with the financial cost and decrease with the payment of rents. Lease liabilities are remeasured to reflect any revaluations or modifications to the lease.

Rights of use are initially measured at cost and subsequently reduced by the amount of accumulated depreciation and impairment.

The initial recognition cost of a right to use of the asset includes the amount of the initial measurement of the lease liability, any lease payments on the date of the lease commencement period or before, less any lease incentives received, any initial direct costs, and estimating any costs of disassembling or removing the underlying asset.

Depreciation is carried out using the straight-line method over the shorter period between the entity's useful life of the asset and the duration of the lease. When the lease obligations include an exercise price for the right to purchase the underlying asset, the rights to use are amortized over the period useful life of these elements.

The Group has chosen to use recognition exemptions determined by the standard for all lease categories in short-term leases, i.e. leases of less than 12 months duration and leases in which the underlying asset has a low value. For the above leases, the Company recognizes the leases at the statement of profit or loss as an expense with the straight-line method over the term of the lease.

The Group as lessee

Leasing contracts in which the Group is a lessor are classified as financial or operating. The lease contracts of the Group as at 31 December 2018 and 31 December 2019 related exclusively to operating leases.

Income from operating leases is recognized in the statement of profit and loss on a straight line during the lease agreement.

4.19. Income tax and deferred tax

The income tax of the year includes both current and deferred tax. Income tax is posted in profit or loss save 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 adjustment to prior-period payable tax.

Deferred income tax is calculated using the liability method, which arises from temporary differences between the book value and taxation basis of the assets and liabilities. Deferred income tax is not calculated (a) if it is clear from the 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 recognised only to the extent that there will be a future taxable profit for use of the temporary difference 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.

4.20. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker which is considered to be the Board of Directors that is responsible for measuring the business performance of the segments.

4.21. Earnings per share

The Group presents both basic and diluted earnings per share for its common shares. The basic earnings per share are calculated by dividing the profits or loss attributable to holders of common shares by the weighted average number of outstanding common shares during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to holders of common shares and the weighted average number of outstanding common shares by the effect of all diluted eventual common shares consisting of convertible notes and shares with options granted to the staff.

4.22. 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 these assets will be available for use or sale. The proceeds from the interests from amounts collected as to be used for the purpose of the construction of the asset as well as the amount of grants reduces the borrowing cost that is capitalized. In all other cases the cost of borrowing is affecting the Income statement of the fiscal year. To the extent that general borrowing is used for the construction of an asset, the cost of borrowing for capitalization can be estimated using a capitalization rate.

4.23. Rounding

Any differences arising between the amounts on the financial statements and the relative amounts in the notes are related to rounding.

5. Operating segments

An operating segment is based on the structure of the information to the Group's management and internal reporting system. The Group is organized into business centres and business units based on the production of copper and aluminium products. In particular, it has two reportable operating segments. The operating segments of the Group are as follows:

- Copper products: this segment produces and sells copper and copper alloys rolled and extruded products
- Aluminium products: the aluminium segment produces and sell a wide range of aluminium products and their alloys

The segment analysis for the fiscal year 2021 considered as follows:

12 months until 31 December 2021

€ '000	Aluminium	Copper	Total
Total revenue per segment	**1,340,639**	**1,543,153**	**2,883,793**
Inter-segment revenue	(333)	(418)	**(751)**
Revenue from 3rd Parties	**1,340,307**	**1,542,735**	**2,883,042**
Cost of sales	(1,207,717)	(1,440,499)	**(2,648,216)**
Gross profit	**132,590**	**102,236**	**234,826**
Other Income	6,989	8,647	**15,636**
Selling and Distribution expenses	(18,754)	(9,701)	**(28,455)**
Administrative expenses	(37,114)	(24,648)	**(61,761)**
Impairment loss on receivables and contract assets	(321)	(168)	**(489)**
Other Expenses	(4,600)	(8,246)	**(12,846)**
Operating profit / (loss)	**78,790**	**68,120**	**146,909**
Finance Income	(164)	443	**279**
Finance Costs	(17,601)	(13,664)	**(31,266)**
Dividends	-	113	**113**
Net Finance income / (cost)	**(17,765)**	**(13,108)**	**(30,873)**
Share of profit/ (loss) of equity-accounted investees, net of tax	694	738	**(648)**
Impairment in participations	-	(5,524)	**(341)**
Profit / (Loss) from distribution in kind	-	-	**22,157**
Profit/(Loss) before income tax	**56,238**	**76,179**	**132,417**
Income tax expense	(10,119)	(8,384)	**(18,502)**
Profit/(Loss) for the year	**46,119**	**67,795**	**113,915**

12 months until 31 December 2021	**Aluminium**	**Copper**	**Total**
Total assets	1,365,790	864,951	**2,230,742**
Total liabilities	870,564	551,862	**1,422,425**
Total			

€ '000 **Capital expenditure for 12 months until 31 December 2021**	**Aluminium**	**Copper**	**Total**
Fixed Assets	152,375	14,798	**167,174**
Intangible Assets	329	15	**344**
Total	**152,704**	**14,813**	**167,517**

€ '000	**Aluminium**	**Copper**	**Total**
Depreciation of fixed assets	(44,225)	(21,441)	**(65,667)**
Depreciation of right of use assets	(2,311)	(692)	**(3,003)**
Amortization of intangible assets	(385)	(841)	**(1,226)**
Depreciation of investments in real estate	-	(100)	**(100)**
Total depreciation and amortization	**(46,921)**	**(23,075)**	**(69,996)**

12 months until 31 December 2020

€ '000	Aluminium*	Copper*	Total*
Total revenue per segment	**975,944**	**1,052,886**	**2,028,831**
Inter-segment revenue	(139)	(104)	**(243)**
Revenue from 3rd Parties	**975,805**	**1,052,783**	**2,028,588**
Cost of sales	(894,142)	(999,683)	**(1,893,826)**
Gross profit	**81,663**	**53,099**	**134,762**
Other Income	6,711	4,074	**10,785**
Selling and Distribution expenses	(11,851)	(9,579)	**(21,430)**
Administrative expenses	(33,531)	(20,775)	**(54,306)**
Impairment loss on receivables and contract assets	(12)	(473)	**(485)**
Other Expenses	(5,005)	(4,899)	**(9,904)**
Operating profit / (loss)	**37,975**	**21,447**	**59,421**
Finance Income	50	238	**288**
Finance Costs	(12,139)	(13,368)	**(25,506)**
Net Finance income / (cost)	**(12,088)**	**(13,130)**	**(25,218)**
Share of profit/ (loss) of equity-accounted investees	694	3,886	**4,580**
Profit/(Loss) before income tax	**26,580**	**12,203**	**38,783**
Income tax expense	(7,824)	(1,593)	**(9,417)**
Profit/(Loss) for the year	**18,756**	**10,610**	**29,366**

12 months until 31 December 2020	**Aluminium**	**Copper**	**Total**
Total assets	1,040,941	817,380	**1,858,321**
Total liabilities	605,306	474,728	**1,080,034**

€ '000 **Capital expenditure for 12 months until 31 December 2020**	**Aluminium**	**Copper**	**Total**
Fixed Assets	92,487	19,445	**111,931**
Intangible Assets	70	119	**189**
Total	**92.557**	**19.564**	**112.120**

€ '000	**Aluminium**	**Copper**	**Total**
Depreciation of fixed assets	(39,937)	(20,120)	**(60,057)**
Depreciation of right of use assets	(1,831)	(627)	**(2,458)**
Amortization of intangible assets	(425)	(599)	**(1,024)**
Depreciation of investments in real estate	(140)	(67)	**(207)**
Total depreciation and amortization	**(42,332)**	**(21,413)**	**(63,745)**

* 2020 is restated pursuant to the implementation of IAS 19. (Please see note 37).

The operating segments are mostly managed centrally, but the greater part of sales are overseas. Sales and non-current assets of the Group based on the geographical standing are presented as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Greece	239,267	190,274	392,427	296,479
Other European Union	1,763,571	1,224,302	1,075,852	793,609
UK	166,801	125,506	111,692	77,452
Other European countries	272,940	181,234	165,638	98,035
Asia	164,384	131,628	67,626	48,444
America	206,435	120,645	125,939	72,468
Africa	56,646	48,410	21,720	15,537
Oceania	12,999	6,590	8,927	3,635
Total	**2,883,042**	**2,028,588**	**1,969,822**	**1,405,660**

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Property Plant Equipment				
Greece	823,420	709,713	685,581	582,956
International	144,264	142,228	-	-
Total	**967,684**	**851,942**	**685,581**	**582,956**
Right of use assets				
Greece	21,032	19,099	16,989	17,838
International	990	635	-	-
Total	**22,021**	**19,734**	**16,989**	**17,838**
Intangible assets and goodwill				
Greece	87,403	79,326	70,329	70,627
International	2,526	148	-	-
Total	**89,929**	**79,474**	**70,329**	**70,627**
Investment property				
Greece	3,244	6,267	17,499	18,714
Total	**3,244**	**6,267**	**17,499**	**18,714**
Capital expenditure				
Greece	163,058	105,961	130,523	93,505
International	6,535	9,240	-	-
Total	**169,593**	**115,201**	**130,523**	**93,505**

6. Income

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Sale of goods	652,111	561,943	579,841	479,669
Metal Turnover in the sales of goods	2,225,743	1,460,594	1,385,188	921,455
Rendering of services	5,187	6,051	4,793	4,537
Total	**2,883,042**	**2,028,588**	**1,969,822**	**1,405,660**

7. Other operating income and expenses

	GROUP		COMMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Other Income				
Grants of the Fiscal Year	33	60	8	35
Amortization of Grants	1,593	1,757	1,202	1,221
Rental income	350	352	277	314
Foreign Exchange Gains	4,866	1,139	1,959	1,026
Income from fees	749	231	42	37
Income from costs recharged	1,557	1,578	3,808	4,166
Damage Compensation	329	298	232	235
Gain from sale of Fixed assets	344	1,065	297	313
Income from consulting services	-	561	-	151
Other Income	5,813	3,744	5,043	3,191
Total	**15,636**	**10,785**	**12,869**	**10,689**
Other Expense				
Impairment of Fixed assets	2,057	1,887	2,057	1,846
Loss from fixed assets write off	884	-	740	-
Loss from sale of Fixed assets	902	496	159	-
Foreign Exchange Losses	5,503	1,838	1,247	1,502
Other taxes	-	68	-	-
Penalties	23	33	3	11
Depreciation and amortisation	1,938	2,042	1,344	1,277
Expenses recharged	522	2,404	1,881	2,108
Other Expenses	1,018	1,135	1,122	504
Total	**12,846**	**9,904**	**8,554**	**7,248**
Net other income-expenses	**2,789**	**881**	**4,315**	**3,441**

8. Expenses by nature

The breakdown of expenses by nature was as follows:

	GROUP		COMPANY	
	2021	2020*	2021	2020*
	€ '000	€ '000	€ '000	€ '000
Cost of inventories recognized as an expense	49,983	86,837	155,136	141,968
Metal Cost	2,176,246	1,463,182	1,361,423	916,602
Employee benefits	145,101	120,527	86,556	71,515
Energy	67,066	36,076	41,109	22,377
Depreciation and amortisation	67,996	61,703	46,292	41,931
Taxes - duties	11,293	8,108	7,707	6,136
Credit insurance expenses	2,143	2,070	1,451	1,074
Other insurance expenses	6,617	5,243	3,932	3,429
Rental fees	3,735	2,457	1,862	1,714
Transportation costs for goods and materials	64,946	47,498	42,290	30,406
Promotion & advertising	2,654	2,132	1,378	1,277
Third party fees and benefits	71,280	61,903	95,176	85,214
(Gains)/losses from derivatives	(6,532)	6,182	(12,691)	6,919
Storage and packing	5,242	4,400	1,477	1,079
Production tools	10,013	6,347	4,064	1,896
Commissions	16,027	14,017	9,877	8,956
Foreign exchange differences	(552)	1,561	432	288
Maintenance expenses	26,079	21,845	18,327	15,580
Travel and personnel transport expenses	5,592	5,607	3,539	4,593
Royalties	598	133	587	133
BOD Fees	1,808	1,452	585	99
Shared utility expenses	397	342	1	1
Other expenses	10,701	9,939	4,943	5,612
Total	**2,738,433**	**1,969,377**	**1,875,452**	**1,368,592**

The analysis of the above expenses as presented in the statement of profit and loss is as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Cost of sales	2,648,216	1,893,640	1,820,663	1,319,072
Selling and Distribution expenses	28,455	21,430	11,370	11,772
Administrative expenses	61,761	54,306	43,420	37,954
Total	**2,738,433**	**1,969,377**	**1,875,452**	**1,368,799**

* 2020 is restated pursuant to the implementation of IAS 19. (Please see note 37).

For R&D expenses disbursed the amounts below:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Aluminium	3,939	3,021	3,505	2,474
Copper	2,756	2,755	2,756	2,549
Total	**6,695**	**5,776**	**6,260**	**5,023**

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

	GROUP		COMPANY	
	2021	2020*	2021	2020*
	€ '000	€ '000	€ '000	€ '000
Employee remuneration & expenses	106,649	87,229	61,798	50,687
Social security expenses	22,791	21,242	13,207	12,637
Defined benefit plan expenses	2,960	1,794	2,072	942
Other employee benefits	12,956	10,076	9,478	7,249
Total	**145,356**	**120,341**	**86,556**	**71,515**

The number of staff employed by the Company at the end of the current year was: 1,672 (2020: 1,478) and as for the Group: 3,494 (2020: 2,992).

9. Finance income and cost

The breakdown of financial income and expenses is as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Interest Income	279	288	446	400
Total	**279**	**288**	**446**	**400**
Interest expenses	26,410	22,995	20,594	17,467
Other Finance Expense	4,856	2,512	3,839	1,974
Total	**31,266**	**25,506**	**24,434**	**19,414**

*2020 is restated pursuant to the implementation of IAS 19. (Please see note 37).

10. Property, plant and equipment

GROUP

€ '000	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2020	**103,194**	**205,641**	**921,678**	**19,808**	**24,364**	**170,816**	**1,445,503**
Effect of movement in exchange rates	-	(1)	-	-	-	(12)	**(14)**
Additions	619	1,148	4,911	1,464	1,265	102,524	**111,931**
Disposals	-	-	(3,935)	(159)	(58)	(9,700)	**(13,852)**
Mergers and absorptions	2	-	-	-	29	-	**30**
Write offs	-	-	(3,495)	(120)	(3)	(868)	**(4,487)**
Other reclassifications	30	34,459	155,519	146	287	(190,765)	**(323)**
Balance as at 31 December 2020	**103,845**	**241,247**	**1,074,678**	**21,140**	**25,883**	**71,995**	**1,538,789**
Accumulated depreciation							
Balance as at 1 January 2020	**-**	**(95,286)**	**(499,729)**	**(15,427)**	**(20,990)**	**(806)**	**(632,238)**
Effect of movement in exchange rates	-	(3)	-	-	-	-	**(3)**
Depreciation of the period	-	(11,660)	(46,098)	(941)	(1,358)	-	**(60,057)**
Disposals	-	-	2,559	153	40	-	**2,752**
Mergers and absorptions	-	-	-	-	(29)	-	**(29)**
Write offs	-	-	2,072	120	3	404	**2,599**
Reversal of impairment loss	-	-	-	-	-	127	**127**
Balance as at 31 December 2020	**-**	**(106,949)**	**(541,196)**	**(16,096)**	**(22,332)**	**(274)**	**(686,847)**
Carrying amount as at 31 December 2020	**103,845**	**134,299**	**533,482**	**5,045**	**3,551**	**71,720**	**851,942**

GROUP

€ '000	**Fields - Plots**	**Buildings**	**Machinery**	**Transportation equipment**	**Furniture & other equipment**	**Fixed assets under construction**	**Total**
Cost							
Balance as at 1 January 2021	**103,845**	**241,247**	**1,074,678**	**21,140**	**25,883**	**71,995**	**1,538,789**
Effect of movement in exchange rates	-	(1)	0	(0)	0	(10)	**(12)**
Additions	14,539	14,168	7,689	971	1,686	128,120	**167,174**
Disposals	(208)	(1,649)	(1,904)	(341)	(71)	(452)	**(4,625)**
Mergers and absorptions	208	8,573	12,358	253	1,440	4,153	**26,986**
Reclassification from Investment Property	-	3,518	-	-	-	-	**3,518**
Write offs	-	-	(923)	(34)	(41)	(87)	**(1,086)**
Impairment loss	(1,645)	(411)	-	-	-	-	**(2,057)**
Other reclassifications	-	5,946	44,230	249	499	(51,656)	**(732)**
Balance as at 31 December 2021	**116.739**	**271,391**	**1,136,129**	**22,238**	**29,396**	**152,062**	**1,727,955**
Accumulated depreciation							
Balance as at 1 January 2021	**-**	**(106,949)**	**(541,196)**	**(16,096)**	**(22,332)**	**(274)**	**(686,847)**
Effect of movement in exchange rates	-	1	(0)	0	(0)	-	**1**
Depreciation of the period	-	(12,812)	(49,865)	(1,056)	(1,933)	-	**(65,667)**
Disposals	-	821	969	131	54	-	**1,976**
Mergers and absorptions	-	(3,691)	(4,474)	(171)	(1,005)	-	**(9,340)**
Reclassification from Investment Property	-	(596)	-	-	-	-	**(596)**
Write offs	-	-	159	34	9	-	**202**
Other reclassifications	-	-	-	4	(4)	-	**-**
Balance as at 31 December 2021	**-**	**(123,224)**	**(594,405)**	**(17,160)**	**(25,207)**	**(274)**	**(760,271)**
Carrying amount as at 31 December 2021	**116,739**	**148,166**	**541,725**	**5,078**	**4,189**	**151,787**	**967,684**

