ANNUAL FINANCIAL REPORT
AS AT 31 DECEMBER 2023

According to the International Financial Reporting Standards

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A. Management Report by the Board of Directors

MANAGEMENT REPORT
BY THE BOARD OF DIRECTORS OF "HELLENIC CABLES S.A."
ON SEPARATE AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

Dear Shareholders,

In the context of the provisions of articles 150 and 153, Law 4548/2018 and the relevant decisions of the Articles of Association of HELLENIC CABLES S.A. HELLENIC CABLE INDUSTRY SINGLE MEMBER S.A. (hereinafter "Hellenic Cables" or the "Company"), we hereby submit this Management Report of the Board of Directors for 2023, i.e. the period from 1 January 2023 to 31 December 2023.

This Report includes an overview of the financial results and developments of the period, an overview of the important events that took place in 2023, an analysis of the prospects and risks expected during 2024, as well as a presentation of non-financial information. The above information refers both to the Group and the Company.

In addition to HELLENIC CABLES S.A., Hellenic Cables Group (hereinafter the "Group") consolidates the following affiliates:

<u>Subsidiaries (full consolidation method):</u>

- FULGOR S.A., primary place of business: Athens
- LESCO O.O.D.; primary place of business: Blagoevgrad, Bulgaria
- HELLENIC CABLES TRADING, primary place of business: Dover, Delaware State, USA

<u>Joint operations:</u>

- VO Cablel VOF, primary place of business: the Netherlands
- DEME Offshore NL - HELLENIC CABLES VOF, primary place of business: the Netherlands
- Joint Venture "Fulgor – JDN", primary place of business: Athens
- Joint Venture "Fulgor – Asso.Subsea", primary place of business: Athens
- Joint Venture "Jan De Nul Luxembourg - Hellenic Cables – Thor Export Cables I/S", primary place of business: Denmark
- Joint Venture "Jan De Nul Luxembourg - Hellenic Cables – Thor Array Cables I/S", primary place of business: Denmark

1. Activity Report & Financial Performance

The Group and the Company recorded a strong financial performance in 2023 for another year, despite the unclear economic and geopolitical backdrop. The efficient execution of high-profile offshore and onshore energy projects combined with high-capacity utilisation of all production lines were the key drivers of growth and fostered performance. Along with the full production schedule of the plants, all Group companies preserved their strong commercial momentum, securing new project awards that lead to a strong total backlog that bodes well for similar performance in the future. The steady flow of projects confirms the Group's key role in the fast-growing energy transition market.

Low voltage and medium voltage power cables met strong demand throughout 2023 and secured better profitability margins. This together with an improved product mix combined with timely and efficient project execution, resulted in improvement in adjusted EBITDA[1] of the Group and the Company by 38.8% and 5.5% respectively, compared to 2022. More specifically, in 2023 Company and Group adjusted EBITDA increased to EUR 68.3 million and EUR 130.5 million, respectively compared to EUR 43.9 million and EUR 94.0 million, respectively in 2022.

The products business unit recorded an increase in sales volume amounting to 7% and 5% on a consolidated and stand-alone basis, respectively. The increased demand for cables products in all regions (i.e. Central Europe, United Kingdom, Balkans, Southeast Mediterranean) helped the Power & Telecom business unit improve its profit margins per ton of products sold.

Driven by the above, the Group increased its operating profitability in EBITDA terms by EUR 34.8 million (2023: EUR 124.7 million, 2022: EUR 89.9 million), while the Company recorded an increase by EUR 21.8 million (2023: EUR 65.5 million, 2022: EUR 43.7 million).

Remarks on year results

Consolidated turnover for 2023 was increased by 7.2% (2023: EUR 956.2 million, 2022: EUR 891.7 million). Accordingly, Company's turnover was increased by 12.1% (2023: EUR 696.0 million, 2022: EUR 621.2 million). The consolidated and company turnover growth in 2023 was mainly driven by the products' business since its turnover improved by 26% and 39% respectively, following the execution of major offshore and onshore cable contracts. At the same time, Power & Telecom cables revenue increased by 3% and 5% for the Group and the Company respectively, as a result of the increase in sales volume.

In the domestic market, the Group maintained its leading position for one more year. The turnover in the domestic market reached EUR 420.8 million compared to EUR 392.3 million in 2022 while exports amounted to EUR 535.4 million compared to EUR 499.5 million in the comparable period.

At Company level, domestic sales amounted to EUR 291.5 million in 2023 compared to EUR 236.7 million in 2022, while exports reached EUR 404.5 million compared to EUR 384.4 million in 2022.

The Group's and the Company's gross profit amounted to EUR 134.1 million and EUR 72.5 million, respectively, increased by EUR 35.6 million and EUR 23.5 million, compared to 2022.

At Group level, net finance costs in 2023 amounted to EUR 43.6 million compared to EUR 23.3 million in 2022 while at Company level they stood at EUR 23.3 million compared to EUR 10.2 million in 2022. Such increase is due to the interest rate increases intensified with monetary policies tightening all around

[1] *For definitions of EBITDA and adjusted EBITDA, please refer to the section "Ratios and Alternative Performance Measures" of this report.*

the globe in 2023. Despite the fact that credit spreads decreased during 2023, the reference interest rate was considerably higher, thus resulting in higher cost of debt.

In 2023, consolidated pre-tax profits amounted to EUR 64.1 million compared to EUR 51.5 million in 2022. Post-tax net profits were in the same direction and amounted to EUR 49.4 million compared to EUR 39.4 million in 2022. At stand-alone level, Company's profits before tax amounted to EUR 47.9 million compared to EUR 50.7 million in 2022 while profits after tax amounted to EUR 39.7 million compared to EUR 44.8 million in 2022.

The Group and the Company continued to undertake initiatives in order to improve their competitiveness and reduce production costs. These initiatives focus, among others, on increasing the efficiency of production plants, reducing costs per unit of output and also reducing the cost of raw materials used to manufacture products.

Investments

At Company level, investments amounted to EUR 18.8 million in 2023 (2022: EUR 18.2 million) while they reached EUR 96.0 million at Group level in 2023 (2022: EUR 59.8 million). 2023 capital expenditure mainly concerned:

- EUR 77.2 million for the offshore cables business, largely for the implementation of the planned capacity expansion in the Corinth plant; and
- EUR 18.8 million for selective investments in increasing the production capacity of the onshore cables plant in the area of Viotia.

Remarks on the Statement of Financial Position

Net debt decreased by EUR 28.9 million and EUR 13.0 million at Group and Company level, due to the improved cash flows from operating activities at stand-alone and consolidated level.

It is noted that short-term borrowings of the Company and the Group are predominantly revolving credit facilities which aim to finance the needs for working capital and specific ongoing projects. The Group and the Company have available adequate credit lines to meet future financing needs, if necessary.

2023 Dividend

Distribution of dividend amounting to EUR 38,108,445 (or EUR 1.74 per share) was approved by the General Meeting that took place in May 2023, following recommendation of the Board of Directors. Of such amount, EUR 23,000,000 referred to the interim dividend that was approved by the Board of Directors in May 2022.

Financial Ratios and Alternative Performance Measures

Group and Company Management has adopted, monitors and reports internally and externally Alternative Performance Measures (APMs) and certain financial ratios. These APMs allow meaningful comparisons of the Group's and the Company's performance and constitute the base for decision making by management.

Liquidity ratio: This ratio is an indicator of how current liabilities are met by current receivables and is calculated by the ratio of current assets to current liabilities. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position, for the Group and the Company, respectively. This ratio is as follows for the current and the comparable periods:

	GROUP		COMPANY	
Liquidity	**2023**	**2022**	**2023**	**2022**
Current assets / Current liabilities	0.93	0.89	0.99	0.99

Gearing ratio: This is an indicator of leverage and is represented by the ratio of equity to debt. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position, for the Group and the Company, respectively. This ratio is as follows for the current and the comparable periods:

	GROUP		COMPANY	
Gearing	**2023**	**2022**	**2023**	**2022**
Equity/ Debt	0.52	0.41	1.05	0.66

Return on capital employed (ROCE): It is a ratio that measures the efficiency with which both debt and equity is employed and is measured by the ratio of operating results to debt and equity. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position as well as the Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income (OCI). This ratio is as follows for the current and the comparable periods:

	GROUP		COMPANY	
Return on Capital Employed	**2023**	**2022**	**2023**	**2022**
Operating profit / (Equity + Debt)	17.6%	12.6%	20.4%	12.3%

Return on Equity: It measures the efficiency of the Group's and the Company's equity and is measured by the profit/(losses) after tax to total equity. The amounts are used as presented in the Consolidated and Separate Statement of Financial Position as well as the Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income (OCI). This ratio is as follows for the current and the comparable periods:

	GROUP		COMPANY	
Return on equity	**2023**	**2022**	**2023**	**2022**
Profit after tax / Equity	23.7%	22.7%	26.8%	36.5%

Profitability:

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Gross Profit Margin (Gross profit / Revenue)	14.0%	11.1%	10.4%	7.9%
Net Profit Margin (Profit after tax / Revenue)	5.2%	4.4%	5.7%	7.2%

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
EBITDA*	124,691,629	89,939,927	65,473,559	43,715,655
EBITDA margin (a-EBITDA / Revenue)	13.0%	10.1%	9.4%	7.0%
a–EBITDA**	130,509,229	94,006,465	68,248,166	43,894,362
a–EBITDA - margin *(a-EBITDA / Revenue)*	13.6%	10.5%	9.8%	7.1%

***EBITDA:** It measures Group and Company profitability before interest, taxes, depreciation and amortisation. It is calculated by adjusting depreciation and amortisation, interest charges and interest income as well as dividends in profits/(losses) before tax as indicated in the Statement of Profit or Loss and OCI.

****a–EBITDA:** Adjusted EBITDA measures the Group's and the Company's profitability after adjustment for:

- metal price lag (metal result),
- restructuring costs,
- exceptional idle costs,
- impairment and obsolescence of fixed assets,
- impairment and obsolescence of investments,
- gains/(losses) from sales of fixed assets and investments,
- gains/(losses) from write-off of fixed assets
- other impairment and non-recurring expenses and losses.

	GROUP		COMPANY	
Amounts in Euro	2023	2022	2023	2022
Profits before tax	**64,124,695**	**51,503,566**	**47,869,536**	**50,689,775**
Adjustments for:				
+ Depreciation of tangible, right of use and intangible assets [2]	17,431,561	16,257,918	6,675,705	6,053,124
- Amortisation of grants	(452,696)	(1,084,463)	(72,034)	(219,458)
- Interest income	(643,236)	(260,246)	(497,775)	(253,251)
+ Interest expenses and related costs	44,231,306	23,523,151	23,835,421	10,463,914
- Dividends	-	-	(12,337,294)	(23,018,450)
EBITDA	**124,691,629**	**89,939,927**	**65,473,559**	**43,715,655**

	GROUP		COMPANY	
	2023	2022	2023	2022
EBITDA	**124,691,629**	**89,939,927**	**65,473,559**	**43,715,655**
Adjustments for:				
+ / - metal price lag[3]	5,652,066	3,184,879	2,636,167	178,708
+ (Profit) from sale of fixed assets and investment property	(9,025)	(340,331)	(8,615)	-
+ Impairment loss on property, plant and equipment	-	1,221,990	-	-
+ Loss from write-off of fixed assets and investment property	174,559	-	147,056	-
a–EBITDA	**130,509,229**	**94,006,465**	**68,248,166**	**43,894,362**

[2] *Note 9 to the Financial Statements*

[3] *Metal price lag originates from:*

a. the period of time between the pricing of purchases of metal, holding and processing the metal, and the pricing of the sale.

b. The effect of the inventory opening balance (which in turn is affected by metal prices of previous periods) on the cost of sales, due to the costing method used which is weighted average method.

c. Certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when the sales price is fixed and the sale actually occurs.

Hellenic Cables and its subsidiary Fulgor use derivatives to minimise the effect of metal price fluctuations. However, there will always be some impact (positive or negative) on Profit or Loss due to the safety inventory that is held.

Significant ongoing contracts & new project awards

A list of the projects awarded during 2023 is set out below. Further information on each is available on the website of the Company http://www.hellenic-cables.com and the Group of which it is part http://www.cenergyholdings.com:

Project / Frame agreement	Customer	Description & Scope	Execution period
DolWin kappa, Germany	TenneT	Designing, manufacturing, supplying, terminating, and testing of three 155kV HVAC grid connection cables and associated accessories. Manufacturing is planned for 2025 and the delivery is expected in Q3 2025.	2024-26
Gennaker Baltic Sea, Germany	50Hertz	Design, engineering, manufacturing, supply, installation, testing and commissioning of two export cable systems. The two export cable systems will include 80 km of 220kV submarine and 210 km of 220kV underground cables as well as related accessories and they are expected to be installed and delivered in 2027. The value of the contract is approx. EUR 450 million.	2024-27
Dieppe Le Tréport, France	DEME Offshore	Designing, manufacturing, and supplying 120km of 66kV inter-array cables with XLPE insulation and associated accessories. The delivery expected to take place in the second semester of 2025.	2024-25
Baltica 2 Offshore Wind Farm, Baltic Sea, Poland	Ørsted / PGE Polska Grupa Energetyczna	Supply of 148km 275kV export cables with XLPE insulation. The scope will also encompass jointing, termination and testing works. Production of the submarine cables is set to commence in 2026, with the final products anticipated for delivery within the first half of 2027.	2025-27
Baltyk II & Baltyk III, Poland	Equinor and Polenergia	Design, manufacture, transport and install a package of four 220 kV export cables, with a combined length of 256km. The connection of the two Baltyk wind farms to shore will conclude in 2026.	2024-26
East Anglia THREE Offshore Wind Farm, United Kingdom	Seaway7	Engineering, manufacturing, testing and supply of approximately 275 km of 66kV three-core Inter Array submarine cables and the supply of the associated accessories. Production will get underway in 2024.	2024-26
Baltyk II & Baltyk III Offshore Wind Farm, Poland	Seaway 7	Design, manufacturing, testing and supply of up to approx. 205km 66kV submarine inter array cables and related accessories. All cables required will be delivered within the 1st half of 2026.	2024-26
Nordseecluster, Germany	RWE / Northland Power	Supply of approx. 185km of 66kV aluminium and copper conductor cables.	2025-27
Hornsea ,United Kingdom	Ørsted	Design, manufacturing, supply, termination and testing of the inter–array cables. Manufacturing will begin in Q4 2025.	2025-26
Thor, Denmark	RWE	Design, manufacturing, supply, transportation, installation, jointing, termination, and testing of the 275 kV HVAC export cable system and the 66 kV inter-array cable system. Cable production will be phased through 2023-2025 according to the project’s delivery plan.	2023-25

Project / Frame agreement	Customer	Description & Scope	Execution period
Norfolk Offshore Wind Farm, United Kingdom	Vattenfall	Design, manufacture, test and supply the 66 kV XLPE-insulated subsea inter-array cables and the associated accessories. Cable production will take place through the years 2025 to 2028 according to the project's delivery time schedule.	2025-28
Turnkey projects to carry out diversion of transmission lines and undergrounding of aerial transmission lines in Greece	IPTO (ADMIE)	The first turnkey project includes the design, supply, and installation of 400 kV underground cable systems for the diversion of the 400 kV transmission line in central Greece. The second turnkey project includes the design, supply, and installation of 150 kV underground cable systems for the undergrounding of the 150 kV aerial transmission lines in Northern Peloponnese. The projects are expected to be completed in 2024	2023-24

A list of major projects partially or fully delivered in 2023 follows. Further information on each is available on the website of the Company http://www.hellenic-cables.com and the Group of which it is part http://www.cenergyholdings.com:

Project	Customer	Description & Scope	Execution period
Supply of high-voltage cables for the interconnection of Sweden-Denmark	Energinet	Supply of the cable system, the supervision of installation and testing, the jointing and termination works of a 400kV interconnection (30km of submarine and 12km of underground 400kV single-core cables). The production commenced in 2023, with delivery expected in 2024.	2023-24
South Fork Wind and Revolution Wind, USA	Orsted / Eversource	Design, manufacture, test and supply approx. 260 km of 66 kV XLPE-insulated subsea inter-array cables and associated accessories. Production will be completed in 2024 according to each individual project's delivery plan.	2023-24
Replacement of outdated cable lines in the Adriatic Sea, Croatia	Končar Group	Supply of approx. 30 Km 110 kV High Voltage submarine cables, accessories, and related services. Cables production was concluded in 2023 and the load out / installation is scheduled in the first half of 2024.	2023-24
Interconnection Lavrio-Serifos / Serifos-Milos interconnection, Greece (4th phase of the interconnection of Cyclades) Greece	IPTO (ADMIE)	This turnkey project includes the design, manufacturing, and supply of the 150kV onshore and offshore high voltage cables as well as their accessories, the installation, laying, and protection of the onshore and offshore cables, jointing and terminations, testing and commissioning. The production of the submarine cables for the project was concluded in 2023, while the installation phase of the project will be completed within 2024.	2022-24
Ostwind 3, Germany	50Hertz	Design, supply, delivery, storage, installation, jointing, termination, testing, and commissioning of 105 km submarine three-core export cable (220kV) as well as 13.5 km of onshore export cable (220kV), 2 km platform cable (220kV) and 2 km platform cable (66kV). The production of the submarine cables started within 2023.	2023-25

Project	Customer	Description & Scope	Execution period
Zakynthos-Kyllini interconnection, Greece	IPTO (ADMIE)	This "turnkey" project includes the design, manufacturing and supply of 150kV land and submarine high voltage cables as well as the associated accessories. The production of the submarine cables for the project initiated in 2022.	2022-23
Hai Long Offshore Wind, Taiwan	Hai Long	Supply of approximately 140 km of 66kV XLPE-insulated inter-array cables and associated accessories. This was the first award of Hellenic Cables in the Asian market.	2023-24
Sofia offshore wind farm, United Kingdom	Van Oord	Supply of approx. 360 km 66kV inter-array cables and accessories. Once operational, the energy generated by Sofia's turbines will save more than 2.5 million tonnes of carbon emissions per year when compared to the use of fossil fuels in the UK.	2023-24

These awards coupled with the successful delivery of the projects illustrate the ability of both Hellenic Cables and Fulgor to successfully implement cost-effective, reliable and innovative solutions that meet the ever-changing needs of the submarine cables segment and enable both companies to capitalise on market opportunities.

2. Objectives and Outlook for 2024

Further to the robust performance recorded in 2023, the Company and the Group are expected to continue to benefit from the significant portfolio of secured projects and from the high-capacity utilisation in the plants, factors that will foster strong profitability for the upcoming year. Considering the strong backlog and the ability of the Company and its subsidiaries to expand into new markets and the overall growth potential of the offshore cables sector, the outlook for the Company and the Group remains positive for 2024.

Electrification and energy security, the major megatrends expected to persist for at least the next decade, are directly driving the need for all types of cables and expected to further grow the order book of the Company and the Group. Therefore, the expansion plan for the submarine cable plant in Corinth remains on track while a significant portion of that extra capacity has already been booked. Meanwhile, in order to meet the increased demand for onshore cables, the Company:

- has planned to establish additional production lines and installing equipment in the Thiva-based plant to produce above ground and underground medium and high/extra high voltage cables; and
- (ii) plans a Centre of Excellence for low voltage cables in the industrial area of Eleonas (Viotia), acquired during 2022.

The ongoing investment programme will allow the Company and the Group to effectively execute a record high order backlog and serve the increasing expectations of customers and stakeholders.

Management assesses the prevailing situation in the markets in which the Company and the Group operate on an ongoing basis in order to secure that all necessary actions are timely taken to secure the Company's and the Group's smooth operation and profitability.

The initiatives taken the last few years have focused on developing a competitive sales network and also on increasing productivity while reducing production cost. Furthermore, through the investments made the last few years, the Company and the Group are in a position to seize any opportunities emerging worldwide and rival the top companies of the industry. Finally, the 'European Green Deal', EU's roadmap for sustainable development and climate neutrality by 2050, the promising emerging offshore wind market and the projects already awarded to the Company and its subsidiaries in the Mediterranean region create a favourable environment for the Company and the Group.

Overall, the Company and the Group remain focused on value growth over sales volume. Group companies' strategy is to keep creating profit from their unique "energy enabler" role and invest in their production ability to serve to the best possible extent the growing energy infrastructure market.

3. Non-Financial Information

Business model[4]

[4] *Business model development based on the International Integrated Reporting Framework of the International Integrated Reporting Council*

To prepare for the upcoming EU Corporate Sustainability Reporting Directive (CSRD), the sustainability report has been developed by considering the European Sustainability Reporting Standards (ESRS), which outline requirements for corporate reporting on a broad range of sustainability matters. The CSRD aims to enhance sustainability reporting requirements under the existing Non-Financial Reporting Directive to improve corporate accountability and the quality and most importantly, the comparability of the information disclosed. The ESRSs take a "double materiality" perspective, i.e., the companies are required to report both on their positive and negative impacts on people and the environment in the whole value chain, and on how social and environmental matters may trigger financial risks and opportunities for the companies. Additionally, this Non-Financial Disclosure has been drawn up in line with the United Nations' Sustainable Development Goals (SDGs) which adopt a holistic approach to the sustainability matters facing societies today. The SDGs are a list of 17 interconnected global goals, designed to be a "blueprint for achieving a better and more sustainable future for all". The 17 goals have 169 underlying, more specific targets that promote action in areas of concern. While the companies directly or indirectly impact the 17 SDGs, the Non-Financial Disclosure focuses on the SDGs directly impacted by the activities of the companies.

Management of Sustainable Development matters

The companies have incorporated Sustainable Development principles in their business operations and their functioning, acknowledging that their long-lasting development and prosperity of the society may be achieved only if they develop Corporate Responsibility actions. Promoting employee health and safety in all activities, protecting natural environment, fully meeting customer needs and providing support to the local communities in which the companies operate are their key sustainability pillars, and are reflected in the Sustainable Development Policy implemented.

An ad-hoc team consisting of executives of all departments and divisions has been set up to ensure effective management of Sustainable Development issues. The Sustainable department is responsible for the development and implementation of an annual action plan of sustainable development, as well as for monitoring and recording the companies' important matters in relation to the groups of their stakeholders.

Management Policies and Systems

Wishing to achieve Sustainable Development, the companies have established specific policies and put into practice adequate management systems and relevant procedures that define the way in which their business goals are achieved and uphold their responsible operation. More specifically, the companies have established and implement, among others, the following policies and codes:

- Integrated Quality – Environment - Energy & Climate Change - Work Health and Safety Policy in accordance with the international standards ISO 9001:2015, ISO14001:2015, ISO 50001:2018, ISO 45001:2018 and ISO 14064:2018
- Sustainability Policy
- Labour and Human Rights Policy
- Energy and Climate Change Policy
- Business Code of Conduct
- Occupational Health and Safety Policy

- Supplier Code of Conduct

All policies are set out on the website: *https://www.hellenic-cables.com/?s=policy*

The companies manage Sustainability issues across their business units and facilities, by developing and implementing certified management systems. More specifically, the following management systems are applied:

- ***Quality Management System***, according to ISO 9001:2015
- ***Environmental Management System*** compliant with ISO 14001:2015.
- ***Business continuity management system*** compliant with the requirements of ISO 22301:2012.
- ***Work Health and Safety Management System*** compliant with ISO 45001:2018.
- ***Energy Management System*** compliant with ISO 50001:2018.
- ***Information Security Management System*** compliant with ISO 27001:2013.
- ***Organisational Carbon Footprint Management System***, compliant with ISO 14064:2018.

The companies are also certified as Authorised Economic Operators (AEOF: AEO Certificate) for their production plants in Greece. The companies having acquired this particular certification are reliable business partners of the international supply chain.

Seeking to ensure their continuous improvement in sustainability matters, the companies set specific goals and monitor their progress on an annual basis, based on the relevant key performance indicators (KPIs) they have developed. To attain these indicators and, therefore, the goals, the companies prepare, implement and put into practice plans and actions of responsible operation. The sections below present the results of the policies and procedures implemented by the companies, setting forth relevant references to the environmental and social performance.

Industrial Excellence Programme

The Industrial Excellence programme, which was launched in 2019 in the production plants of the companies, aims to promote continuous improvement throughout all stages of the manufacturing process. The key advantages the implementation of this new programme brought is that it eliminated losses across the production process and, by extension, it reduced the production cost, improved product quality and provided services, thus contributing to full satisfaction of customer requirements.

Compliance process

To enforce compliance with corporate policies, the companies have developed a comprehensive due diligence framework. As a part of this framework, the companies monitor environmental management, health and safety performance. The Sustainability Department of Steelmet, a subsidiary of Viohalco (ultimate parent company of the Company), conducts regular audits, including at least one thorough annual audit in each production industrial facility, followed by support visits to identify and address improvement areas. Results are discussed on a semi-annual basis by Cenergy Holdings Management (parent company of the Company) where key performance indicators, risks and corrective actions are reported. Several indicators and custom-made assessment scorecards are used to evaluate the effectiveness of environmental and health and safety programmes. Should non-compliance with the policies arise or areas for improvement are identified, the companies must take action within a specific time frame, depending on the importance of each issue.

Sustainability Strategy

The companies are fully committed to sustainability principles. Their decision-making process has been integrated in the sustainability strategy. A sustainability strategy has been established by assessing risks and opportunities and integrating them into the business strategy. The sustainability strategy includes seven core corporate policies, covering a wide range of critical sustainability matters. Various qualitative and quantitative metrics, internal and external controls for such policies are used. Following a continuous improvement approach, the companies have set sustainability goals and incorporate them into their business operations. The goals for the companies include the gradual replacement of electricity supply with RES, commitment to short and long-term carbon reduction targets, evaluation of top-tier suppliers on sustainability matters, employee training on sustainability matters and a five-year improvement action plan (started in 2022) regarding health and safety.

Sustainable Development material issues

The concept of double materiality is presented with the new EU CSRD. The double materiality assessment provides a more detailed and complete understanding of the companies' sustainability performance. The companies have evaluated and prioritised the most important sustainable development matters by implementing a double materiality assessment. During 2023, a double materiality assessment was performed, whereby the companies evaluated and prioritised the impacts, risks and opportunities in both their operations and value chain. The results of the assessment will be used as a guide for the strategic management of the key sustainable development matters for the companies.