COMPANY

€ '000	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2020	**56,105**	**138,296**	**652,250**	**16,038**	**15,094**	**152,305**	**1,030,088**
Additions	111	881	3,058	1,447	644	84,885	**91,026**
Disposals	-	-	(1,533)	(148)	(55)	(9,595)	**(11,331)**
Write offs	-	-	(1,529)	(120)	-	(464)	**(2,113)**
Other reclassifications	30	32,798	146,049	62	97	(179,141)	**(105)**
Balance as at 31 December 2020	**56,246**	**171,975**	**798,294**	**17,279**	**15,780**	**47,990**	**1,107,565**
Accumulated depreciation							
Balance as at 1 January 2020	**-**	**(64,955)**	**(395,072)**	**(12,927)**	**(13,395)**	**(127)**	**(486,477)**
Depreciation of the period	-	(7,209)	(30,824)	(774)	(826)	-	**(39,632)**
Disposals	-	-	920	148	38	-	**1,105**
Write offs	-	-	147	120	-	-	**394**
Balance as at 31 December 2020	**-**	**(72,164)**	**(424,830)**	**(13,433)**	**(14,183)**	**-**	**(524,609)**
Carrying amount as at 31 December 2020	**56,246**	**99,811**	**373,465**	**3,847**	**1,597**	**47,990**	**582,955**

COMPANY

€ '000	Fields - Plots	Buildings	Machinery	Transportation equipment	Furniture & other equipment	Fixed assets under construction	Total
Cost							
Balance as at 1 January 2021	**56,246**	**171,975**	**798,294**	**17,279**	**15,780**	**47,990**	**1,107,565**
Additions	8,210	12,998	5,396	335	1,273	101,275	**129,486**
Disposals	-	-	(2,989)	(250)	(39)	(452)	**(3,729)**
Mergers and absorptions	2,493	7,185	14,688	245	910	1,012	**26,533**
Write offs	-	-	(671)	(0)	(32)	(37)	**(741)**
Impairment loss	(1,645)	(411)	-	-	-	-	**(2,057)**
Other reclassifications	-	2,112	13,251	221	282	(15,946)	**(80)**
Balance as at 31 December 2021	**65,303**	**193,859**	**827,969**	**17,831**	**18,173**	**133,842**	**1,256,976**
Accumulated depreciation							
Balance as at 1 January 2020	**-**	**(72,164)**	**(424,830)**	**(13,433)**	**(14,183)**	**-**	**(524,609)**
Depreciation of the period	-	(8,235)	(33,758)	(833)	(1,260)	-	**(44,086)**
Disposals	-	-	2,156	40	22	-	**2,218**
Mergers and absorptions	-	(3,163)	(638)	(235)	(882)	-	**(4,918)**
Write offs	-	-	1	-	-	-	**1**
Balance as at 31 December 2021	**(1,645)**	**(83,562)**	**(457,069)**	**(14,461)**	**(16,304)**	**-**	**(571,395)**
Carrying amount as at 31 December 2021	**65,303**	**110,297**	**370,900**	**3,370**	**1,869**	**133,842**	**685,581**

(a) Pledges on Fixed Assets

There are pledges related to payment of loans for the fixed assets of the Group and the Company (see note 22).

(b) Assets under Construction

The account “Assets under construction” includes machinery the installation of which has not been completed as at December 31, 2021.

(c) Capitalization of Borrowing costs

For the fixed asset of the Group as well as the company Euro € 180 thousands was capitalized in 2021, which stands for the cost of loans which were drawn for the funding of those assets.

(d) Change in useful life of assets

During 2021, the Group and the Company conducted a review regarding the operating efficiency of its fix assets, resulted to reassess the useful life of specific buildings and machinery which are contributing in the production process of the Aluminium segment of the Company.

In the context of development and implementation of the investment program of the Company and the Group by the management, the continued maintenance and development operations are considered as significant factors for the efficient operation of the assets, which in turn affect positive the future economic benefits that will be occurred from the cash inflows of the current equipment.

As a result of the above, the useful life of buildings increased by 5years and the useful life of machinery increased by 3 years on average. According to all described above, the useful life remained in the range determined by the respective accounting policy.

This assessment increased the useful life which had as a consequence the depreciation expense to be reduced by €1.1 mil. approximately for the year 2021. The application of the new useful life was done prospectively according to the provisions of IAS 8, par. 36 within the fiscal year.

11. Intangible assets

GROUP

€ '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2020	**27,158**	**42**	**50,475**	**20,164**	**117**	**97,957**
Effect of movement in exchange rates	-	(1)	-	-	-	**(1)**
Additions	-	-	-	189	-	**189**
Disposals	-	-	-	(2)	-	**(2)**
Other reclassifications	-	-	-	330	-	**330**
Balance as at 31 December 2020	**27,158**	**42**	**50,475**	**20,681**	**117**	**98,473**
Accumulated amortization and impairment						
Balance as at 1 January 2020	**-**	**(42)**	**(196)**	**(17,658)**	**(77)**	**(17,973)**
Effect of movement in exchange rates	-	1	-	(1)	-	**1**
Amortization for the period	-	-	(75)	(945)	(4)	**(1,024)**
Disposals	-	-	-	2	-	**2**
Other reclassifications	-		-	(4)	-	**(4)**
Balance as at 31 December 2020	**-**	**(42)**	**(271)**	**(18,606)**	**(81)**	**(19,000)**
Carrying amount as at 31 December 2020	**27,158**	**-**	**50,205**	**2,074**	**35**	**79,474**

GROUP

€ '000	Goodwill	Cost of development	Trademarks and licenses	Software	Other	Total
Cost						
Balance as at 1 January 2021	**27,158**	**42**	**50,475**	**20,681**	**117**	**98,473**
Effect of movement in exchange rates	-	(1)	(0)	(0)	-	(1)
Additions	-	-	-	250	94	344
Mergers and absorptions	14,652	398	1,305	612	-	16,967
Write-offs	-	-	-	(5)	-	(5)
Other reclassifications	-	421	32	279	-	732
Balance as at 31 December 2021	**41,811**	**860**	**51,812**	**21,818**	**211**	**116,512**
Accumulated amortization and impairment						
Balance as at 1 January 2021	**-**	**(42)**	**(271)**	**(18,606)**	**(81)**	**(19,000)**
Effect of movement in exchange rates	-	1	0	(0)	-	1
Amortization for the period	-	(46)	(93)	(1,083)	(4)	(1,226)
Mergers and absorptions	-	(82)	(257)	(499)	-	(838)
Write-offs	-	-	-	5	-	5
	(5,524)	-	-	-	-	(5,524)
Balance as at 31 December 2021	**(5,524)**	**(169)**	**(621)**	**(20,183)**	**(86)**	**(26,583)**
Carrying amount as at 31 December 2021	**36,286**	**691**	**51,192**	**1,635**	**125**	**89,929**

In respect of the goodwill of €27.2 million as well as the trade name and client relationships of Euro 46.7 million, an impairment test was performed to test for any indication of impairment of the CGU of the copper segment using the value in use method based on a five-year business plan, the results of which indicated no need for impairment. The basic assumptions of the test were as follows:

- Risk-free rate: (-)%
- Market risk premium: 5.1%
- Expected income tax rate: 22%
- Unlevered beta: 0.89
- WACC 6.9%
- Growth rate (g) : 1.6%

The expected fair value will be increased (decreased) by €40 million, if the expected growth of the market increases (decreases) by 0.5%. In addition, should be noted that the expected fair value will be increased (decreased) by €11 million if the expected cash flows increase (decrease) by 1%. Finally, if the discount rate decreases (increases) by 1%, the expected fair value will be increased (decreased) by €133 million

An increase in WACC caused by the aforementioned factors by one hundred basis units does change the discounted cash flows and as a consequence the fair value significantly enough to cause an impairment.

Intangible assets, as trade name and client relationships of Euro 46.7 million, do not have a legal or similar maturity as to the creation of cash flows. As a result, the useful life is indefinite.

The acquirer Elvalhalcor, upon the completion of the allocation of the purchase price for ETEM Group recognized intangible assets of €1.030 thousands for royalties owned by ETEM COMMERCIAL S.A.. The valuation method is the Discounted Cash Flow valuation method (DCF). The valuation model calculates the present value of the net cash inflows from the royalties' contracts. The aforementioned intangible asset fulfils both the separability criterion and contractual-legal criterion. The aforementioned criteria are recognised by IAS 38. The useful life considered to five (5) years equal to the minimum term of the contract. Finally, should be noted that for the above asset have been recognised deferred tax of €227 thousands.

COMPANY € '000	Goodwill	Trademarks and licenses	Software	Total
Cost				
Balance as at 1 January 2020	**22,118**	**47,370**	**15,620**	**85,108**
Additions	-	-	155	**155**
Other reclassifications	-	-	105	**105**
Balance as at 31 December 2020	**22,118**	**47,370**	**15,880**	**85,368**
Accumulated amortization and impairment				
Balance as at 1 January 2020	**-**	**(134)**	**(13,905)**	**(14,039)**
Amortization for the period	-	(67)	(634)	**(701)**
Balance as at 31 December 2020	**-**	**(201)**	**(14,540)**	**(14,741)**
Carrying amount as at 31 December 2020	**22,118**	**47,169**	**1,340**	**70,627**

COMPANY € '000	Goodwill	Trademarks and licenses	Software	Total
Cost				
Balance as at 1 January 2021	**22,118**	**47,370**	**15,620**	**85,108**
Additions	-	-	182	**182**
Mergers and absorptions	-	-	359	**359**
Other reclassifications	-	-	80	**80**
Balance as at 31 December 2021	**22,118**	**47,370**	**16,501**	**85,989**
Accumulated depreciation				
Balance as at 1 January 2021	**-**	**(201)**	**(14,540)**	**(14,741)**
Amortization for the period	-	(67)	(634)	**(649)**
Mergers and absorptions	-	-	(270)	**(270)**
Balance as at 31 December 2021	**-**	**(268)**	**(15,392)**	**(15,660)**
Carrying amount as at 31 December 2021	**22,118**	**47,102**	**1,109**	**70,329**

ElvalHalcor tested Goodwill for impairment. As a result of the impairment loss recognized in the investment of ETEM BG by the subsidiary ETEM COMMERCIAL S.A., ElvalHalcor remeasured the Group of ETEM, included the new data, whereupon there was a need for impairment loss at Group level by €5.5 million. According to paragraph 104 of IAS, the Group impaired the recorded Goodwill of the CGU of ETEM Group by €5.5 million. Refer to note 13 for more information.

12. Investment property

GROUP € '000	2021	2020
Cost		
Balance as at 1 January	**6,997**	**7,144**
Disposals	-	(147)
Reclassifications to PPE	(3,518)	-
Balance as at 31 December	**3,478**	**6,997**
Accumulated depreciation		
Balance as at 1 January 2018	**(729)**	**(555)**
Disposals	-	33
Reclassifications to PPE	596	-
Depreciation	(100)	(207)
Balance as at 31 December	**(234)**	**(729)**
Carrying amount as at 31 December	**3,244**	**6,267**

COMPANY € '000	2021	2020
Balance as at 1 January	**33,939**	**34,086**
Disposals	-	(147)
Balance as at 31 December	**33,939**	**33,939**
Balance as at 1 January	**(15,225)**	**(14,042)**
Depreciation	(1,215)	(1,216)
Disposals	-	33
Balance as at 31 December	**(16,440)**	**(15,225)**
Carrying amount as at 31 December	**17,499**	**18,714**

Investment property includes buildings and land that the Group and the Company intend to lease or sell to third parties in the near future, provided circumstances allow it. The investment property of the company is rented to Group Companies and at the consolidated financial statements are presented at Fixed Assets as PPE.

The fair values of the investment property which are included in the reporting line "Investment Property" was as follows:

Property category	Fair Value in € '000
Industrial Buildings	2,739
Land and Land Plots	1,142
Other property	333
Total	**4,214**

The valuation of the investment property of the Group for the year ending 31st December 2021 was carried out by external, independent property valuators. The independent valuators are members of qualified associations and recent experience and appropriate knowledge in the location and category of the property of the Group being valued. The valuation method was used for the measurement of the fair value of the investment properties of the Group reflect the efficient and best use of these properties, as determined by the management of the Group. For the measurement of the fair value of the property used the Comparative Method of property valuations. These observable data adjusted to affect the relevant characteristics of each property. Investment property considered as level 3. The Group and the Company are not obligated to carry out a valuation of the fair value of the investment property on a regular basis.

During 2021, and as a result of the acquisition of ETEM, property of carrying amount of Euro 2.4 million (fair value Euro 5.3 million) was reclassified to PPE due to full consolidation of the ETEM Group.

On Company's level are presented, additionally to the above properties, investment properties that are leased to consolidated entities, which are reclassified to Fixed Assets on consolidated level. The Company measured the fair value of these on January 2021, which amounted to EUR Euro 23 million. The Group and the Company are not obligated to carry out a valuation annually.

13. Investments

Investments in Subsidiaries:

	COMPANY	
	2021	2020
	€ '000	€ '000
Balance as at 1 January	**271,359**	**264,672**
Additions	28,406	6,687
Division/ segment spin off	-	-
Mergers	(25,792)	-
Impairment	(4,619)	-
Balance as at 31 December	**269,353**	**271,359**

Following the decision of the Extraordinary General Meeting of the subsidiary "ELVIOK S.A." dated 25.01.2021, share capital of the subsidiary was raised by Euro 500 thousand, paid in cash with issuance 50,000 shares, with nominal value of Euro 10.00 each. Furthermore, following the decision of the Annual General Meeting on 30.09.2021 of "ELVIOK S.A.", share capital of the subsidiary was increased by 1.7 million euro paid in cash with issuance of 170,000 thousand shares, with nominal value of Euro 10.00 each.

On 01.07.2021 the decision with Registration Code Number 2574251 and protocol Nr.73823/01.07.2021 (ΑΔΑ: 6ΞΟ046ΜΤΛΡ-ΞΤΥ) of the Ministry of Development and Investments, General Secretariat of Commerce and Consumer Protection, was registered in the General Commercial Registry ("G.E.MI."), by operation of the aforesaid decision the merger by absorption of "FITCO" by "ELVALHALCOR" was approved, pursuant to the aforementioned Laws, the draft merger terms of the merging companies dated 19.05.2021, the decisions of the Board of Directors dated 14.05.2021 of the merging companies, and the no. 7163/29.06.2021 notarial deed of the Notary Public Marina G. Karageorgi.

Following the decision of the Extraordinary General Meeting of the subsidiary Epirus Metalworks dated 22.02.2021, the capital of the subsidiary was raised by Euro 1,889.1 thousand, paid in cash with issuance of 44,450 shares with premium, of nominal value Euro 10.00 each and issue price of Euro 42.50 each.

ELVALHALCOR tested for impairment its subsidiaries, considering the new market conditions. Tests concluded that the book value was less than the valuation by Euro 125 thousand for the participation of TECHOR SA and Euro 216 thousand for the participation in HC ISITMA A.S. The negative effect from the revaluation affected the Statement of Profit and Loss of the parent company ELVALHALCOR and is posted in the reporting line "Impairment of participations" in the Statement of Profit and Loss.

On 30.03.2021, ELVALHALCOR paid in full the capital increase of "ETEM S.A." of total EUR 24,316,420.00, more specifically, by contribution of EUR 22,800,000.00 in cash and amount of EUR 1,516,420.00 in contribution in kind (machinery). As a result, of the completion of the capital increase of "ETEM S.A.", "ELVALHALCOR S.A." is shareholder of 70,000 registered common voting shares issued by "ETEM S.A." with nominal value of EUR 4.00 each, which represent an 80% of the share capital of "ETEM S.A.". The financial results of "ETEM S.A." are included in the financial results of ElvalHalcor from 01.04.2021. The valuation process of the assets and liabilities of the acquired ETEM to the fair value under the provisions of paragraph 18 of IFRS was completed within the deadlines set forth by paragraph 45 of IFRS 3. The goodwill from the transaction was calculated at the amount of Euro 6.9 million for the Cash Generating Unit (CGU) of ETEM BG and Euro 7.8 million for the Cash Generating Unit (CGU) of ETEM S.A..

The acquirer Elvalhalcor, upon the completion of the allocation of the purchase price for ETEM Group recognized intangible assets of €1.030 thousands for royalties owned by ETEM COMMERCIAL S.A.. The valuation method is the Discounted Cash Flow valuation method (DCF). The valuation model calculates the present value of the net cash inflows from the royalties' contracts. The aforementioned intangible asset fulfils both the separability criterion and contractual-legal criterion. The aforementioned criteria are recognised by IAS 38. The useful life considered to five (5) years equal to the minimum term of the contract. Finally, should be noted that for the above asset have been recognised deferred tax of €227 thousands.