Environmental issues

Aiming at Sustainable Development and seeking primarily to limit climate change, the companies give priority to reducing their environmental footprint. In this direction, they plan action and sets goals to reduce air emissions while making investments in practices and technologies leading to the global energy transition and reinforcing the practices of circular economy. Aiming to protect the natural environment and improve energy efficiency, the companies implement specific initiatives, maintaining a strong competitive edge in designing and manufacturing cable products that contribute to further promotion of Renewable Energy Sources.

The companies set indicators for monitoring environmental performance and plan actions to reduce their environmental footprint on an annual basis. In the field of production, the companies implement an Integrated Environmental Management System compliant with ISO 14001:2015, as well as a system for the quantification and reporting of greenhouse gas emissions as per ISO 14064:2018. The personnel are also thoroughly trained in environmental management and energy saving issues. Focusing on environmental management and protection policies, the companies improve their environmental performance through:

- Management of carbon emissions and energy consumption
- Water and wastewater management
- Circular economy and waste management

The companies support and seek to operate in line with the circular economy model which seeks to secure adequacy of natural resources and limit waste. By applying this model, the companies have set as priority to increase the proportion of recyclable or reusable materials at the end of each cable's manufacturing process.

This practice is based on **reduction, reuse** and **recycling**.

Carbon emissions

Seeking to reduce carbon dioxide emissions and limit climate change, the companies make substantial efforts to reduce the greenhouse gases arising from their operation and business. In this context, the companies are supplied electricity from Greece's principal energy suppliers given that they do not produce energy on their own.

Total carbon emissions (tn CO_2e)[5]	**2021**	**2022**	**2023**
Hellenic Cables	15,609	15,637	19,072
Fulgor	22,402	22,576	27,053

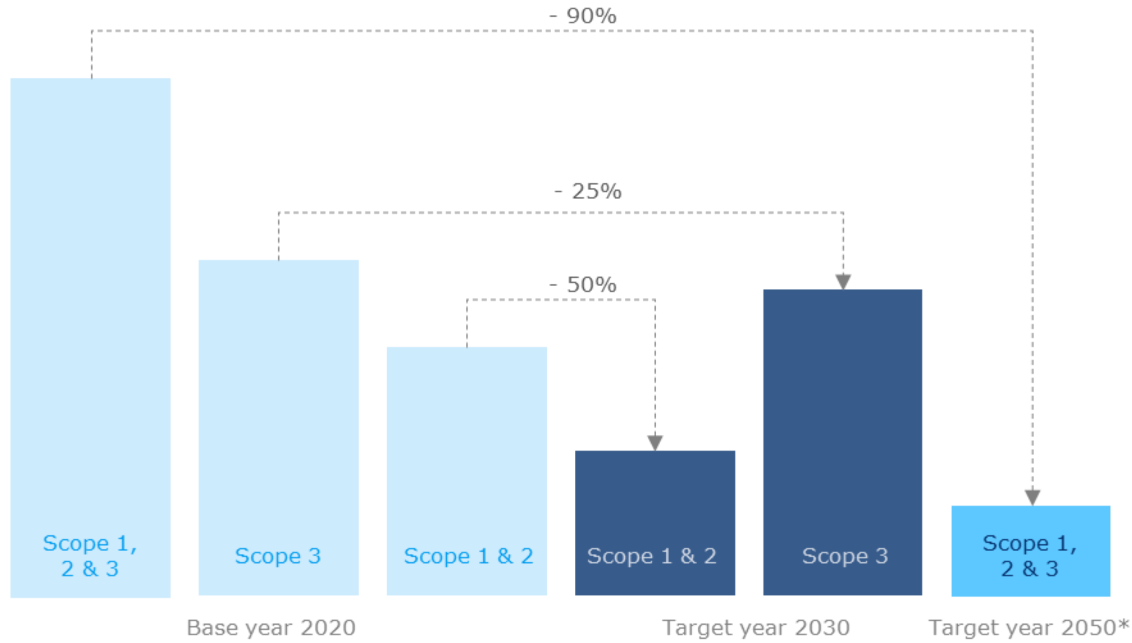
Note: As for 2023, the 2022 coefficients drawn from the European Residual Mixes, AIB have been used because the respective coefficients for 2023 have not been issued yet.

Total carbon special emissions (tn CO_2/tn of product)	**2021**	**2022**	**2023**
Hellenic Cables	0.281	0.206	0.325
Fulgor	0.669	0.644	0.662

Note: Total special emissions include direct scope 1 and indirect scope 2 (location-based) carbon emissions. Direct emissions have been calculated using the Greenhouse Gas Protocol Guidelines while the European Residual Mix - AIB methodology has been used in the calculation of indirect emissions. As for 2023, the 2022 coefficients have been used given that the updated 2023 coefficients were not available on the date this report was issued.

GHG emission reduction targets

[5] *Total CO_2e emissions: the sum of direct (Scope 1) and indirect (Scope 2) Co2e $_2$e emissions using the "location based" method in accordance with the GHG Protocol Guidance.*



Water management

To meet the needs of their production process, the companies must use water. The companies take all necessary steps to ensure its efficient use and limit its consumption in compliance with the environmental policy implemented in them.

Water withdrawal (m^3/ton of product)	2021	2022	2023
Hellenic Cables	0.43	0.35	0.37
Fulgor	2.52	3.59	2.60

Circular economy and waste management

The companies apply a specific waste management process in order to reduce their volume. It is worth noting that the greatest proportion of waste is recycled and/or forwarded for recovery (energy or other type of utilisation). The companies have established partnerships solely and exclusively with adequately licensed companies to manage all types of waste.

Waste Management Ratio	2021	2022	2023
Total generated waste (tn of waste/tn of product)			
Hellenic Cables	0.116	0.118	0.142
Fulgor	0.157	0.162	0.188
Recycling and energy utilisation[6] (%)			
Hellenic Cables	92.1	95.8	95.8
Fulgor	92.3	93.7	94.8

[6] *Proportion of waste forwarded for recycling and energy utilisation in relation to the total of waste generated*

Social matters

The companies take continuous steps to ensure a safe and merit-based, discrimination-free working environment, provide opportunities for continuous training, equal opportunities of development and fair reward, while maintaining relationships of trust with all employees. The companies' priority is to secure optimum working conditions and fair reward, showing respect for human rights and diversity. The general framework of the companies' policies and initiatives that concern human resources aim at the effective recruitment, development and retaining of employees. Steadily oriented to human values, the companies strive to implement responsible management practices by focusing on material issues such as:

- Occupational Health and Safety
- Employee training and development
- Diversion, Equality, Inclusion
- Human and labour rights

Key elements of Human Resources[7]

	2021	2022	2023
Companies' total workforce	**1,163**	**1,549**	**1,744**
Hellenic Cables	562	819	887
Fulgor	601	730	857

[7] *It refers to direct (salaried) and indirect employees (contractors' workforce)*

Employee evaluation

The employee performance evaluation system implemented by companies secures further development of employees, based on their merits, as it is based on objective performance measurement indicators. The post and responsibilities of each employee are taken into account when implementing the procedure which applies to the entire personnel.

During 2023, all (100%) employees of the companies were evaluated.

Employee training and ongoing development

To manage human resources issues, the companies use a specialised platform, a modern and interactive system which simplifies all HR procedures for the employees. An on-boarding procedure is implemented through the system for newly hired employees, training programmes are selected and annual evaluation is carried out while paper use and printouts are reduced in all events.

The companies prepare an annual training plan notified to all personnel, through the platform. Aiming to enhance the employees' knowledge and skills, the plan includes various training programmes from among which the employees can choose. Programmes are carried out in house or in cooperation with a specialised external agency, based on the applicable training needs.

In 2023, 24,097 training hours were carried out in the companies.

Diversion, Equality, Inclusion

Showing respect for human rights and wishing to foster an inclusive culture in the workplace, the companies implement a human and labour rights policy driven by equal opportunities without any discrimination of gender, nationality, religion, age or educational background. The companies do not tolerate child labour and condemn all forms of forced or compulsory labour. In addition, the companies condemn and do 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 2023 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.

Occupational health and safety

Constant prevention and effective management of health and safety issues at work is a matter of utmost importance for the companies while the relevant priorities determine the way in which they operate. Such priorities are as follows:

- implementation of the prevention principle
- evaluation of health and safety risks and detailed recording of near misses
- substantial and quality analysis of all incidents in order to focus on their root causes

- enhancement of the safety culture by raising employee and partner awareness on an ongoing basis.

In 2023, the companies updated the integrated Quality, Environment, Occupational Health and Safety, Energy and Climate Change Policy in accordance with international standards.

The companies implement a certified Occupational Health and Safety Management System compliant with ISO 45001:2018 in all their production plants in Greece, with a health and safety committee established in each of them. Aiming to improve their performance in the health and safety field on a systematic basis, the companies implement a continuous training programme, using new technological training tools too (interactive training platform).

The companies implement internationally applicable and measurable indicators to monitor and evaluate performance in the field of occupational health and safety while using their best efforts to minimise accidents and eliminate risks.

Health and safety indicators

	2021	2022	2023
Incidents frequency rate (LTIR)[8]			
Hellenic Cables	14.4	8.9	16.4
Fulgor	9.2	9.6	6.5
Incidents severity rate (SR)[9]			
Hellenic Cables	153	218	269
Fulgor	164	212	118
Fatal accidents	-	-	-

Safe conduct training: During 2023, the companies provided their staff with training on safe conduct matters and on how to identify unsafe situations and actions, in partnership with a specialised body. The Behaviour Based Safety (BBS) implemented as part of these training sessions helps foster a safety and accident prevention culture at all levels.

Non-Financial Risks

The companies operate in an economic and social environment characterised by various risks, financial and others (all financial and business risks are laid down in the section "Risks and Uncertainties" of this Report).

In this context, they have established procedures to control and manage non-financial risks. The main categories of non-financial risks facing the companies are environmental risks, risks related to occupational health and safety, human rights as well as the fight against corruption and bribery.

[8] *LTIR: Lost time incident rate (number of lost time accidents/incidents relating to safety issues per million (1,000,000) hours worked)*
[9] *SR: Severity rate (number of lost work days/working man-hours per million (1,000,000) hours worked)*

Managing these risks is considered a very important task by companies Management given that they pose a threat of having a direct or indirect impact on the companies' regular operation.

The companies' by-laws (approved by the respective BoD) clearly describe the areas of risk and include specific procedures that have been developed on the basis of the Prevention Principle in H&S and Environment management.

In addition, in the context of the certified Management Systems implemented by the companies (ISO 9001:2015, ISO 14001:2015, ISO 50001:2018, ISO 45001:2018, ISO 22301:2012 and ISO 27001:2013), the relevant risks are assessed on an annual basis. Aiming to reduce the likelihood and the importance of risks occurring in certain segments, the companies take preventive steps, design and implement specific plans and actions, and monitor their performance through the relevant indicators (quality, environment, occupational health and safety) they have set. Moreover, the companies have carried out all hazard studies prescribed by law, implement operation and safety criteria which are compliant with Greek and European laws, develop an emergency plan and cooperate closely with local authorities and the Fire Brigade in order to address any eventual incidents quickly and effectively.

1. Environment

The principal risks involving environmental matters consist in climate change, and water adequacy and management. These risks are also of strategic importance for the supply chain as well.

Climate change

Climate change is considered one of the most important global issues facing the humankind with environmental, social and financial implications. In financial terms, climate change is associated with transition and physical risks the companies are required to tackle. Transition risks are associated with the risks arising from the transition to a low-carbon economy, as well as with the European and global trends and policies which call for important energy efficiency measures and the development of renewable energy sources projects. The companies put in practice various measures to mitigate this risk including, among others, the following:

- monitoring the relevant trends of the Greek and European policy
- assuming commitments to reduce direct and indirect carbon emissions in line with the latest climate data and the criteria set by the Science Based Targets Initiative (SBTi)
- development of action plans and long-term specific goals for investments in energy efficiency equipment and measures reducing carbon emissions
- electricity supply from producers of renewable sources.

To that end, Hellenic Cables and Fulgor aim to assess the risks and opportunities related to climate change in order to take all necessary steps to mitigate the negative and maximise the positive effects arising from climate change. The companies identified the most important risks and opportunities and assessed them based on various climate scenarios aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The project covers all industrial activities and installations of Hellenic Cables. More information about this analysis will be presented in the 2023 Sustainable Development Report of Hellenic Cables.

Water management

The risks associated with water management include the availability of industrial water for production purposes and the quality of waste water discharged in water recipients. The risk is mainly mitigated by the continuous efforts to improve the companies' water footprint and the availability of multiple water sources so as to ensure alternative water supply sources. As far as the quality of waste water discharge is concerned, the appropriate investments in modern equipment have been made, thus strengthening rigorous discharge procedures.

2. Occupational Health and Safety

One of the key risks associated with social and labour issues consists in employee health and safety in the workplace as well as relevant labour issues such as accidents and injuries. As regards the health and safety risks in the workplace, the companies implement a certified management system aiming at systematic monitoring and supervision of all safety parameters; as part of this system, health and safety committees have been set up in each production plant. The companies take additional measures to protect the health and safety of employees such as implementing a specific accident reduction plan, investments in replacing older equipment and implementing continuous investments and updates to further enhance the safety culture.

3. Human Rights

The key risks for human rights are associated with the companies' supply chain given that many suppliers are not located in Europe or North America. The companies are at the stage of developing an adequate and comprehensive management system of supplier evaluation so as to ensure that all major suppliers meet specific standards involving the respect for human rights, employee safety, working conditions and business ethics.

4. Anti-Bribery and Anti-Corruption Measures

The risks related to anti-bribery and corruption lie in the failure to conduct business operations ethically and to comply with the applicable laws and regulations. To prevent and mitigate such risks, the companies ensure that the Business Ethics and Anti-Corruption Policy is properly applied and that all employees are aware of the companies' procedures and practices in relation to anti-corruption practices. The Internal Audit function is responsible for monitoring and reporting timely and properly any related deviation or misconduct.

Risk Management and Internal Audit System

The Internal Audit System ensures effective and efficient corporate operations, reliable financial reporting and compliance with applicable laws and regulations as well as effective and efficient risk management. In addition, by adopting the principle of prevention, the risk management system enables the identification and analysis of any eventual risks facing the companies, setting of limits to the risks taken, and implementation of the relevant audits. The overall risk management plan that is implemented seeks to minimise any eventual negative effect on the companies' financial performance and overall operation while its constant revisions help take timely into account any changes in the environment, market conditions and their activities.

Transparency and information safety issues

Management of transparency and corruption matters

The companies have taken preventive steps in order to assume and determine the limits of responsibility and influence of each of their executives, develop safeguards for preventing any corruption incidents, and carry out the relevant checks in relation to their operations. As part of their plan to protect customers' interests and to enhance transparency in all their actions, the companies' Commercial Managers sign a special corporate form. By signing this form, they undertake to refrain from any procedure that may lead to unlawful partnership with potential competitors for price fixing, bid rigging, creation of barriers to the market or production, imposition of quotas per geographical area or customer allocation.

Report management procedure

The companies' updated Code of Conduct and Business Ethics has incorporated the report management procedure that is implemented. The companies see to the adoption of safe communication channels for internal reporting so as to strengthen confidentiality. All employees have been informed about the reporting plan of any incidents that do not comply with the Code through electronic notice and a relevant leaflet distributed to all production plants. Moreover, a whistle-blowing mechanism has been implemented by the establishment of an "Integrity Hotline" operating over phone and internet reporting, which provides additional channels of communication for employees and business partners to report any incidents of misconduct or unethical behaviour, anonymously, if so preferred. Such mechanism ensures confidentiality and the avoidance of any retaliation against the persons making the report.

Information system security

The companies protect the privacy of all confidential information that may arise from commercial transactions and partnerships with clients, as an integral part of governance framework. Personal and corporate data are protected against any unauthorised access, loss or alteration using all available organisational, procedural and technical means. The companies' production plants implement a certified Information Security Management System in accordance with the requirements of the international standard ISO 27001:2013 which helps carry out adequate security checks, while optimising the threat detection and prevention mechanisms, in order to protect information and safeguard confidential data.

Personal Data Protection

The companies respect personal data protection and take adequate steps compliant with the provisions of Regulation (EU) 2016/679 (General Data Protection Regulation) and other applicable laws. Aiming at harmonisation with international standards and good practices, the companies implement a Personal Data Protection Policy, setting specific procedures, roles and mechanisms for personal data protection across all their business units.

Supply Chain

Suppliers are important partners for the companies since they contribute to the production of competitive products through the supply of quality raw and other materials. The companies have developed and put into practice a Suppliers Code of Conduct which seeks to incorporate lawful, ethical principles and sustainability principles across the supply chain, specifying the requirements that suppliers of goods and services as well as all subcontractors are expected to meet in terms of social, environmental and financial performance. The key principles of the Code, which the companies encourage their suppliers to apply, are:

- Environmental protection
- Business Ethics and anti-corruption
- Labour and human rights
- Personal Data Protection

As part of the certified Management Systems established in the companies, they apply supplier evaluation procedures, seeking to collaborate with suppliers who adopt responsible practices and ensuring that sustainability principles are promoted to their partners. The suppliers with whom the companies collaborate, among others, are evaluated based on transparency and merit-based principles for their environmental and social performance, as well as for matters relating to occupational health and safety management and accident prevention during product transports and loading/unloading works. In addition, the companies' procurement policy applies a strategy aiming to boost local economy, offering business opportunities and employment to local suppliers. When evaluating and selecting suppliers, local origins are a criterion factored in.

Business Ethics

The companies prioritise business ethics and anti-corruption. To ensure accountability and transparency with stakeholders, robust internal controls and procedures have been implemented. Business ethics has been assessed as a material sustainability matter for the companies both from an impact and from a financial perspective. The Business Code of Conduct outlines how the companies promote corporate culture. The policy covers a comprehensive range of topics, including corporate values, ethical guidelines and anti-corruption measures, and guidelines for other areas such as social responsibility, human rights, and environmental protection. The violation of the Business Code of Conduct may negatively affect the companies and their employees. In addition, the whistle-blowing mechanism establishes the proper channels of reporting for anyone, either within or outside the companies, to report illegal behaviour regarding labour or human rights practices, environmental compliance, and business ethics issues while at the same time ensuring complete protection and support for reporting persons. The Business Code of Conduct serves as a guiding document outlining the expected behaviours from all employees of the companies. It articulates the rules of conduct adhered to and how business is conducted, taking into consideration the interests of stakeholders. The companies are committed to promoting business excellence and building long-term relationships with customers and suppliers. The policy is safeguarded in three different ways:
1) Employee training on specific issues. In 2023, the companies provided employee training on business ethics, the Code of Conduct, and anti-corruption.
2) Reporting of incidents through the whistle-blowing mechanism. The companies have implemented a whistle-blowing mechanism to report illegal behaviour regarding labour or human

rights practices, environmental compliance, and business ethics. No corruption, bribery or data privacy breaches were reported in 2023.
3) Internal audit. The function of the independent internal audit also is monitoring closely illegal behaviour and potential improper behaviour and transactions.

No incidents of bribery or corruption were identified in the companies.

These ratios were selected on the basis of their relevance to the companies' business. Details on the performance in terms of sustainable development, and the actions of the companies' responsible operation will be set forth in the 2023 Sustainable Development Report (May 2024). The Sustainable Development Report is an important tool as it reflects the way in which the companies respond to major issues and to the expectations of all their stakeholders.

All Sustainability Reports of Hellenic Cables are available on the website https://www.hellenic-cables.com/sustainability/sustainability-reports/.

4. Main risks and uncertainties

The main risks facing the Group and the Company are identified after mapping risks across all functions of the Company and its subsidiaries, and analysing them as a whole, taking into account the likelihood of their emergence, the evaluation of their impact on the Group's and the Company's strategic goals as well as the plans to mitigate/avoid risks such as preparation of processes, safeguards, controls and risk transfer to third parties, when and where this is possible.

The risks faced by the Group and the Company are classified into two major categories:

- Financial and
- Business risks

The former includes different types of market risk affecting the Group's and the Company's activities (exchange rates, interest rates, commodity prices, energy prices and overall macroeconomic environment) as well as credit risk, counterparty risk and liquidity risk.

The Business Risk family is broader: it is defined as all risks that do not concern directly the Group's and the Company's financials and financial position. Business Risks are further broken down into sub-categories, to help better understand and respond adequately to the different risk events involved by each risk category:

A. Operational and technology risks are defined as the risk of loss resulting from inadequate or failed processes or systems, acts of natural persons or from external events. Operational risks comprise all risks associated with the day-to-day operations of the Group's and the Company's production plants such as Health & Safety, environmental issues, legal risk (as it refers to processes) but not strategic or reputational risks.

B. Compliance and reputation risks include possible negative impacts (economic – fines, penalties, etc. and other – exclusion from markets, etc.) from non-compliance with existing regulations and standards. Also included are potential impacts on the Group's and the Company's brand image and business reputation[10], as well as accounting risk.

C. Strategic risks include risks related to the wider business environment (e.g. the macroeconomic environment, the sector / industry conditions, etc.), the market and the competition, as well as medium to long-term decision making that may have an impact on business continuity and profitability.

Group and Company risk management policies are implemented to recognise and analyse risks faced by the Group and the Company and to set risk assumption limits and implement checks and controls relating to them. The risk management policies and relevant systems are reviewed on a periodic basis to take into account any changes in the market and the Group's and the Company's activities.

The Internal Audit Department of Viohalco SA (ultimate shareholder) oversees implementation of risk management policies and procedures, carrying out scheduled and unscheduled audits to see how procedures are being implemented. Their findings are notified to the Boards of Directors of the Company and its subsidiaries.

A brief business risk taxonomy for the Group and the Company is presented below together with the actions taken to identify, measure, react, control and monitor them.

[10] The set of perceptions about the Company by the different stakeholders with whom it interacts, both internal and external.

Business risks

Operations and technology

Procurement risk

Smooth supply of energy, metals and other primary raw materials and components is a key prerequisite for the Group and the Company to manufacture timely quality products at competitive prices. Therefore, the Group and the Company take relevant measures to reduce such risks (e.g. a diverse supplier base, alternate material lists, Service Level Agreements (SLA) with key vendors, lower spot market exposure) and monitor the development of the supply chain by reviewing the relevant indicators at regular intervals.

Operation interruption risk

Apart from the unexpected unavailability of raw materials or other crucial resources, a lack of skilled labour, a delay in adapting to new technologies and/or the danger for equipment breakdowns may threaten the Group's and the Company's capacity to continue operations. Consequently, the Group and the Company use specialised maintenance departments to minimise the latter, upgrade plant equipment and production lines to reduce obsolescence risk and constantly monitor safety stock levels, which are necessary for the seamless operation of the Company and its subsidiaries. Moreover, the Group and the Company have prepared and regularly review relevant business continuity studies to reflect any financial losses and focus their actions on the areas in which the risks with the highest financial impact are identified. Any residual risk is mitigated through business interruption insurance policies.

Product failure risk

Faulty or non-performing products may expose the Group and the Company to penalties, complaints, claims and returns, which lead to loss of revenues, market share and business reputation. To proactively mitigate such risk, the Group and the Company follow rigorous quality management systems at their plants and maintain appropriate insurance coverage against such claims as well as product liability insurance. Quality control includes, among others, batch or item sample testing, defect capturing monitoring systems spread out in production phases, end-to-end traceability systems, etc.

Channel effectiveness risk

Poorly performing or positioned distribution channels may threaten the Group's and the Company's capacity to effectively and efficiently access current and potential customers and end users, so in turn, the Group and the Company manage it through experienced commercial executives per market and per project / tender. Periodic financial reviews by Management serve as the main monitoring tool of this risk.

Information Technology (IT) and cyber-security risk

IT and cyber-security risk is defined as the likelihood of occurrence of a particular threat which may be accidentally triggered or by having an IT vulnerability intentionally exploited by third parties and the resulting impact of such an occurrence. The Company and its subsidiaries are capital intensive and rely heavily on IT systems to manage and optimise their production. IT equipment failure, human errors and/or the unauthorised use, disclosure, modification or destruction of information, pose serious risks to the Company's and its subsidiaries' operation and profitability. Any eventual breaches of network and IT security threaten the Group's and the Company's data integrity, sensitive information and smooth operation of their business activities. Such an eventual breach could have a negative impact on the Group's and the Company's reputation and competitive position.

Moreover, an eventual court ruling granting indemnities, imposition of fines or loss of activities (including restoration cost) could have a significant negative effect on the Group's and the Company's financial position and operating results. Finally, the management of cyber-security breaches may require major capital expenditure and the investment of time by Management.

Hence, the continuous identification and application of appropriate and proportional controls that limit exposure against the aforementioned threats is vital to the integrity of IT systems in the Group and the Company as well as against legal requirements.

Furthermore, the Company and its subsidiaries comply with 2016/679 EU General Data Protection Regulation (GDPR), taking this opportunity to evaluate and ameliorate their overall IT and cyber-security risk posture, beyond regulatory requirements.

Environmental / Occupational Risk

The Group and the Company have realised the interaction between their operation and the natural and working environment. This is why they implement policies and systems and make continuous investments in research and development of know-how which help them achieve their objective of Sustainable Development.

In addressing the potential impact on the Environment (environmental risk) and on the Health and Safety of their workforce (occupational risk), the Group and the Company perform all necessary risk assessment studies and take preventive measures and initiatives, monitoring the relevant indicators (Quality, Environment, Health and Safety) they have established. These indicators are monitored and evaluated regularly and are communicated to all Group levels. For more information, please refer to the section "Non-Financial Information".

Compliance and reputation risks

Compliance Risk

Laws and regulations apply to many aspects of the Group's and the Company's operations including but not limited to, labour laws, Health & Safety, environmental regulations, building and operational permits, etc.

The Group and the Company have elaborated policies helping the same to abide by all laws and regulations, whether at the local, European or international level, regarding Health and Safety in the production plants, labour and human rights, the protection of the environment, anti-corruption, bribery and financial fraud.

Additional information on this topic is included in the section “Non-Financial Disclosure” of this report and the Sustainable Development Report.

Strategic risks

Country risk

Political risk of countries where the Group and the Company are active, commercially or in production, may threaten the supply chain and cash flows. The main answer to that risk is geographical diversification of both trading portfolio and supply chain.

The availability and prices of basic raw materials, such as copper and aluminium follow international markets and, therefore, are not affected by developments in any particular country. Finally, for a further analysis of the risks arising from the broader macroeconomic environment, please refer to the "Macroeconomic environment" paragraph in "Financial Risks".

Industry risk

Industry risk of the Group and the Company is associated mainly with the cyclicality of demand in their operating segments or the substitution rate of some of their products. The former is mitigated by expanding into global markets, so that the cycle effects are differentiated away across geographical areas. As for the latter, substitution risk is addressed through the differentiation of product mix, shifting for example into lower substitution rate products.

Competitor risk

Strategic issues regarding competition are assessed as part of the Company's and its subsidiaries' annual budget process and their strategic plan. Daily management of competitor risk, on the other hand, is captured through daily review of market information and mitigated by a strong commitment to quality, a competitive pricing policy and a targeting on high added value products.

Technological innovation risk

In a world of rapidly changing technology, not following the technology wave in an efficient manner or not investing in the necessary IT infrastructure may seriously affect current and future business results of the Group and the Company. Companies that neither monitor nor leverage such technology advancements to extend their competitive advantage may be hardly hit from competition and be placed out of the market. The Group and the Company manage this strategic risk primarily through the establishment of technical assistance and know-how transfer agreements with global leaders in their sectors, as well as through extensive investments in Research & Development (R&D). As described in detail in section "5. Research and Development", among other actions, the Group and the Company cooperate with scientific bodies and prominent international research centres while the Company and its subsidiaries host dedicated R&D departments.

<u>Financial risks</u>

Group and Company financial risk management policies are implemented to recognise and analyse the financial risks faced by the Group and the Company and to set financial risk assumption limits and implement checks and controls relating to them. The financial risk management policies and relevant systems are reviewed on a periodic basis to take into account any changes in the market and the Group's and the Company's activities.

The Internal Audit Department oversees implementation of financial risk management policies and procedures, carrying out scheduled and unscheduled audits to see how procedures are being implemented. Their findings are notified to the Boards of Directors of the Company and its subsidiaries.

For more information on the quantitative figures associated with the financial risks analysed in this section, please refer to the note "Financial Instruments" of the Annual Stand-alone and Consolidated Financial Statements.

Credit Risk

Credit risk concerns the risk of incurred losses in case a client or other third party involved in a transaction including a financial instrument fails to fulfil its obligations toward the Group or the Company and is mainly associated with trade receivables and investments in securities.

Trade and other receivables

Group and Company exposure to credit risk is mainly affected by the characteristics of each customer. The demographics of the Group's and the Company's clientele, including the risk of default specific to this market and the country in which customers operate, have a limited effect on credit risk since there is no geographic concentration of credit risk.

No customer accounts for more than 10% of consolidated revenue with the exception of Romania-based Icme Ecab and Independent Power Transmission Operator S.A. on whose behalf contract-based projects are carried out and Management estimates there is no credit risk. The Group's and the Company's activities are project oriented and on certain occasions this threshold is individually exceeded for a short period of time. Therefore, save project clients, commercial risk is spread over a large number of clients.

The Board of Directors has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms of the Group and the Company are proposed to such customer. The creditworthiness control performed by the Group and the Company includes an examination of information from banking sources. Credit lines are set for every customer, and they are re-examined in the light of current circumstances and, if required, the relevant sales and payment terms are readjusted accordingly.

Customer credit lines are normally determined based on the insurance limits obtained for them from insurance companies and then receivables are insured based on such credit lines. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, the ageing profile of their receivables and the existence of any possible previous difficulties in collecting receivables. Trade and other receivables include mainly wholesale customers, network managers and contractors. Any customers characterised as being of "high risk" are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors. Depending on the background of the customer and its capacity, the Company and its subsidiaries demand real or other security (e.g. letters of guarantee) in order to secure their receivables, if possible.

The Group and the Company record provisions for impairment, which represent Management estimates about credit losses pertaining to customers, other receivables and contract assets, based on the expected credit losses from each counterparty. The above provision includes mainly impairment losses relating to specific receivables which, based on given conditions, are expected to be incurred, but are not finalised yet.

Investments

Investments are classified by the Group and the Company depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each presentation date.

Guarantees

The Company's policy requires that no financial guarantees are provided. By way of exception, however, such guarantees may be provided solely to subsidiaries and affiliates based on a resolution of the Board of Directors.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will fail to fulfil its financial liabilities upon maturity. The Group's and the Company's approach to liquidity management is to secure, as much as possible, by holding necessary cash assets and adequate credit lines from collaborating banks, that they will always have sufficient cash to meet their obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardising the Group's and the Company's reputation.

To avoid liquidity risk the Company and its subsidiaries make a cash flow provision for one year when preparing the annual budget and make a monthly rolling provision for three months to ensure that they have adequate cash to cover their operating needs, including the fulfilment of their financial liabilities. This policy does not take into account the relevant effect from extreme conditions that cannot be foreseen.

Market risk

Market risk is the risk of a change in raw material prices, exchange rates and interest rates, which affect the Group's and the Company's results or the value of their financial instruments. Market risk management is aimed at controlling the exposure of the Group and the Company to such risks within a framework of acceptable parameters, in parallel with optimisation of performance.

The Company and its subsidiary Fulgor use transactions on derivative financial instruments in order to hedge part of market risks.

Metal Raw Material and Energy Price Fluctuation Risk (copper, aluminium, other metals)

The Company and its subsidiary Fulgor base both their purchases and sales on stock prices/indices linked to the prices of copper, aluminium and other metals which are used by them and included in their products. The risk from metal price fluctuation is covered by hedging instruments (futures and options on London Metal Exchange-LME). The Group, however, does not use hedging instruments for the entire basic stock of its operation and, as a result, any drop in metal prices may have a negative effect on its results through inventories depreciation.

To mitigate the risk of increasing energy prices, the Group and the Company entered into long-term Power Purchase Agreements (PPAs) with an electricity producer, which will be backed by various assets from renewable energy sources.

Foreign exchange risk

The Group is exposed to foreign exchange risk in connection with its sales and purchases, and loans taken out in a currency other than its functional currency, which is Euro. The currencies used for such transactions are mainly the Euro, the US dollar and the pound.

Over time, the Group and the Company hedge the greatest part of their estimated exposure to foreign currencies in relation to the anticipated sales and purchases as well as their receivables and liabilities in foreign currency.

The Group and the Company mainly enter into foreign currency futures with their foreign counterparties in order to hedge the risk of exchange rate changes, which primarily mature in less than one year from the Financial Statements date. When necessary, such futures are renewed upon expiry. On a per-case basis, foreign exchange risk may also be hedged by obtaining loans in the respective currencies.

Loan interest is in the same currency as that used in the cash flows arising from the Group's and the Company's operating activities, which is mainly Euro.

Interest rate risk

The Group and the Company obtain funds for their investments and their working capital through bank loans and bond loans, and thus debit interest is charged to their results. Any upward trend of interest rates will have a negative effect on results since the Group and the Company will bear additional borrowing costs.

The interest rate risk is mitigated, when deemed necessary, either by obtaining loans at fixed interest rates or by using financial instruments. More specifically, the Company uses interest rate swap agreements to counterbalance potential higher future interest costs on their loans.

Capital management

The Group's and the Company’s policy is to maintain a robust capital base, in order to keep the Group and the Company trustworthy among investors, creditors and market players, and enable the future development of their operations. The Board of Directors monitors capital performance, which is defined as the net results divided by the total net worth.

The Board of Directors tries to maintain a balance between the higher performance levels which would have been attained through increased loans and the advantages and security offered by a robust and healthy capital base.

The Company does not have a specific treasury stock purchasing plan.

There have been no changes in the approach adopted by the Group and the Company concerning capital management during the fiscal year.

Macroeconomic environment

The recent events and military operations in Israel could affect the global and, by extension, the Greek economy. Nevertheless, Management assesses individual parameters and their eventual implications on an ongoing basis to ensure that all necessary and possible measures and actions are taken to minimise any effect on the Group's and the Company’s operations. The Group and the Company follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimise the impact of the macroeconomic conditions on their operations.

5. Research and Development

Innovation is an ongoing strategic goal of the Group and the Company with the aim of providing customers with modern and reliable technical solutions. The establishment of a stronger research and development (‘R&D’) function is part of the strategic growth planning of the Group and the Company aiming at technological innovation and competitiveness. A team of highly skilled engineers having considerable professional experience in cable design and in new materials development, supported by advanced software tools and modern testing laboratories and facilities pursues research focused on product development, innovation and product optimisation while providing technical support in engineering and manufacturing. Additionally, the R&D initiatives support the Group’s and the Company’s strategy towards the development of products with lower environmental impact.

The Company and its subsidiaries collaborate with several universities and research institutions to build research networks and foster new technologies. Among those are numerous institutions in Greece (National Technical University of Athens, University of Patras, Aristotle University of Thessaloniki, Democritus University of Thrace), Exeter University (UK), Southampton University (UK), University of Montpelier (FR), University of Torino (IT), Technische Universität Berlin (TUB) as well as certification bodies such as SINTEF (NO), KEMA-DNV GL (NL), EdF research centre (FR).

2023 Research & Development activities

2023 was full of strong research and development challenges, addressed under specific projects, some of which continued from 2022 while others were initiated to address new market needs and technology trends. These projects focused on delivering high-quality and reliable products to both new and existing customers, developing new offshore and onshore solutions, and optimising existing designs in terms of cost and technical specifications. The outcomes of such development projects are summarised below:

New customers & New Markets

Already developed products giving access to new customers and new markets:

- design of 66kV inter-array cables
- design of 275kV export submarine power cable systems; and
- design of MV and HV onshore (land) cables for various transmission system operators.

New product development

Products under development:

- design of export dynamic cables, capable to operate under severe mechanical stresses
- design of 66kV inter-array cables
- design of 132kV inter-array submarine cables
- design of 400kV three-core export submarine power cable systems
- focus on increasing the utilisation of recyclable materials
- development of a strain monitoring system integrated in dynamic cables; and
- development of 90kV land environmentally friendly cable system.

Applied research

The Company's and Group's research activities are summarised below:

- experimental verification of new materials under 2-year ageing tests for high electric stress operations
- development of measuring methodology for the thermal capacity of cables installed in J-tubes
- development of an in-house measurement system of the DC and AC resistance of Milliken type aluminium and copper conductors
- machine learning algorithms for prediction models for fire performance of cables
- machine learning algorithms for prediction models for mechanical performance of land and submarine cables
- in-house development of new compounds with thermomechanical properties

- publication of novel topics in journals and conferences as well as participation in technical committees such as Cigre and IEC.

Participation in EU research programmes

Through its subsidiary Fulgor, Hellenic Cables participated in EU funded research programmes (Horizon 2020 - Europe). Participation of Fulgor in these projects reveals the Group's role in the accelerating transition to a low-carbon economy. The subsidiary participates in the following projects:

FLOTANT project: Its main objective is to develop the conceptual and basic engineering of mooring and anchoring systems, necessary in Deep Water Wind Farms (DWWF). It includes developing a lightweight and high- performance dynamic cabling, to improve cost-efficiency, increase flexibility and robustness to a hybrid concrete-plastic floating structure designed to be deployed in water depths from 100m to 600m.

NextFloat project: Its main objective is to promote the next generation of floating wind technology. The project will lead to the deployment of a 6MW floating wind prototype to demonstrate at a relevant scale an innovative integrated downwind floating platform design, while advancing in parallel on the industrialisation and scaling-up of the integrated solution up to 20MW scale.

Infinite project: It aims to demonstrate an 11MW floating offshore wind system at 100m water depth with two key technology innovations:

- environment-friendly platform anchored with an innovative mooring system. The platform is designed to work with commercially available WTGs and is scalable, modular and self-installing, showing a vast potential for industrialisation.
- An innovative aluminium dynamic cable design that is safer, lighter, and cheaper. Moreover, fibre optics will be installed in the dynamic cable under development and an integrated operation monitoring system will be developed.

Offshore Energy Hubs project: The purpose of the OEH project is to develop an umbilical cable that will combine power transmission and transport hydrogen gas. Electricity is generated from wind turbines at the so-called Offshore Energy Hubs (Islands). A part of the energy generated from wind turbines is used to generate hydrogen gas through water electrolysis on the wind turbine. Such umbilical cable will transmit electricity through a 66kV three-core cable whose unoccupied space will accommodate hydrogen transmission pipes, thus reducing considerably installation cost given that it is no longer necessary to install separately the cable and the pipe.

Trieres project: The key purpose of this project is to develop, deploy and demonstrate a small-scale hydrogen valley (H2) in compliance with the European Hydrogen Strategy and the European Green Deal.

MUSICA project: The key purpose of the project is to provide low-carbon energy to small islands, providing a full suite of Blue Growth solutions.

The total R&D expenses for 2023 amounted to EYR 16.5 million and EUR 5.5 million for the Group and the Company, respectively (2022: EUR 10.7 million and EUR 3.4 million, respectively), of which the amount of EUR 5.0 million and EUR 2.2 million, respectively (2022: EUR 4.4 million and EUR 2.0 million, respectively) was earmarked for research activities.

Significant transactions with related parties

The transactions of Hellenic Cables Group and Company are set out in the following tables:

Transactions of Hellenic Cables Company with subsidiaries:

Companies	Sales of goods, services & other income	Purchases of goods, services & other expenses	Receivables	Liabilities
LESCO OOD	-	4,579,175	-	1,761,401
FULGOR	100,631,573	310,077,291	62,270,857	1,703,565
HELLENIC CABLES TRADING	-	-	-	-
Subsidiaries' Total	**100,631,573**	**314,656,465**	**62,270,857**	**3,464,965**

- FULGOR purchases from Hellenic Cables raw materials and semi-finished products for cable production and sells finished products (mainly submarine cables for energy projects) as well as copper and aluminium wires as raw material for cable production.
- LESCO EOOD sells wooden packaging materials to Hellenic Cables.
- HELLENIC CABLES TRADING provides services to Hellenic Cables for projects carried out in the USA and for penetration services in this market.

Transactions of Hellenic Cables Company with Subsidiaries and Associates of Viohalco Group:

Companies	Sales of goods, services & other income	Purchases of goods, services & other expenses	Receivables	Liabilities
STEELMET S.A.	-	2,872,478	-	626,122
ICME ECAB	14,601,748	39,459,547	3,358,808	31,030,925
ELVALHALCOR	6,218,354	1,327,004	1,616,369	943,762
SOFIA MED	-	926,781	-	124,656
METAL AGENCIES	32,979,901	848,552	11,289,131	574,083
ERLIKON	10,011	47,670	7,760	5,033
INTERNATIONAL TRADE	34,226,625	-	966,238	118,693
STEELMET FINANCIAL SERVICES SA	-	354,421	-	19,336
TEKA SYSTEMS	-	454,027	136,510	331,939
VIENER	-	437,285	-	5,529
NOVAL PROPERTY	-	904,391	101,429	3,114
CABLEL WIRES	35,113	728,800	-	668,343
CENERGY HOLDINGS	52,400	415,678	181,566	9,354,487
OTHER	1,350,816	2,538,530	1,671,691	1,088,674
Affiliates' Total	**89,514,968**	**51,315,165**	**19,329,502**	**44,894,697**

Transactions of Hellenic Cables Group with Subsidiaries and Associates of Viohalco Group:

Companies	Sales of goods, services & other income	Purchases of goods, services & other expenses	Receivables	Liabilities
STEELMET S.A.	-	6,154,940	-	1,458,398
ICME ECAB	116,891,700	63,185,653	66,873,060	35,431,847
CPW AMERICA Co	-	225,813	-	806,004
ELVALHALCOR	16,984,788	3,685,521	2,578,743	1,610,606
SOFIA MED	441,663	1,177,353	56,365	125,014
METAL AGENCIES	32,979,901	848,552	11,289,131	574,083
VIEXAL S.A.	-	1,844,980	15,909	74,635
ANTIMET S.A.	-	148,389	513,260	14,694
CORINTH PIPEWORKS	748,968	188,212	523,081	437,461
ETIL SA	644	-	-	678,412
ERLIKON	10,011	8,499,744	7,760	945,557
INTERNATIONAL TRADE	34,266,625	-	966,238	118,693
STEELMET PROPERTY SERVICES SA	34	631,782	-	75,799
TEKA SYSTEMS	-	747,828	253,557	472,552
VIENER	-	2,572,431	151	67,348
NOVAL PROPERTY	-	904,731	101,429	3,190
CABLEL WIRES	33,841,253	1,694,531	1,810,194	735,596
CENERGY HOLDINGS	52,400	416,288	181,566	9,255,244
OTHERS	2,438,569	1,803,914	2,770,379	1,847,212
TOTAL	**238,656,556**	**94,730,662**	**87,940,662**	**54,832,345**

- STEELMET S.A. provides Hellenic Cables and Fulgor with administration and organisation services.
- ICME ECAB purchases from Hellenic Cables plastic/rubber compounds for its production process as well as finished cables while also purchasing from Fulgor wires as raw material for cable manufacturing. ICME ECAB also sells to Hellenic Cables and Fulgor semi-finished and finished products for distribution in the domestic market.
- CPW AMERICA Co provides services to Hellenic Cables Group and mainly to Hellenic Cables Trading for services rendered in the USA.
- ELVALHALCOR purchases from Hellenic Cables Group copper scrap from the returns generated from the production process and PVC which ELVALHALCOR uses for insulated pipes. In addition, ELVALHALCOR purchases from Hellenic Cables Group copper scrap from the returns generated from the production process and sells to FULGOR natural gas. Hellenic Cables Group purchases from ELVALHALCOR quantities of cathodes and aluminium for cable production.
- SOFIA MED primarily sells copper products while purchasing raw materials and copper semi-finished products.
- METAL AGENCIES LTD acts as merchant - distributor of Hellenic Cables Group in Great Britain.
- VIEXAL provides Hellenic Cables Group with travel and transportation services.
- ANTIMET acts as commercial agent on Crete for Hellenic Cables Group.
- CORINTH PIPEWORKS primarily purchases energy cables for own use.

- ETIL provides construction services to Hellenic Cables Group and mainly to FULGOR for its investments in Corinth.
- ERLIKON sells steel wires to Hellenic Cables for cable manufacturing.
- INTERNATIONAL TRADE markets Group products mainly in Central European countries.
- STEELMET PROPERTY SERVICES SA provides Hellenic Cables and Fulgor with accounting services.
- TEKA SYSTEMS undertakes to carry out certain industrial constructions on behalf of the Company and the Group and provides consulting services in IT issues and SAP support and upgrade.
- NOVAL PROPERTY leases buildings and warehouses to Hellenic Cables and Fulgor.
- VIENER acts as energy provider for Group companies.
- CABLEL WIRES purchases copper and aluminium wires as raw material for the production of enamelled wires from Hellenic Cables Group and sells semi-finished products for downstream processing to Hellenic Cables.
- CENERGY HOLDINGS is the parent company of Hellenic Cables. The outstanding balance of the liability mainly concerns the portion of interim dividend that had not been paid as at 31.12.2023.

6. Share capital of Company's subsidiaries

		31.12.2023		
Corporate name	Currency	Number of Shares	Nominal value of share	Share capital
Subsidiaries:				
FULGOR	Euro	6,168,647	2.94	18,135,822.18.
LESCO OOD	Euro	5,850	51.13	299,110.34.
HELLENIC CABLES TRADING	USD	100	3,000.00.	300,000.00.

7. Company's Branches

The Company keeps:

1. a branch in Tavros, 252 Peiraios street, where it houses its commercial departments
2. a branch at Kalochori, Thessalonica, for the sale of its products in northern Greece
3. a branch at Oinofyta, Viotia (59th km of Athens-Lamia National Highway) where the plant of plastic and rubber compounds is located
4. a branch at Thiva, Viotia (69th km of Athens-Thiva Old National Highway) where the cable production plant is located
5. a branch at Marousi (33, Amarousiou Halandriou Avenue) where the Company's principal establishment is located
6. a branch at Marousi (80, Amarousiou Halandriou Avenue) which accommodates the office for the manufacture of other electronic and electric wires and cables
7. a branch in Cyprus (junction of Chrysorogiatissis & 8 Kolokotroni St., Limassol) to meet the needs of the technical projects undertaken by the Company in Cyprus
8. a branch (tax representative) in the Netherlands to meet the needs of the technical projects undertaken by the Company in the Netherlands

9. a branch (tax representative) in Belgium to meet the needs of the technical projects undertaken by the Company in Belgium.
10. a branch (tax representative) in England to meet the needs of the technical projects undertaken by the Company in the Netherlands
11. a branch at Aspropyrgos (19th km of Athens-Corinth Highway), which accommodates the office required for meeting the needs of technical projects undertaken by the Company in the area
12. a branch at Marousi (5, Himaras St.), which accommodates the office in which the purchasing department is installed
13. a branch at Thiva (11th km of Thiva-Halkida National Highway, “Hasani Dervisi” location) which accommodates the industrial property acquired by the Company and intended to be used as a cable manufacturing plant
14. a branch (tax representative) in Germany to meet the needs of the technical projects undertaken by the Company in Germany.

8. Subsequent events

No significant events that could affect the Company's financial position occurred during 2024 to date.

9. Conclusions

Dear Shareholders, we presented an overview of the financial performance of 2023, the risks and how these were managed together with the prospects and outlook of the Group and the Company for 2024.

In conclusion, we would like first to express our gratitude for the trust that you have shown in the Company and we request you to approve the Group's and the Company’s Financial Statements, as well as the present Report, for the fiscal year that ended on 31 December 2023.

Athens, 15 May 2024

The Chairman of the Board of Directors	Board of Directors member
Ioannis Batsolas	**Alexios Alexiou**

B. Annual Stand-Alone and Consolidated Financial Statements

HELLENIC CABLES

Member of CENERGY HOLDINGS

ANNUAL FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

Athens Tower, Building B, 2-4 Mesogheion Avenue
Athens, GR-115 27

www.hellenic-cables.com

General Commercial Registry No. 117706401000

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Statements of Profit or Loss and Other Comprehensive Income

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2023**	**2022**	**2023**	**2022**
Revenue	**6**	956,195,158	891,745,683	696,024,582	621,161,965
Cost of Sales	**9**	(822,076,210)	(793,147,692)	(623,486,173)	(572,159,712)
Gross Profit		**134,118,948**	**98,597,992**	**72,538,409**	**49,002,254**
Other income	**7**	2,815,938	6,862,846	6,132,495	6,212,717
Selling and distribution expenses	**9**	(7,580,974)	(8,620,378)	(4,672,430)	(4,525,491)
Administrative expenses	**9**	(19,661,521)	(15,636,619)	(9,244,421)	(7,260,766)
Reversal of impairment loss / (Impairment loss) on receivables and contract assets	**30.1**	(98,161)	(34,872)	(64,749)	64,081
Other expenses	**8**	(1,881,466)	(6,402,497)	(5,819,416)	(5,610,806)
Operating profit		**107,712,764**	**74,766,472**	**58,869,887**	**37,881,989**
Finance income	**11**	643,236	260,246	497,775	253,251
Finance costs	**12**	(44,231,306)	(23,523,151)	(23,835,421)	(10,463,914)
Dividends		-	-	12,337,294	23,018,450
Profit before tax		**64,124,695**	**51,503,566**	**47,869,536**	**50,689,775**
Income tax	**20**	(14,746,319)	(12,076,855)	(8,181,971)	(5,851,746)
Profit after tax		**49,378,376**	**39,426,711**	**39,687,565**	**44,838,028**
Other comprehensive income					
Items that will never be reclassified to profit or loss:					
Remeasurements of defined benefit liability	**27**	(264,578)	274,302	(190,029)	156,989
Related tax	**20**	56,740	(61,329)	41,806	(34,538)
		(207,838)	**212,973**	**(148,222)**	**122,452**
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences		(12,682)	7,817	-	-
Cash flow hedges – effective portion of changes in fair value		863,839	(312,722)	128,928	(775,785)
Cash flow hedges – reclassified to profit or loss		312,722	1,184,106	775,785	635,325
Related tax	**20**	(258,844)	(191,704)	(199,037)	30,901
		905,036	**687,496**	**705,676**	**(109,559)**
Other comprehensive income after tax		**697,198**	**900,469**	**557,454**	**12,893**
Total comprehensive income after tax		**50,075,574**	**40,327,181**	**40,245,019**	**44,850,921**

The attached notes on pages 50 to 125 are an integral part of the Financial Statements.