€ '000	***31.03.2021***
ASSETS	
Non-current assets	
Property, plant and equipment	19,163
Right of use assets	3,352
Intangible assets and goodwill	1,477
Deferred income tax assets	625
Trade and other receivables	79
	24,694
Current assets	
Inventory	18,257
Trade and other receivables	12,314
Income tax receivables	783
Cash and cash equivalents	2,577
	33,930
Total assets	**58,625**
LIABILITIES	
Non-current liabilities	
Lease liabilities	2,817
Deferred tax liabilities	227
Employee benefits	337
Grants	427
	3,808
Current liabilities	
Trade and other payables	38,543
Contract liabilities	156
Loans & Borrowings	3,358
Obligations under financial lease	636
Provisions	44
	42,737
Total liabilities	**46,544**
Fair Value of Net Assets Acquired	12,080
Non-controlling interest	2,416
Net Assets Acquired Attributable to Shareholders of ElvalHalcor	9,664
Consideration for the Business Combination	24,316
Goodwill attributed to the CGU of ETEM BG	6,891
Goodwill attributed to the CGU of ETEM S.A.	7,760
Goodwill	14,652

In the table that follows are included:

1. In the first column are presented the statements of profit and loss of ETEM Group from 01.01.2021 until the acquisition date, i.e. 31.03.2021.
2. In the second column are presented the statement of profit and loss of ETEM Group since acquisition date, i.e. 31.03.2021.
3. The third column represents the consolidated results of of ElvalHalcor Group, excluded the financial result of ETEM Group.
4. In the fourth column are presented the statement of profit and loss of ElvalHalcor Group as the transaction was materialised on 01.01.2021.

EUR	**Financial results of ETEM Group prior to the transaction date**	**Financial results of ETEM Group since the acquisition date**	**Financial Results of the Consolidated ElvalHalcor Group after the transaction date**	**Total**
Revenue	**11,615**	**65,137**	**2,817,904**	**2,894,657**
Cost of sales	(9,814)	(56,313)	(2,591,903)	**(2,658,030)**
Gross profit	**1,801**	**8,824**	**226,001**	**236,627**
Other Income	119	631	15,004	**15,755**
Selling and Distribution expenses	(2,026)	(6,470)	(21,985)	**(30,481)**
Administrative expenses	(1,013)	(2,485)	(59,276)	**(62,774)**
Impairment loss on receivables and contract assets	(9)	(286)	(204)	**(498)**
Other Expenses	(106)	(489)	(12,357)	**(12,952)**
Operating profit / (loss)	**(1,234)**	**(275)**	**147,184**	**145,675**
Finance Income	8	14	264	**287**
Finance Costs	(101)	(324)	(30,942)	**(31,367)**
Dividends		-	113	**113**
Net Finance income / (cost)	**(92)**	**(310)**	**(30,564)**	**(30,966)**
Share of profit/ (loss) of equity-accounted investees, net of tax	-	-	89	**89**
Impairment in participations	-	(4,524)	(1,341)	**(5,865)**
Profit/ (loss) for distribution in kind	-	-	22,157	**22,157**
Profit/(Loss) before income tax	**(1,327)**	**(5,108)**	**137,526**	**131,090**
Income tax expense	36	1,024	(19,527)	**(18,466)**
Profit/(Loss) for the year	**(1,291)**	**(4,084)**	**117,999**	**112,624**

On 31.12.2021, the Group and the Company tested for impairment its subsidiaries, based on the updated business plans, as they reflect the expected net cash flows based on management estimates. The valuation model calculates the present value of the net cash flows generated by each CGU. According to the impairment test conducted, the estimates for the commercial subsidiaries of ETEM GR revised for the worse, taking into account the inability of growth in Balkan countries and the extended negative impact of the pandemic to countries with low vaccination coverage and prolonged persistence of negative impacts in the financial climate. As a consequence of the revisions, the investments of ETEM GR had to be impaired by Euro 4.5 million at the level of ETEM GR. Consequently, ELVALHALCOR at company level and following the updated forecasts impaired its investement in ETEM GR by Euro 4.5 million. As a result of the aforementioned impairments, ELVALHALCOR remeasured ETEM GR Group taking into account the new assumptions, which resulted to a new impairment loss at group level by euro 5.5 million. Taking into account the new data as follows: Risk-free rate: 0,2%, Market risk premium: 6,9%, Expected income tax rate: 10,0%, Levered beta: 1,28, WACC 7,4%, Growth rate (g): 1,6%. Pursuant to par. 104 of IAS 36, the Group recorded an impairment loss for the booked goodwill of the CGU of ETEM Group by Euro 5.5 million.

Information of subsidiaries with significant non-controlling interest presented in the next page:

2021

€ '000	**VIOMAL S.A.**	**SOFIA MED S.A.**	**ETEM.**	**Other**	**Total**
Percentage of Non-Controlling Interest	**25.00%**	**10.44%**	**20.00%**		
Non-Current Assets	2,812	138,817	26,508		
Current Assets	7,483	209,899	45,704		
Non-current Liabilities	447	54,483	2,691		
Current Liabilities	4,495	138,814	55,357		
Net Assets	5,352	155,419	14,164		
Attributable to NCI	**1,338**	**16,226**	**2,833**	**(1,299)**	**19,097**
Revenue	18,577	712,681	65,137		
Profit / (Loss)	900	27,106	(4,060)		
Other Comprehensive Income	(10)	1,052	(15)		
Total Comprehensive Income	**890**	**28,158**	**(4,075)**		
Total OCI of NCI	**223**	**2,940**	**(815)**	**(17)**	**2,330**
Cash-Flows from Operating Activities	(78)	(21,049)	8,985		
Cash-Flows from Investing Activities	(451)	(6,374)	(1,376)		
Cash-Flows from Financing Activities	(16)	25,106	425		
Effect on Cash and Cash equivalents	**(545)**	**(2,317)**	**8,034**		

2020

€ '000	**VIOMAL S.A.**	**SOFIA MED S.A.**	**Other**	**Total**
Percentage of Non-Controlling Interest	**25.00%**	**10.44%**		
Non-Current Assets	2,654	142,357		
Current Assets	6,323	134,013		
Non-current Liabilities	755	62,838		
Current Liabilities	3,933	86,272		
Net Assets	4,288	127,260		
Attributable to NCI	**1,072**	**13,286**	**(6)**	**14,352**
Revenue	14,652	472,111		
Profit / (Loss)	470	8,997		
Other Comprehensive Income	(23)	1,753		
Total Comprehensive Income	**447**	**10,750**		
Total OCI of NCI	112	1,122		**1,234**
Cash-Flows from Operating Activities	2,018	(9,146)		
Cash-Flows from Investing Activities	(149)	(11,091)		
Cash-Flows from Financing Activities	(538)	6,143		
Effect on Cash and Cash equivalents	**1,330**	**(14,094)**		

The movement in the account of the companies consolidated using the equity method is as follows:

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Balance as at January 1	**91,745**	**85,801**	**84,965**	**80,965**
Effects from Foreign Exchange	(34)	(1,115)	-	-
Share in profit / (loss) after taxes	89	4,580	-	-
Additions	3,000	4,000	3,000	4,000
Dividends received	-	(1,208)	(4,916)	-
Share capital reduction (-)	(967)	-	-	-
Reclassifications	(3)	-	(3)	-
Other changes	(791)	(314)	-	-
Dividend in kind	(63,074)	-	(52,628)	-
Balance as at December 31	**29,964**	**91,745**	**30,417**	**84,965**

On 09.04.2021, ELVALHALCOR's Extraordinary Shareholder's General Meeting decided the distribution of shares owned by ELVALHALCOR, and issued by the Belgian company "Cenergy Holdings S.A." ("Cenergy Holdings") which is listed on Euronext Brussels and Athens Stock Exchange, to its shareholders as distribution of dividend of prior year profits in kind, under the L.4548/2018. As a result of the aforementioned distribution, ELVALHALCOR now holds 3,034 shares (0.002%) out of 190,162,681 shares, which the share capital of "Cenergy Holdings" is divided into, versus 47,847,092 shares (25.16%), which ELVALHALCOR held before the conclusion of aforementioned distribution. Following the reduction of percentage of participation of ElvalHalcor in Cenergy Holdings, any "significant influence" of ElvalHalcor to Cenergy Holdings ceased, on the aforementioned date. The financial results of Cenergy Holdings have been consolidated using the equity method until 31.03.2021, date closer to the date of the distribution. The effect of the said distribution is presented in the reporting line "Profit / (Loss) from distribution in kind" of the interim statement of profit and loss. (see also note 36).

During 2021, a share capital increase was performed in Nedzink B.V. in which ELVALHALCOR participated by paying Euro 3 million and thus maintaining its share to 50%. However, delays in the full operation of the equipment, in line with increased problems due to COVID-19 at the end of the year resulted in losses of production and sales, impacting 2021 results more than initially expected. ELVALHALCOR, at its annual impairment testing of its assets and following the principle of conservatism, incorporated negative estimates for the future results of NedZink B.V. at its business plan level. As a result of the negative assessments, ELVALHALCOR impaired its investment in NedZink B.V. by 4.7 million euros, since the recoverable amount was less than the book value of the investment at company level. The assumptions used were as follows: Risk-free rate: 0,2%, Market risk premium: 6,9%, Expected income tax rate: 10,0%, Levered beta: 1,28, WACC 7,4%, Growth rate (g): 1,6%.

The main financial assets of these associated companies can be broken down as follows:

Company	Country	Business	Consolidation method	% Investment	
				2021	2020
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	Germany	Commercial	Equity method	49.00%	49.00%
International Trade S.A.	Belgium	Commercial	Equity method	27.97%	27.97%
STEELMET S.A.	Greece	Services	Equity method	29.50%	29.50%
ELKEME S.A	Greece	Metallurgical Research	Equity method	92.50%	92.50%
VIENER S.A	Greece	Eenenrgy	Equity method	41.32%	41.32%
VIEXAL S.A	Greece	Services	Equity method	26.67%	26.67%
HC ISITMA A.S.	Turkey	Industrial	Equity method	50.00%	50.00%
NEDZINK B.V.	Netherlands	Industrial	Equity method	50.00%	50.00%

Company	Current Assets		Non-current assets		Current Liabilities		Long term Liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	9,317	9,219	26	23	7,834	7,843	-	-
International Trade S.A.	187,131	141,997	7,681	8,559	145,803	105,841	6,461	7,082
STEELMET S.A.	7,847	6,786	3,561	3,049	7,937	6,515	1,710	1,652
ELKEME S.A	1,460	1,649	1,047	700	289	349	123	30
VIENER S.A	10,294	3,214	1,698	721	6,934	1,971	2,550	307
VIEXAL S.A	2,000	1,768	10	20	1,259	1,239	20	66
HC ISITMA A.S.	146	244	146	244	92	36	46	41
NEDZINK B.V.	31,325	25,959	49,598	49,083	28,940	32,561	43,186	29,255

	Revenue		Share of profit /(loss) after tax		Profit / (Loss) Other comprehensive after tax		Dividend	
	2021	2020	2021	2020	2021	2020	2021	2020
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH	53,775	37,974	1,074	923	-	-	964	1,058
International Trade S.A.	1,438,330	731,871	5,816	479	(196)	(670)	704	1,021
ΣΤΗΛΜΕΤ Α.Ε.	39,478	32,052	825	786	(112)	(31)	620	557
ΕΛΚΕΜΕ Α.Ε.	2,786	2,777	127	121	(1)	(1)	-	-
ΒΙΕΝΕΡ Α.Ε.	33,428	9,677	724	541	179	-	53	106
ΒΙΕΞΑΛ ΑΕ	9,705	7,952	668	444	(1)	(4)	457	473
HC ISITMA A.S.	518	592	49	82	(1)	(2)	-	-
NEDZINK B.V.	86,636	79,602	(8,930)	(5,778)	-	-	-	-

The Group does not control Elkeme S.A. as the management is being appointed directly by Viohalco. Elkeme is consolidated in full by Viohalco S.A.

14. Other investments

Other investments include the following:

EUR	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
	€ '000	**€ '000**	**€ '000**	**€ '000**
Unlisted Securities				
-Greek Equity instruments	3,333	3,406	3,290	1,291
-International Equity instruments	898	895	898	895
Total	**4,231**	**4,301**	**4,188**	**2,185**

Other investments related to domestic or foreign equity instruments for which neither the Group nor the Company has the power or significant influence.

The movement in other investments was as follows:

	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
	€ '000	**€ '000**	€ '000	€ '000
Balance as at January 1	**4,302**	**3,611**	**2,185**	**1,682**
Additions	5	539	5	532
Change in Fair Value	-	179	-	-
Mergers and absorptions	-	-	1,995	-
Sales	(79)	-	-	-
Reclassifications	3	(29)	3	(29)
Balance as at December 31	**4,231**	**4,302**	**4,189**	**2,185**

The participations for which the fair value cannot be estimated were valued at cost. For the calculation of the fair value please see note 28. The fair value recorded through OCI statement (FVTOCI).

15. Income tax

Amounts recognised in profit or loss

EUR	**2021**	**2020**	**2021**	**2020**
Current tax expense	(20,201)	(12,165)	(16,203)	(8,685)
Deferred tax (expense)/income	1,699	2,747	3,992	3,253
Tax expense	**(18,502)**	**(9,417)**	**(12,211)**	**(5,432)**

Reconciliation of effective tax rate

Accounting Profit/loss (-) before income tax		**132.417**		**38.783**		**100.456**		**22.592**
Tax rate in Greece	22%		24%		22%		24%	
At statutory income tax rate		(29,132)		(9,308)		(22,100)		(5,373)
Non-deductible expenses for tax purposes		(3,564)		(2,178)		(1,098)		(1,152)
Tax-exempt income		138		1,788		621		851
Effect of tax rates in foreign jurisdictions		3,592		1,401		-		-
Current-year losses for which no deferred tax asset is recognised		(72)		(329)		-		-
Change in tax rate or composition of new tax		4,524		-		3,712		-
Other taxes		(10)		16		-		242
Permanent Differences		6,394		(798)		7,173		
Derecognition of previously recognised deferred tax assets		-		(2)		-		-
Changes in tax related to prior years		(372)		(6)		(518)		-
	(14%)	**(18,503)**	**(14%)**	**(9,417)**	**(14%)**	**(12,211)**	**(14%)**	**(5,432)**
Income tax expense reported in the statement of profit or loss		**(18,503)**		**(9,417)**		**(12,211)**		**(5,432)**

The deferred tax assets that arise from the losses carried forward are recognized only if it is possible that they will be recovered with future profits according to the Groups business plan. There were no losses carried forward for the Group and the Company, therefore on deferred tax asset has been recognized for the fiscal year 2021.

Pursuant to Law.4799/2021 tax rate reduced to 22% for income of legal entities for the tax year 2021 and onwards. The effect of the change in tax rate amounted to Euro 4.5 million and 3.7 million for the Group and the Company respectively.

The provisions of article 49 and paragraph 9 of article 72 of Law 4172/2013, as amended with the L.4607/2019, regarding thin capitalization, were applicable according to which the limit of the additional interest expense is set to 30% of the EBITDA. These interest expense that are not deducted can be settled with future tax profits with no time limitations.

For the fiscal year 2021, the Company and its subsidiaries are under the audit of the Certified Public Accountants, according to the provisions of article 65A of L. 4174/2013. This audit is on-going, and the relative report of tax compliance is expected to be issued after the publication of the financial statements for the year ended on 31st December 2021. The result of the audit is not expected to significantly affect the financial statements.

The unaudited years of the Group can be found in Note 30.

ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

The movement in deferred tax assets and liabilities can be presented as follows:

GROUP

€ '000	Net balance at 1 January 2020	Recognised in profit or loss	Recognised in OCI	Change in tax rate	Other	Net Balance at 31 December 2020	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(53,110)**	2,097	-	-	-	**(51,013)**	32	(51,045)
Right of use asset	**(512)**	980	-	-	-	**469**	670	(201)
Intangible assets	**(11,361)**	(51)	-	-	-	**(11,412)**	22	(11,434)
Investment property	**(370)**	(2)	-	-	-	**(372)**	202	(573)
Other investments	**202**	(202)	(43)	-	-	**(43)**	-	(43)
Derivatives	**(270)**	32	(655)	-	-	**(893)**	(104)	(788)
Inventories	**(476)**	(892)	-	-	-	**(1,368)**	13	(1,381)
Loans and borrowings	**222**	(126)	-	-	-	**96**	138	(42)
Employee benefits	**3,960**	35	91	1,815	-	**2,271**	4,243	-
Provision/ accruals	**1,912**	38	-	-	-	**1,950**	1,956	(6)
Deferred income	**12**	(164)	-	-	-	**(152)**	10	(162)
Other items	**2,173**	1,001	-	-	41	**3,215**	3,253	(38)
Carry-forward tax loss	**2**	**-**	-		-	**2**	2	-
Tax assets/liabilities (-) before set-off	**(57,616)**	**2,747**	**(607)**	**1,815**	**41**	**(57,248)**	**8,465**	**(65,714)**
Set-off tax							(8,294)	8,294
Net tax assets/liabilities (-)						**(57,250)**	**172**	**57,421**

GROUP € '000	Net balance at 1 January 2021	Recognised in profit or loss	Recognised in OCI	Mergers and absorbtions	Change in tax rate in profit and loss	Change in tax rate in OCI	Other	Net Balance at 31 December 2021	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(51,013)**	(4,590)	-	327	4,022	-	-	**(51,254)**	-	(51,254)
Right of use asset	**469**	33	-	(9)	(61)	-	-	**432**	432	-
Intangible assets	**(11,412)**	77	-	4	912	-	-	**(10,419)**	-	(10,419)
Investment property	**(372)**	12	-	-	48	-	-	**(312)**	-	(312)
Other investments	**(43)**	995	-	-	4	-	-	**956**	956	-
Derivatives	**(893)**	(30)	(473)	-	(6)	(3)	-	**(1,404)**	-	(1,404)
Inventories	**(1,368)**	(676)	-	126	122	-	-	**(1,796)**	-	(1,796)
Loans and borrowings	**96**	(85)	-	-	(9)	-	-	**2**	2	-
Employee benefits	**2,271**	558	101	37	(562)	1	-	**2,406**	2,406	-
Provision/ accruals	**1,950**	256	-	34	(170)	-	-	**2,070**	2,070	-
Deferred income	**(152)**	55	-	-	38	-	-	**(59)**	-	(59)
Other items	**3,215**	569	-	75	187	-	41	**4,048**	4,048	-
Carry-forward tax loss	**2**	-	-	-	-	-	-	**2**	2	-
Tax assets/liabilities (-) before set-off	**(57,250)**	**(2,826)**	**(372)**	**595**	**4,524**	**(2)**	**41**	**(55,327)**	**9,917**	**(65,245)**
Set-off tax									(8,238)	8,238
Net tax assets/liabilities (-)								**(55,327)**	**1,679**	**(57,006)**

COMPANY

€ '000	Net balance at 1 January 2020	Recognised in profit or loss	Recognised in OCI	Change in accounting policy	Net Balance at 31 December 2020	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(42,171)**	2,421	-	-	**(39,750)**	-	(39,750)
Right of use asset	**(308)**	968	-	-	**660**	660	-
Intangible assets	**(10,982)**	(52)	-	-	**(11,034)**	-	(11,034)
Investment property	**(572)**	(2)	-	-	**(573)**	-	(573)
Other investments	**202**	(202)	-	-	**-**	-	-
Derivatives	**(246)**	318	(578)	-	**(506)**	-	(506)
Inventories	**(579)**	(761)	-	-	**(1,340)**	-	(1,340)
Loans and borrowings	**205**	(67)	-	-	**138**	138	-
Employee benefits	**2,750**	36	57	(1,303)	**1,540**	1,540	-
Provision/ accruals	**1,516**	(115)	-	**-**	**1,401**	1,401	-
Deferred income	**34**	(161)	-	-	**(128)**	-	(128)
Other items	**1,201**	869	-	-	**2,070**	2,070	-
Tax assets/liabilities (-) before set-off	**(48,950)**	**3,253**	**(521)**	**(1,303)**	**(47,521)**	**5,810**	**(53,330)**
Set-off tax					-	(5,810)	5,810
Net tax assets/liabilities (-)					**(47,521)**	-	**(47,521)**

€ '000	Net balance at 1 January 2021	Recognised in profit or loss	Recognised in OCI	Mergers and absorptions	Change in tax rate recognised in profit or loss	Change in tax rate recognised in OCI	Other	Net Balance at 31 December 2021	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	**(39,750)**	(2,371)	-	(3,856)	3,152	-	-	**(42,825)**	-	(42,825)
Right of use asset	**660**	11	-	-	(55)	-	-	**617**	617	
Intangible assets	**(11,034)**	(319)	-	9	913	-	-	**(10,430)**	-	(10,430)
Investment property	**(573)**	12	-	-	48	-	-	**(514)**	-	(514)
Other investments	**-**	400	-	(39)	-	-	-	**(39)**	-	(39)
Derivatives	**(506)**	(319)	(422)	114	(6)	-	-	**(1,138)**	-	(1,138)
Inventories	**(1,340)**	(599)	-	(7)	111	-	-	**(1,835)**	-	(1,835)
Loans and borrowings	**138**	(107)	-	(30)	(12)	-	-	**(10)**	-	(10)
Employee benefits	**1,540**	492	72	88	(538)	2	-	**1,655**	1,655	
Provision/ accruals	**1,401**	412	-	390	(118)	-	-	**2,085**	2,085	
Deferred income	**(128)**	-	-	(35)	-	-	-	**(162)**	-	(162)
Other items	**2,070**	2,666	-	280	217	-	-	**5,633**	5,633	
Tax assets/liabilities (-) before set-off	**(47,521)**	**280**	**(351)**	**(3,085)**	**3,712**	**2**	**-**	**(46,963)**	**9,990**	**(56,953)**
Set-off tax									(9,990)	9,990
Net tax assets/liabilities (-)								**(46,963)**	**-**	**(46,963)**

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

The movement of deferred tax in Other Comprehensive Income was as follows:

GROUP € '000	2021 Before Tax	Tax (expense) / Benefit	Net of Tax	2020 Before Tax	Tax (expense) / Benefit	Net of Tax
Amounts recognized in the OCI						
Remeasurements of defined benefit liability	(343)	102	**(241)**	(424)	91	**(333)**
Equity investments in FVOCI - net change in fair value	-	-	**-**	178	(43)	**135**
Foreign currency translation differences	(132)	-	**(132)**	(1,145)	-	**(1,145)**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	3,300	(725)	**2,445**	3,899	(656)	**3,243**
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(432)	249	**49**	8	1	**9**
Other movements that are or may be reclassified to profit or loss	49	-		(314)	-	**(314)**
Total	**2,442**	**(374)**	**2,069**	**2,203**	**(606)**	**1,597**

COMPANY € '000	2021 Before Tax	Tax (expense) / Benefit	Net of Tax	2020 Before Tax	Tax (expense) / Benefit	Net of Tax
Amounts recognized in the OCI						
Remeasurements of defined benefit liability	(335)	74	**(262)**	(237)	57	**(180)**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	4,144	(912)	**3,232**	2,642	(634)	**2,008**
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(2,033)	489	**(1,544)**	(235)	56	**(178)**
Total	**1,776**	**(349)**	**1,427**	**2,170**	**(521)**	**1,649**

16. Inventories

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
	€ '000	**€ '000**	€ '000	€ '000
Merchandise	11,161	1,887	1,835	1,049
Finished goods	176,994	116,840	113,208	73,083
Semi-finished goods	184,890	135,258	135,609	89,800
By-products & scrap	59,498	36,053	35,530	19,448
Work in progress	14,527	9,660	3,480	2,160
Raw and auxiliary materials	155,858	116,251	73,197	56,032
Consumables	10,720	9,379	5,929	5,660
Packaging materials	2,453	1,960	825	637
Spare parts	81,504	76,487	67,126	60,946
Total	**697,605**	**503,773**	**436,739**	**308,816**

Inventories are recognized in the net realizable value which reflects the estimated value of sale less costs to sale.

17. Trade and other receivables

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Trade receivables	141,509	85,044	66,475	32,322
Less: Impairment losses	(8,520)	(8,431)	(6,175)	(5,315)
Receivables from related entities	117,724	139,164	162,543	179,772
Trade receivables from contracts with customers	**250,712**	**215,777**	**222,843**	**206,779**
Down payments	3,521	1,597	551	710
Tax assets	29,289	27,957	21,977	20,915
Other debtors	11,535	3,477	4,475	1,657
Other receivables	3,397	6,008	2,123	2,704
Less: Impairment losses	(211)	(211)	(211)	(211)
Total	**298,243**	**254,606**	**251,758**	**232,555**
Non-current assets				
Non-current receivables from related parties	2,700	877	1,091	811
Non-current receivables	2,347	1,871	1,799	1,592
Total	**5,048**	**2,748**	**2,890**	**2,403**
Total receivables	**303,290**	**257,354**	**254,647**	**234,958**

The provision for doubtful customers is created for the outstanding balances for which the Management of the Group considers as impaired less the expected remuneration from the insurance.

18. Derivatives

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Non-current assets				
Future contracts	-	64	-	64
Total	**-**	**64**	**-**	**64**
Current assets				
Forward foreign exchange contracts	214	1,305	139	1,219
Future contracts	6,065	4,171	3,050	2,126
Commodity Forward Start Swaps	7,847	-	7,847	-
Total	**14,125**	**5,477**	**11,037**	**3,346**
Non-current liabilities				
Forward foreign exchange contracts	-	270	-	270
Commodity Forward Start Swaps	3,205	-	3,205	-
Total	**3,205**	**270**	**3,205**	**270**
Current liabilities				
Forward foreign exchange contracts	1,055	275	386	61
Future contracts	2,053	1,637	2,053	1,036
Total	**3,108**	**1,912**	**2,439**	**1,097**

For the Group and the Company results from settled financial risk management operations recorded in the Income Statement during years 2021 and 2020 are included in Cost of Goods Sold for results from metal and exchange rate derivatives.

The amount of Gains / (Losses) from the valuation of derivatives as cash flow hedge reclassified to statement of profit and loss of the Group for the fiscal year 2021 was gains of Euro 432 thousands (2020: Loss 8 thousands) and at Company level was Euro 2,033 thousand (2020: gains 235 thousand). Total impact of the derivatives reclassified to profit and loss during the fiscal year as well as the prior year was as follows:

	ΟΜΙΛΟΣ		**ΕΤΑΙΡΕΙΑ**	
	2021	**2020**	**2021**	**2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
(Gains) / Losses from derivatives	(6,532)	6,182	(12,691)	6,919

The movement of derivatives in equity was as follows:

	ΟΜΙΛΟΣ		**ΕΤΑΙΡΕΙΑ**	
	2021	**2020**	**2021**	**2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Gain / (Loss) of changes in fair value of cash flow hedging - effective portion	3,300	3,899	4,144	2,642
Gain / (Loss) of changes in fair value of cash flow hedging - reclassified to profit or loss	(432)	8	(2,033)	(235)
Related Tax	(476)	(655)	(422)	(578)
Σύνολο	**2,392**	**3,252**	**1,689**	**1,829**

19. Cash and cash equivalents

	GROUP		**COMPANY**	
	2021	**2020**	**2021**	**2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Cash in hand	17	306	6	16
Short-term bank deposits	91,127	33,532	57,237	12,611
	91,144	**33,838**	**57,242**	**12,627**

Bank deposits are set at variable interest rates according to the applicable rates of interbank market. Short term bank deposits are assigned to bank institutions with varied credit ratings, from A2 to Caa2.

In Note 27.c that is referred to currency risk of the Group, an analysis of cash per foreign currency is presented.

20. Share capital and reserves

a) Share capital and premium

Following the completion of the Merger by absorption of "ELVAL HELLENIC ALUMINIUM INDUSTRY S.A." by "HALCOR METAL WORKS S.A.", the share capital of the Company amounts to Euro 146,344,218 (2020: Euro 146,344,218) divided to 375,241,586 (2020: 375,241,586) common anonymous shares of a nominal value of € 0.39 (2020: Euro 0.39) each traded at the Athens Stock Exchange.

The share premium of Euro 65,030,285 is considered a part of the share capital that rose from the issuance of shares for cash in a value greater than the nominal.

ElvaHalcor's capital was created as follows:

The share capital of Halcor amounted to Euro 38,486,258.26 divided to 101,279,627 common shares with voting rights, of a nominal value of € 0.38 each. The share capital of Elval amounted to € 105,750,180.62 divided to 27,046,082 anonymous shares of nominal value € 3.91 each.

The Merger had, as a result, the increase of Halcor's capital by:

- Amount of € 105,750,180.62, which corresponds to Elval share capital,
- Amount of € 2,107,779.66 which corresponds to the capitalization of share premium for rounding of the share price of the merged company.

As a result, the present share capital of "ELVALHALCOR HELLENIC COPPER AND ALUMINIUM INDUSTRY S.A." increased from € 38,486,258.26 to €146,344,218.54 with the issuance of 273,961,959 new shares in favour of Elval's shareholders, and the total number of shares amounted to 375,241,586 shares with a nominal value of € 0.39.

b) Reserves

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
	€ '000	€ '000	€ '000	€ '000
Statutory Reserves	12,138	10,326	7,987	7,363
Hedging reserves	6,012	3,619	2,640	1,355
Special Reserves	44,899	44,899	43,376	43,376
Tax exempt reserves	176,463	176,463	176,759	176,463
Extraordinary Reserves	6,713	6,713	6,739	6,713
Other reserves	622	622	622	622
Merger reserves	46,144	69,588	49,303	83,153
Foreign exchange difference	(1,572)	(1,440)	-	-
	291,419	**310,791**	**287,425**	**319,045**

Statutory Reserve

According to article 158 of L.4548/2018, the companies are obligated, from the profit of the year, to create a statutory reserve for an amount at least equal to 1/20 of the net earnings. The creation of statutory reserve seizes to be compulsory when this reaches 1/3 of the capital. The statutory reserve is used exclusively for the offsetting of losses. Pursuant to the decisions of the General Assemblies, the Group and the Company created reserves amounted to EUR 1.8m and EUR 0.6m, respectively. For the fiscal year 2021 the Board of Directors will propose to General Assembly a dividend of Euro 0.03 per share.

Untaxed and special reserves

Untaxed and special reserves concern non-distributed profits that are exempt from taxation pursuant to special provisions of incentive laws (under the condition that companies have sufficient profits to form these reserves). Reserves from income exempt from taxation and reserves taxed pursuant to special laws concern income from interest for which a tax has been withheld at the source. In addition to any prepaid taxes, these reserves are subject to taxation in case they are distributed. No deferred taxes have been accounted for as regards the above untaxed reserves in case they are distributed.

Exchange rate differences on consolidation

Exchange rate differences on consolidation arise from translating the financial statements of subsidiaries which are denominated in foreign currency, to the currency of the Parent Company which is in Euro.

Hedging reserves

Hedging reserves contain the effective portion of the changes in the fair value of the derivatives that had been considered under the hedge accounting. These reserves are transferred to the statement of profit and loss, when the hedging item will affect the statement of profit and loss.

Reserve of merger/absorption

The reserve of the absorption includes the difference between the acquisition price and the nominal value of the shares issued.

21. Earnings per share

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Profits that correspond to the shareholders of the parent company (in thousands of EURO)	111,689	28,309	88,245	16,954
Weighted average number of shares	375,241,586	375,241,586	375,241,586	375,241,586
Basic profits per share (EUR per share)	0,2976	0,0754	0,2352	0,0452

Basic earnings per share are calculated by dividing the net profits (losses) attributable to the parent company's shareholders by the weighted average number of common shares, save the average number of common shares acquired by the Group and held as own shares.

22. Loans and obligations from financial leasing

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Non-current				
Borrowings	111,534	164,907	62,489	104,853
Bond Loans	550,577	287,798	536,702	277,485
Lease liabilities	10,392	10,480	6,543	9,222
Total	**672,504**	**463,186**	**605,734**	**391,561**
Current				
Borrowings	92,264	118,078	10,328	67,497
Current portion of Long-term borrowings	55,501	28,855	45,012	19,383
Bond Loans	53,144	42,738	49,461	40,116
Lease liabilities (ex. Finance)	4,785	3,992	3,412	3,278
Total	**205,694**	**193,663**	**108,212**	**130,273**
Total loans and borrowings	**878,198**	**656,849**	**713,946**	**521,834**
Between 1 and 2 years	103,512	240,809	84,610	226,739
Between 2 and 5 years	257,398	176,576	211,261	119,172
Over 5 years	311,594	45,800	309,862	45,649
Total	**672,504**	**463,186**	**605,734**	**391,561**

In H1’21 ElvalHalcor issued a common bond loan amounting to Euro forty million (EUR 40,000,000) with “PIRAEUS BANK S.A.” with the aim to finance current and general business needs. The loan has a five-year tenure and is issued according to L.4548/2018.

On 17.11.2021 the trading of a bond loan of Euro 250 million commenced in the Athens Stock Exchange (ISIN code: GRC281121BD8 and ticker: ELHAB1) divided into 250,000 common dematerialized bearer Bonds worth Euro 1,000 each. The interest rate was set to 2.45% annually with coupon payments semi-annually. The maturity is seven (7) years and the capital payment is at the maturity date.

On 31.12.2021 the Company signed two loans. One bond amounted to Euro 140 million with “NATIONAL BANK OF GREECE S.A.”, “ALPHA BANK S.A.”, “PIRAEUS BANK S.A.” and “EUROBANK S.A.”, which also acts a representative of the bondholders. Out the said amount, amount of EUR 88 million will be used for refinancing of existing bond loan and amount of EUR 52 million for general business purposes of the Company. The loan has seven and a half (7.5) years maturity and is issued according to L. 4548/2018 and in conjunction with article 14 of L. 3156/2003, as in force. And one bond of EUR 130,000,000 with “ALPHA BANK S.A.”, “PIRAEUS BANK S.A.”, “EUROBANK S.A.” and “NATIONAL BANK OF GREECE S.A.”, which also acts a representative of the bondholders. Out of the said amount, amount of EUR 102 million will be used for refinancing of existing bond loan and amount of EUR 28 million for general business purposes of the Company. The loan has seven and a half (7.5) years maturity and is issued according to L. 4548/2018 and in conjunction with article 14 of L. 3156/2003, as in force.