Statements of Financial Position

Amounts in Euro	Note	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
ASSETS					
Property, plant & equipment	**14**	384,688,400	307,723,883	82,367,716	70,068,125
Right of use assets	**15**	5,714,005	1,499,872	2,936,400	841,942
Intangible assets and goodwill	**16**	87,751,617	85,115,095	10,270,280	9,979,104
Investment property	**17**	186,858	186,858	194,611	194,611
Investment in subsidiaries	**18**	-	-	97,961,095	91,199,095
Other investments	**19**	3,000	3,000	3,000	3,000
Deferred tax assets	**20**	80,369	11,384	68,842	-
Derivatives	**30.6**	783,929	2,083,284	676,616	2,083,284
Contract costs	**13**	331,111	221,676	169,864	60,429
Other receivables	**22**	203,484	661,032	161,550	408,042
Non-current assets		**479,742,773**	**397,506,083**	**194,809,974**	**174,837,632**
Inventories	**21**	187,114,100	218,452,104	95,648,203	106,398,778
Trade and other receivables	**22**	201,412,229	169,595,601	171,833,160	116,295,900
Contract assets	**13**	137,120,340	126,163,995	89,473,430	53,863,604
Contract costs	**13**	50,000	14,405	50,000	5,595
Derivatives	**30.6**	2,244,751	1,220,000	1,234,416	756,937
Income tax receivables		8,992,779	5,574,863	4,368,509	930,935
Cash and cash equivalents	**23**	124,901,038	111,562,121	27,533,660	59,107,008
Total current assets		**661,835,237**	**632,583,089**	**390,141,378**	**337,358,757**
Total assets		**1,141,578,009**	**1,030,089,172**	**584,951,353**	**512,196,389**
EQUITY & LIABILITIES					
EQUITY					
Share capital	**24**	65,704,215	65,704,215	65,704,215	65,704,215
Reserves	**25**	39,384,251	35,923,384	35,957,725	33,010,147
Retained earnings		103,360,792	71,854,530	46,343,282	24,154,284
Total equity		**208,449,258**	**173,482,129**	**148,005,221**	**122,868,646**
LIABILITIES					
Loans and borrowings	**26**	171,968,322	97,496,488	27,461,195	33,392,840
Lease liabilities	**15**	4,336,572	1,028,739	2,194,096	572,804
Employee benefits	**27**	2,494,471	2,055,902	1,305,564	1,017,670
Grants	**28**	14,080,581	15,559,976	2,865,667	2,937,701
Deferred tax liabilities	**20**	19,346,713	18,632,214	-	2,188,635
Contract liabilities	**13**	9,889,011	9,889,011	9,889,011	9,889,011
Total non-current liabilities		**222,115,670**	**144,662,330**	**43,715,533**	**49,998,661**
Loans and borrowings	**26**	225,681,854	319,984,284	110,379,126	151,132,875
Lease liabilities	**15**	1,482,891	510,405	799,332	292,995
Trade and other payables	**29**	374,318,072	346,060,763	172,640,112	150,556,296
Contract liabilities	**13**	99,083,987	40,388,238	99,019,527	32,384,777
Current tax liability		10,392,501	4,199,260	10,392,501	4,186,354
Derivatives	**30.6**	53,776	801,765	-	775,785
Total current liabilities		**711,013,082**	**711,944,714**	**393,230,599**	**339,329,082**
Total liabilities		**933,128,751**	**856,607,044**	**436,946,132**	**389,327,743**
Total equity and liabilities		**1,141,578,009**	**1,030,089,172**	**584,951,353**	**512,196,389**

The attached notes on pages 50 to 125 are an integral part of the Financial Statements.

Statement of changes in Equity

GROUP:

Amounts in Euro	Share Capital and Share Premium	Fair value reserves	Other reserves	Retained earnings	Total equity
Balance on 1 January 2022	**65,704,215**	**(794,862)**	**34,722,908**	**56,522,687**	**156,154,948**
Profit for the period	-	-	-	39,426,711	**39,426,711**
Other comprehensive income	-	679,679	7,817	212,973	**900,469**
Total comprehensive income	**-**	**679,679**	**7,817**	**39,639,684**	**40,327,181**
Transactions with owners of the company					
Transfer of reserves	-	-	1,307,842	(1,307,842)	-
Dividends	-	-	-	(23,000,000)	**(23,000,000)**
Total transactions with owners of the company	**-**	**-**	**1,307,842**	**(24,307,842)**	**(23,000,000)**
Balance on 31 December 2022	**65,704,215**	**(115,183)**	**36,038,567**	**71,854,530**	**173,482,129**
Balance on 1 January 2023	**65,704,215**	**(115,183)**	**36,038,567**	**71,854,530**	**173,482,129**
Profit for the period	-	-	-	49,378,376	**49,378,376**
Other comprehensive income	-	917,718	(12,682)	(207,838)	**697,198**
Total comprehensive income		**917,718**	**(12,682)**	**49,170,538**	**50,075,574**
Transactions with owners of the company					
Transfer of reserves	-	-	2,555,831	(2,555,831)	-
Dividends	-	-	-	(15,108,445)	**(15,108,445)**
Total transactions with owners of the company					**(15,108,445)**
Balance on 31 December 2023	**65,704,215**	**802,535**	**38,581,716**	**103,360,792**	**208,449,258**

The attached notes on pages 50 to 125 are an integral part of the Financial Statements.

COMPANY:

Amounts in Euro	Share Capital and Share Premium	Fair value reserves	Other reserves	Retained earnings	Total equity
Balance on 1 January 2022	**65,704,215**	**(495,553)**	**32,965,583**	**2,843,481**	**101,017,726**
Profit for the period	-	-	-	44,838,028	**44,838,028**
Other comprehensive income	-	(109,559)	-	122,452	**12,893**
Total comprehensive income	**-**	**(109,559)**	**-**	**44,960,480**	**44,850,921**
Transactions with owners of the company					
Transfer of reserves	-	-	649,677	(649,677)	-
Dividends	-	-	-	(23,000,000)	**(23,000,000)**
Total transactions with owners of the company	**-**	**-**	**649,677**	**(23,649,677)**	**(23,000,000)**
Balance on 31 December 2022	**65,704,215**	**(605,113)**	**33,615,260**	**24,154,284**	**122,868,646**
Balance on 1 January 2023	**65,704,215**	**(605,113)**	**33,615,260**	**24,154,284**	**122,868,646**
Profit for the period	-	-	-	39,687,565	**39,687,565**
Other comprehensive income	-	705,676	-	(148,222)	**557,454**
Total comprehensive income	**-**	**705,676**	**-**	**39,539,343**	**40,245,109**
Transactions with owners of the company					
Transfer of reserves	-	-	2,241,901	(2,241,901)	-
Dividends	-	-	-	(15,108,445)	(15,108,445)
Total transactions with owners of the company	**-**	**-**	**2,241,901**	**(17,350,346)**	**(15,108,445)**
Balance on 31 December 2023	**65,704,215**	**100,564**	**35,857,161**	**46,343,282**	**148,005,222**

The attached notes on pages 50 to 125 are an integral part of the Financial Statements.

Statements of Cash Flows

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2023**	**2022**	**2023**	**2022**
Cash flows from operating activities:					
Profit before tax		64,124,695	51,503,566	47,869,536	50,689,775
Plus / less adjustments for:					
Depreciation of tangible, right-of-use and intangible assets.	**9**	17,431,561	16,257,918	6,675,705	6,053,124
Grants amortisation	**28**	(452,696)	(1,084,463)	(72,034)	(219,458)
Unrealised (Gain)/ Loss from valuation of derivatives		207,471	(986,702)	562,410	(1,000,584)
Interest income	**11**	(643,326)	(260,246)	(497,775)	(253,251)
Dividends		-	-	(12,337,294)	(23,018,450)
Interest charges and related expenses	**12**	44,231,306	23,523,151	23,835,421	10,463,914
Profit from sale of property, plant & equipment and investment property	**7**	(9,025)	(340,331)	(8,615)	-
Impairment loss and loss from write-off of property, plant & equipment	**8**	174,559	1,255,746	147,056	-
Impairment loss / (Reversal of impairment loss) on receivables and contract assets	**30.1**	98,161	34,872	64,749	(64,081)
		125,162,795	**89,903,511**	**66,239,159**	**42,650,989**
Changes in:					
- Inventories		31,338,004	(66,886,950)	10,750,576	(30,914,539)
- Trade and other receivables		(35,583,767)	(50,781,609)	(46,459,345)	(71,217,999)
- Contract assets		(10,929,622)	(58,508,223)	(35,606,379)	(14,691,878)
- Trade and other payables		30,543,012	27,965,879	30,658,519	4,879,179
- Contract liabilities		58,695,750	19,228,629	66,634,751	22,969,786
- Contract costs		(145,031)	153,006	(153,840)	56,209
- Employee benefits		173,992	276,798	97,865	169,306
Cash flows from operating activities		***74,092,337***	***(128,552,471)***	***25,922,246***	***(88,749,936)***
Interest expense and related costs paid		(40,394,625)	(22,939,838)	(22,968,785)	(11,868,767)
Taxes paid		(11,527,584)	(8,164,364)	(7,828,106)	(1,440,330)
Net cash (outflow)/inflow from operating activities		**147,332,924**	**(69,753,162)**	**61,364,512**	**(59,408,045)**
Cash flows from investing activities:					
Acquisition of property, plant & equipment		(91,451,148)	(57,673,796)	(17,644,153)	(16,644,567)
Acquisition of intangible assets	**16**	(2,399,671)	(1,836,880)	(937,863)	(1,394,742)
Proceeds from sale of property, plant & equipment		36,052	1	35,642	-
Proceeds from sale of investment property	**17**	-	1,100,000	-	-
Share capital increase		-	-	(6,762,000)	-
Dividend received		-	-	-	23,018,450
Interest received		643,236	8,814	497,775	253,251
Net cash (outflow)/inflow from investing activities		**(93,171,531)**	**(58,401,861)**	**(24,810,600)**	**5,232,391**
Cash flows from financing activities:					
Proceeds from new borrowings	**26**	107,014,426	178,352,980	-	92,688,863
Repayment of borrowings	**26**	(130,185,995)	(16,978,297)	(47,056,322)	(3,000,000)
Principal elements of lease payments	**26**	(1,143,704)	(533,924)	(630,939)	(308,937)
Dividends paid	**31**	(20,440,000)	(8,560,000)	(20,440,000)	(8,560,000)
Grants received		3,939,343	870,778	-	-
Net cash (outflow)/inflow used in financing activities		**(40,815,930)**	**153,151,537**	**(68,127,261)**	**80,819,926**
Net (decrease) / increase in cash and cash equivalents		**13,345,463**	**24,996,514**	**(31,573,348)**	**26,644,273**
Cash and cash equivalents on 1 January		111,562,121	86,537,391	59,107,008	32,462,736
Effect of movement in exchange rates on cash held		(6,546)	28,215	-	-
Cash and cash equivalents on 31 December	**23**	**124,901,038**	**111,562,121**	**27,533,660**	**59,107,008**

The attached notes on pages 50 to 125 are an integral part of the Financial Statements.

Notes to the Stand-Alone & Consolidated Financial Statements

1. Information on the Company and the Group

HELLENIC CABLES S.A., HELLENIC CABLE INDUSTRY SINGLE MEMBER S.A.(hereinafter "Hellenic Cables" or "Company") has its registered office in Greece, Athens Tower, Building B, Athens.

These Financial Statements (the "Financial Statements) of the year ended on 31 December 2023 include the separate and consolidated Financial Statements of Hellenic Cables. The names of subsidiaries and affiliated companies are presented in Note 18 to the Financial Statements.

The Company and its subsidiaries (hereinafter the "Group") mainly operate in Greece and Bulgaria by producing and distributing all types and forms of cables (energy, telecommunications, submarine, etc.). Hellenic Cables is a subsidiary (100%) of the Belgian holding company "Cenergy Holdings S.A." which is listed on Euronext Brussels and the Athens Stock Exchange. The ultimate parent company "VIOHALCO SA/NV" is also listed on Euronext Brussels and the Athens Stock Exchange and controls indirectly 79.78% of the Company's voting rights.

2. Presentation basis of financial statements

2.1 Statement of Compliance

The Financial Statements of the Group and the Company 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 International Accounting Standards Board (IASB) may vary from those adopted by the European Union.

The Financial Statements as of 31 December 2023 were approved by the Company's Board of Directors on 15 May 2024 and are subject to approval by the General Meeting of shareholders. The Financial Statements have been uploaded on the website at www.hellenic-cables.com. The Company's General Electronic Commercial Registry No. is 117706401000.

2.2 Basis of measurement

The Financial Statements have been prepared according to the principle of historical cost, except for the financial derivative instruments that are presented at fair value on the going concern basis.

As of 31 December 2023, the Group's current liabilities exceeded total current assets by EUR 49.2 million (31 December 2022: EUR 79.4 million).

However, the Group's financing in the near future is considered secure through the Group's operating profitability, the solid order backlog and the use of available credit lines from financial institutions. In the past, Hellenic Cables Group has never experienced any issues in financing its activities, renewing its working capital facilities or refinancing its long-term loans and borrowings.

2.3 Functional currency

The Financial Statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has been rounded to the nearest unit, unless otherwise indicated in separate notes. Such rounding results in minor differences in the tables incorporated in this Annual Financial Report.

2.4 Use of estimates and assumptions

Preparing financial statements in line with IFRS requires estimate-making and the adoption of assumptions by Management which may affect the accounting balances of assets and liabilities as well as the income and expense items. The actual results may differ from these estimates.

The estimates and relevant assumptions are reviewed on an ongoing basis. Any deviations of the accounting estimates are recognised in the period in which they are reviewed provided they concern solely the current period or, if they refer to future periods, the deviations concern both current and future periods.

The accounting decisions made by Management when applying the accounting policies and expected to affect mostly the Financial Statements of the Group and the Company are as follows:

- the useful life and residual value of depreciable tangible and intangible assets
- the recoverable value of holdings in subsidiaries, associates and other companies
- the amount of provisions for employee benefits
- the amount of provisions for doubtful debts
- the amount of provisions for income tax of unaudited fiscal years
- the amount of provisions for obsolete or slow-moving inventories
- the amount of provisions for disputed cases
- the recoverability of the deferred tax asset
- the assessment of goodwill impairment (note 16).

The main sources of uncertainty for the Group and the Company on the date the Financial Statements were compiled which may have a significant effect on the carrying amount of assets and liabilities concern:

(a) Income tax expense (note 20)

During the Group's and the Company's normal business flow numerous transactions and calculations take place in relation to which the exact calculation of tax is uncertain. In case the final taxes arising from tax audits differ from the amounts initially recorded, these differences will affect income tax and the provisions for deferred tax at the period in which tax differences were assessed, mainly in relation to the recovery of the tax asset.

(b) Inventories (Note 21)

The Group and the Company make estimates about the calculation of the realisable value.

(c) Impairment of non-financial assets

The Group and the Company make estimates about any impairment of the assets that are not measured at fair value (Investments in subsidiaries; Property, plant and equipment; Intangible assets; Goodwill; Investment property). Especially as regards goodwill (note 16), the Group evaluates their recoverability based on the value in use of the cash generating unit under which such goodwill falls. The calculated value in use is based on a five-year business plan prepared by Management and, thus, it is sensitive to the verification or not of expectations relating to the attainment of sales objectives, gross margin percentages, operating results, growth rates and discount rates of estimated cash flows.

(d) Impairment loss on receivables and contract assets (note 30.1)

Impairment losses on receivables and contract assets are presented based on estimates about the amounts that are likely to be recovered under the expected credit loss model. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group or the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

(e) Measurement of liabilities for employee benefits (note 27).

This liability is based on key actuarial assumptions.

(f) Fair value measurement

A number of accounting policies and disclosures requires the measurement of fair value for both financial and non-financial instruments and liabilities.

When the fair value of an instrument or liability is measured, the Group uses mostly active market prices. Fair value is classified in hierarchy levels as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical assets and liabilities.

Level 2: Inputs that are observable either directly or indirectly.

Level 3: Unobservable inputs for assets and liabilities.

Inputs that do not meet the respective criteria and cannot be classified in Level 1 but are observable, either directly or indirectly, fall under Level 2. Over-the-counter derivative financial instruments based on prices obtained from brokers are classified in this level.

Unobservable prices are classified in Level 3. The fair value of shares that are not traded in an active market is measured on the basis of the Group's and the Company's forecasts for the issuer's future profitability, having taken into consideration the expected growth rate of its activities and the discount rate. The fair values of financial liabilities are estimated based on the present value of future cash flows that arise from specific contracts using the current interest rate that is available for the Company for the use of similar financial instruments.

The Group and the Company recognise transfers between fair value levels at the end of the reporting period in which a change took place.

Further information on the assumptions of measurement at fair value is included in note 30.

(g) Useful life of depreciable tangible and intangible assets (notes 14 and 16).

(h) Estimates about the recoverability of deferred tax assets (Note 20).

(i) Estimates about the recognition of revenue (Note 6).

(j) Measurement and classification of derivatives for Power Purchase Agreements (note 30.6).

3. New standards, interpretations and amendment to existing standards

The accounting principles used in the preparation and presentation of these Financial Statements are consistent with those used in the preparation of the Company's and the Group's Financial Statements for the year ended on 31 December 2022, with the exception:

- of the implementation of the new standards and interpretations set out below which must be applied to the annual financial statements beginning on or after 1 January 2023 and
- of the changes in accounting policies detailed below.

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

Standards and Interpretations effective for the current financial year

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

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.

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

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

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.

IAS 12 'Income taxes' (Amendments): International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023)

The amendments introduce a mandatory temporary exception from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements.

The temporary exception applies immediately and retrospectively in accordance with IAS 8, whereas the targeted disclosure requirements will be applicable for annual reporting periods beginning on or after 1 January 2023.

Standards and Interpretations mandatory for subsequent periods

Certain new accounting standards, amendments and interpretations have been put into effect for subsequent periods and had not been adopted at the time these company financial statements were prepared. The Group and the Company estimate that the new standards and amendments are not expected to have a material impact on the separate and consolidated financial statements.

IAS 1 (Amendments) "Presentation of Financial Statements" (effective for annual periods beginning on or after 01 January 2024)

- **2020 Amendment "Classification of Liabilities as Current or Non-current"**
  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.

- **2022 Amendments 'Non-current liabilities with covenants'**

The new amendments clarify that if the right to defer settlement is subject to the entity complying with specified conditions (covenants), this amendment will only apply to conditions that exist when compliance is measured on or before the reporting date. Additionally, the amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

The 2022 amendments changed the effective date of the 2020 amendments. As a result, the 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and should be applied retrospectively in accordance with IAS 8. As a result of aligning the effective dates, the 2022 amendments override the 2020 amendments when they both become effective in 2024.

IAS 16 (Amendment) "Lease Liability in a Sale and Leaseback" (effective for annual periods beginning on or after 01 January 2024)

The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. An entity applies the requirements retrospectively back to sale and leaseback transactions that were entered into after the date when the entity initially applied IFRS 16.

IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments' (Amendments) - Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments require companies to disclose information about their Supplier Finance Arrangements such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information. The amendments have not yet been endorsed by the EU.

IAS 21 'The Effects of Changes in Foreign Exchange Rates' (Amendments) - Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025)

These amendments require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments have not yet been endorsed by the EU.

IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 was issued in April 2024. It sets out the requirements for the presentation and disclosure of information in financial statements ,and replaces IAS 1. Its purpose is to help investors compare the performance and future prospects of companies, by amending the requirements on the presentation of information in the primary financial statements and in particular in the statement of profit or loss. The new standard:

- requires the presentation of two new defined subtotals in the statement of profit or loss: operating profit or loss, and profit or loss before financing and income tax
- requires disclosure of Management-defined performance measures (MPM) - subtotals of income and expenses that are not specified by IFRS and are used in public communications to disclose Management's view of the financial performance of an entity. To promote transparency, an entity is required to disclose a reconciliation between these MPMs and the totals or subtotals specified in IFRSs.
- enhances requirements for aggregation and disaggregation of information to help entities provide useful information

- requires limited changes to the statement of cash flows to improve comparability, by specifying a consistent starting point for the indirect method of reporting cash flows from operating activities and by removing the presentation alternatives for cash flows related to interest and dividends.

The new standard will be applied retrospectively. It has not yet been endorsed by the EU.

Change in accounting policy

IFRS 9 included three phases:

- "Classification and Measurement of Financial Assets",
- "Impairment of Financial Assets" and
- "Hedge Accounting".

The Group and the Company applied the first two phases beginning on 1 January 2018, the application of which was mandatory. As regards hedge accounting, they applied IAS 39 until 31 December 2022, as the standard provided this option.

On 1 January 2023, the Group and the Company applied the third phase of IFRS 9 "Hedge Accounting", without any material impact on the financial statements. Based on IFRS 9, all Group companies should secure that hedging relationships are aligned with the goals and strategy of risk management and implement a quality, forward-looking approach to evaluate the efficiency of hedging.

4. Significant accounting principles

The accounting principles cited below have been consistently applied to all periods presented in these Financial Statements.

4.1 Basis of consolidation

(a) Business combinations

Acquisition of subsidiaries is accounted for using the acquisition method on the acquisition date, i.e. the date on which control is transferred to the Group. The Group exercises control over an entity when the Group is exposed to, or has rights to, variable returns from its holding in the entity and is able to affect such returns through the influence exercised over the entity.
Goodwill arises from the acquisition of subsidiaries and constitutes the excess amount between the sum of the consideration for acquisition, the amount of the non-controlling interest in the acquired company and the fair value of any previous holding in the acquired company on the acquisition date and the fair value of the identifiable net assets of the subsidiary that was acquired. If the sum of the total consideration for acquisition, the non-controlling interest recognised and the fair value of the previous holding in the acquired company is less than the fair value of the equity of the subsidiary acquired in case of an advantageous purchase, the difference is directly recognised to equity.
Any expenses directly linked with acquisition are directly posted through profit or loss. Any eventual acquisition consideration is recognised at its fair value on the acquisition date.

(b) Accounting of transactions with non-controlling interests

Any transactions with the holders of non-controlling interests that do not result in loss of control are accounted for as transactions between shareholders, given that only the participating shares of shareholders change and, therefore, no goodwill is recognised in such transactions. If the sum of the total consideration for acquisition, the non-controlling interest recognised and the fair value of the previous holding in the acquired company is less than the fair value of the equity of the subsidiary acquired in case of an advantageous purchase, the difference is directly recognised to equity.

(c) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated (total consolidation) from the date when control over them is acquired and are no longer consolidated from the date when such control no longer exists.
In its separate Financial Statements, the Company measures holdings in subsidiaries at their acquisition cost less any impairment of their value.

(d) Loss of control

When control over a subsidiary is lost, the Group derecognises the assets and liabilities of the subsidiary and any related non-controlling interests. Any resulting gain or loss is recognised in profit or loss. In case the Group retains an interest in the former subsidiary, it is measured at fair value when control is lost. Subsequently, it is presented using the equity method as an associate company or as a financial asset pro rata with the interest therein.

(e) Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(f) Business Combination under common control

Business Combinations under common control do not fall under the scope of IFRS 3 "Business combinations" and IFRSs do not provide any guidance about such transactions. Under paragraphs 10-12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Group selects to apply the acquisition method stipulated in IFRS 3 for such transactions, as described above.

(g) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (j) below), after initially being recognised at cost.

(h) Joint arrangements

Under IFRS 11 "Joint Arrangements", investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Financial Statements under the appropriate headings.

Joint Ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(i) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income, until the date on which significant influence or joint control ceases. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group has no interests in equity-accounted investees (associates and joint ventures).

4.2 Foreign currency

(a) Transactions and balances

Transactions in foreign currencies are translated into the Group's and the Company's functional currency at the exchange rates at the date of each transaction. Foreign currency gains and losses which arise from the settlement of such transactions and from conversion of monetary asset and liability items denominated in a foreign currency at the exchange rates applicable on the balance sheet date are recognised through the statement of profit or loss based on the nature of the related item.
Overall, exchange rate differences arising from the application of the above shall be recognised in the Statement of Profit or Loss and OCI:

- Financial assets measured at fair value through other comprehensive income (FVOCI).
- Financial liabilities intended to hedge a net investment in a company in foreign currency to the extent such hedging is effective.
- Cash flow hedge to the extent such hedge is effective.

(b) Foreign operations

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

- The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro at the official exchange rates on the balance sheet date.
- The income and expenses of foreign operations are translated into Euro using the average exchange rate during the period, and
- Foreign currency differences are recognised in OCI under the line "Foreign currency differences" and transferred to results when these companies are sold.

4.3 Financial instruments

A financial instrument is any contract that gives rise - at the same time - to a financial asset for an entity and a financial liability or equity instrument for another entity.

The accounting policy applying to derivative financial instruments is described separately in note 4.4.

(a) Initial recognition and subsequent measurement of financial assets

On initial recognition, financial assets are classified as subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. On initial recognition, the classification of financial assets is based on the contractual cash flows of such assets and the business model in which financial assets are held.

Save trade receivables, the Group and the Company initially measure a financial asset at fair value plus transaction cost, in the case of financial assets not measured at fair value through profit or loss. Trade receivables are initially measured at the transaction price, as defined in IFRS 15.

A financial asset is classified and measured at amortised cost or at fair value through other comprehensive income when it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is known as SPPI ("solely payments of principal and interest") criterion and applies to separate financial assets.

Subsequent to their initial recognition, financial assets are classified into three categories as measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL).

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets (with the exception of derivatives held for hedging purposes) not classified as measured at amortised cost or at FVOCI, as described above, are measured at FVTPL. On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset classified as measured at FVTPL is initially recognised at fair value with gains or losses from their valuation recognised in the statement of profit or loss. Any gains or losses arising from changes in the fair value of those financial assets classified as measured at FVTPL are recognised in the Statement of Profit or Loss.

The Group and the Company do not have any financial assets measured at FVTPL on 31 December 2023.

A financial asset measured at amortised cost is subsequently measured using the effective interest rate method (EIR) and is subject to impairment testing. Any gain or loss is recognised in profit or loss when a financial asset is derecognised, amended or impaired.

As regards investments traded in an active market, the fair value is based on market quoted prices. As regards investments for which there is no active market, the fair value is based on valuation techniques, unless the range of rational estimates of such fair value is significantly high and the likelihood of different estimates cannot be reasonably assessed and, thus, such investments must not be measured at fair value. The purchase or sale of a financial asset requiring delivery of the asset within a time frame established by regulation or convention in the marketplace concerned is recognised on the settlement date (namely the date on which the asset is transferred or delivered to the Group or the Company).

(b) Impairment of financial assets

On each date financial statements are prepared, the Group and the Company assess the data as to whether the value of a financial asset or a group of financial assets has been impaired as follows:

The Group and the Company recognise provisions for expected credit losses from:

- financial assets measured at amortised cost, and
- contract assets.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses (ECLs). Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of trade receivables and contract assets.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by the Group and the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls due to the Group in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- default or delinquency by a debtor
- restructuring of an amount due to the Group or the Company on terms that they would not be considered otherwise
- indications that a debtor will enter bankruptcy
- adverse changes in the payment status of a debtor
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a financial asset.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss and OCI.

(c) Derecognition of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to the cash flows from the financial asset expire,
- the Group or the Company reserves the right to the cash inflows from that asset but has also undertaken to pay them to third parties without significant delay in the form of a transfer contract, or
- the Group or the Company has transferred the right to receive the cash flows from that asset while (a) it has transferred substantially all of the risks and rewards of ownership of the financial asset or (b) has not transferred substantially all of the risks and rewards but has transferred control of that asset.

When the Group or the Company transfers the rights to receive cash flows from an asset or enters into a transfer contract, it assesses the extent by which it retains the risks and rewards of ownership of the financial asset. When the Group or the Company neither transfers nor retains substantially all of the risks and rewards of the transferred asset and retains control of such asset, then the asset is recognised to the extent of the Company's continuing involvement in the specific asset. In this case, the Group and the Company also recognise an associated liability. The transferred asset and associated liability are measured at a basis reflecting the rights and commitments retained by the Group or the Company.

The continuing involvement assuming the form of guarantee of the transferred asset is recognised at the lower between the asset's book value and the maximum amount of the consideration received that the Group or the Company could be forced to refund.

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are initially measured at fair value less transaction cost in the case of loans and payables.

(d) Derecognition of financial liabilities

A financial liability is derecognised when its contractual obligation is cancelled or expires. When an existing financial liability is replaced by another from the same lender with materially different terms, or the terms of the existing liability are materially amended, the said swap or amendment is treated as derecognition of the initial liability and recognition of a new one. The difference in the relevant book values is recognised in the statement of profit or loss and OCI.

(e) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group or the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legal right cannot be contingent on a future event and must be enforceable in the ordinary course of business, in the event of default, insolvency or bankruptcy of the entity or any counterparty.

4.4 Derivatives and hedge accounting

The Group and the Company hold derivative financial instruments to hedge cash flows and fair value. Derivatives include futures to hedge the financial risk arising from changes in:

- the market price of copper and aluminium in particular,
- the exchange rate with foreign currencies (mainly USD or GBP),
- variable rate,
- energy price.

The results from the settled operations of financial risk management are recognised through profit or loss when they are realised (stock market results on copper, aluminium and foreign currency contracts).

Derivatives are initially and subsequently recognised at their fair value. The method by which profits and losses are recognised depends on whether derivatives are designated as a fair value or cash flow hedging instrument.

Derivatives are recognised when the transaction is entered into by the Group and the Company as hedges for the fair value of receivables, liabilities or commitments (fair value hedges) or very probable transactions (cash flow hedges).

When entering into transactions, the Group and the Company record the proportion between hedged assets and hedging assets and the relevant financial risk management strategy. When entering into the contract and thereafter the estimate is recorded about the high effectiveness of hedging both for fair value hedges and for cash flow hedges. As for future transaction hedging, the probability to complete the transaction is substantiated.

(a) Fair value hedging

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

(b) Cash flow hedges

The effective proportion of the change in the fair value of derivatives defined as cash flow change hedges is posted to an Equity Reserve The gain or loss on the non-effective portion is posted through profit or loss. 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 hedging instrument matures or is sold or when the hedging portion 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 hedge affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to occur, amounts recorded in Equity are reclassified to profit and loss.

(c) Power Purchase Agreements (PPAs)

The Group and the Company assessed Power Purchase Agreements:

- following the requirements of IFRS 10, IFRS 11 and IAS 28, to conclude whether there is a control, joint control or a significant influence over the underlying renewable facilities, and
- the requirements of IFRS 16 to verify whether the conditions for lease recognition are met.

Following the above assessment the Group and the Company concluded that there is no control, joint control or significant influence exercised over the underlying renewable facilities, since the conditions for lease recognition are not met either.

Therefore, Power Purchase Agreements are accounted for as derivative financial instruments to the extent that the criteria for exemption from IFRS 9 scope as own-use contracts are not met. Accordingly, where the agreements to deliver non-financial items are in accordance with the expected purchase requirements of Group companies, the own-use criterion of IFRS 9 is met and these are accounted for as executory contracts. The executory agreements are further assessed whether they contain embedded derivatives which meet IFRS 9 requirements to be accounted for separately from their host contract.

(d) Derivatives not designated as hedging instruments

Derivatives that do not qualify for hedge accounting are classified as derivatives at fair value through profit or loss and are recognised immediately in the statement of profit or loss in in Finance Income and Costs.

The fair value of an interest rate swap is determined by discounting its future cash flows using term structure of interest rates at the reporting date and the credit risk inherent in the swap contract. The interest rate swap contracts are entered into for periods consistent with the exposure of the underlying debt instruments but are not designated as cash flow hedges since the timing and amount terms involved in the swap contracts do not exactly match those of the underlying debt instruments; therefore, a hedging relationship as described in IFRS is not established. Consequently, the valuation of such interest rate swap contracts is included in the statement of profit or loss in the line ‘Finance costs’.

4.5 Share capital

The share capital consists of ordinary registered shares and is recognised in equity. The expenses directly related to the Company’s share capital increase are deducted from the proceeds of the issue and reduce accordingly shareholder’s equity.

Dividends in ordinary shares are recognised as a liability in the period in which they have been approved by shareholders.

The acquisition cost of treasury shares including various expenses is deducted from shareholder’s equity until own shares are sold or cancelled. In case own shares are sold or re-issued, the price will be directly posted to equity.

4.6 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at the historical acquisition cost less accumulated depreciation and any accumulated impairment. The historical cost includes expenses directly allocated to the acquisition and establishment cost of the fixed asset. Costs may also include profits/losses in equity arising from foreign currency cash flow hedging with respect to fixed assets purchases.

If considerable parts of a fixed asset have different useful lives, they are accounted for as different fixed assets.

When tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the statement of profit or loss in the account "Other income" or "Other expenses" as the case may be. When the book value of a tangible fixed asset exceeds its recoverable value, the difference (impairment loss) is directly recorded in the statement of profit or loss, in “Other Expenses”.

(b) Subsequent investment expenditures

Any subsequent expenditure is recorded as increase of tangible assets or is recognised as a separate fixed asset, only if it is deemed probable that future economic benefits will accrue to the Group and the Company and provided that the asset’s cost may be reliably estimated.

(c) Amortisation and depreciation

Plots and land are not depreciated. Other tangible fixed assets are depreciated based on the straight line method with equal annual charges during the asset’s expected useful life, so that the cost may be deleted at its residual value. The expected useful life of assets is as follows:

- Buildings 20 - 50 years
- Machinery 10 - 40 years

– Mechanical equipment	10 - 15 years
– Control instruments	10 - 40 years
– Cars	4 - 10 years
– Furniture and other fixtures	2 - 10 years

The residual value and useful life of tangible fixed assets are reviewed and adjusted at each date the Statement of Financial Position is drafted, if that is considered necessary.

4.7 Intangible assets

The Group has classified industrial property rights related to trademarks, licenses and software programmes under such category.

(a) Concessions and industrial property rights

Concessions and industrial property rights include trademarks and licenses with specific service life and are estimated at their acquisition cost less depreciation. These assets are depreciated based on the straight-line method during their service life, which ranges from 10 to 15 years. Wherever intangible assets with indefinite useful life have been recognised, these are measured at cost less accumulated impairment. Their cost includes the cost of studies, laboratory tests and consumables.

(b) Software

Software licenses are estimated at their acquisition cost, less accumulated depreciation and any accumulated impairment. These assets are depreciated based on the straight-line method during their useful life, which ranges between 3 to 10 years.

Expenditures required for the maintenance of software programmes are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they are incurred.

4.8 Investment property

Investment property concerns plots and buildings that are not used by the Group or the Company. Plots are assessed at cost less any impairment while buildings are depreciated using the straight-line method at equal annual instalments throughout their expected useful life.

The profits or losses arising from the disposal of investment property (calculated as the difference between the net inflow from the disposal and the book value of the asset) are recognised through profit or loss during the period of disposal.

4.9 Inventory

Inventories are measured at the lower between their acquisition cost or production cost and their net realisable value. The acquisition cost of the purchased inventories is specified by applying the annual weighted average cost method and includes all the expenses incurred for their acquisition and transport.

The production cost of produced inventories also includes the proportionate industrial overheads under normal conditions of productive operation.

The net realisable value of inventories is considered to be the estimated selling price thereof under normal business conditions less the estimated selling expenses.

4.10 Impairment of non-financial assets

Assets are tested for impairment whenever certain events or changes in circumstances indicate that their book value may not be recoverable, except for goodwill and intangible assets with an indefinite useful life for which an impairment test is performed at least on an annual basis. Assets with an indefinite useful life are not depreciated, but are subject to an impairment test on an annual basis and when certain facts indicate that their book value may not be recoverable.

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

Impairment is recognised if the book value exceeds the estimated recoverable amount.

Impairment is recognised in the Statement of Profit and Loss.

The impairment loss (expect goodwill) is reversed thus restoring the book value of the asset to its recoverable amount to the extent this does not exceed the book value of the asset (net of amortisation) that would have been determined if impairment loss had not been posted.

Goodwill is not depreciated but is subject to an impairment test annually or more frequently if certain events or changes in circumstances indicate that its book value has been impaired. On the acquisition date (or on the completion date of the relevant allocation of the acquisition price), the goodwill acquired is allocated to the cash generating units, or to groups of cash generating units (CGU) that are expected to benefit from this combination. Impairment is specified by assessing the recoverable amount of the cash generating units which are related to goodwill.

If the book value of a cash generating unit (CGU), including the proportionate goodwill, exceeds its recoverable amount, then impairment loss is recognised. Impairment loss is recognised through profit or loss and is not reversed.

4.11 Employee benefits

(a) Short-term employee benefits

Short-term benefits to staff in cash and in kind are posted as expenses when accrued. A liability is recognised for the amount expected to be paid as benefit to the staff and executives if there is a legal or contractual obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined-contribution plans

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

(c) Defined-benefit plans

The obligation for defined-benefit plans is calculated as the present value of the future benefit of the employee for his services provided in the current or previous periods less the fair value of the plan’s assets.

The defined benefit is calculated annually by an independent actuary using the projected unit credit method while benefits are attributed over the last 16 years prior to each employee’s retirement.

Remeasurements of the net defined benefit liability, which mainly comprise actuarial gains and losses, are recognised immediately in the Statement of Profit or Loss and OCI. The discount rate used corresponds to bonds of low credit risk. Interest charges and other expenses related to defined-benefit plans are recognised through profit or loss.

When the benefits of a plan change or the plan is cut back, the change associated with the past service cost or the gain/loss from cutback is directly recognised through profit or loss. The Group and the Company recognise gains and losses from the settlement of a plan when incurred.

(d) Termination benefits

Termination benefits are paid when employees depart before their retirement date. The Group and the Company post these benefits when they undertake either to terminate the employment of current employees in line with a detailed plan which is not likely to be withdrawn or when these benefits are offered as an incentive for voluntary redundancy. Termination benefits due 12 months after the balance sheet date are discounted. In the case of termination where it is impossible to determine the number of employees who will take advantage of this incentive, these benefits are not accounted for, but are recorded as a contingent liability.

4.12 Provisions

A provision is recognised when the Group or the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on the date each balance sheet is prepared and are adjusted so as to reflect the current value of the expense expected to be required to settle the obligation. A contingent liability is not recognised in financial statements but is disclosed unless the possibility of an outflow of resources is remote. A contingent asset is not recognised in financial statements but is disclosed when an inflow of economic benefits is probable.

A provision for restructuring is recognised when the Group or the Company has approved a detailed restructuring plan and such restructuring has already started or has been publicly announced. No future operating costs are recognised for raising provisions.

4.13 Revenue

The Group and the Company recognise revenue from the following major sources:

- Sale of products
- Energy projects which concern high-tech customised underground and submarine cables and "turnkey" cable systems for power or data transmission and distribution.
- Rendering of services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognise revenue when they transfer control over a product or service to a customer.

Consideration can vary because of trade discounts, volume rebates, returns or other similar items. Depending on the type of variable consideration the most appropriate method for measuring this variable consideration is used. In most cases, the Group and the Company use the "most likely amount" method in order to estimate and deduct the amount of such variable consideration by identifying the single most likely amount from a range of possible outcomes.

(a) Sales of products

The Group and the Company sell power cables, telecom cables, enamelled cables & wires and raw materials.

For sales of products, revenue is recognised at a point of time, when the control of the goods sold has been transferred.

The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are compliant with

Incoterms.

Revenue recognised at a point in time is invoiced either simultaneously with its recognition or within a short time period from its recognition. A receivable is recognised when the control is transferred to the customer, as this represents the point in time at which the right to consideration becomes unconditional.

(b) Energy projects

The Group and the Company produce and sell customised products to customers for energy projects.

In addition, the Group and the Company produce and sell "turnkey" cable systems, i.e. supply and install complete cable systems.

Under the terms of the contracts and due to the high degree of customisation, these products have no alternative use, since they are produced according to customers’ specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than the Group's or the Company's failure to perform as promised.

For the above reasons, revenue from such projects is recognised over time.

For distinct performance obligations identified, the most appropriate method to measure progress is used. The methods used are the following:

For performance obligations related to production of customised products, the methods to measure progress are estimated based on:

- Production time elapsed, i.e. the ratio between the actual time spent on the production and the total number of scheduled production time. This method is used for submarine cables produced in long continuous lengths, since the production of such products normally lasts for a significant period of time and as a result the related performance obligations are satisfied as production time elapses.

- The quantity of manufactured and tested cables compared with the total quantity to be produced according to the contract. This method is used for customised land cables, since the production of such products is performed in batches and as a result the performance obligations related are satisfied as certain batches of agreed quantities have been produced.

For installation phases of cables sector’s turnkey projects, the method to measure progress is based on appraisal of results achieved or milestones reached, based on clearly defined technical milestones, such as transport or meters of cables installed. When milestones are being used as a method to measure progress, these milestones faithfully depict the performance.

Management considers that these methods are appropriate measures of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition, billings and cash collections result in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). These contract assets and contract liabilities are presented on the Statement of Financial Position in the lines “Contract assets” and “Contract liabilities” respectively. For products and services for which revenue is recognised over time, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customised products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognised, a contract liability is recognised.

There is not considered to be a significant financing component in energy projects contracts with customers, as the period between the recognition of revenue and the milestone payment is less than one year.

(c) Rendering of services

The Group and the Company recognise revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Services provided by the Group and the Company are mainly related with the products sold by its subsidiaries.

If payment for services is not due from the customer until the services are complete, a contract asset is recognised over the period in which the services are performed representing the right to consideration for the services performed to date. These contract assets are presented on the Statement of Financial Position in the line “Contract assets".

(d) Contract costs

The Group and the Company recognise the incremental costs of obtaining contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset, if those costs are expected to be recoverable, and records them in the line “Contract costs” in the Statement of Financial Position. Incremental costs of obtaining contracts are costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

Fulfilment costs are only capitalised if they generate or enhance resources that will be used to satisfy performance obligations in the future.

Assets arising from contract costs are amortised using either the straight-line method over a period based on the estimated contract duration or based on the portion of revenue recognised during the execution of the related contract.

Incremental costs of obtaining contracts are recognised as an expense when incurred if the amortisation period of the assets would be one year or less.

4.14 Grants

A grant represents a contribution provided by the State in the form of resources transferred to an entity, in return for existing or future maintenance of certain resources relating to its operation. The above term does not include state aids which, due to their nature, are not measurable, or transactions with the State which are impossible to separate from an entity’s ordinary transactions.

The Group and the Company recognise government grants which meet the following criteria in aggregate: a) there is presumed certainty that the enterprise has complied or will comply with the terms of the subsidy; and b) the grant’s amount has been collected or its collection is probable. They are recorded at fair value and are systematically recognised in income, on the basis of correlating grants to the corresponding costs that are subsidised.

Any grants pertaining to assets are included in long-term liabilities as income in subsequent fiscal years and are recognised systematically and rationally in income over the useful life of the fixed asset.

The grants referring to the subsidy of operating expenses are recorded in transit accounts and are recognised in the Statement of Profit or Loss and OCI in the account “Other Income” in the period required so that they match the operating expenses that they will cover.

4.15 Leases

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a specific period of time in exchange for consideration.

(a) Lease accounting policy when the Company is a lessee

The Group and the Company recognise a right to use an asset and a lease liability on the commencement date of the lease.

(b) Right-of-use assets

The Group and the Company recognise the right-of-use assets on the commencement date of the lease term (namely the date on which the underlying asset is available for use). The right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses and are adjusted based on any remeasurement of lease liability. The cost of the right-of-use assets consists of the amount of lease liability recognised at inception of the contract, initial direct costs and any lease payments made on the commencement date of the lease term or earlier, less any lease incentives that have been collected. The right-of-use assets are depreciated on a straight-line basis to the earlier of the end of the lease term or the end of the useful life of the asset.

If the ownership of the leased asset is transferred to the Group or the Company at the end of the lease term or if its cost reflects the exercise of a purchase option, depreciation is calculated on the basis of the useful life of such asset.

The Group and the Company have concluded mainly lease contracts involving means of transport used in their operations. Lease contracts may contain lease and non-lease components. The Group and the Company have chosen to not separate non-lease components from lease components and instead will account for all lease and non-lease components as a single lease.

The right-of-use assets are subject to a test for impairment as described in accounting policy “4.10 Impairment of non-financial assets”.

(c) Lease liabilities

At the commencement date of the lease, the Group and the Company measure the lease liability at the present value of the rents which are payable over the lease term. Rents consist of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an associated index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the Group or the Company will exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

To discount lease payments, the Group and the Company use the interest rate implicit in the lease and when this cannot be readily determined, the incremental borrowing rate of the Company or the contracting subsidiary is used. This incremental borrowing rate is defined as the rate of interest that the Company or any subsidiary would have to pay, at the inception date of the lease, to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. In general, the Group and the Company use the incremental borrowing rate as discount rate.

Following the inception date of the lease, the amount of lease liability is increased based on the liability-related interest and is reduced by the respective lease payments. Moreover, the carrying amount of the lease liability is remeasured if the lease contract is reassessed or amended.

(d) Expenses from short-term leases and leases of low-value assets

Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense through profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets include electronic equipment, office furniture and other fixtures.

The Group and the Company lease administration offices and warehouses from other affiliated entities. None of these contracts for administration offices and warehouses includes any penalties for early termination; all such contracts are cancellable at any time. For this reason, all intra-Group contracts for administration offices and warehouses are considered short-term and the Group and the Company recognise the associated lease payments as an expense on a straight-line basis over the lease term.

(e) Presentation in Financial Statements

Lease liabilities and right-of-use assets are presented separately in the Statement of Financial Position. The Group and the Company present the interest paid on the lease liabilities in the Statement of Cash Flows in the account "Interest charges and related expenses paid" within operating activities.

4.16 Finance income / costs & Borrowing costs

(a) Finance income / costs

Net finance costs consist of loan interest charges that are calculated using the effective interest rate method, interest arising from invested cash, income from dividends, foreign exchange gains and losses as well as the profits and losses.

Accrued interest is posted to the statement of profit or loss based on the effective interest rate method. Dividend income is posted to the statement of profit or loss on the date dividend distribution is approved.

(b) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale form part of the acquisition cost of that asset from the start date as such is specified in the relevant IAS until the time it is substantially ready for its intended use or sale. Any income on the temporary investment of borrowings for financing the above qualifying asset and the collection of grants reduce the borrowing costs eligible for capitalisation. In other events, borrowing costs are charged through profit or loss in the year in which they are incurred. To the extent that funds are part of a general loan and are used for acquiring a qualifying asset, costs eligible for capitalisation are specified by applying a capitalisation rate to the investment expenses incurred for that asset.

4.17 Income tax expense

Income tax expense in profit or loss comprises current and deferred tax. Income tax expense is recognised in profit or loss unless it is related to items directly recognised in equity and thus it is recognised in equity.

The current year tax is the expected tax liability over the taxable income using the applicable tax rates and any adjustment related to a prior period tax liability.

The deferred tax is calculated using the balance sheet method based on the temporary differences arising between the book value of the assets and liabilities included in the Financial Statements and the tax value attributed to such in accordance with tax laws. For deferred taxes to be determined, the enacted tax rates or the tax rates enacted on the preparation date of the Statement of Financial Position and applying on a subsequent date are used.

A deferred tax asset is recognised only to the extent it is probable that future taxable profits will suffice for offsetting temporary differences. The deferred tax asset is reduced in case it is probable that no tax benefit will occur.

4.18 Non-current assets held for sale

The Group and the Company classify a long-term asset or a group of assets and liabilities as held for sale if their value is expected to be recovered mainly through sale of such assets rather than their use, and the sale is considered very probable. Shortly before the initial classification of the long-term asset or group of assets and liabilities as held for sale, the asset or all assets and liabilities included in the group are measured in accordance with applicable IFRSs. Long-term assets (or the groups of assets and liabilities) classified as held for sale are measured at the lower of the carrying amount and their fair value less direct costs to sell while the resultant impairment losses are posted through profit or loss. Any eventual increase in fair value at a subsequent measurement will be recognised in the profit or loss to the extent it is not in excess of the impairment loss that was initially recognised. As of the day on which a long-term asset (or the long-term assets included in a group of assets and liabilities) is classified as held for sale, no depreciation or impairment is accounted for in relation to the said long-term assets.

5. Operating segments

A. Basis for the division into segments

Segment reporting is based on the structure of information to Group Management and internal reporting system. The Group is structured around separate business centres and business units.

The Group has 2 reportable operating segments, as described below, which are considered to be the Group's strategic segments. These segments produce different products that are managed separately by the Group because they require different technology and marketing strategies. For each one of the strategic segments, Company Management reviews internal reports on a monthly basis. The Group's operating segments are as follows:

- **Cables:** It includes land and submarine power and telephone cables, as well as copper and aluminium conduits. The raw materials used are classified into two categories: metal (copper, aluminium, lead, steel wires) and plastic-rubber compounds (XLPE, EPR, PVC, etc.).
- **Foundries:** These are furnaces used in the production of copper and aluminium rods which are used in the manufacturing of cables and enamelled wires or are sold to third parties.

B. Information about reportable segments

The information disclosed in the tables below is derived directly from the internal financial reporting system used by the Board of Directors (i.e. chief operating decision maker) to monitor and evaluate the performance of the operating segments separately. The following tables present the information about the reportable segments' profit or loss, assets and liabilities on 31 December 2023 and 2022, and for the years then ended.

2023		**Reportable segments**		
Amounts in Euro	**Note**	**Cables**	**Foundries**	**Total**
Segment revenue		1,042,401,562	325,274,105	1,367,675,667
Inter-segment revenue		(249,534,148)	(161,946,361)	(411,480,510)
External revenue	6	**792,867,414**	**163,327,744**	**956,195,158**
Gross profit		**129,743,462**	**4,375,486**	**134,118,948**
Operating profit		**104,278,351**	**3,434,413**	**107,712,764**
Profit before tax		**62,903,687**	**1,221,007**	**64,124,695**
Depreciation and amortisation		16,655,766	775,795	17,431,561
Total Assets		1,027,971,285	113,606,724	1,141,578,009
Total Liabilities		825,650,430	107,478,322	933,128,751
Capital expenditure		94,856,249	1,190,238	96,046,488

2022		**Reportable segments**		
Amounts in Euro	**Note**	**Cables**	**Foundries**	**Total**
Segment revenue		922,374,675	336,414,173	1,258,788,848
Inter-segment revenue		(200,839,476)	(166,203,689)	(367,043,165)
External revenue	6	**721,535,199**	**170,210,485**	**891,745,683**
Gross profit		**96,087,237**	**2,510,755**	**98,597,992**
Operating profit		**72,894,050**	**1,872,422**	**74,766,472**
Profit before tax		**51,154,088**	**349,478**	**51,503,566**
Depreciation and amortisation		15,551,600	706,318	16,257,918
Total Assets		949,922,065	80,167,107	1,030,089,172
Total Liabilities		781,629,303	74,977,741	856,607,044
Capital expenditure		58,950,592	824,181	59,774,773

C. Geographic information

Hellenic Cables Group's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Greece and Bulgaria.

The Group's revenue from external customers by country of domicile of customers is set out in note 6.C.

The geographic information below analyses the consolidated non-current assets by country of domicile of the Company and its subsidiaries. In presenting the geographic information, segment assets were based on the geographic location of the assets.

Property, plant & equipment

Amounts in Euro	**2023**	**2022**
Greece	384,520,336	307,540,955
Bulgaria	168,063	182,928
	384,688,400	**307,723,883**

Right of use assets

Amounts in Euro	**2023**	**2022**
Greece	5,709,238	1,477,594
Bulgaria	4,767	22,278
	5,714,005	**1,499,872**

Intangible assets and goodwill

Amounts in Euro	**2023**	**2022**
Greece	87,741,193	85,104,975
Bulgaria	10,424	10,119
	87,751,617	**85,115,095**

Investment property

Amounts in Euro	**2023**	**2022**
Greece	186,858	186,858

Bulgaria	-	-
	186,858	**186,858**

6. Revenue

A. Significant accounting policy

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognise revenue when they transfer control over a product or service to a customer.

For the detailed accounting policy, see Note 4.13.

B. Nature of goods and services

Energy cables projects

The Group and the Company produce and sell "turnkey" cable systems, i.e. supply and install complete cable systems. In addition, customised cable products are produced for grid connections, offshore/onshore wind farms and other energy projects. Under the terms of the contracts and due to the high degree of customisation, these products have no alternative use, since they are produced according to customers' specifications, while there is an enforceable right to payment for performance completed to date if the contract is terminated by the customer or another party for reasons other than the Group's or the Company's failure to perform as promised. Revenue from such projects is recognised over time. The typical length of a contract for turnkey projects exceeds 12 months. For turnkey projects, the Group and the Company account for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the contracts and if a customer can benefit from it.

Power & telecom cables

The key products in this category are power cables and overhead conductors for electric power distribution networks for electric power operators, utilities, industrial applications, renewable energy applications, railway transportation networks and buildings. The category also includes telecommunication, data transmission cables, optical fibre cables and signalling cables. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred. The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are compliant with Incoterms.