On 31.12.2021 the Group and the Company reclassified amount of loan from EIB of Euro 25 million to current loans and borrowing pursuant to paragraph 74 of IAS 1, after receiving waiver from the lender in regards to loans towards related parties, but the letter from the credit institution was dated after the 31.12.2021, which was the reporting date.

No events of default exist at the year end.

The Group and the Company have pledged assets of a total amount of Euro 605 million and Euro 344 million, respectively.

The fair value of the loans is approximating the book value due to the fact that the interest rates of the loan are approximating their market value.

The actual weighted average interest rates (both short and long term) at the balance sheet date were:

	GROUP		**COMPANY**	
	2021	**2020**	**2021**	**2020**
Bond loans	2,62%	3,19%	2,61%	3,27%
Bank loans in EUR	2,30%	2,66%	1,61%	2,38%
Bank loans in USD	-	3,75%	-	3,75%
Bank loans in GBP	3,57%	3,50%	3,57%	3,50%

For the bank loans of the Group and the Company that have been assumed from banks, there are clauses of change of control that provide the lenders with an early redemption clause. The Group secures the consent of the lenders in case of non-compliance with the said clauses when it is necessary.

23. Liabilities for employee’s retirement benefits

The Group has fulfilled its obligations for pension plans set out by law. According to the Greek labour law, employees are entitled to compensation in case of dismissal or retirement, the amount of which varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in case of retirement equals 40 % of the compensation, which would be payable in case of unjustified dismissal. The Group believes this is a defined benefit, and it charges the accrued benefits in each period with a corresponding increase in the pension liability. Any payments made to retirees each year are charged against this liability. The displayed personal benefit obligation of the Company and the Group as at 31 December 2021 and 2020 is as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Balance at 1 January	**11,176**	**17,929**	**7,902**	**12,776**
Amounts recognized in profit or loss				
Current service cost	936	616	574	543
Past service credit	383	89	224	13
Settlement/curtailment/termination loss	1,612	956	1,254	338
Interest cost/income (-)	28	133	20	48
Total P&L Charge	**2,960**	**1,794**	**2,072**	**942**
Amounts recognized in OCI				
Remeasurement loss/gain (-):				
-Actuarial loss/gain (-) arising from:				
Demographic assumptions	(64)	96	-	-
Financial assumptions	342	377	340	161
Experience adjustments	66	143	(4)	76
Total amount recognized in OCI	**343**	**424**	**335**	**237**
Other				
Division/ segment spin off	194	-	199	-
Mergers and absorptions	(2,088)	(1,589)	(1,672)	(625)
Benefits paid	-	(7,569)	-	(5,429)
	(1,894)	**(9,157)**	**(1,473)**	**(6,054)**
Balance at 31 December	**12,585**	**11,176**	**8,836**	**7,902**

The assumptions on which the actuarial study was based for the calculation of provision are the following:

	GROUP		COMPANY	
	2021	2020	2021	2020
Discount rate	0.24%	0.29%	0.24%	0.30%
Price Inflation	2.10%	1.25%	2.10%	1.25%
Rate of compensation increase	2.61%	1.73%	2.61%	1.59%

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 2.04% for the Company and 2.41% for the Group approximately, although with a discount rate increased by 50 basis points, the liability would have been dropped by 2,13% for the Company and by 2,92% for the Group. If an assumption of a future salary increase by 50 basis points annually had been used, then the liability would be higher by 1.86% for the Company and 2.29% for the Group, and if a future salary decreased by 50 basis points, then the liability would have been less by 1.80% for the Company and by 2.50% for the Group. The weighted-average duration of the defined benefit obligation is 4.12 years and 4.93 years for the Group and the Company, respectively.

24. Grants

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Opening balance	**15,607**	**17,365**	**8,590**	**9,811**
Collection of grants	1,227	-	1,219	-
Transfer of grants to results	(8)	-	-	-
Transfer to receivables	(427)	-	-	-
Amortisation of grants	(1,593)	(1,757)	(1,202)	(1,221)
Mergers and absorptions	427	-	437	-
Closing balance	**15,233**	**15,607**	**9,044**	**8,590**

Depreciation of grants corresponding to fixed assets depreciation is posted in the account "Other income" of the income statement.

Grants have been provided for the purchase of tangible assets.

25. Provisions

No movement has occurred for the Provisions during the fiscal year. Amount of EUR 1.4 mil. for the Group and EUR 1.2 mil. for the Company related to provisions for tax unaudited fiscal years.

26. Trade payables and other liabilities

Trade payables and other liabilities balance according to their current or non-current classification is as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Suppliers	341,108	252,824	259,140	212,994
Social Security funds	6,137	4,661	3,715	2,867
Amounts due to related parties	20,215	19,608	20,548	30,070
Dividends payable	14	11	14	11
Sundry creditors	6,819	6,058	3,493	3,420
Accrued expenses	43,806	18,119	40,542	15,390
Other Taxes	5,861	8,625	3,689	6,858
Total	**423,961**	**309,906**	**331,142**	**269,597**

27. Financial assets

The Board of Directors of the Group 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

Credit Risk

The Group and the Company exposure to credit risk is primarily affected by the features of each customer. The demographic data of the Group'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. No client exceeds 10% of total sales (for the Group or Company), and, consequently, the commercial risk is spread over a large number of clients. More specific, should be noted that INTERNATIONAL TRADE S.A trades products of the Group to various foreign countries, with the delivery provided directly from the production facilities of the Group to customers, the majority of them does not represent 10% of total sales. ElvalHalcor's transactions with INTERNATIONAL TRADE are approved by the Board of Directors and are published to G.E.MI. (ΓΕΜΗ), pursuant to art. 99-101 of the Law L4548/2018.

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 Group 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 principle, 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 Group. 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 Group demands real or other security (e.g. letters of guarantee) in order to secure its receivables, if possible.

The Group makes impairment allowances that 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.

Liquidity risk

Liquidity risk is the inability of the Group 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 2021, the Group had an amount of Euro 91.1 million and the Company amount of Euro 57.2 million as cash and the necessary credit lines that are approved but are not used so as to meet its short-term and medium-term obligations easily. For serving the investments, the Group and the Company make sure for securing the necessary funding when needed. Moreover, the Group is in talks with the banks for the on-time refinancing of the maturing loans.

To avoid liquidity risk, the Group 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 fulfilment of its financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

Exchange rate risk

The Group is exposed to foreign exchange risk in relation to the sales and purchases carried out and the loans issued in a currency other than the functional currency of Group companies, which is mainly the Euro. The currencies in which these transactions are held are mainly the Euro, the USD, the GBP and other currencies of S/E Europe.

Over time, the Group 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 Group enters mainly into currency forward contracts with external counterparties so as to deal with the risk of the exchange rates varying, which mainly expire within less than a year from the 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 Group's operating activities and is mostly Euro.

The investments of the Group in other subsidiaries are not hedged because these exchange positions are considered to be long-term.

Interest rate risk

The Group 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 Group rise.

Prices fluctuation

The Group and the Company rely their purchases and sales to listed prices/ indexes regarding copper, aluminium and other metals that use and incorporate in their products. Also, the Group and the Company, in respect of its operations, are exposed to the fluctuations of the prices of natural gas as included in production cost. The risk of the fluctuation of the metal prices and natural gas is hedged with future contracts.

Cash Flow Hedging

The Group and the Company base both their purchases and sales on stock prices for the price of copper, aluminum and other metals used and contained in their products and are able to distinctly price customers, but also to proceed with markets with suppliers, regarding the quantities of metal required for their operation. Consequently, for each sale of a product or other stock that contains metals, at the time the LME price is agreed with their customers, they take a long position on the LME for the corresponding quantity contained using derivatives, and for each order raw material stock with suppliers, at the time the LME price is agreed with the suppliers, take a short position on the LME for the corresponding quantity using derivatives, where and if these daily purchases and sales cannot be offset by each other (back-to-back). Thus, the Group and the Company cover purchases and sales with cash-flow hedging operations, ensuring that the fluctuation of the price of metals in the international markets will not affect the operating cash flows and consequently the regular, sustainable and optimal operation of the Group and the Company.

In particular, to hedge cash flows related to the Natural Gas market, the Group and the Company conduct Commodity Forward Start Swaps to hedge the risk of fluctuations in natural gas prices, including natural gas. , from market conditions. Also, the Company, from its operations, is exposed to fluctuations in gas prices as a component of production costs. The risk of fluctuations in metal prices is covered by hedging operations (futures - on the London Metal Exchange - LME), as well as natural gas. The risk of gas price fluctuations is covered by cash flow hedging using Commodity Forward Start Swaps derivative contracts traded on the Title Transfer Facility (TTF). More specific, the Company assumes a long position for predetermined quantities of natural gas that will be consumed in its future production. Upon the commencement of the hedging transaction, the Group and the Company shall document the hedging relationship between the hedged item and the hedging instrument in relation to risk management and the strategy for future gas transactions. The Group and the Company document the assessment of the effectiveness of the hedge in terms of offsetting changes in the fair value or cash flows of the hedged items, both at the inception of the hedging relationship and on an ongoing basis.

Macroeconomic environment

Covid 19

The evolvement of the Covid-19 pandemic has had an adverse impact on global economic conditions. ElvalHalcor and its subsidiaries responded swiftly to the pandemic, prioritising the health and safety of its employees, suppliers and customers, and social distancing measures were successfully implemented without disrupting production activity, according to the recommendations of health authorities and international health protocols. For the additional measures and means of personal protection, according to the recommendation of health committees, the Group and the Company undertook expenses of Euro 4.2 million (2020: Euro 4.0 million) and Euro 2.8 million (Euro 2.9 million) respectively, which affected negatively the profitability.

In addition, the slowdown of the world economic outlook is expected to affect negatively a number of companies operating in different segments. The Group and the Company increased the posting of the “impairment loss on receivables and contract assets” for the expected credit losses (IFRS 9) following the increase of the risk factors, hence impacting the financial results negatively, in order to include the new short-term conditions of the global market. It is noteworthy that the sales of ElvalHalcor are made to companies with long term commercial ties and presence in the local market, and they do not face any risks deriving from the macroeconomic environment. In spite of that, the Management constantly evaluates the situation and its possible ramifications in order to secure that all necessary measures and actions have been taken for the mitigation of any impact to the Group’s and the Company’s activities.

In spite of the lockdowns in the global economy, the materialization of the investment programmes was completed with minor delays, and the unhindered operation of the production facilities throughout the pandemic provided an advantage over many European producers. The availability and the prices of the basic raw materials follow the international market and are not affected by the domestic situation in any country. The extensive measures of the lockdowns in many economies reduced temporarily the availability of scrap of copper, while the traffic of raw materials was disrupted for a short period in certain major shipping ports. ElvalHalcor has access to multiple sources for raw materials, and acted proactively by increasing the safety stock in critical materials handling any supply chain disruptions, if any observed.

US anti-dumping investigation

ElvalHalcor participated in the investigation of the US Department of Commerce as a Greek producer of aluminium sheets and cooperated with the authorities, with continuous transmission of information for the development of investigations. On 02.03.2021, the US Department of Commerce calculated a final dumping margin of 0%, for imports from ElvalHalcor.

Following issuance of the final determination by the DoC, the investigation concerning ElvalHalcor’s imports is terminated without imposition of an antidumping duty and the US International Trade Commission (ITC) will not make an injury determination with respect to imports from Greece.

Considering the above and the fact that for most of the other participants in the investigations, a dumping margin has been calculated, and in some cases, a high margin, the Company and the Group reasonably believe that the decision accommodates the continuation and expansion of the activity in the US market.

Disclosures for conflicts in the region of Ukraine

Regarding the developments in Ukraine region, the Group's sales for 2021 corresponding to 0.9% of its total turnover to the Russian market and 0.6% to the Ukrainian market, while at company level sales reached to 1% to the Russian market and 0.6% in the Ukrainian market. Both markets are not significant, and quantities are easily absorbed by other markets where there is demand for Group's and Company's products. It is worth to be noted that the Group and the Company procure raw materials from the Russian market, mainly primary aluminum, but this supplier represents 5% -7% of the value of the total purchases and can be replaced by others without significant impact in the smooth and uninterrupted operation of the Company and the Group. Finally, it is noted that the consolidated ETEM SYSTEMS LLC, based in Ukraine is a trading company with total assets of 274 thousand euros, turnover of 1,054 thousand euros and net profit after taxes of 30 thousand euros for the closing year 2021. Therefore and taking into account the size of the consolidated entity, it is reasonably estimated that they may not affect the size of the Group or the Company.

Capital management

The Groups' policy is to maintain a strong capital base to ensure investors', creditors' and the market's trust in the Group and to allow Group activities to expand in the future. The Board of Directors monitors the return on capital which is defined by the Group as net results divided by total equity save non-convertible preferential shares and minority interests. The Board of Directors also monitors the level of dividends distributed to holders of common shares.

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.

The Group does not have a specific plan for own shares purchase.

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

a) Credit risk

The Financial assets subject to credit risk are as follows:

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
	€ '000	€ '000	€ '000	€ '000
Trade & Other receivables	303,290	257,354	254,647	234,958
Total	**303,290**	**257,354**	**254,647**	**234,958**
Less:				
Downpayments	(3,521)	(1,597)	(551)	(710)
Tax assets	(29,289)	(27,597)	(21,977)	(20,915)
Other receivables	(3,397)	(4,201)	(2,123)	(2,336)
Total	**(36,207)**	**(33,755)**	**(24,651)**	**(23,962)**
Financial assets entailing credit risk	**267,084**	**223,599**	**229,996**	**210,996**

The balances included in Receivables according to maturity can be classified as follows:

GROUP

2021	Trade and other receivables (Gross)	Impairment loss	Trade and other receivables (Net)	ECL
€ '000				
Neither past due nor impaired	251.441	(1.433)	250.008	0,6%
Overdue				
- Up to 6 months	17.250	(631)	16.619	3,7%
- Over 6 months	7.124	(6.667)	457	93,6%
Total	**275.815**	**(8.731)**	**267.084**	

GROUP

2020	Trade and other receivables (Gross)	Impairment loss	Trade and other receivables (Net)	ECL
€ '000				
Neither past due nor impaired	208,882	(1,218)	207,664	0,6%
Overdue				
- Up to 6 months	15,002	(367)	14,635	2,4%
- Over 6 months	8,358	(7,057)	1,301	84,4%
Total	**232,242**	**(8,642)**	**223,599**	

COMPANY

2021	Trade and other receivables (Gross)	Impairment loss	Trade and other receivables (Net)	ECL
€ '000				
Neither past due nor impaired	225,469	(1,043)	224,426	0,5%
Overdue				
- Up to 6 months	6,098	(9,541)	5,557	2,0%
- Over 6 months	4,815	(4,802)	13	98,0%
Total	**236,382**	**(6,386)**	**229,996**	

COMPANY

2020	Trade and other receivables (Gross)	Impairment loss	Trade and other receivables (Net)	ECL
€ '000				
Neither past due nor impaired	208,644	(832)	207,812	0,4%
Overdue				
- Up to 6 months	2,625	(239)	2,386	9,1%
- Over 6 months	5,253	(4,455)	798	84,8%
Total	**216,522**	**(5,526)**	**210,996**	

The movement in the account of provision for impairment was as follows:

	GROUP		**COMPANY**	
	2021	**2020**	**2021**	**2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
Balance as at 1 January	**8,642**	**8,243**	**5,526**	**5,414**
Impairment loss recognized	598	513	131	112
Amounts written off	(1,692)	(86)	(1,096)	-
Impairment loss reversed	(109)	(28)	-	-
Mergers and absorptions	1,294	-	1,824	-
Effect of movement in exchange rates	(2)	-	-	-
Balance as at 31 December	**8,731**	**8,642**	**6,386**	**5,526**

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

	GROUP		**COMPANY**	
	2021	**2020**	**2021**	**2020**
	€ '000	€ '000	€ '000	€ '000
Greece	19,148	76,689	73,016	84,718
Other EU Member States	165,604	105,407	109,092	105,717
Other European countries	39,572	15,527	26,967	8,691
Asia	14,406	10,561	2,551	2,759
America (North & South)	23,376	10,698	15,536	5,595
Africa	4,510	4,584	2,441	3,412
Oceania	466	133	394	103
Total	**267,084**	**223,599**	**229,996**	**210,996**

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

b) Liquidity risk

GROUP
€ '000

Liabilities	**2021** Carrying Amount	Up to 1yr	1 to 2 yrs	2 to 5 yrs	Over 5 yrs	Total
Bank loans	259,300	125,452	37,623	82,050	21,597	**266,721**
Lease liabilities	15,177	5,132	6,939	3,109	983	**16,162**
Bond issues	603,722	64,921	89,492	217,815	331,522	**703,749**
Derivatives	6,313	3,108	3,205	-	-	**6,313**
Contract liabilities	9,267	9,267	-	-	-	**9,267**
Trade and other payables	423,961	409,693	3,174	3,174	7,920	**423,961**
	1,317,739	**617,572**	**140,432**	**306,147**	**362,021**	**1,426,173**