Copper and aluminium wires, and raw materials

The Group and the Company sell copper and aluminium wires which are used as raw materials by their customers in the production of cable products. For sales of such products, revenue is recognised at a point of time, when the control of the goods sold has been transferred. The timing of the transfer of control usually occurs when the goods have been shipped to the customers' location, unless otherwise specified in the terms of the contract. The terms defined on the contracts with customers are compliant with Incoterms.

C. Disaggregation of revenue

In the following table revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Primary geographical markets:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Greece	420,826,024	392,293,590	291,549,114	236,724,976
Other European Union countries	287,774,867	281,877,026	161,079,345	170,563,157
Other European countries	106,896,251	137,093,187	103,791,416	134,315,673
Asia	94,125,325	66,944,944	93,032,017	66,021,222
America	44,218,273	9,554,785	44,218,273	9,554,785
Africa	2,354,418	3,791,528	2,354,418	3,791,528
Oceania	-	190,623	-	190,623
	956,195,158	**891,745,683**	**696,024,582**	**621,161,965**

Major products and service lines:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Energy projects	364,673,167	289,182,109	212,041,356	152,330,332
Power & telecom cables	401,892,067	388,344,249	384,900,046	365,759,490
Sales of wires, raw materials, services, and other products	189,629,924	214,219,325	99,083,180	103,072,143
	956,195,158	**891,745,683**	**696,024,582**	**621,161,965**

Timing of revenue recognition:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Revenue recognised at a point in time	591,521,991	602,563,574	483,983,226	468,831,633
Revenue recognised over time	364,673,167	289,182,109	212,041,356	152,330,332
	956,195,158	**891,745,683**	**696,024,582**	**621,161,965**

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date amounts to EUR 633.7 million and EUR 573.5 million for the Group and the Company, respectively. An amount of EUR 439.6 million is expected to be recognised as Group income during 2024 and an amount of EUR 194.1 million will be recognised during 2025 and 2026. As for the Company, the corresponding amounts are set at EUR 380.9 million for 2024 and to EUR 192.6 million for 2025 and 2026, based on the execution time schedules of the ongoing energy projects. The above amounts include the open contracts as of 31 December 2023, which have original expected duration of more than one year.

D. Significant judgments in revenue recognition

In recognising revenue the Group and the Company make judgements regarding the timing of satisfaction of performance obligations, as well as the transaction price and the amounts allocated to performance obligations.

The most significant of these estimates are described below:

- Contracts involving the supply of a product through the performance of a single task or a set of significant integrated tasks are viewed as being a single performance obligation.
- Contracts including multiple performance obligations are mainly identified in turnkey contracts and for customised products, as described in Note 6B and Note 4.13.
  In such cases the total transaction price is allocated to these performance obligations based on the relative standalone selling prices of the promised goods or services. If these goods and services are not sold separately, a cost plus margin approach is used.
- Some contracts with customers involve a variable transaction cost as they include a volume or trade discount based on the total purchases from the customer within a time period. In such case revenue is recognised based on the anticipated purchases from the customer throughout the year, as these purchases are realised and new orders are received and up to an extent it is highly probable that a significant reversal of cumulative revenue recognised will not be needed.

7. Other income

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2023**	**2022**	**2023**	**2022**
Grants / subsidies of the year		304,700	53,922	9,629	12,323
Rental income		140,000	149,373	207,128	216,501
Amortisation of grants	**28**	452,696	1,084,463	72,034	219,458
Profits from sale of property, plant & equipment and investment property		9,025	340,331	8,615	-
Income from expenses recharged		1,852,539	5,164,112	5,784,425	5,720,657
Damage Compensation		39,908	17,819	39,908	17,819
Other income		17,071	52,827	10,756	25,959
Total		**2,815,938**	**6,862,846**	**6,132,495**	**6,212,717**

8. Other expenses

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Expenses recharged	1,258,598	4,429,897	5,415,297	5,186,562
Taxes - duties	259,616	196,128	121,327	67,542
Penalty	48,939	-	48,939	-
Impairment loss on property, plant & equipment	-	1,221,990	-	-
Loss from write-off of fixed assets	174,559	33,755	147,056	-
Incremental coronavirus costs	-	286,506	-	181,334
Other expenses	139,755	234,220	86,798	175,457
Total	**1,881,466**	**6,402,497**	**5,819,416**	**5,610,806**

The line “Incremental coronavirus costs” presented in the table above includes all incremental costs incurred due to the coronavirus outbreak. Such costs are directly attributable to the coronavirus outbreak. “Incremental coronavirus costs” includes temporary premium payments to compensate employees for performing their normal duties at increased personal risk, charges for cleaning and disinfecting the Group Companies’ facilities more thoroughly and more frequently, purchase of medical equipment, engagement of nursery staff, coronavirus detection tests and other expenses directly associated with the coronavirus outbreak.

9. Expenses by Nature

		GROUP		COMPANY	
Amounts in Euro	**Note**	**2023**	**2022**	**2023**	**2022**
Cost of inventories recognised as an expense		639,025,490	608,497,719	532,678,685	491,238,247
Employee benefits	**10**	64,186,771	53,566,620	27,564,676	21,929,032
Energy		12,688,357	17,432,006	5,277,973	6,565,288
Depreciation and amortisation		17,341,561	16,257,918	6,675,705	6,053,124
Amortisation of contract costs		74,405	153,006	65,595	56,209
Taxes - duties		1,428,758	1,030,081	389,434	304,371
Insurance premiums		16,322,752	13,126,721	2,332,421	1,991,287
Rental fees		2,843,480	2,782,677	2,206,067	2,164,820
Transportation		8,911,747	8,698,850	8,109,097	8,113,071
Losses from derivatives		1,939,444	5,617,847	1,575,830	2,928,942
Commissions		1,590,050	1,356,998	1,288,501	1,101,532
Third party fees and benefits		74,060,956	80,024,641	45,563,722	37,557,592
Foreign currency translation differences		112,954	541,253	246,230	432,657
Staff travel and transportation expenses		4,756,724	4,191,900	1,834,313	1,822,924
Other		3,945,258	4,126,452	1,594,775	1,686,871
Total cost of sales, selling & distribution and administrative expenses		**849,318,705**	**817,404,689**	**637,403,024**	**583,945,968**

The Group and the Company significantly invest in research and development in order to continuously bring value-added products and services to the market and improve production processes, as well as to promote materials recycling and the proper use of natural resources. The aggregate amount of research and development expenditure recognised as an expense for 2023 is equal to EUR 5.0 million (2022: EUR 4.4 million) for the Group and EUR 2.2 million (2022: EUR 2.0 million) for the Company.

Changes in "Third party fees and benefits" at Group and Company level is attributed mainly to the fees paid to subcontractors for installation services in the context of turnkey projects executed by the Company and Fulgor during the current year.

The "third party fees and benefits" account in the table above includes auditor fees of EUR 219,168 for 2023 (2022: EUR 198,189) for the Group and EUR 129,135 (2022: EUR 119,906) for the Company.

10. Personnel expenses

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Employee remuneration & expenses	51,902,863	45,447,564	24,295,193	19,027,316
Social security expenses	10,776,846	8,611,698	5,095,884	4,080,138
Other employee benefits	5,976,231	5,322,171	2,788,050	2,567,372
Defined benefits plan (note 27)	562,758	463,165	356,988	279,910
Total	**69,218,698**	**59,844,598**	**32,536,116**	**25,954,735**

The personnel employed by the Group on 31 December 2023 numbered 1,828 persons (2022: 1,492). Accordingly, the personnel employed by the Company on 31 December 2023 numbered 815 persons (2022: 663).

Employee benefit expenses are included in the following items in the Financial Statements:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Cost of Sales	53,242,523	43,437,728	22,153,653	17,346,300
Selling and distribution expenses	3,632,586	4,644,275	2,098,164	2,062,483
Administrative expenses	7,311,662	5,484,617	3,312,859	2,520,248
	64,186,771	**53,566,620**	**27,564,676**	**21,929,032**
Other expenses	1,070,442	3,676,335	3,405,696	2,998,771
Capitalised in assets under construction	3,961,484	2,601,643	1,565,743	1,026,932
Total	**69,218,698**	**59,844,598**	**32,536,116**	**25,954,735**

Employee benefits expenses were capitalised due to the development projects mainly for obtaining new certifications and licenses in the context of ongoing new products development. Employee benefit expenses related to "Other expenses" concern expenditure incurred as part of the measures dealing with the Covid-19 pandemic, as well as to employee benefit expenses that were recharged.

11. Finance income

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Interest income	643,236	8,814	497,775	6,467
Foreign currency translation differences	-	251,432	-	246,784
	643,236	**260,246**	**497,775**	**253,251**

12. Finance costs

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Interest expenses and related costs	44,217,227	22,474,265	23,821,680	9,415,029
Foreign currency translation differences	14,079	1,048,886	13,741	1,048,886
	44,231,306	**23,523,151**	**23,835,421**	**10,463,914**

At Group level, net finance costs amounted to EUR 44.2 million, up by 88% compared to 2022; as for the Company, they amounted to EUR 23.8 million, up by 128% compared to 2022.

Finance costs increased compared to 2022 as a result of the interest rate increases intensified with monetary policies tightening all around the globe in 2023. Despite the fact that credit spreads decreased during 2023, the reference interest rate was considerably higher, thus resulting in higher cost of debt.

13. Contract assets, Contract liabilities and Contract costs

A. Contract assets & Contract liabilities

The following table provides information on receivables and payables from contracts with customers:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Contract assets	137,120,340	126,163,995	89,473,430	53,863,604
Long-term contract liabilities	9.889,011	9,889,011	9,889,011	9,889,011
Current contract liabilities	99,083,987	40,388,238	99,019,527	32,384,777

The timing of revenue recognition, billings and cash collections result in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities).

For products and services for which revenue is recognised over time such as turnkey projects and customised cables products, amounts are billed as work progresses in accordance with agreed-upon contractual terms, either upon achievement of contractual milestones, or at the final delivery and acceptance of the manufactured items.

Generally, billing occurs subsequent to revenue recognition for customised products and services performed over time resulting in contract assets. However, when advances from customers are received before revenue is recognised, a contract liability is recognised.

For revenues recognised at a given point in time, billing takes place at the same time with revenue recognition or within a short period from such recognition.

Significant changes in balances of contract assets and contract liabilities for the reporting period are as follows:

	GROUP		**COMPANY**	
Amounts in Euro	**Contract assets**	**Contract liabilities**	**Contract assets**	**Contract liabilities**
Balance on 01 January 2023	**126,163,995**	**50,277,249**	**53,863,604**	**42,273,788**
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	(39,725,170)	-	(31,763,056)
Increases due to cash received, excluding amounts recognised as revenue during the period	-	98,420,919	-	98,397,806
Transfers from contract assets recognised at the beginning of the period to receivables	(122,872,869)	-	(50,888,133)	-
Increases as a result of changes in the measure of progress	133,874,133	-	86,566,156	-
Impairment loss reversal	(44,920)	-	(68,196)	-
Balance on 31 December 2023	**137,120,340**	**108,972,998**	**89,473,430**	**108,908,538**

B. Contract costs

The Group and the Company expect that fees and commissions associated with contracts for energy projects are recoverable (costs for contract award). Moreover, the costs for fulfilment of a contract that may include materials used in tests necessary for production, labour cost and other costs are capitalised if directly associated with the contract and are recoverable.

Therefore, on 31 December 2023 the Group and the Company had recognised the total amount of EUR 381 thousand and EUR 220 thousand, respectively, as contract costs (31 December 2022: Group: EUR 236 thousand and Company: EUR 66 thousand).

Contract costs are recognised as expenses in the cost of sales when the relevant revenue is recognised. In 2023, contract costs of EUR 74 thousand and EUR 66 thousand for the Group and the Company were depreciated (on 31 December 2022, Group: EUR 153 thousand and Company: EUR 56 thousand).

14. Property, plant and equipment

GROUP:

Amounts in Euro	**Land & buildings**	**Machinery and mechanical equipment**	**Furniture and other fixtures**	**Fixed assets under construction**	**Total**
Cost					
Balance on 01.01.2022	**85,695,857**	**250,255,598**	**14,454,620**	**22,166,140**	**372,572,215**
Effect of movement in exchange rates	(6)	(10)	(2)	-	(18)
Additions	16,882,780	4,696,006	1,346,780	35,012,324	57,937,891
Disposals	-	(9,371)	(5,031)	-	(14,402)
Write offs	-	(172,298)	-	-	(172,298)
Reclassifications*	1,530,510	4,182,933	63,087	(7,523,652)	(1,747,122)
Balance on 31.12.2022	**104,109,142**	**258,952,859**	**15,859,454**	**49,654,813**	**428,576,269**
Balance on 01.01.2023	**104,109,142**	**258,952,859**	**15,859,454**	**49,654,813**	**428,576,269**
Effect of movement in exchange rates	-	-	-	-	-
Additions	1,905,542	2,873,246	774,659	88,093,369	93,646,816
Disposals	-	(30,533)	(35,883)	-	(66,416)
Write offs	-	(142,670)	(319,809)	(31,888)	(494,368)
Reclassifications*	12,818,099	24,353,725	815,010	(41,806,025)	(3,819,191)
Balance on 31.12.2023	**118,832,783**	**286,006,626**	**17,093,431**	**95,910,269**	**517,843,110**
Depreciation/Impairment					
Balance on 01.01.2022	**(21,972,142)**	**(74,427,270)**	**(10,907,953)**	**-**	**(107,307,365)**
Effect of movement in exchange rates	5	9	2	-	16
Depreciation	(2,010,055)	(9,469,725)	(996,211)	-	(12,475,991)
Disposals	-	9,371	5,031	-	14,402
Write offs	-	138,543	-	-	138,543
Impairment	-	(1,221,990)	-	-	(1,221,990)
Reclassifications	8,451	(8,451)	-	-	-
Balance on 31.12.2022	**(23,973,741)**	**(84,979,514)**	**(11,899,131)**	**-**	**(120,852,387)**
Balance on 01.01.2023	**(23,973,741)**	**(84,979,514)**	**(11,899,131)**	**-**	**(120,852,387)**
Effect of movement in exchange rates	-	-	-	-	-
Depreciation for the year	(2,138,215)	(9,571,119)	(952,187)	-	(12,661,522)
Disposals	-	3,506	35,883	-	39,389
Write offs	-	-	319,809	-	319,809
Reclassifications	4,398	(4,398)	-	-	-
Balance on 31.12.2023	**(26,107,559)**	**(94,551,525)**	**(12,495,627)**	**-**	**(133,154,710)**
Carrying amount					
On 31.12.2022	**80,135,402**	**173,973,345**	**3,960,323**	**49,654,813**	**307,723,883**
On 31.12.2023	**92,725,224**	**191,455,102**	**4,597,805**	**95,910,269**	**384,688,400**

*: The negative balance of reclassifications at the acquisition cost of fixed assets is offset against the positive balance of reclassifications to intangible assets.

COMPANY:

Amounts in Euro	Land & buildings	Machinery and mechanical equipment	Furniture and other fixtures	Fixed assets under construction	Total
Cost					
Balance on 01.01.2022	**24,618,995**	**58,197,086**	**8,873,351**	**4,332,397**	**96,021,829**
Additions	8,018,489	1,533,984	707,670	6,533,798	16,793,941
Disposals	-	-	-	-	-
Write offs	-	-	-	-	-
Reclassifications*	141,105	1,686,086	37,096	(2,789,979)	(925,693)
Balance on 31.12.2022	**32,778,588**	**61,417,156**	**9,618,117**	**8,076,215**	**111,890,076**
Balance on 01.01.2023	**32,778,588**	**61,417,156**	**9,618,117**	**8,076,215**	**111,890,076**
Additions	4,084	744,415	396,505	16,707,560	17,852,565
Disposals	-	(27,027)	(35,883)	-	(62,910)
Write offs	-	(142,670)	(308,405)	(4,385)	(455,461)
Reclassifications*	1,089,556	2,207,377	312,653	(4,981,412)	(1,371,826)
Balance on 31.12.2023	**33,872,228**	**64,199,251**	**9,982,987**	**19,797,978**	**127,852,444**
Depreciation/Impairment					
Balance on 01.01.2022	**(5,453,942)**	**(25,504,306)**	**(7,091,680)**	**-**	**(38,049,928)**
Depreciation for the year	(713,645)	(2,618,555)	(439,823)	-	(3,772,023)
Disposals	-	-	-	-	-
Write offs	-	-	-	-	-
Reclassifications*	-	-	-	-	-
Balance on 31.12.2022	**(6,167,587)**	**(28,122,861)**	**(7,531,504)**	**-**	**(41,821,951)**
Balance on 01.01.2023	**(6,167,587)**	**(28,122,861)**	**(7,531,504)**	**-**	**(41,821,951)**
Depreciation	(767,734)	(2,764,397)	(474,935)	-	(4,007,065)
Disposals	-	-	35,883	-	35,883
Write offs	-	-	308,405	-	308,405
Reclassifications*	-	-	-	-	-
Balance on 31.12.2023	**(6,935,321)**	**(30,887,257)**	**(7,662,151)**	**-**	**(45,484,728)**
Carrying amount					
On 31.12.2022	**26,611,002**	**33,294,296**	**2,086,613**	**8,076,215**	**70,068,125**
On 31.12.2023	**26,936,907**	**33,311,994**	**2,320,836**	**19,797,978**	**82,367,716**

*: The negative balance of reclassifications at the acquisition cost of fixed assets is offset against the positive balance of reclassifications to intangible assets.

A. Mortgages on fixed assets

Statutory notices of mortgage have been raised on the Company's fixed assets to secure loans the Company has obtained (see note 32.2).

B. Fixed assets under construction

The account "Fixed assets under construction" concerns mainly machinery the installation of which had not been completed by 31 December 2023, as well as productivity upgrades and capacity improvement in the Group's plants.

The amount of EUR 41.8 million which was reclassified from the Group's property, plant and equipment under construction in 2023 mostly relates to the completion of improvements aiming at the upgrade of the Fulgor plant at Sousaki, Corinth.

The borrowing costs capitalised during 2023 and related to the Group's property, plant and equipment under construction amounted to EUR 2.5 million (2022: EUR 344 thousand) and concerned the acquisition of new machinery. The discount rate used was 6.02%. At Company level, the borrowing costs capitalised amounted to EUR 352 thousand while no borrowing costs had been capitalised during 2022.

C. Impairment Loss

In 2022, the subsidiary Fulgor tested for impairment tangible assets and recognised impairment loss of EUR 1,222 thousand with respect to machinery which was recognised at the recoverable amount. The recoverable amount was set equal to the value of machinery in case they are recycled ("scrap value"). Such machinery is impaired due to their technological obsolescence and also because of their removal from any production process. The amount of loss was recognised in the Statement of Profit or Loss as "Other expenses" (note 8).

15. Right of use assets & Lease Liabilities

This note includes information about leases in which the Group and the Company are lessees.

A. Amounts recognised in the Statement of Financial Position

Right of use assets

	GROUP		COMPANY	
Amounts in Euro	**Means of transport**	**Total**	**Means of transport**	**Total**
Cost				
Balance on 01.01.2022	**2,472,229**	**2,472,229**	**1,429,748**	**1,429,748**
Additions	935,165	935,165	503,166	503,166
Terminations	(211,697)	(211,697)	(102,881)	(102,881)
Modifications	29,352	29,352	18,870	18,870
Balance on 31.12.2022	**3,225,048**	**3,225,048**	**1,848,903**	**1,848,903**
Depreciation/Impairment				
Balance on 01.01.2022	**(1,322,208)**	**(1,322,208)**	**(752,433)**	**(752,433)**
Depreciation	(533,661)	(533,661)	(308,151)	(308,151)
Terminations	130,692	130,692	53,624	53,624
Modifications	-	-	-	-
Balance on 31.12.2022	**(1,725,177)**	**(1,725,177)**	**(1,006,960)**	**(1,006,960)**
Carrying amount				
Balance on 31.12.2022	**1,499,872**	**1,499,872**	**841,943**	**841,943**

Amounts in Euro	**Means of transport**	**Total**	**Means of transport**	**Total**
Cost				
Balance on 01.01.2023	**3,225,048**	**3,225,048**	**1,848,903**	**1,848,903**
Additions	5,602,951	5,602,951	2,912,905	2,912,905
Terminations	(711,448)	(711,448)	(325,022)	(325,022)
Modifications	16,747	16,747	10,777	10,777
Balance on 31.12.2023	**8,133,299**	**8,133,299**	**4,447,563**	**4,447,563**
Depreciation/Impairment				
Balance on 01.01.2023	**(1,725,177)**	**(1,725,177)**	**(1,006,960)**	**(1,006,960)**
Depreciation	(1,187,699)	(1,187,699)	(650,127)	(650,127)
Terminations	493,582	493,582	145,925	145,925
Modifications	-	-	-	-
Balance on 31.12.2023	**(2,419,294)**	**(2,419,294)**	**(1,511,162)**	**(1,511,162)**
Carrying amount				
Balance on 31.12.2023	**5,714,005**	**5,714,005**	**2,936,400**	**2,936,400**

The additions in right-of-use assets at both Group and Company level mainly concern the lease of heavy-duty forklifts used in the plants of the Group's companies.

Lease liabilities:

Amounts in Euro	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Long-term liabilities	4,336,572	1,028,739	2,194,096	572,804
Current liabilities	1,482,891	510,405	799,332	292,995
	5,819,463	**1,539,144**	**2,993,429**	**865,799**

Total cash outflow for lease payments in 2023 amounted to EUR 1,348 thousand (2022: EUR 584 thousand) at Group level and EUR 739 thousand (2022: EUR 339 thousand) at Company level.

A. Amounts recognised in the Statement of Profit or Loss

Amounts in Euro	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Depreciation of right of use assets	1,187,699	533,661	650,127	308,151
Interest expenses	204,337	49,908	107,581	29,634
Variable rental fees	27,092	18,807	16,303	9,517
Low-value rental fees	114,752	136,069	28,194	47,679
Short-term rental fees	2,627,612	2,570,860	2,125,428	2,058,849
(Profit)/Loss due to difference between value of asset/liability at the time of early termination	22,192	(1,499)	13,984	(1,752)
Other expenses of lease contracts	96,216	69,836	54,408	53,784

For more information about the leasing policy, please refer to note 4.15.

16. Intangible assets & goodwill

GROUP:

Amounts in Euro	**Goodwill**	**Trademarks and licenses**	**Software**	**Other**	**Total**
Cost					
Balance on 01.01.2022	**67,388,311**	**23,569,920**	**9,398,165**	**302,422**	**100,658,819**
Additions	-	1,479,330	357,550	-	1,836,880
Reclassifications	-	386,101	1,361,020	-	1,747,122
Balance on 31.12.2022	**67,388,311**	**25,435,351**	**11,116,736**	**302,422**	**104,242,820**
Balance on 01.01.2023	**67,388,311**	**25,435,351**	**11,116,736**	**302,422**	**104,242,820**
Additions	-	1,703,328	690,917	5,426	2,399,671
Reclassifications	-	2,170,157	1,649,035	-	3,819,191
Balance on 31.12.2023	**67,388,311**	**29,308,836**	**13,456,688**	**307,848**	**110,461,683**
Depreciation/Impairment					
Balance on 01.01.2022	**-**	**(9,575,396)**	**(6,067,547)**	**(236,516)**	**(15,879,459)**
Depreciation	-	(2,216,182)	(1,019,144)	(12,940)	(3,248,267)
Reclassifications					
Balance on 31.12.2022	**-**	**(11,791,578)**	**(7,086,691)**	**(249,456)**	**(19,127,725)**
Balance on 01.01.2023	**-**	**(11,791,578)**	**(7,086,691)**	**(249,456)**	**(19,127,725)**
Depreciation	-	(2,182,644)	(1,385,660)	(14,037)	(3,582,341)
Reclassifications	-	-	-	-	-
Balance on 31.12.2023	**-**	**(13,974,222)**	**(8,472,351)**	**(263,493)**	**(22,710,066)**
Carrying amount					
On 31.12.2022	**67,388,311**	**13,643,773**	**4,030,045**	**52,966**	**85,115,095**
On 31.12.2023	**67,388,311**	**15,334,614**	**4,984,336**	**44,355**	**87,751,617**

COMPANY:

Amounts in Euro	Trademarks and licenses	Software	Other	Total
Cost				
Balance on 01.01.2022	**14,821,780**	**7,237,862**	**20,206**	**22,079,848**
Additions	1,114,484	280,258	-	1,394,742
Reclassifications	-	925,693	-	925,693
Balance on 31.12.2022	**15,936,264**	**8,443,814**	**20,206**	**24,400,283**
Balance on 01.01.2023	**15,936,264**	**8,443,814**	**20,206**	**24,400,283**
Additions	892,380	45,484	-	937,863
Reclassifications	613,586	758,240	-	1,371,826
Balance on 31.12.2023	**17,442,229**	**9,247,538**	**20,206**	**26,709,972**
Depreciation/Impairment				
Balance on 01.01.2022	**(7,212,496)**	**(5,216,309)**	**(19,426)**	**(12,448,230)**
Depreciation	(1,329,842)	(642,588)	(520)	(1,972,950)
Balance on 31.12.2022	**(8,542,338)**	**(5,858,897)**	**(19,946)**	**(14,421,180)**
Balance on 01.01.2023	**(8,542,338)**	**(5,858,897)**	**(19,946)**	**(14,421,180)**
Depreciation for the year	(1,230,733)	(787,519)	(260)	(2,018,513)
Balance on 31.12.2023	**(9,773,071)**	**(6,646,416)**	**(20,206)**	**(16,439,692)**
Carrying amount				
On 31.12.2022	**7,393,927**	**2,584,917**	**260**	**9,979,104**
On 31.12.2023	**7,669,159**	**2,601,121**	**-**	**10,270,280**

Reclassifications from property, plant and equipment under construction concerned capitalised expenses for acquiring trademarks and licences, as well as the installation of software programmes which was under way since the previous year.

Goodwill impairment testing

In relation to the goodwill of EUR 67.4 million, on 31.12.2023 an impairment test was conducted for the cash generating unit (CGU) of Fulgor's submarine cables production plant, with which the recognised goodwill is tied. The results of this test based on the value-in-use method demonstrated that there is no need to carry out any impairment.

In order to determine the value in use of the submarine cables CGU, cash flow projections based on estimates by management covering a five-year period were used. These estimates take into consideration the contracts already signed either directly by the subsidiary or the parent company, as well as any contracts estimated to be awarded in Greece and abroad.

The submarine cables CGU operates in a project-based business. Therefore, assumptions related to revenue and profitability growth are based on the contracts already signed, as well as those estimated to be undertaken in the forthcoming period. The main assumptions regarding the operations of the submarine cables CGU and the projects to be executed within the five-year period are:

- Progressively high capacity utilisation of Fulgor's plant, as noted in the last 3 years, based on contracts already awarded and expected awards based on commercial and tendering activity. Given the continued growth of the segment, the existing backlog, the growth of renewables business around the world, which is a significant driver in the attractive outlook for the offshore power generation market, the high level of CGU activity is expected to be retained throughout the period 2024-2028.

- Capital expenditure of approximately EUR 208 million in the following 5 years, in order to cover estimated production and capacity needs. Capital expenditure reflects investments for both maintenance purposes of the existing production base and to meet additional demand due to the expected organic growth. Following the five-year period, investments have been set equal to depreciation.
- Compound annual growth rate of revenue from CGUs for the five-year period at ca. 25% attributable to assignment of new projects mainly in Greece, North Europe and the USA.
- Profitability per offshore project in terms of EBITDA at ca. 15%-25% of revenue. Estimated profitability per project varies mainly due to different type of cable and technical specifications, geographic region and project's time frame.
- Compound annual growth rate of fixed operating expenses at ca. 5.6% for the five-year period.

Cash flows after the first five years were calculated using an estimated long term growth rate of 1.39%, which mainly reflects management's estimates for the world economy as well as long-term growth prospects of the offshore cable sector in the context of energy transition.

The pre-tax rate used to discount these cash flows is equal to 11.34% and was based on the following assumptions:

- The risk-free rate was based on AAA European bond yields.
- The country risk calculations were based on the expected future sales mix and the fact that the business unit is based in Greece.
- The market risk premium was assumed equal to 4.84% (2022: 6.21%).

Despite the fact that the commodity prices for copper and aluminium are part of the assumptions for the impairment test performed, due to the hedging activities undertaken and the customised nature of the products sold by Fulgor, the value of the CGU is not significantly affected by fluctuations in commodity prices. Neutral result from metal price fluctuations is assumed in the context of the impairment test.

The results of this test indicated that the recoverable amount as of 31 December 2023 exceeds considerably the carrying amount of the CGU and there is no need to impair the recognised goodwill.

A sensitivity analysis was carried out on the key assumptions of the model (discount rates and growth in perpetuity), so as to examine the adequacy of the headroom, i.e. the amount by which the recoverable amount exceeds the carrying value. The result of the sensitivity analysis indicated that the recoverable amount still exceeds the carrying value of the CGU.

Results of the sensitivity analysis for the impairment testing:

	Assumptions used	**Change in rates required for the recoverable amount to equal the carrying amount**
Discount rate	11.34%	9.2%
Terminal growth	1.39%	-28.3%

17. Investment property

	GROUP		**COMPANY**	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Opening balance	**186,858**	**796,012**	**194,611**	**194,611**
Disposals	-	(609,154)	-	-

Closing balance	**186,858**	**186,858**	**194,611**	**194,611**

Investment property includes a number of lots which the Group and the Company intend to lease or sell to third parties in the near future provided that the applicable circumstances allow so.

The Group and the Company test the value of real estate properties for impairment on an annual basis. In the context of the annual impairment test, based on management's assessment, no indications of impairment for the investment property were identified.

The fair value of properties on 31 December 2023 is equal to their book value while the accumulated impairment loss on investment properties amounts to EUR 14 thousand for the Group and the Company.

In 2022 the subsidiary Fulgor disposed a land property held for investment purposes. The total amount collected from such disposal amounted to EUR 1,100 thousand while profit of EUR 340 thousand was recorded in the "Other income" account in the Statement of Profit or Loss (Note 7).

18. Subsidiaries and joint operations

A. Subsidiaries

Investments in subsidiaries are carried at their acquisition cost and are broken down as follows:

Amounts in Euro

	2023					
Corporate name	**Participation percentage**	**Acquisition cost**	**Total Assets**	**Total Liabilities**	**Revenue**	**Profit/(Loss) after tax**
FULGOR S.A. (Greece)	100.00%	95,109,654	654,377,654	561,930,056	663,006,506	21,568,770
LESCO OOD (Bulgaria)	100.00%	2,582,576	3,714,970	977,252	8,644,580	351,895
HELLENIC CABLES TRADING (USA)	100.00%	268,865	1,103,408	753,517	-	(6,184)
Total		**97,961,095**				

Amounts in Euro			2022			
Corporate name	**Participation percentage**	**Acquisition cost**	**Total Assets**	**Total Liabilities**	**Revenue**	**Profit after tax**
FULGOR S.A. (Greece)	100%	88,347,654	581,904,045	505,579,543	631,406,024	17,016,956
LESCO OOD (Bulgaria)	100%	2,582,576	2,961,422	564,594	6,220,859	266,120
HELLENIC CABLES TRADING (USA)	100%	268,865	1,688,312	1,319,554	-	194,526
Total		**91,199,095**				

B. Joint operations

Hellenic Cables has a 57.99% interest in the joint venture "Jan De Nul Luxembourg - Hellenic Cables – Thor Export Cables I/S", which was set up as a partnership together with Jan De Nul. The scope of this joint operation scheme is to design, manufacture, supply, transport, install and test the 275kV export cable system for the Thor Offshore Wind Farm. The principal place of business of the joint operation is in Denmark.

Hellenic Cables has a 37.42% interest in the joint venture "Jan De Nul Luxembourg - Hellenic Cables – Thor Array Cables I/S", which was set up as a partnership together with Jan De Nul. The scope of this joint operation scheme is to design, manufacture, supply, transport, install and test the 66kV inter-array cable system for the Thor Offshore Wind Farm. The principal place of business of the joint operation is in Denmark.

Hellenic Cables has a 62.48% interest in a joint arrangement called VO Cablel VOF, which was set up as a partnership together with Van Oord. The scope of this joint operation scheme is to supply and install sea and land cables for the Hollandse Kust (South) Alpha project and Hollandse Kust (South) Beta project. The principal place of business of the joint operation is in the Netherlands.

Hellenic Cables has also a 50.77% interest in a joint arrangement called VOF DEME Offshore NL - HELLENIC CABLES, which was set up as a partnership together with Tideway. The scope of this joint operation scheme is to execute a turnkey contract for the supply and installation of submarine cables for the connection of the Seamade offshore wind farm project to the Belgian grid. The principal place of business of the joint operation is in Belgium.

Fulgor has a 10.00% interest in Fulgor – Jan De Nul Consortium, which was set up as a partnership together with Jan De Nul Luxembourg S.A. The scope of this joint operation scheme is to install submarine cables for the Crete-Peloponnese submarine interconnection in Greece. The principal place of business of this joint operation is in Greece.

Fulgor has a stake of 70.27% in Fulgor S.A. – Asso.subsea Joint Venture in partnership with Asso.subsea Limited. The purpose of this joint operation is to carry out the project involving the supply and installation of a submarine cable as well as the supply and installation of onshore cables, optical fibres, spare parts and necessary components for Lavrion interconnection to Kafireas Wind Farm.

The establishment agreements of VO Cablel VOF, VOF DEME Offshore NL - HELLENIC CABLES, Fulgor - Jan De Nul, Fulgor – Asso.subsea, Jan De Nul Luxembourg – Hellenic Cables – Thor Export Cables I/S and Jan De Nul Luxembourg – Hellenic Cables – Thor Array Cables I/S require unanimous consent from all parties for all relevant activities The two partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. These entities are therefore classified as joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 4.1(i).

19. Other investments

Other investments concern holdings in domestic and foreign companies with holding interests less than 20%. These investments have been qualified as equity investments at FVOCI. This category includes the following investments for the Group and the Company:

Amounts in Euro	**2023**	**2022**
EDEP Ltd.	3,000	3,000
	3,000	**3,000**

20. Income tax

A. Amounts recognised in the Statement of Profit or Loss

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Income tax expense	(14,302,909)	(11,484,165)	(10,596,678)	(4,401,950)
Deferred tax	(443,410)	(592,690)	2,414,708	(1,449,796)
	(14,746,319)	**(12,076,855)**	**(8,181,971)**	**(5,851,746)**

B. Reconciliation of applicable tax rate

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Profit before tax	64,124,695	51,503,566	47,869,536	50,689,775
Tax calculated using the applicable tax rates 22% (2022: 22%)	(14,107,433)	(11,330,785)	*(10,531,298)*	(11,151,750)
Non-deductible tax expenses	(601,495)	(550,220)	(308,561)	(181,159)
Tax-exempt income	96,935	146,796	2,727,394	5,109,753
Change in prior year income tax	(708,730)	(1,346,536)	(333,505)	(64,690)
Incremental R&D tax incentives	528,000	965,656	264,000	436,101
Effect of different tax rates in jurisdictions that the Group operates	47,703	38,233	-	-
Tax losses of current year in which no deferred tax asset is recognised	(1,299)	-	-	-
Total income tax for the period	**(14,746,319)**	**(12,076,855)**	**(8,181,970)**	**(5,851,746)**
Effective tax rate	***-23.0%***	***-23.4%***	***-17.1%***	***-11.5%***

According to Greek law 4799/2021, the corporate income tax rate for legal entities in Greece is set to 22% for fiscal year 2021 onwards.

Pursuant to article 46 of Law 4712/2020, the R&D expenditure may be deducted from gross revenue when incurred at a rate of 200%. The Company makes use of the above tax provision and the expected tax benefit is presented in the line “Incremental R&D tax incentives” of the table above.

C. Deferred tax

The deferred tax assets and liabilities that were accounted for and the movements of the relevant accounts are shown below:

GROUP:

2023 *Amounts in Euro*	**Balance on 1 January 2023**	**Recognised in profit or loss**	**Recognised in OCI**	**FX Differences**	**Net balance on 31 December 2023**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(16,892,504)	(2,008,461)	-	-	**(18,900,965)**	2,547	(18,903,512)
Right of use assets	9,102	8,934	-	-	**18,036**	18,036	-
Intangible assets	(22,210)	(2,415)	-	-	**(24,625)**	-	(24,625)
Investment property	80,338	-	-	-	**80,338**	80,338	-
Derivatives	(550,336)	154,699	(258,844)	-	**(654,480)**	-	(654,480)
Loans and borrowings	(941,496)	182,558	-	-	**(758,938)**	-	(758,938)
Employee benefits	449,074	38,697	56,740	-	**544,511**	544,511	-
Provisions	121,321	11,170	-	-	**132,490**	132,490	-
Contracts with customers	(11,929,120)	(2,132,427)	-	-	**(14,061,547)**	-	(14,061,547)
Other	(136,240)	(84,664)	-	-	**(220,904)**	-	(220,905)
Thin capitalisation interest	7,472,068	1,884,288	-	-	**9,356,356**	9,356,356	-
Tax losses	3,719,174	1,504,212	-	-	**5,223,386**	5,223,386	-
Total	**(18,620,829)**	**(443,410)**	**(202,104)**	**-**	**(19,266,341)**	**15,357,665**	**(34,624,007)**
Set-off tax						(15,277,295)	15,277,295
Net tax assets/(liabilities)						**80,369**	**(19,346,713)**

2022 *Amounts in Euro*	**Balance on 01 January 2022**	**Recognised in profit or loss**	**Recognised in OCI**	**FX Differences**	**Net balance on 31 December 2022**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(15,132,805)	(1,759,699)	-	-	**(16,892,504)**	4,273	(16,896,776)
Right of use assets	9,245	(143)	-	-	**9,102**	9,102	-
Intangible assets	(19,047)	(3,162)	-	-	**(22,210)**	-	(22,210)
Investment property	80,338	-	-	-	**80,338**	80,338	-
Derivatives	316,766	(675,397)	(191,704)	-	**(550,336)**	-	(550,336)
Loans and borrowings	(1,235,277)	293,780	-	-	**(941,496)**	-	(941,496)
Employee benefits	449,110	61,261	(61,329)	33	**449,074**	449,074	-
Provisions	106,811	14,510	-	-	**121,321**	121,321	-
Contracts with customers	(10,278,714)	(1,650,406)	-	-	**(11,929,120)**	-	(11,929,120)
Other	(71,762)	(64,478)	-	-	**(136,240)**	-	(136,241)
Thin capitalisation interest	7,961,560	(489,491)	-	-	**7,472,068**	7,472,068	-
Tax losses	35,922	3,680,537	-	2,715	**3,719,174**	3,719,174	-
Total	**(17,777,854)**	**(592,690)**	**(253,033)**	**2,748**	**(18,620,828)**	**11,855,350**	**(30,476,179)**
Set-off tax						(11,843,967)	11,843,967
Net tax assets/(liabilities)						**11,384**	**(18,632,214)**

COMPANY:

2023 *Amounts in Euro*	**Balance on 01 January 2023**	**Recognised in profit or loss**	**Recognised in OCI**	**Net balance on 31 December 2023**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(6,108,745)	104,643	-	**(6,004,102)**	-	(6,004,102)
Right of use assets	5,248	1,920	-	**7,169**	7,169	-
Intangible assets	(485)	(7,469)	-	**(7,954)**	-	(7,954)
Investment property	39,946	-	-	**39,946**	39,946	-
Derivatives	(454,176)	232,786	(199,037)	**(420,427)**	-	(420,427)
Loans and borrowings	(46,841)	18,733	-	**(28,107)**	-	(28,107)
Employee benefits	223,887	21,530	41,806	**287,224**	287,224	-
Provisions	88,255	4,531	-	**92,785**	92,785	-
Contracts with customers	(3,273,287)	1,717,009	-	**(1,556,278)**	-	(1,556,278)
Other	(134,507)	(28,286)	-	**(162,793)**	-	(162,793)
Thin capitalisation interest	7,472,068	349,311	-	**7,821,379**	7,821,379	-
Total	**(2,188,635)**	**2,414,708**	**(157,231)**	**68,842**	**8,248,502**	**(8,179,661)**
Set-off tax					(8,179,661)	8,179,661
Net tax assets/(liabilities)					**68,842**	**-**

2022 *Amounts in Euro*	**Balance on 01 January 2022**	**Recognised in profit or loss**	**Recognised in OCI**	**Net balance on 31 December 2022**	**Deferred tax assets**	**Deferred tax liabilities**
Property, plant and equipment	(6,761,273)	69,521	-	**(6,108,745)**	-	(6,108,745)
Right of use assets	6,027	(161)	-	**5,248**	5,248	-
Intangible assets	4,836	(3,190)	-	**(485)**	-	(485)
Investment property	39,946	-	-	**39,946**	39,946	-
Derivatives	238,527	(678,451)	30,901	**(454,176)**	-	(454,176)
Loans and borrowings	(101,096)	21,559	-	**(46,841)**	-	(46,841)
Employee benefits	190,938	37,247	(34,538)	**223,887**	223,887	-
Provisions	122,015	(18,555)	-	**88,255**	88,255	-
Contracts with customers	(300,112)	(514,244)	-	**(3,273,287)**	-	(3,273,287)
Other	18,653	24,557	-	**(134,507)**	-	(134,507)
Thin capitalisation interest	7,652,139	(388,080)	-	**7,472,068**	7,472,068	-
Total	**1,110,599**	**(1,449,795)**	**(3,636)**	**(2,188,635)**	**7,829,404**	**(10,018,040)**
Set-off tax					(7,829,404)	7,829,404
Net tax assets/(liabilities)					**-**	**(2,188,635)**

The provisions of article 49 of Law 4172/2013 on thin capitalisation were applied in 2023 which state that the limit of deduction of surplus interest charges is set up to 30% of the EBITDA of each entity. These amounts can be offset against future tax gains; therefore, the Group and the Company have recognised a deferred tax asset in relation to the surplus interest charges that arose during the current and previous fiscal years.

For the calculation of deferred taxes, the applicable tax rates or those that are substantially enacted on the financial statements preparation date are used.

The variation noted in deferred tax balance from Contracts with customers in the Group's tables above is mainly related to the increase in contract assets, i.e. primarily to the performance of contracts for which no invoices had been issued, and which had been included in last year's taxable income, while revenue according to IFRS 15 was recognised during the execution of such contracts.

On 31 December 2023, the Company had no tax losses to carry forward. The Group's tax losses carried forward available for future use amount to EUR 23.7 million and originate from the subsidiary Fulgor. On 31 December 2023, the Group has recognised a deferred tax asset on all the aforementioned tax losses carried forward because Management believes that the recoverability of such tax in the future is certain. To make this estimate, the Company and its subsidiary rely on the following:

- the expected profitability during the following years, due to the existing backlog of orders, which secures a steady high utilisation of Fulgor's plant
- the achievement of tax profitability in the past; and
- the initiatives undertaken in order to take advantage of the expected growth in energy sector and especially the high demand for new offshore projects.

21. Inventories

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Raw materials, auxiliaries, spare parts & consumables	80,543,256	107,929,912	29,411,935	41,583,726
Finished goods	49,437,793	39,152,288	36,532,634	30,890,910
Semi-finished goods	42,887,218	52,792,448	21,826,249	29,960,245
Merchandise	30,731	6,886,352	5,217,843	1,371,670
By-products & scrap	14,215,103	11,691,104	2,659,542	2,592,226
	187,114,100	**218,452,104**	**95,648,203**	**106,398,778**

Inventories are presented at the lower between their acquisition or production cost and net realisable value which is their expected selling price less the costs required for such sale.

On 31 December 2023, the Group and the Company did not raise any provision for inventories write-down, like in 2022, since the prices of copper, aluminium and other metals traded in the LME were at the same or even higher levels compared to the average valuation price of such metals in the Company's inventories.

The consumption of inventories charged to the operating results of the year (Cost of sales) for the Group and the Company amounts to EUR 639 million (2022: EUR 608.5 million) and EUR 532.7 million (2022: EUR 491.2 million), respectively.

22. Trade and other receivables

Amounts in Euro	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Trade receivables	96,128,494	76,437,453	82,829,065	54,840,192
Less: Impairment losses	(2,800,339)	(2,747,098)	(1,583,940)	(1,587,387)
	93,328,155	**73,690,355**	**81,245,124**	**53,252,805**
Cheques and notes receivable	188.736	166,895	188,736	166,895
Receivables from related parties	87,940,823	69,415,741	81,600,359	50,661,962
Other debtors	7,517,996	13,219,562	3,333,601	5,179,493
Less: Impairment losses	(417,316)	(417,316)	(95,322)	(95,322)
Other advance payments	403,125	252,890	161,931	171,349
Current tax assets	1,276,660	7,173,258	1,136,238	3,851,028
Guarantees	78268	246,487	36,334	116,404
Other current receivables	11,275,480	6,471,817	4,363,922	3,376,930
Other long-term receivables	23,786	36,943	23,786	22,397
	201,615,713	**170,256,633**	**171,994,710**	**116,703,941**
Current assets - Trade and other receivables	201,412,229	169,595,601	171,833,160	116,295,900
Non-current assets - Trade and other receivables	203484	661,032	161,550	408,042
	201,615,713	**170,256,633**	**171,994,710**	**116,703,941**

The Group and the Company have entered into accounts receivable assignment agreements with financial institutions without right of recourse which, on 31 December 2023, amounted to EUR 66.3 million (2022: EUR 37.8 million) and EUR 56.2 million (2022: EUR 37.8 million), respectively.

They have also entered into credit insurance agreements so as to minimise the risk from the non-collection of posted receivables (Note 30.1).

23. Cash and cash equivalents

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Cash in hand and cash in bank	108,542	27,943	3,558	4,606
Bank deposits	124,792,495	111,534,178	27,530,102	59,102,402
	124,901,038	**111,562,121**	**27,533,660**	**59,107,008**

24. Share capital

On 31 December 2023, the share capital of the Company amounted to EUR 65,704,215 divided into 21,901,405 shares with a nominal value of EUR 3.00 each. The Company's share capital remained unchanged throughout the year.

25. Reserves

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Statutory reserves	5,630,403	3,074,571	2,891,578	649,677
Hedging reserves	802,535	(115,183)	100,564	(605,113)
Special reserves	8,032,900	8,032,900	8,032,900	8,032,900
Tax-exempt reserves	14,088,740	14,088,740	14,088,740	14,088,740
Reserves from fixed assets valuation at market value based on the provisions of Law 4172/2013	10,843,942	10,843,942	10,843,942	10,843,942
Translation reserves	(14,269)	(1,587)	-	-
	39,384,251	**35,923,384**	**35,957,725**	**33,010,147**

Statutory reserves: According to the Greek company law, companies are obliged to withhold 5% of their profits after tax to form statutory reserve until the balance of such statutory reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution but can be used to offset losses.

Hedging reserves: Hedging reserves include the effective portion of changes in the fair value of the financial derivatives qualified as hedging instruments when applying hedge accounting. These reserves are further presented in the statement of profit or loss when the hedging outcome will affect profit or loss.

Special reserves: Special reserves have been set aside according to special provisions of incentive laws and especially refer to the Company's participation in the financing of investments falling under incentive laws. After the lapse of ten years from completion of the investments they concern, the Company may transfer them to a balance carried forward or capitalise them.

Tax-exempt reserves: The tax-free reserves have been set aside during previous years in accordance with special provisions of incentive laws. In case these reserves are distributed, they will be taxed using the tax rate applying at such time.
During the previous years, the Group and the Company had made investments totalling EUR 33 million, falling under incentive law 3908/2011. Pursuant to this law, the Group and the Company have the right to establish a tax-free reserve of up to EUR 1.98 million from accounting profits that they will earn in future years. This right shall expire during 2025.

Reserves from fixed assets valuation at market value based on the provisions of Law 4172/2013: This reserve concerns the goodwill that arose from the valuation of property, plant and equipment at their market value upon absorption of the industrial sector and part of the commercial sector of cables during 2016.

Translation reserves: This reserve is used for recording any resulting foreign exchange differences from the conversion of the financial statements of Group companies, which have a functional currency other than the Group's presentation currency.

26. Loans and borrowings

Long-term and short-term loans and borrowings are analysed as follows:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Non-current liabilities				
- Bank loans	82,751,028	2,016,851	-	-
- Bond loans	89,217,294	95,479,637	27,461,195	33,392,840
	171,968,322	**97,496,488**	**27,461,195**	**33,392,840**
Long-term lease liabilities	**4,336,572**	**1,028,739**	**2,194,096**	**572,804**
Total non-current liabilities	**176,304,894**	**98,525,227**	**29,655,291**	**33,965,643**
Current liabilities				
- Bank loans	158,799,761	250,007,855	84,195,002	124,355,303
- Factoring with recourse	5,422,062	9,684,243	2,784	682,208
- Bond loans	61,460,031	60,292,185	26,181,341	26,095,364
	225,681,854	**319,984,284**	**110,379,126**	**151,132,875**
Short-term lease liabilities	**1,482,891**	**510,405**	**799,332**	**292,995**
Total short-term loan liabilities	**227,164,745**	**320,494,688**	**111,178,458**	**151,425,871**
Total loans & borrowings	**403,469,639**	**419,019,916**	**140,833,750**	**185,391,514**

Maturity breakdown of non-current loan liabilities

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Between 1 and 2 years	42,595,797	22,508,233	15,164,151	6,170,394
Between 2 and 5 years	92,962,516	69,009,995	10,487,540	20,788,249
Over 5 years	40,746,581	7,007,000	4,003,600	7,007,000
Total	**176,304,894**	**98,525,227**	**29,655,291**	**33,965,643**

Terms and maturity of loans & borrowings:

The effective weighted average borrowing rates (short-term and long-term) and the loan repayment schedule on the balance sheet date were as follows:

GROUP:

	Currency	Average interest rate 2023	Maturity year	31.12.2023 Carrying amount	31.12.2022 Carrying amount
Short-term borrowings	Euro	6.68%	2024	151,034,376	249,236,119
Long-term borrowings	Euro	5.99%	2025-2031	171,968,322	97,496,488
Factoring with recourse	Euro	5.97%	2024	5,422,062	9,684,243
Current portion of long-term bank loans	Euro	5.61%	2024	7,765,385	771,736
Current portion of bond loans	Euro	6.55%	2024	61,460,031	60,292,185
				397,650,176	**417,480,772**

COMPANY:

	Currency	Average interest rate 2023	Maturity year	31.12.2023 Carrying amount	31.12.2022 Carrying amount
Short-term borrowings	Euro	6.66%	2024	84,195,002	124,355,303
Long-term borrowings	Euro	5.52%	2025-2029	27,461,195	33,392,840
Factoring with recourse	Euro	6.21%	2024	2,784	682,208
Current portion of bond loans	Euro	6.31%	2024	26,181,341	26,095,364
				137,840,321	**184,525,715**

During 2023, the Group received new bank and bond loans in Euro, which amounted to EUR 107 million (2022: EUR 178.4 million). The Company did not receive any new bank or bond loans in 2023 as opposed to 2022 when it had received that type of loans amounting to EUR 92.7 million. The Group and the Company paid back loans maturing in 2023 which amounted to EUR 130.2 million (2022: EUR 17.0 million) and EUR 47.1 million (2022: EUR 3.0 million), respectively. The new bank and bond loans of the Group concern the following:

Hellenic Cables

- Withdrawals of short-term loans from existing and new revolving credit facilities of short-term bank loans under similar terms and conditions for project financing took place.

Fulgor

- An 8-year loan facility received by Fulgor from the European Bank for Reconstruction and Development (EBRD) of EUR 88 million, made up from EUR 25.2 million as a Recovery and Resilience Facility (RRF) loan channelled through the Greek Ministry of Finance, and the remaining EUR 62.8 million from the EBRD. These resources will be used to underpin a wider investment programme of EUR 110 million which aims to expand Fulgor's submarine cable production capacity and meet the associated working capital needs once the new production capacity is available, as well as research & development (R&D) initiatives to be undertaken in the following years. The remainder of EUR 22 million of the total investment expenditure will be covered by Fulgor.