GROUP
€ '000

Liabilities	**2020** Carrying Amount	Up to 1yr	1 to 2 yrs	2 to 5 yrs	Over 5 yrs	Total
Bank loans	311,840	147,378	34,212	108,232	29,314	**319,137**
Lease liabilities	14,472	4,050	3,981	5,542	1,069	**14,642**
Bond issues	330,537	50,959	212,500	71,401	16,226	**351,086**
Derivatives	2,182	1,912	270	-	-	**2,182**
Contract liabilities	8,826	8,826	-	-	-	**8,826**
Trade and other payables	309,906	309,906	-	-	-	**309,906**
	977,762	**523,031**	**250,963**	**185,175**	**46,610**	**1,005,779**

COMPANY
€ '000

Liabilities	**2021** Carrying Amount	Up to 1yr	1 to 2 yrs	2 to 5 yrs	Over 5 yrs	Total
Bank loans	117,828	32,324	24,611	46,017	21,597	**124,548**
Lease liabilities	9,954	3,496	3,990	1,986	841	**10,313**
Bond issues	586,163	49,692	73,926	193,093	329,881	**646,592**
Derivatives	5,644	2,439	3,205	-	-	**5,644**
Contract liabilities	4,562	4,562	-	-	-	**4,562**
Trade and other payables	331,142	316,874	3,174	3,174	7,920	**331,142**
	1,055,294	**409,387**	**108,906**	**244,270**	**360,238**	**1,122,801**

COMPANY
€ '000

Liabilities	**2020** Carrying Amount	Up to 1yr	1 to 2 yrs	2 to 5 yrs	Over 5 yrs	Total
Bank loans	191,733	89,232	23,203	59,187	29,314	**200,937**
Lease liabilities	12,500	3,312	3,492	4,878	897	**12,579**
Bond issues	317,601	48,019	208,897	63,999	16,226	**337,140**
Derivatives	1,367	1,097	270	-	-	**1,367**
Contract liabilities	6,427	6,427	-	-	-	**6,427**
Trade and other payables	269,597	269,597	-	-	-	**269,597**
	799,224	**417,683**	**235,862**	**128,064**	**46,438**	**828,046**

c) Exchange rate risk

GROUP € '000	2021 EUR	USD	GBP	BGN	RON	Other
Trade and other receivables	242,584	39,809	11,864	6,190	1,568	1,276
Cash & cash equivalents	73,952	14,840	481	1,478	56	336
Total assets	**316,536**	**54,649**	**12,344**	**7,668**	**1,624**	**1,612**
Loans and Borrowings	877,432	-	605	160	-	-
Trade and other payables	356,191	57,737	300	9,208	327	198
Contract liabilities	7,896	466	-	758	37	110
Total liabilities	**1,241,519**	**58,202**	**905**	**10,127**	**437**	**236**
Net (Assets-Liabilities)	**(924,984)**	**(3,553)**	**11,439**	**(2,458)**	**1,188**	**1,375**
Derivatives for risk hedging (Nominal Value)	-	(22,242)	(4,977)	-	-	-
Total risk	**(924,984)**	**(3,553)**	**(10,803)**	**(7,436)**	**1,188**	**1,375**

GROUP € '000	2020 EUR	USD	GBP	BGN	RON	Other
Trade and other receivables	214,604	27,355	12,431	2,959	-	6
Cash & cash equivalents	26,143	6,778	259	382	276	-
Total assets	**240,746**	**34,133**	**12,690**	**3,341**	**276**	**6**
Loans and Borrowings	652,931	-	1,296	2,622	-	-
Trade and other payables	263,128	33,079	286	13,202	12	200
Contract liabilities	7,686	1,125	-	-	-	16
Total liabilities	**923,744**	**34,203**	**1,582**	**15,825**	**12**	**215**
Net (Assets-Liabilities)	**(682,998)**	**(71)**	**11,108**	**(12,483)**	**264**	**(209)**
Derivatives for risk hedging (Nominal Value)	-	(5,707)	(6,018)	-	-	-
Total risk	**(682,998)**	**(5,777)**	**5,090**	**(12,483)**	**264**	**(209)**

ETAIPEIA	2021					
€ '000	**EUR**	**USD**	**GBP**	**BGN**	**RON**	**Other**
Trade and other receivables	226,121	21,270	7,157	-	-	101
Cash & cash equivalents	48,270	8,899	73	-	-	-
Total assets	**230,567**	**10,854**	**6,164**	**-**	**-**	**101**
Loans and Borrowings	520,538	-	1,296	-	-	-
Trade and other payables	241,028	28,291	206	-	35	8
Contract liabilities	6,162	264	-	-	-	-
Total liabilities	**767,728**	**28,556**	**1,502**	-	35	8
Net (Assets-Liabilities)	**(537,162)**	**(17,702)**	**4,661**	**-**	**35**	**(8)**
Derivatives for risk hedging (Nominal Value)	-	-	-		-	-
Total risk	**(537,162)**	**(17,702)**	**4,661**	**-**	**35**	**(8)**

ETAIPEIA	2020					
€ '000	**EUR**	**USD**	**GBP**	**BGN**	**RON**	**Other**
Trade and other receivables	218,928	9,922	6,107	-	-	1
Cash & cash equivalents	11,639	931	57	-	-	-
Total assets	**230,567**	**10,854**	**6,164**	**-**	**-**	**1**
Loans and Borrowings	520,538	-	1,296	-	-	-
Trade and other payables	241,028	28,291	206	-	-	71
Contract liabilities	6,162	264	-	-	-	-
Total liabilities	**767,728**	**28,556**	**1,502**	**-**	**-**	**71**
Net (Assets-Liabilities)	**(537,162)**	**(17,702)**	**4,661**	**-**	-	**(70)**
Derivatives for risk hedging (Nominal Value)	-	-	-	-	-	-
Total risk	**(537,162)**	**(17,702)**	**4,661**	**-**	-	**(70)**

The rates that were applied for the foreign exchange translation were:

	AVERAGE		AT YEAR END	
	2021	**2020**	**2021**	**2020**
USD	1,1827	1,1422	1.1326	1,1271
GBP	0,8596	0,8897	0.8403	0,8990
RON	4,9215	4,8383	4.9490	4,8683
TRY	10,5124	8,0547	15.2335	9,1131

BGN is locked with the Euro which is the reporting and operating currency of the Group and the Company with rate 1.9558 and as a result there is no foreign exchange risk.

Sensitivity analysis

A change in the price of Euro against other currencies that the Group trades would have corresponding impact on the income statement and in equity as follows:

	2021			
GROUP € '000	**Profit or loss**		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	648	(792)	2,345	(2,866)
GBP (10% movement)	(61)	75	(587)	718
RON (10% movement)	(108)	132	(108)	132

	2020			
GROUP € '000	**Profit or loss**		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	642	(525)	488	(399)
GBP (10% movement)	(566)	463	(430)	352
RON (10% movement)	(29)	24	(22)	18

COMPANY € '000	**2021**			
	Profit or loss		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	1,777	(2,171)	1,777	(2,171)
GBP (10% movement)	(580)	709	(580)	709

COMPANY € '000	**2020**			
	Profit or loss		**Equity, net of tax**	
	EUR Strengthening	**EUR Weakening**	**EUR Strengthening**	**EUR Weakening**
USD (10% movement)	1,609	(1,967)	1,223	(1,495)
GBP (10% movement)	(424)	518	(322)	394

d) Interest rate risk

The following financial liabilities related to loans and borrowings and finance leases:

	GROUP		COMPANY	
	2021	2020	2021	2020
Fixed-rate instruments	€ '000	€ '000	€ '000	€ '000
Financial assets	5,746	3,975	5,746	3,975
Financial liabilities	(262,186)	(18,582)	(253,014)	(16,610)
Variable-rate instruments				
Financial assets	-	-	3,000	-
Financial liabilities	(616,013)	(638,266)	(460,932)	(640,239)

Sensitivity analysis

The effects of an increase in the interest rates of 25 basis points both in the Income statement and the Equity can be depicted as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
0.25% increase	(1,540)	(1,654)	(1,152)	(1,323)
0.25% decrease	1,540	1,654	1,152	1,323

e) Change of Metal prices

The production of aluminium, copper and alloys require significant quantities of raw materials, as a result, the Group and the Company purchase raw materials of copper, aluminium and zinc for further fabrication. In order to secure the unhindered operation of the Group and the Company, considering the usual production cycle as well as the availability of raw materials from parameters that cannot be controlled either by the Group or the Company (indicatively and not exhaustively, the global balance of supply and demand, implementation of new laws or regulations related to the production and movement of raw materials etc.), the Group and the Company maintain a safety stock, the amount of which is set by the Management considering the production process and the overall market conditions, a practice which is followed by almost all the competitors and market participants and is embedded in the core characteristics of the operation of the production facilities.

For the usual procurement of raw materials and sales the Group and the Company employ cash flow hedge accounting to fortify their cash flows from the changes in the prices of metals. According to the set hedging policy, the Group and the Company close positions in the LME (London Metal Exchange) for each purchase or sale of physical inventory conducted with suppliers and customers respectively. At the closing of the market position the result is charged to the statement of profit or loss as well as the completion of the sale or purchase of the physical inventories of the products or raw materials, while the open positions are being measured in the statement of other comprehensive income as each reporting period.

In addition, it is noted that the Group and the Company determine the cost of inventory by applying the annual average weighted cost method and measure the inventory at each reporting period at the lower between acquisition cost or net realisable value, including the safety stock. The changes from the valuation of safety stock cause fluctuations in the variable cost, which however are not source of cash flow risk, considering the steady retention of the said stock. As a result of the above, a sensitivity analysis of the change of metal prices on the safety stock is not presented.

28. Fair value of financial assets

The different levels have been defined as follows:

- Level 1: consists of exchange traded derivatives and shares which are based on market prices.
- Level 2: consists of OTC derivatives that are based on prices from brokers.
- Level 3: Includes unlisted shares. They come from estimates of the Company as there are no observable market data.

The financial information concerning Level 3 refers to holdings in domestic and foreign companies with a stake of less than 20%. These holdings which are not quoted and the fair value cannot be reliably measured, they are valued at cost and are subject to impairment testing (see Note 14).

GROUP	**2021**			
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Other Investments	-	-	9.978	**9,978**
Derivative financial assets	6.065	8.060	-	**14,125**
Derivative financial liabilities	(2.053)	(4.259)	-	**(6,313)**
	2020			
Other Investments	-	-	4,301	**4,301**
Derivative financial assets	4,236	1,305	-	**5,541**
Derivative financial liabilities	(1,907)	(275)	-	**(2,182)**

GROUP	**2021**			
€ '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Other Investments	-	-	12,935	**12,935**
Derivative financial assets	3,050	7,986	-	**11,037**
Derivative financial liabilities	(2,053)	(3,591)	-	**(5,644)**
	2020			
Other Investments	-	-	2,185	**2,185**
Derivative financial assets	2,191	1,219	-	**3,410**
Derivative financial liabilities	(1,306)	(61)	-	**(1,367)**

The derivatives of level 1 comprise of futures traded in ‘London Metal Exchange – LME’ for which there is an observable market price for all prompt dates on which the contract is settled. The mark-to-market valuations of the futures are based on evening evaluations of LME, as well as the counterparties valuations in contracts, which are LME brokers. The derivatives of level 2 comprise of forward FX contracts. The valuation stems from the counterparty banks based on a valuation model.

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

(b) Fair Value in Level 3

The movement of investments classified as Level 3 was as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Balance as at 1 January	**4,300**	**3,611**	**2,185**	**1,682**
Additions	5	539	5	532
Disposals	(77)	-	-	-
Fair value adjustment through OCI	-	179	1,995	-
Reclassifications	3	(29)	3	(29)
Balance as at 31 December	**4,231**	**4,300**	**4,189**	**2,185**

During the fiscal year, there were no reclassifications of financial assets between levels.

The financial assets classified in Level 3 are valuated with the discounted cash flow method. The valuation model calculates the present value of the net cash flows that the Cash Generating Unit is creating (CGU) based on assumptions for future profitability, taking into account the expected growth rate of its operatios as well as the discount rate.

The expected cash flows have been discounted using rates as follows:

- Risk-free rate: (-)%
- Market risk premium: 5.71%
- Expected income tax rate: 22%
- Unlevered beta: 0.89
- WACC 6,9%
- Growth rate (g): 1,6%.

29. Commitments

The contractual obligations are:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	€ '000	€ '000	€ '000
Tangible assets	10,128	3,732	9,477	3,134

30. Contingent liabilities / assets

The tax liabilities of the Company and its subsidiaries for certain financial years have not been audited by taxation authorities and thus are not finalized yet for such years.

The table below presents unaudited tax years of the companies consolidated by ELVALHALCOR SA by applying either full consolidation or equity method.

Company		Country	Business	Direct Participation	Indirect Participation	Consolidation Method	Unaudited Fiscal Years
ELVALHALCOR S.A.		GREECE	Industrial	-	-	-	2016 - 2021
SOFIA MED S.A.	(1)	BULGARIA	Industrial	89,56%	0,00%	Consolidation in Full	2015-2021
EPIRUS METALWORKS	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2019-2021
TECHOR A.E.	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2016-2021
ELKEME S.A	(2)	GREECE	Metallourgical Research	92,50%	0,00%	Equity Method	2010-2021
VIEXAL S.A	(2)	GREECE	Services	26,67%	0,00%	Equity Method	2016-2020
VIENER S.A	(2)	GREECE	Energy	41,32%	0,00%	Equity Method	2012-2021
INTERNATIONAL TRADE S.A.	(2)	ROMANIA	Commercial	29,97%	0,00%	Equity Method	-
TECHOR PIPE SYSTEMS	(3)	TURKEY	Industrial	0,00%	100,00%	Consolidation in Full	-
HC ISITMA A.S.		GREECE	Services	50,00%	0,00%	Equity Method	-
STEELMET S.A	(2)	GREECE	Industrial	29,50%	0,00%	Equity Method	2016-2020
SYMETAL S.A	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2016 - 2021
VEPAL S.A	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2017-2021
ANOXAL S.A	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2017-2021
VIOMAL	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2016-2021
BIOMAΛ A.E	(1)	GREECE	Industrial	75,00%	0,00%	Consolidation in Full	2015-2020
ROULOC A.E.	(4)	SPAIN	Commercial	0,00%	100,00%	Consolidation in Full	2016-2021
ELVAL COLOUR IBERICA S.A.	(4)	GERMANY	Commercial	0,00%	100,00%	Consolidation in Full	-
UACJ ELVAL HEAT EXCHANGER MATERIALS GmbH		NETHERLANDS	Industrial	50,00%	0,00%	Equity Method	-
NEDZINK B.V.		GREECE	Industrial	50,00%	0,00%	Equity Method	-
CABLEL WIRES A.E	(1)	GREECE	Industrial	100,00%	0,00%	Consolidation in Full	2019-2021
ETEM COMMERCIAL S.A	(1)	GREECE	Industrial	80,00%	0,00%	Consolidation in Full	2017-2021
ETEM BG S.A.	(5)	BULGARIA	Commercial	0,00%	73,60%	Consolidation in Full	2019-2021
ETEM ALBANIA S.A.	(6)	ALBANIA	Commercial	0,00%	73,60%	Consolidation in Full	2011-2021
ETEM SCG DOO	(6)	SERBIA	Commercial	0,00%	73,60%	Consolidation in Full	2012-2021
ETEM SYSTEMS LLC	(6)	UKRAINE	Commercial	0,00%	73,60%	Consolidation in Full	2005-2021
ETEM SYSTEMS SRL	(6)	ROMANIA	Commercial	0,00%	73,60%	Consolidation in Full	2016-2021
ELVIOK S.A	(1)	GREECE	Services	100,00%	0,00%	Consolidation in Full	2019-2020

(1) Susbidiary of ELVALHALCOR
(2) Subsidiary of Viohalco SA
(3) Subsidiary of Techor S.A.
(4) Subsidiary of Elval Colour S.A.

On 01.07.2021 the decision with Registration Code Number 2574251 and protocol Nr.73823/01.07.2021 (ΑΔΑ: 6ΞΟ046ΜΤΛΡ-ΞΤΥ) of the Ministry of Development and Investments, General Secretariat of Commerce and Consumer Protection, was registered in the General Commercial Registry ("G.E.MI."), by operation of the aforesaid decision the merger by absorption of "FITCO" by "ELVALHALCOR" was approved, pursuant to the aforementioned Laws, the draft merger terms of the merging companies dated 19.05.2021, the decisions of the Board of Directors dated 14.05.2021 of the merging companies, nd the no. 7163/29.06.2021 notarial deed of the Notary Public Marina G. Karageorgi. The merger by absorption of "FITCO" by "ELVALHALCOR performed according to the provisions of L. 4601/2019, of L. 4548/2018 and 4172/2013.

31. Related parties

Affiliated parties shall mean all companies and natural persons with whom 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) is established.

	GROUP		COMPANY	
€' 000	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Sale of goods				
Subsidiaries	-	-	261.634	197.211
Equity accounted investees	452,087	798,705	700.891	566.291
Joint Ventures	77	67	1	67
Parent	-	1	-	-
Other	730,437	90,615	159.682	88.788
	1,182,602	**889,388**	**1.122.207**	**852.357**
Sale of services				
Subsidiaries	-	-	5,727	6,832
Equity accounted investees	759	1,584	810	1,092
Joint Ventures	121	1	1	1
Other	2,516	1642	897	1,442
	3,396	**3,227**	**7,433**	**9,366**
Sale of fixed assets				
Subsidiaries	-	-	943	35
Equity accounted investees	-	9,837	-	9,837
Joint Ventures	172	-	172	-
Other	169	217	96	163
	341	**10,054**	**1,211**	**10,034**
Purchase of goods				
Subsidiaries	-	-	43,809	21,871
Equity accounted investees	16,374	36,298	522	10,082
Joint ventures	35	80	35	80
Other	81,037	16,518	41,011	15,555
	97,447	**52,896**	**85,377**	**47,588**
Purchase of services				
Subsidiaries	-	-	44,639	37,075
Equity accounted investees	45,830	32,228	26,251	23,470
Parent	169	-	150	0
Other	8,217	5,544	6,593	3,789
	54,216	**37,772**	**77,633**	**64,334**
Purchase of fixed assets				
Subsidiaries	-	-	356	5,823
Equity accounted investees	4,659	3,142	3,378	2,036
Other	23,060	14,130	19,912	12,467
	27,719	**17,272**	**23,646**	**20,325**

The services, sales and purchases of good from continuing activities with related parties are carried out with the established price list as with third parties. More specifically:

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

	GROUP		COMPANY	
€' 000	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Receivables from related parties:				
Subsidiaries	-	-	76,568	60,231
Equity accounted investees	32,771	68,903	53,786	49,547
Joint Ventures	5,857	-	5,778	-
Parent	87,541	250	36,248	249
Other	1	70,887	-	70,557
	126,171	**140,041**	**172,380**	**180,583**
EUR				
Liabilities to related parties:				
Subsidiaries	-	-	10,151	15,323
Equity accounted investees	9,066	11,757	4,864	8,123
Joint Ventures	269	25	249	25
Parent	10,622	-	5,887	-
Other	259	7,826	55	6,598
	20,215	**19,608**	**21,207**	**30,070**

Services towards and from affiliated parties, as well as sales and purchases of goods, are realized in accordance with the fee schedules, which apply for non-affiliates. The Group and the Company have not recorded any impairment loss in respect of intercompany balances as there are only minor delays in payment for which interest is invoiced. For 2021 the amount of interest has been invoiced to related parties by the parent company ELVALHALCOR amounted to Euro 204 thousand compared to 143 thousand in 2020, while at Group level there were no corresponding charges for 2021 compared to Euro 55 thousand in 2020. Concerning loan commitments to related parties, these are presented in specific line in Statement of Financial Position (refer to note 34 for more information)

Sofia Med SA buys from ELVALHALCOR raw materials and semi-finished products of copper and copper alloys, depending on its needs, as well as finished products which distributes to the Bulgarian market. In addition, ELVALHALCOR provides technical, administrative and commercial support services to Sofia Med. Respectively, ELVALHALCOR buys from Sofia Med raw materials, semi-finished products according to its needs, as well as finished products which distributes to the Greek market.

ELVALHALCOR purchases aluminium scrap from the production process of Symetal, which is re-used as raw material (re-casting). ELVALHALCOR, occasionally, sells spare parts and other materials to Symetal and provides other supportive services. Finally, ElvalHalcor sells final spare parts and other materials to SYMETAL and provide various services.

ELVALHALCOR S.A. sells final aluminium products to Viomal, which constitute raw material for the latter and Viomal sells back to ELVALHALCOR the returns from its production process.

Elval Colour S.A. buys final products from ELVALHALCOR, which are used as raw material by the latter and ELVALHALCOR processes Elval Colour’s materials.

Vepal S.A. processes ELVALHALCOR’s products and delivers semi-finished products. ELVALHALCOR sells raw materials to Vepal and also provides supporting administrative services to the latter.

Anoxal S.A., also, processes ELVALHALCOR’s raw materials and ELVALHALCOR provides administrative support to Anoxal. Furthermore, Anoxal purchases from ELVALHALCOR other materials (spare parts and other consumables) for its production process.

Epirus Metalworks purchases raw materials from ELVALHALCOR, proceed with the process and then sales finished products to ELVALHALCOR. ELVALHALCOR provides administrative services to Epirus Metalworks.

Cenergy Group purchases raw materials from ELVALHALCOR according to their needs. In its turn, it sells copper scrap to ELVALHALCOR from the products returned during its production process.

Steelmet Group provides ELVALHALCOR with administration and organization services.

International Trade exports ELVALHALCOR's Group products to various foreign countries with the delivery provided directly from the production facilities of the Group to many customers, the majority of them does not represent 10% of total sales according to the credit policy of the Group. ElvalHalcor's transactions with INTERNATIONAL TRADE are approved by the Board of Directors and are published to G.E.MI. (ΓΕΜΗ), pursuant to art. 99-101 of the Law L4548/2018.

Metal Agencies LTD acts as a merchant - central distributor of ELVALHALCOR Group in Great Britain.

TEPROMKC Gmbh trades ELVALHALCOR's products in the German market.

Steelmet Romania trades ELVALHALCOR's products in the Romanian market.

Teka Systems S.A. undertakes to carry out certain industrial constructions for ELVALHALCOR and provides consulting services in IT issues and SAP support and upgrade.

Anamet S.A. provides ELVALHALCOR with considerable quantities of copper and brass scrap.

Viexal SA provides ELVALHALCOR with travelling services.

Viohalco S.A. rents buildings and industrial premises to ELVALHALCOR.

Tepro Metall AG trades (through its subsidiary MKC) ELVALHALCOR products and represents the latter in the German market.

Genecos, as well as its subsidiary Reynolds Cuivre sell ELVALHALCOR's products and represent ELVALHALCOR in the French market.

ETEM Gestamp Aluminium Extrusions purchases from ELVALHALCOR aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

GESTAMP Etem Automotive Bulgaria sells aluminium scrap from its production process to ELVALHALCOR.

ETEM COMMERCIAL SA rents industrial facilities from ELVALHALCOR, purchases aluminium billets and sells in its turn aluminium scrap from its production process to ELVALHALCOR.

UACJ ELVAL HEAT EXCHANGER MATERIALS purchases from ELVALHALCOR finished aluminium products and distributes them to international markets.

Benefits to Key Management Personnel	**GROUP**		**COMPANY**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Fees - benefits to the members of the Board of Directors and executives	12,442	11,762	5,216	4,975
	12,442	**11,762**	**5,216**	**4,975**

32. Auditor's fees

Regarding year 2021, the fees of our auditor's PriceWaterhouseCoopers S.A. for the Group and for the Company in respect of audit of the financial statements of the Company amounted to Euro 213 thousand (2020: Euro 202 thousand), for tax audit amounted to Euro 45 thousand (2020: Euro 42 thousand) and fees for other services reached Euro 101 thousand (2020: Euro 4 thousand). In Group's level they amounted to Euro 342 thousand (2020: Euro 312 thousand), for tax audit Euro 68 thousand (2020: Euro 69 thousand) and fees for other services Euro 101 thousand (2020: Euro 4 thousand).

33. ROU

The movement in the right of use of assets for the fiscal year and the respective previous presented below:

GROUP € '000	Land	Buildings / Warehouses	Machinery	Transportation equipment	Total
Cost					
Balance as at 1 January 2020	274	158	17,470	5,119	**23,021**
Additions	-	1,367	-	1,714	**3,081**
Terminations	-	-	-	(416)	**(416)**
Write offs	-	-	-	**(6)**	**(6)**
Balance as at 31 December 2020	**274**	**1,525**	**17,470**	**6,412**	**25,681**
Accumulated depreciation					
Balance as at 1 January 2020	**(6)**	**(51)**	**(2,374)**	**(1,317)**	**(3,747)**
Depreciation of the period	(23)	(100)	(828)	(1,507)	(2,548)
Terminations	-	-	-	253	253
Write offs	-	-	-	5	**5**
Balance as at 31 December 2020	**(29)**	**(151)**	**(3,202)**	**(2,565)**	**(5,947)**
Carrying amount as at 31 December 2020	**246**	**1,374**	**14,268**	**3,846**	**19,734**

GROUP € '000	Land	Buildings / Warehouses	Machinery	Transportation equipment	Total
Cost					
Balance as at 1 January 2021	**274**	**1,525**	**17,470**	**6,412**	**25,681**
Additions	-	56	-	2,019	**2,075**
Terminations	-	(47)	-	(764)	**(811)**
Mergers and absorptions	-	3,824	-	614	**4,438**
Modifications	-	24	-	-	**24**
Balance as at 31 December 2021	**274**	**5,383**	**17,470**	**8,281**	**31,408**
Accumulated depreciation					
Balance as at 1 January 2021	**(29)**	**(151)**	**(3,202)**	**(2,565)**	**(5,947)**
Depreciation of the period	(23)	(539)	(828)	(1,613)	**(3,002)**
Terminations	-	49	-	602	**650**
Mergers and absorptions	-	(736)	-	(351)	**(1,086)**
Balance as at 31 December 2021	**(51)**	**(1,378)**	**(4,030)**	**(3,927)**	**(9,386)**
Carrying amount as at 31 December 2021	**223**	**3,742**	**13,440**	**4,354**	**22,021**

COMPANY € '000	Land	Buildings / Warehouses	Machinery	Transportation equipment	Total
Cost					
Balance as at 1 January 2020	**-**	**-**	**17,470**	**2,882**	**20,352**
Additions	-	1,367	-	958	**2,325**
Terminations	-	-	-	(234)	**(234)**
Balance as at 31 December 2020	**-**	**1,367**	**17,470**	**3,606**	**22,442**
Accumulated depreciation					
Balance as at 1 January 2020	**-**	**-**	**(2,374)**	**(686)**	**(3,060)**
Depreciation of the period	-	(42)	(828)	(789)	**(1,659)**
Terminations	-	-	-	115	**115**
Balance as at 31 December 2020	**-**	**(42)**	**(3,202)**	**(1,360)**	**(4,604)**
Carrying amount as at 31 December 2020	**-**	**1,325**	**14,268**	**2,246**	**17,838**

COMPANY € '000	Land	Buildings / Warehouses	Machinery	Transportation equipment	Total
Cost					
Balance as at 1 January 2021	**-**	**1.367**	**17.470**	**3.606**	**22.442**
Additions	-	-	-	855	**855**
Terminations	-	-	-	(354)	**(354)**
Mergers and absorptions	-	-	-	150	**150**
Balance as at 31 December 2021	**-**	**1.367**	**17.470**	**4.257**	**23.093**
Accumulated depreciation					
Balance as at 1 January 2021	**-**	**(42)**	**(3.202)**	**(1.360)**	**(4.604)**
Depreciation of the period	-	(52)	(828)	(806)	**(1.686)**
Terminations	-	-	-	115	**115**
Mergers and absorptions				(83)	**(83)**
Balance as at 31 December 2021	**-**	**(94)**	**(4.030)**	**(1.981)**	**(6.105)**
Carrying amount as at 31 December 2021	**-**	**1.273**	**13.440**	**2.276**	**16.989**

Rental fees was recognized in the income statement for fiscal year and the respective prior year presented below:

	GROUP		COMPANY	
	2021	2020	2021	2020
	€ '000	**€ '000**	**€ '000**	**€ '000**
Variable rental fees	73	74	36	61
Low value rental fees	80	23	9	4
Short term rental fees	3,474	2,278	1,006	1,613
Gain/loss due to difference between asset/liability on early termination	(7)	2	(61)	6
Other expenses related to leasing contracts	114	80	29	34
	3,735	**2,457**	**1,714**	**1,714**

Interest expense related to financial leases amounted for the Group Euro 683 thousand (2020: Euro 707 thousand) and for the Company Euro 517 thousand (2020: Euro 632 thousand).

34. Non-current and current loan receivables

The Company after obtaining the necessary approvals pursuant to articles 99-101 of Law 4548/2018 for the fair and reasonable of the transaction, provided a loan jointly with Koramic Holding N.V, by 50% corresponding to their percentage in the participation in affiliated Nedzink B.V., with a nominal value of Euro 11.5 million partially convertible into equity capital. The loan will be recovered in 2022 and as a result reclassified in current assets. The loan was recorded at amortized cost. The annual interest rate is 3.6%.

Aon 21.12.2021 the Company signed a credit agreement with the 100% subsidiary Epirus Metalworks, under which ELVALHALCOR provides credit to EPIRUS METALWORKS, exclusively in cash up to the amount of € 3.0 million. The credit agreement provided for a suration of five (5) years and Epirus Metalworks obtain the right to partial or full repayment. Annual interest rate is based on 6-month EURIBOR plus margin of 3.6%. As a result the loan has been classified to current assets.

	GROUP		COMPANY	
	2021	2020	2021	2020
Balance as at 1 January 2021	**3.975**	**-**	**3,975**	**-**
Additions	1.750	3.973	4,750	3,973
Interest income	173	47	173	47
Interest received	(153)	(45)	(153)	(45)
Balance as at 31 January 2021	**5.746**	**3.975**	**8,746**	**3,975**

35. EBITDA and a-EBITDA

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.

€ '000		**GROUP**		**COMPANY**	
		2021	**2020**	**2021**	**2020**
Operating profit / (loss)		**146,909**	**59,421**	**98,554**	**40,398**
	Adjustments for:				
	+ Depreciation of tangible assets	65,667	60,057	44,086	39,632
	+ Depreciation of right of use assets	3,003	2,458	1,686	1,659
	+ Amortization	1,226	1,024	649	701
	+ Depreciation of investment property	100	207	1,215	1,216
	- Amortization of Grants	(1,593)	(1,757)	(1,202)	(1,221)
EBITDA		**215,312**	**121,409**	**144,988**	**82,179**

€ '000		**GROUP**		**COMPANY**	
		2021	**2020**	**2021**	**2020**
EBITDA		**215,312**	**121,409**	**144,988**	**82,719**
	Adjustments for:				
	+ Loss / - Profit from Metal Lag	(56,135)	9,016	(36,819)	2,672
	+ Losses from Fixed assets write-offs or impairments	2,941	1,887	2,797	1,846
	- Profit / + Loss from sale of Assets	558	(569)	(138)	(313)
	+ Expenses for Covid-19 pandemic	4,159	4,037	2,774	2,941
a - EBITDA		**166,385**	**135,782**	**113,602**	**89,325**

	GROUP		**COMPANY**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
	€ '000	**€ '000**	**€ '000**	**€ '000**
(A) Value of Metal in Sales	2,225,743	1,460,594	1,385,188	921,455
(B) Value of Metal in Cost of Sales	(2,176,246)	(1,463,182)	(1,361,423)	(916,602)
(C) Result of Hedging Instruments	6,638	(6,428)	13,054	(7,525)
(A+B+C) Metal Result in Gross Profit	**56,135**	**(9,016)**	**36,819**	**(2,672)**

Regarding the expenses for the treatment of the Covid-19 pandemic, the Group and the Company adjusted expenses of EUR 4.2 million (2020: EUR 4,0 million) and EUR 2.8 million (2020: EUR 2,9 million) respectively for the calculation of a-EBITDA. These expenses are directly linked to the pandemic and due to the special circumstances caused and are not expected to reoccur after it subsides.

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 and investments if included in the operational results
- Other impairments

For the current and the respective previous period the figures were as follows:

		ALUMINIUM	
		31.12.2021	31.12.2020
		€ '000	€ '000
Operating profit / (loss)		**78,790**	**37,975**
	Adjustments for:		
	+ Depreciation	46,921	42,332
	- Amortization of Grants	(1,411)	(1,561)
EBITDA		**124,300**	**78,746**
EBITDA		**124,300**	**78,746**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(20,942)	4,765
	+ Losses from Fixed assets write-offs or impairments	2,900	30
	- Profit / + Loss from sale of Assets	(114)	425
	+ Expenses for Covid-19 pandemic	2,191	2,586
a - EBITDA		**108,336**	**86,552**

	ALUMINIUM	
	31.12.2021	31.12.2020
	€ '000	€ '000
(A) Value of Metal in Sales	809,726	532,453
(B) Value of Metal in Cost of Sales	(808,669)	(534,070)
(C) Result of Hedging Instruments	19,885	(3,148)
(A+B+C) Metal Result in Gross Profit	**20,942**	**(4,765)**

		COPPER	
		31.12.2021	**31.12.2020**
		€ '000	**€ '000**
Operating profit / (loss)		**68,120**	**21,447**
	Adjustments for:		
	+ Depreciation	23,075	21,413
	- Amortization of Grants	(183)	(196)
EBITDA		**91,012**	**42,664**
EBITDA		**42,681**	**42,681**
	Adjustments for:		
	+ Loss / - Profit from Metal Lag	(35,193)	4,251
	+ Losses from Fixed assets write-offs or impairments	40	1,858
	- Profit / + Loss from sale of Assets	672	(994)
	+ Expenses for Covid-19 pandemic	1,968	1,452
a - EBITDA		**58,499**	**49,231**

	COPPER	
	31.12.2021	**31.12.2020**
	€ '000	**€ '000**
(A) Value of Metal in Sales	1,416,018	928,141
(B) Value of Metal in Cost of Sales	(1,367,578)	(929,112)
(C) Result of Hedging Instruments	(13,247)	(3,280)
(A+B+C) Metal Result in Gross Profit	**35,193**	**(4,251)**

36. Effect in the Profit and Loss from distribution in kind

On 09.04.2021, ELVALHALCOR's Extraordinary General Meeting decided the distribution of shares of the listed in the Brussels and the Athens Stock Exchanges, Cenery Holdings S.A., to its shareholders as distribution of dividend in kind of prior year profits. Pursuant to article 18 par. 1 of L.4548/2018, Cenergy Holdings's shares were valuated with the weighted average of the traded price in the markets for the six months ending on the last before the General Meeting dated 09.04.2021, i.e. 08.04.2021, when was formed to Euro 1.7814836029 per share. At the distribution the book value of the participation in Cenergy Holdings, was Euro 52.6 million at Company level and Euro 63.1 million at Consolidated level. The difference between the book value and the valuation of the shares which stood at Euro 85.2 million as a result of the product of the weighted average price and the shares distributed, was included in the results of the period in a separate reporting line "Profit / (Loss) from distribution in kind".

The aforementioned treatment is done according to the provisions set forth in IAS 8, where it is provided that in the absence of an IFRS that specifically applies to a transaction, other event or condition, management can use its judgement in developing and applying an accounting policy that results in information that is: (a) relevant to the economic decision-making needs of users; and (b) reliable, in that the financial statements: (i) represent faithfully the financial position, financial performance and cash flows of the entity; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects. In making the judgement described in IAS 8:10, management can refer to, and consider the applicability of, the following sources in descending order: (a) the requirements in IFRSs dealing with similar and related issues; and (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Conceptual Framework for Financial Reporting. In making the judgement described in IAS 8:10, management also considered the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, such as the "IFRIC 17 Distribution of Non-Cash Assets to Owners", and the "ASC 845 US GAAP" - "Non-monetary transactions".

According to the accounting treatment, which was followed, the account "Results carried forward" is debited with the amount(s) as decided by the Shareholders' General Meeting and in application of l.4548/2018, to a respective credit of a distribution liability. On the date of the distribution, the Company credits the respective asset which is distributed with the value of "book value", which is in accordance with its set policies as at that reporting date, to a credit of a P&L account "Profit/(Loss) from distribution in kind". Upon completion of the distribution, debits the liability to a respective credit of the P&L account "Profit/(Loss) from distribution in kind". The aforementioned accounting treatment, presents the transaction fairly and accurately.

37. Effect from implementation of IAS 19

The International Financial Reporting Interpretations Committee (IFRIC) decision on Attributing Benefit to Periods of Service under a defined benefit plan, in accordance with International Accounting Standard (IAS) 19 "Employee Benefits". The International Financial Reporting Interpretations Committee issued the final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the way of distribution of benefits in periods of service following a specific defined benefit plan proportionate to that defined in Article 8 of Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan").

The aforementioned decision differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly.

The Group and the Company applied the IAS 19 provisions as defined under Article 8, Law 3198/1955, Law 2112/1920, and as amended by Law 4093/2012 in the period from initial hiring until the employee retires.

The application of said final Decision has been accounted as a change in accounting policy by applying the amendment retrospectively form the beginning of the comparative period pursuant to paragraphs 19-22 of IAS 8.

Below are set forth the restated financial statements. The figures which were not affected by the provisions of the IAS 19 implementation are not included. As a result, the totals and subtotals as presented cannot be recalculated based on what is presented below.

	GROUP			COMPANY		
Statement of Financial Position	**2020**	**IAS 19 Effect**	**2020 Restated**	**2020**	**IAS 19 Effect**	**2020 Restated**
ASSETS	**€ '000**		**€ '000**	**€ '000**		**€ '000**
Total Assets	**1,858,322**		**1,858,322**	**1,612,430**		**1,612,429**
EQUITY						
Equity attributable to shareholders'						
Profit / (loss) carried forward	241,771	6,246	248,017	204,078	4,400	208,478
Total Equity attributable to shareholders'	**763,935**	6,246	**770,182**	**734,497**		**738,898**
Non-Controlling Interest	14,352		14,352	-		-
Total Equity	**778,287**	6,246	**784,534**	**734,497**		**738,898**
LIABILITIES						
Non-current liabilities						
Deferred Tax Liabilities	55,448	1,973	57,421	46,131	1,390	47,521
Employee benefits	19,395	(8,219)	11,176	13,691	(5,789)	7,902
	555,703	(6,246)	**549,456**	**461,502**	(4,400)	**457,102**
Total Liabilities	**1,080,034**	(6,246)	**1,073,787**	**877,933**	(4,400)	**873,532**
Total Equity and Liabilities	**1,858,322**		**1,858,321**	**1,612,430**		**1,612,430**

Income Statement	GROUP 2020	GROUP IAS 19 Effect	GROUP 2020 Restated	COMPANY 2020	COMPANY IAS 19 Effect	COMPANY 2020 Restated
	€ '000		€ '000	€ '000		€ '000
Revenue	**2,028,588**		**2,028,588**	**1,405,660**		**1,405,660**
Cost of Sales	(1,893,640)	(186)	(1,893,826)	(1,318,866)	(206)	(1,319,072)
Gross profit	**134,948**	**(186)**	**134,762**	**86,794**	**(206)**	**86,588**
Other income	10,785		10,785	10,690		10,690
Selling and Distribution expenses	(21,430)		(21,430)	(11,772)		(11,772)
Administrative expenses	(54,306)		(54,306)	(37,954)		(37,954)
Impairment loss on receivables and contract assets	(485)		(485)	(112)		(112)
Other expenses	(9,905)		(9,904)	(7,248)		(7,248)
Operating Profit / (Loss) (EBIT)	**59,607**	**(186)**	**59,421**	**40,398**	**(206)**	**40,192**
Finance income	288		288	400		400
Finance Costs	(25,506)		(25,506)	(19,414)		(19,414)
Dividends	-		-	1,208		1,208
Net Finance income / (cost)	**(25,218)**	**(0)**	**(25,218)**	**(17,806)**	**(0)**	**(17,806)**
Share of profit / (loss) of equity-accounted investees, net of tax	4,580		4,580	-		-
Profit / (Loss) before income tax	**38,969**	**(186)**	**38,783**	**22,592**	**(206)**	**22,386**
Income tax expense	(9,462)	45	(9,417)	(5,482)	50	(5,432)
Profit / (Loss) for the year	**29,507**	**(141)**	**29,366**	**17,110**	**(156)**	**16,954**

Statement of Other Comprehensive income	GROUP 2020	GROUP IAS 19 Effect	GROUP 2020 Restated	COMPANY 2020	COMPANY IAS 19 Effect	COMPANY 2020 Restated
	€ '000		€ '000	€ '000		€ '000
Κέρδος / (ζημία) περιόδου από συνεχιζόμενες δραστηριότητες	**29,507**	**(141)**	**29,366**	**17,110**	**(156)**	**16,954**
<u>Items that will never be reclassified to profit or loss</u>						
Remeasurements of defined benefit liability	(1,261)	837	(424)	(805)	568	(237)
Equity investments in FVOCI - net change in fair value	178	-	178	-		-
Related tax	249	(200)	49	193	(136)	57
Total	**(834)**	**637**	**(197)**	**(612)**	**432**	**(180)**
<u>Items that are or may be reclassified to profit or loss</u>						
Total	**1,793**		**1,793**	**1,829**		**1,829**
Other Comprehensive income / (expense) after tax	**959**	**638**	**1,597**	**1,217**	**432**	**1,649**
				-		-
Total Comprehensive income / (expense) after tax	**30,466**	**496**	**30,962**	**18,327**	**275**	**18,602**

Cost of Employee benefits	GROUP 2020	GROUP IAS 19 Effect	GROUP 2020 Restated	COMPANY 2020	COMPANY IAS 19 Effect	COMPANY 2020 Restated
	€ '000		€ '000	€ '000		€ '000
Employee remuneration & expenses	87,229		87,229	50,687		50,687
Social security expenses	21,242		21,242	12,637		12,637
Defined benefit plan expenses	1,794	185	1,979	736	206	942
Other employee benefits	10,076		10,076	7,249		7,249
Total	**120,341**	**185**	**120,526**	**71,308**	**206**	**71,515**

Expense by Nature	GROUP 2020	GROUP IAS 19 Effect	GROUP 2020 Restated	COMPANY 2020	COMPANY IAS 19 Effect	COMPANY 2020 Restated
	€ '000		€ '000	€ '000		€ '000
Employee benefits	120,341	185	120,526	71,308	206	71,515
Total	**1,969,377**	**185**	**1,969,561**	**1,368,592**	**206**	**1,368,799**

In conclusion, the movement in the Defined Employee Benefits Provision due to Retirement as published and as restated is as follows:

	GROUP 2020	GROUP IAS 19 Effect	GROUP 2020 Restated	COMPANY 2020	COMPANY IAS 19 Effect	COMPANY 2020 Restated
	€ '000		€ '000	€ '000		€ '000
Balance as at 1st of January	**17,929**	(7,568)	**10,361**	**12,776**	(5,429)	**7,347**
Amounts recognized in profit or loss						
Current service cost	616	198	814	324	219	543
Past service credit	89	(66)	23	23	(10)	13
Settlement/curtailment/termination loss	956	118	1,074	293	45	338
Interest cost/income (-)	133	(65)	68	95	(47)	48
Total P&L Charge	**1,794**	185	**1,979**	**735**	207	**942**
Amounts recognized in OCI						
Remeasurement loss/gain (-):						
-Actuarial loss/gain (-) arising from:						
Demographic assumptions	130	(226)	(96)	-		-
Financial assumptions	992	(615)	377	629	(468)	161
Experience adjustments	139	4	143	175	(99)	76
Total amount recognized in OCI	**1,261**	(837)	**424**	**804**	(567)	**237**
Other						
Benefits paid	(1,589)		(1,589)	(625)		(625)
	(1,589)		**(1,589)**	**(625)**		**(625)**
Balance as at 31st December	**19,395**	(8,219)	**11,176**	**13,690**	(5,788)	**7,902**

38. Subsequent events

1. On 13.01.2022 ELVALHALCOR participated in the share capital increase of the joint venture Nedzink BV, with Euro 1.5 million, maintaining its share to 50%. On 28.02.2022, the amount of Euro 1.25 million from the loan provided to Nedzink BV, was converted to capital.
2. In regards to the developing events in Ukraine, the Group during 2021 had a 0.9% of the Turnover directed to Russia and 0,6% directed to Ukraine, while at company level the sales stood at 1% for the market of Russia and 0.6% for the Ukrainian market. Both markets are not significant in size and the respective quantities can be easily be replaced by other markets where there is demand for the products of the Group and the Company. It is worth noting that he Group and the Company purchase raw materials from the Russian market, mostly primary aluminium, but the specific vendor accounts for the 5%-7% of the required materials and can be easily be replaced by others without any repercussions to the orderly and unhindered operation of the Company and the Group. Finally, it is noted that the entity ETEM SYSTEMS LLC, based in Ukraine, is as commercial company with total assets amounting to Euro 274 thousand, turnover of Euro 1,054 thousand and net profit after tax of Euro 30 thousand for the year 2021. As a consequence, and considering the financial figures of the said entity, it is reasonably estimated that the aforementioned financial figures cannot affect the consolidated figures of the Group or the Company, while the said entity can restart operations swiftly after the turbulence ends.

Information under article 10 of Law 3401/2005

No	DESCRIPTION	WEBSITE ADDRESS	WEBSITE MAP
1.	Annual Financial Report 2021	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
2.	Interim Financial Statements H1 2021	http://www.elvalhalcor.com/el/investor-relations/reports-presentations/financial-statements/	Home Page > Investor relations > Reports and Presentations > Financial Statements
3.	Press releases during 2021	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Press releases
4.	Announcements to the Stock Exchange during 2021	http://www.elvalhalcor.com/el/investor-relations/regulatory-news/	Home Page > Investor relations > Announcements – Publications > Announcements

VI. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

Report on the Disposal of Funds Raised from the issuance of a Common Bond Loan amounting to Euro 250,000,000 for the period from 17.11.2021 until 31.12.2021

Pursuant to the provisions of paragraph 4.1.2 of the Athens Stock Exchange Regulation, the decision number 25/17.07.2008 & 6.12.2017 of the Board of Directors of the Athens Stock Exchange and the decision number 8/754/14.04.2016 of Board of Directors of the Hellenic Capital Market Commission, it is announced that, from the issuance of a Common Bond Loan amounting to €250,000,000, of a term of seven (7) years, divided into 250,000 dematerialised, common, bearer bonds with a nominal value of €1,000 each and an annual interest rate of 2.45%, carried out in accordance with the decision of 5.11.2021 of the Extraordinary General Meeting of the shareholders of "ELVALHALCOR HELLENIC COPPER AND ALUMINUM INDUSTRY SOCIETE ANONYME" ("Company"), the decision of the Board of Directors of the Company ("Common Bond Loan") and the decision No. 3/935/8.11.2021 of the Board of Directors of the Hellenic Capital Market Commission for the "Approval of the content of the prospectus of the company "ELVALHALCOR Hellenic Copper and Aluminum Industry Societe Anonyme" regarding the public offer and the introduction for negotiation of its dematerialised, common, bearer bonds with the issuance of a common bond loan" ("Prospectus"), a total capital of €250,000,000 was raised. The expenses of issuance of the Common Bond Loan, initially estimated according to the Prospectus (p. 18, under Section D, D2) in the amount of up to approximately €6 million, eventually amounted to €3,233.7 thousand and reduced respectively the total funds raised.

The issuance of the Common Bond Loan was fully covered and the certification of the payment of the raised funds was made by the Board of Directors of the Company on 16.11.2021. It is noted that the issued 250,000 common bearer bonds were listed for trading in the Fixed Income Securities Category of the Regulated Market of the Athens Stock Exchange on 17.11.2021.

According to what is stated in the relevant Prospectus, it is announced that part of the raised funds was allocated from 17.11.2021 until 31.12.2021 as follows:

Nr.	Use of Raised Funds	Raised Funds (Amounts in €Mill.)	Allocated Funds until 31.12.2021 inclusive (Amounts in €Mill.)	Unallocated funds on 31.12.2021 (Amounts in €Mill.)
1	New investments in real estate for expansion of activities	30,0	-	30,0
2	Covering working capital needs	60,0	59,8	0,2
3	Reduction of Short-Term Borrowing	154,0	154,0	-
Total		**244,0**	**213,8**	**30,2**
4a	Plus: Issuance expenses	3,2	3,2	-
4b	Plus: Difference between budgeted and incurred Expenditure Expenses	2,8	0	2,8
Grand Total		**250,0**	**217,0**	**33,0**

1) Regarding the use Nr. 1 of the above table, no part of the amount of €30 million was allocated until 31.12.2021. According to the Prospectus (p. 18, under Section D, D2) an amount of €30 will be allocated until 30.06.2022 for the payment of a consideration (including the relevant expenses and taxes) for the purchase of land lot and storage space in Inofyta. The properties will be used, in the long term, for storage and distribution of the Group's products. If the above transaction is not completed, the Company will seek real estate, adjacent to the industrial properties of the Company or its subsidiaries in the area of Inofyta that serve the business needs of the Group and in case it is not possible to find the above properties until 31.10.2022 or the amount allocated is less than €30 million, the Company will allocate until 31.12.2022 any unallocated amount to cover working capital needs.

2) Regarding the use Nr. 2 of the above table, from the amount of €60 million, an amount of €59.8 million was allocated until 31.12.2021 in payments of suppliers for the supply of raw materials of the Company.

3) Regarding the use Nr. 3 of the above table, the amount of €154 million was allocated until 31.12.2021 as follows:

i) an amount of €43 million to "EUROBANK Bank SA" for the repayment of nr. 036/13/28.8.1991, 1712/1/14.12.2010, 37/12/28.8.1991, 570-23.1.1997 framework contracts, open (mutual) accounts (for more information see section 3.12.1 "Loan Agreements" of the Prospectus),

ii) an amount of €56 million to "ALPHA Bank S.A." for the repayment of nr. 13183/7.2.1997 and 25573101/28.7.2011 framework contracts, open (mutual) accounts (for more information see section 3.12.1 "Loan Agreements" of the Prospectus) and

iii) an amount of €55 million to the "National Bank of Greece S.A." for the repayment of nr. 0400107000/1003/11.3.1988, 9747084420/1.6.2011 and 0400071250/8.11.1977 framework contracts, open (mutual) accounts (for more information see section 3.12.1 "Loan Agreements" of the Prospectus).

4) Regarding the unallocated issuance expenses Nr. 4b of the above table, amounting to €2.8 million, their allocation, in terms of use, will be determined by a decision of the Board of Directors of the Company.

The allocation of funds during the above period from 17.11.2021 until 31.12.2021, per investment/use category Nr. 1 to 4 of the above table refers to the cash disbursement and not the accounting of the expense, according to the provisions of nr. 25/17.07.2008 & 6.12.2017 decision of the Board of Directors of the Athens Stock Exchange.

It is clarified that the temporarily unallocated funds are deposited in the Company's interest-bearing bank account.

Athens, March 15th, 2022

The Vice-President of the BoD	The General Manager of the Aluminum Segment and BoD member	The General Manager of the Copper Segment and BoD member	The Director appointed by the BoD
DIMITRIOS KYRIAKOPOULOS	LAMPROS VAROUCHAS	PANAGIOTIS LOLOS	SPYRIDON KOKKOLIS
ID Card No. AK 695653	ID Card No. AB 535203	ID Card No. AH 131173	ID Card No. AN 659640
			Reg.Nr. A' Class 20872