- A new 7-year bond loan of EUR 19.1 million received by Fulgor from a major Greek bank.
- Withdrawals of short-term loans from existing and new revolving credit facilities of short-term bank loans under similar terms and conditions for project financing also took place.

As of 31 December 2023, the consolidated current liabilities exceeded current assets by EUR 49.2 million. In the past, Hellenic Cables Group has never experienced any issues in financing its activities, renewing its working capital facilities or refinancing its long-term loans and borrowings. Management expects that any repayment of banking facilities will be met out of operating cash flows or from unutilised credit lines, which are in place in order to serve capital requirements. Regarding the funding of project-based activities, the Group has secured the necessary funds through project finance facilities.

Mortgages in favour of banks have been raised on (the subsidiary) Fulgor’s property, plant and equipment. At Group level, the carrying amount of assets mortgaged or pledged is EUR 49 million.

Contractual maturity of loan liabilities including the proportionate interest is analysed in note 30.2.

For the bank loans of the Group's companies that have been obtained from banks, there are clauses of change of control that provide lenders with an early redemption clause.

No breach of covenants of the Group's loans occurred in 2023.

Reconciliation of loans & borrowings movement to cash flows arising from financing activities

GROUP:

Amounts in Euro	2023			2022		
	Loans and borrowings	**Lease liabilities**	**Total**	**Loans and borrowings**	**Lease liabilities**	**Total**
Balance on 01 January	**417,480,772**	**1,539,144**	**419,019,916**	**253,439,533**	**1,189,560**	**254,629,093**
Changes from financing activities:						
Loans received	107,014,426	-	107,014,426	178,352,980	-	178,352,980
Repayment of loans	(130,185,995)	-	(130,185,995)	(16,978,297)	-	(16,978,297)
Repayment of lease principals	-	(1,143,704)	(1,143,704)	-	(533,924)	(533,924)
Total changes from financing activities:	**(23,171,569)**	**(1,143,704)**	**(24,315,274)**	**161,374,683**	**(533,924)**	**160,840,759**
Other changes:						
Interest expense	23,987,344	204,337	24,191,681	13,200,579	49,908	13,250,487
Interest paid	(23,159,527)	(204,337)	(23,363,864)	(10,877,787)	(49,908)	(10,927,694)
Interest capitalised	2,513,156	-	2,513,156	343,763	-	343,763
New leases	-	5,602,951	5,602,951	-	935,165	935,165
Modifications		16,747	16,747		30,847	30,847
Terminations	-	(195,674)	(195,674)	-	(82,504)	(82,504)
Balance on 31 December	**397,650,176**	**5,819,464**	**403,469,640**	**417,480,772**	**1,539,144**	**419,019,916**

COMPANY:

Amounts in Euro	2023			2022		
	Loans and borrowings	**Lease liabilities**	**Total**	**Loans and borrowings**	**Lease liabilities**	**Total**
Balance on 01 January	**184,525,715**	**865,799**	**185,391,514**	**94,158,420**	**702,215**	**94,860,636**
Changes from financing activities:						
Loans received	-	-	-	92,688,863	-	92,688,863
Repayment of loans	(47,056,322)	-	(47,056,322)	(3,000,000)	-	(3,000,000)
Repayment of lease principals	-	(630,939)	(630,939)	-	(308,937)	(308,937)
Total changes from financing activities:	**(47,056,322)**	**(630,939)**	**(47,687,261)**	**89,688,863**	**(308,937)**	**89,379,926**
Other changes:						
Interest expense	10,789,673	107,581	10,897,254	4,854,064	29,634	4,883,697
Interest paid	(10,770,927)	(107,581)	(10,878,508)	(4,175,632)	(29,634)	(4,205,266)
Interest capitalised	352,182	-	352,182	-	-	-
New leases	-	2,912,905	2,912,905	-	503,166	503,166
Modifications	-	10,777	10,777	-	20,365	20,365
Terminations	-	(165,113)	(165,113)	-	(51,010)	(51,010)
Balance on 31 December	**137,840,321**	**2,993,429**	**140,833,750**	**184,525,715**	**865,799**	**185,391,514**

27. Employee benefits

According to IFRS, the liabilities of the Group and the Company towards social security funds of their employees are split into defined-contribution and defined-benefit plans.

According to the Greek Labour Law employees are entitled to compensation when dismissed or retired, the level of which is related to employee salary, length of service and the mode of departure (dismissal or retirement). Employees who resign or are dismissed on specific grounds are not entitled to compensation. The compensation payable in the case of retirement is 40% of the amount which would have been paid for unjustified dismissal. The level of compensation finally paid by the Group or the Company is determined by taking into account the employee's length of service and salary.

A liability is considered related to defined contribution plans when the accrued part thereof is regularly accounted for. This practice is similar to the practice under current Greek law, in other words payment to insurance funds of employer contributions for the length of employee service.

For pension plans falling into the defined benefit category, the IFRSs have set certain requirements concerning the valuation of the current liability and the principles and actuarial assumptions which have to be followed to assess the liability deriving from those pension plans. The obligation which is posted is based on the projected unit credit method which calculates the current value of the accrued obligation.

The staff leaving indemnities were computed in an actuarial study. The following tables set out the composition of net expenditure for the relevant provision posted through profit or loss and equity for the years 2023 and 2022 respectively.

A. Changes in the present value of the obligation

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Changes in net liability recognised in Statement of Financial Position				
Balance on 1 January	2,055,901	2,053,406	1,017,670	1,005,354
Benefits paid	(388,766)	(186,368)	(259,123)	(110,604)
Amounts recognised in profit or loss	562,758	463,165	356,988	279,910
Amounts recognised in the Statement of Profit or Loss and OCI	264,578	(274,302)	190,029	(156,989)
Balance on 31 December	**2,494,471**	**2,055,902**	**1,305,563**	**1,017,670**
Amounts included in profit or loss				
Current service cost	235,854	277,948	109,746	123,028
Past service cost during the period	3,050	58,899	7,200	59,885
Interest cost	66,746	4,012	32,241	1,854
Curtailment/ settlement/ termination cost	257,107	122,307	207,802	95,142
Total amounts included in profit or loss	**562,758**	**463,165**	**356,988**	**279,910**
Amounts included in the Statement of Profit or Loss and OCI				
Actuarial loss/(gain) - demographic assumptions	1,609	-	1,609	-
Actuarial loss/(gain) - financial assumptions	70,087	(390,319)	31,333	(186,316)
Actuarial loss / (gain) – experience in the period	192,882	116,017	157,087	29,327
Total amounts included in the Statement of Profit or Loss and OCI	**264,578**	**(274,302)**	**190,029**	**(156,989)**

During 2023, the Group paid a total amount of EUR 388,766 (2022: EUR 186,368) while the Company paid EUR 259,123 (2022: EUR 110,604) for compensation to employees who were either dismissed or departed on a voluntary basis. These particular payments generated an additional cost of EUR 257,107 (2022: EUR 122,307) for the Group and EUR 207,802 (2022: EUR 95,142) for the Company, which accounts for the surplus of the paid benefit from the corresponding expected liability, and it was recorded as “Curtailment/ settlement/ termination cost”.

B. Actuarial assumptions

The main assumptions on which the actuarial study was based to calculate the provision are as follows:

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Discount rate	3.10%	3.67%	3.10%	3.65%
Inflation	2.00%	2.79%	2.00%	2.80%
Future salary growth	3.07%	3.07%	3.00%	3.00%
Plan duration	4.94	5.04	4.43	4.48

C. Sensitivity analysis

The sensitivity analysis for each significant actuarial assumption which was reasonably possible at the end of the reporting period is presented below. It shows how the defined benefit obligation would have been affected by the following changes:

	GROUP		COMPANY	
Amounts in Euro	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	-2.44%	2.55%	-2.2%	2.3%
Future salary growth (0.5% movement)	2.55%	-2.44%	2.3%	-2.2%

If zero withdrawal rates were used when determining the defined benefit liability as of 31 December 2023, the liability would have been increased by EUR 130,554 and EUR 48,306 for the Group and the Company, respectively.

The above sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. In practice, this is unlikely to occur as changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the employee benefit liability recognised on the statement of financial position. The methods and the formula of the assumptions used for the defined analysis have not changed compared to the previous year.

D. Expected maturity analysis

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Up to 1 year	543,233	459,611	324,650	268,732
Between 1 and 2 years	262,135	152,490	123,060	71,756
Between 2 and 5 years	466,014	500,303	242,528	236,272
Over 5 years	1,677,001	1,387,536	825,293	629,718
Total	**2,948,383**	**2,499,940**	**1,515,531**	**1,206,477**

28. Grants

The movement of grants during the years 2023 and 2022 is as follows:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Balance on 1 January	**15,559,976**	**15,654,506**	**2,937,701**	**3,157,159**
Grants amortisation	(452,696)	(1,084,463)	(72,034)	(219,458)
New grants for which receipt is pending	-	119,154	-	-
New grants received during the year	-	870,778	-	-
Other movements	(1,026,700)	-	-	-
Balance on 31 December	**14,080,581**	**15,559,976**	**2,865,667**	**2,937,701**

Grants concern investments made for the purchase and installation of property, plant and equipment.

During 2022, the subsidiary Fulgor recognised an amount of EUR 119 million as receivable from grants given that all formal and substantial terms pertaining to the specific grants have been met. The above amount was presented in 2022 in the account “New grants for which receipt is pending” and was collected in 2023.

The Group and the Company fully abide by all terms relating to the receipt of grants.

29. Trade and other payables

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Suppliers	157,156,269	146,870,534	58,997,674	60,960,859
Notes payable	133,800,724	131,570,430	50,361,388	44,354,699
Amounts due to related parties	54,832,345	52,926,765	48,359,662	38,433,241
Sundry creditors	3,143,781	2,184,492	1,480,311	1,297,753
Accrued expenses	7,733,747	7,989,479	2,582,778	3,503,380
Social security contributions	2,687,729	2,425,866	1,290,311	1,172,595
Other taxes and duties	14,963,478	2,093,198	9,567,989	833,769
	374,318,072	**346,060,763**	**172,640,112**	**150,556,296**

30. Financial instruments

Financial risk management

General

The Group and the Company are exposed to the following risks from the use of their financial instruments:

- Credit Risk
- Liquidity risk
- Market Risk
- Risk of macroeconomic and financial environment

This paragraph presents information regarding the Group's and the Company's exposure to each of the above risks, the Group's and the Company's objectives, the policies and procedures they apply for the calculation and management of risks, as well as the management of the Group's and the Company's capital. Additional quantitative information on such disclosures is included throughout the financial statements.

The Board of Directors bears the overall responsibility for the creation and supervision of the Company's risk management framework.

The Group's and the Company's risk management policies are applied in order to identify and analyse the risks that the Group and the Company are exposed to, and set audit points and safeguards, and risk-taking limits. The risk management policies and relevant systems are periodically examined so as to incorporate any changes in the market and the Group's and the Company's activities.

In the context of the foregoing, the Group and the Company have evaluated any effects that the management of financial risks may have due to the current macroeconomic situation and business environment in Greece and internationally. The Group and the Company follow closely and on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimise the impact of the macroeconomic conditions on their operations.

Credit Risk

Credit risk is the risk that the Group or the Company will incur financial loss if a client or third counterparty to a transaction on a financial instrument fails to meet its contractual obligations mainly arising from trade receivables and investments in securities.

Trade and other receivables & contract assets

Group's and Company's exposure to credit risk is affected mainly by the specific characteristics of each individual customer. The demographics of the Group's and the Company's clientele, including the risk of default specific to this market and the country in which customers operate, have a limited effect on credit risk since there is no geographic concentration of credit risk.

No customer accounts for more than 10% of consolidated revenue with the exception of Romania-based Icme Ecab and Independent Power Transmission Operator S.A. on whose behalf contract-based projects are carried out and Management estimates there is no credit risk. The Group's and the Company's activities are project oriented and on certain occasions this threshold is individually exceeded for a short period of time. Therefore, save project clients, commercial risk is spread over a large number of clients.

The Board of Directors has established a credit policy where each new customer is examined on an individual basis in terms of creditworthiness before the standard payment and delivery terms of the Group and the Company are proposed to such customer. The creditworthiness control performed by the Group and the Company includes an examination of information from banking sources.

Credit lines are set for each customer which account for the maximum open balance a customer may have without the approval of the Board of Directors, which are reviewed every quarter. Any customers not complying with the average of the Company's creditworthiness criteria may hold transactions with the Group or the Company solely based on prepayments or letters of guarantee.

Most of the Group's and the Company’s customers hold long-lasting transactions with the Group or the Company and no incidents of default have been recorded. In monitoring customer credit risk, customers are grouped depending on their credit characteristics, their geographical region, the market in which they operate, the ageing profile of their receivables and the existence of any previous financial difficulties. Any customers characterised as being of “high risk” are included in a special list of customers and future sales must be received in advance and approved by the Board of Directors.

Customer credit lines are normally determined based on the insurance lines obtained for them from insurance companies and then receivables are insured based on such credit lines.

According to the customer’s history and capacity, in order to secure its receivables, the Group or the Company requests real guarantees or collateral (i.e. letters of guarantee), when possible.

The Group and the Company raise a special impairment provision in specific cases of exposure to risk, which reflects their assessment of losses from trade & other receivables and contract assets, and of expected credit losses under IFRS 9.

Investments

Investments are classified depending on the purpose for which they were acquired. Management decides on the appropriate classification for the investment at the time the investment is acquired and re-examines the classification on each presentation date. Management estimates that there will be no payment default for such investments.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will be unable to fulfil its financial liabilities in due time. Group's or Company's approach to liquidity management is to secure, as much as possible, by holding necessary cash assets and adequate credit lines from collaborating banks, that it will always have sufficient cash to meet its obligations upon maturity both under normal and adverse circumstances without incurring unacceptable losses or jeopardising the Group's or the Company’s reputation.

To avoid liquidity risk the Group and the Company make a cash flow provision for one year when preparing the annual budget and make a monthly rolling provision for three months to ensure that they have adequate cash to cover their operating needs, including coverage of their financial obligations. This policy does not take into account the impact of extreme conditions which cannot be foreseen.

In the past, Hellenic Cables Group has never experienced any issues in financing its activities, renewing its working capital facilities or refinancing its long-term loans and borrowings. Management expects that any repayments of banking facilities will be met out of operating cash flows or from unutilised credit lines, which are in place in order to serve capital requirements. Regarding the funding of project-based activities, the Group has secured the necessary funds through project finance facilities. Finally, the relevant payables to suppliers are interest-free and settled within three months maximum. Therefore, the liquidity risk is mitigated as the Group and the Company fulfil their obligations of all types in due time.

Market risk

Market risk is the risk of fluctuations in market prices, such as exchange rates, interest rates and raw material prices which can have an effect on the Group's and the Company's results or the value of their financial instruments. Market risk management is aimed at controlling the Group's and the Company's exposure to such risk within a framework of acceptable parameters, in parallel with performance optimisation in terms of risk management.

The Group and the Company base both their purchases and sales on stock prices/indices linked to the prices of copper and other metals which are used and included in their products. The risk from metal price fluctuation is covered by hedging instruments (futures on London Metal Exchange-LME). The Group and the Company, however, do not use hedging instruments for the entire stock of their operation and, as a result, any drop in metal prices may have a negative effect on their results through inventories depreciation.

Exchange rate risk

The Group and the Company are exposed to exchange rate risk from sales and purchases and from loans taken out in a currency other than their functional currency which is Euro.

The Group's and the Company's main bank loans are denominated in Euro. Borrowing interest is also in Euro, namely in a currency identical to that of the cash flows arising from their operating activities.

Regarding other financial assets and liabilities denominated in foreign currencies, the Group and the Company secure that their exposure to foreign exchange risk is kept at an acceptable level by buying or selling foreign currencies at current exchange rates when deemed necessary to deal with short-term imbalances.

Interest rate risk

The Group and the Company obtain funds for their capital investments and their working capital mainly through bank loans, and therefore debit interest is charged to their results. Any upward trend of interest rates will have a negative effect on results due to the additional borrowing costs.

Capital management

The Board of Directors' policy is to maintain a robust capital base, in order to keep the Group and the Company trustworthy among investors, creditors and market players, and enable the future development of their operations. The Board of Directors monitors return on equity, which is defined as the net profits divided by total equity. The Board of Directors also monitors the level of dividends distributed to holders of ordinary shares.

The Company does not have a specific treasury stock purchasing plan.

No changes were made to the approach adopted by the Group and the Company concerning capital management during the fiscal year.

The Company is not subject to external capital obligations.

Risk of macroeconomic and financial environment

The Company and the Group closely monitor and evaluate on a continuous basis the developments in the international and domestic environment and timely adapt their business strategy and risk management policies in order to minimise the impact of the macroeconomic conditions on their operations.

Total borrowing of the Group and the Company in relation to their equity on the reporting date is as follows:

	GROUP		COMPANY	
Amounts in Euro thousands	**2023**	**2022**	**2023**	**2022**
Total loans & borrowings (incl. lease liabilities)	403,470	419,020	140,834	185,392
Less: Cash and cash equivalents	(124,901)	(111,562)	(27,534)	(59,107)
Net debt	**278,569**	**307,458**	**113,300**	**126,285**
Total equity	208,449	173,482	148,005	122,869
Debt to equity ratio	**1.34**	**1.77**	**0.77**	**1.03**

Net debt decreased by EUR 28.9 million and EUR 13.0 million at Group and Company level, due to the improved cash flows from operating activities at stand-alone and consolidated level.

30.1 Credit risk

Exposure to credit risk

The book value of financial assets represents the maximum exposure to credit risk.

On the reporting date the maximum exposure to credit risk was:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Trade and other receivables - Non-current assets	203,484	661,032	161,550	408,042
Trade and other receivables - Current assets	201,412,229	169,595,601	171,833,160	116,295,900
Contract assets	137,120,340	126,163,995	89,473,430	53,863,604
	338,736,053	**296,420,628**	**261,468,139**	**170,567,545**
Less:				
Prepayments	(403,125)	(252,890)	(161,931)	(171,349)
Current tax assets	(1,276,660)	(7,173,258)	(1,136,238)	(3,851,028)
Other short-term receivables	(11,275,480)	(6,471,817)	(4,363,922)	(3,376,930)
Total	**325,780,788**	**282,522,662**	**255,806,048**	**163,168,239**

Maximum exposure to credit risk for receivables on the balance sheet date per geographical area was:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Greece	126,536,217	166,348,850	127,176,050	100,402,301
Other European Union countries	82,088,579	93,789,782	12,494,908	42,185,344
Other European countries	57,288,319	13,286,157	57,261,054	13,228,115
America	37,643,404	2,156,736	36,665,880	1,112,189
Other countries	22,224,269	6,941,137	22,208,155	6,240,290
Total	**325,780,788**	**282,522,662**	**255,806,048**	**163,168,239**

The balance of trade receivables on the reporting date refers to major public and private utilities, major industrial groups and wholesale customers.

Impairment losses

The maturity profile of trade receivables on the reporting date was:

	GROUP		**COMPANY**	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Neither past due nor impaired	306,996,171	274,311,935	237,059,047	155,177,410
- Overdue up to 6 months	18,280,808	7,301,191	18,253,214	7,082,261
- Overdue over 6 months	503,808	909,535	493,787	908,568
Total	**325,780,788**	**282,522,662**	**255,806,048**	**163,168,239**

The movement in impairment of trade and other receivables, as well as of contract assets is as follows:

GROUP:

Amounts in Euro	**2023**			**2022**		
	Trade and other receivables	**Contract assets**	**Total**	**Trade and other receivables**	**Contract assets**	**Total**
Balance on 01 January	3,164,414	202,660	3,367,075	**3,014,629**	**317,573**	**3,332,203**
Amounts recognised in the Statement of Profit or Loss						
Impairment loss	56,688	68,196	124,884	149,784	12,081	161,864
Reversal of impairment loss	(3,447)	(23,276)	(26,722)	-	(126,993)	(126,993)
	53,241	**44,920**	**98,161**	**149,784**	**(114,912)**	**34,872**
Other movements:						
Write offs	-	-	-	-	-	-
Balance on 31 December	**3,217,655**	**247,581**	**3,465,236**	**3,164,414**	**202,660**	**3,367,075**

COMPANY:

Amounts in Euro	2023			2022		
	Trade and other receivables	**Contract assets**	**Total**	**Trade and other receivables**	**Contract assets**	**Total**
Balance on 01 January	1,682,709	128,404	1,811,113	**1,619,797**	**255,396**	**1,875,194**
Amounts recognised in the Statement of Profit or Loss						
Impairment loss	-	68,196	68,196	62,912	-	62,912
Reversal of impairment loss	(3,447)	-	(3,447)	-	(126,993)	(126,993)
	(3,447)	**68,196**	**64,749**	**62,912**	**(126,993)**	**(64,081)**
Other movements:						
Write offs	-	-	-	-	-	-
Balance on 31 December	**1,679,262**	**196,600**	**1,875,862**	**1,682,709**	**128,404**	**1,811,113**

The greatest part of trade receivables is insured by insurance companies in case collection thereof fails. On 31 December 2023, 94% and 95% of the amounts due from third parties to the Group and the Company, respectively, were insured.

Moreover, the following collateral has been provided as a guarantee of receivables and contract assets:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Liabilities that may be offset against receivables	3,313,226	8,267,006	3,188,437	4,264,332
Other	2,872,905	-	2,872,905	-

The allowance for expected credit losses in relation to trade receivables and contract assets is calculated at customer level when there is an indication of impairment.

For receivables and contract assets without any indication of impairment the expected credit losses are based on the historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk, such as country risk and customers' industry related risks.

The expected loss rates are updated at every reporting date.

Management believes that the provision raised on 31 December 2023 reflects the best possible estimate and the accounting balance of trade and other receivables approaches their fair value.

30.2 Liquidity risk

The contractual maturity of financial liabilities including proportionate interest charges is given below:

GROUP

	2023					
Amounts in Euro	**Balance sheet value**	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2023**
Bank loans & factoring without recourse	246,972,851	177,763,445	17,915,104	48,461,712	36,109,278	**280,249,540**
Lease liabilities	5,819,463	1,749,045	1,558,664	3,135,268	-	**6,442,977**
Bond loans	150,677,325	67,349,648	34,215,936	60,055,272	8,771,156	**170,392,011**
Derivatives	53,776	53,776	-	-	-	**53,776**
Trade and other payables	374,318,072	374,318,072	-	-	-	**374,318,072**
Total	**777,841,488**	**621,233,987**	**53,689,704**	**111,652,253**	**44,880,434**	**831,456,377**

	2022					
Amounts in Euro	**Balance sheet value**	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2022**
Bank loans & factoring without recourse	261,708,949	263,800,775	-	-	-	**263,800,775**
Lease liabilities	1,539,144	741,206	391,641	497,216	-	**1,630,062**
Bond loans	155,771,822	65,016,515	25,636,469	74,600,232	7,486,501	**172,739,717**
Derivatives	801,765	801,765	-	-	-	**801,765**
Trade and other payables	346,060,763	346,060,763	-	-	-	**346,060,763**
Total	**765,882,444**	**676,421,024**	**26,028,109**	**75,097,448**	**7,486,501**	**785,033,082**

COMPANY

	2023					
Amounts in Euro	**Balance sheet value**	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2023**
Bank loans & factoring without recourse	84,197,785	89,409,330	-	-	-	**89,409,330**
Lease liabilities	2,993,429	933,895	772,755	1,598,498	-	**3,305,148**
Bond loans	53,642,535	28,465,981	16,225,523	10,886,696	4,233,552	**59,811,752**
Derivatives		-	-	-	-	-
Trade and other payables	172,640,112	172,640,112	-	-	-	**172,640,112**
Total	**313,473,862**	**291,449,318**	**16,998,278**	**12,485,194**	**4,233,552**	**325,166,342**

	2022					
Amounts in Euro	**Balance sheet value**	**Up to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total 31.12.2022**
Bank loans & factoring without recourse	125,037,511	126,683,013	-	-	-	**126,683,013**
Lease liabilities	865,799	317,586	253,490	345,459	-	**916,535**
Bond loans	59,488,204	28,212,636	7,377,691	22,686,987	7,486,501	**65,763,813**
Derivatives	775,785	775,785	-	-	-	**775,785**
Trade and other payables	150,556,296	150,556,296	-	-	-	**150,556,296**
Total	**336,723,595**	**306,545,317**	**7,631,180**	**23,032,445**	**7,486,501**	**344,695,443**

The Group and the Company have approved credit lines with collaborating banks and are not expected to face liquidity problems to meet their short-term liabilities.

30.3 Foreign exchange risk

The exposure of the Group and the Company to exchange rate risk is as follows:

GROUP

31.12.2023

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	9,842,926	12,841,217	-	**22,684,143**
Cash and cash equivalents	1,181,678	63,368	156	**1,245,203**
Loans & lease liabilities	-	(2,738)	-	**(2,738)**
Trade and other payables	(6,297,538)	(887,084)	(314,517)	**(7,499,139)**
	4,727,065	**12,014,764**	**(314,361)**	**16,427,468**
Derivatives for risk hedging (Nominal value)	(17,145,279)	(1,864,492)	-	**(19,009,771)**
	(12,418,213)	**10,150,271**	**(314,361)**	**(2,582,302)**

31.12.2022

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	7,501,422	9,875,704	-	**17,377,126**
Cash and cash equivalents	1,750,878	286,140	155	**2,037,172**
Loans and borrowings	-	(637,051)	-	**(637,051)**
Trade and other payables	(3,191,611)	(825,035)	(20,779)	**(4,037,425)**
	6,060,689	**8,699,757**	**(20,624)**	**14,739,822**
Derivatives for risk hedging (Nominal value)	(16,214,351)	(11,336,863)	-	**(27,551,214)**
	(10,153,662)	**(2,637,106)**	**(20,624)**	**(12,811,392)**

COMPANY

31.12.2023

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	9,103,939	12,452,873	-	**21,556,811**
Cash and cash equivalents	1,099,074	57,442	156	**1,156,673**
Loans and borrowings	-	(2,738)	-	**(2,738)**
Trade and other payables	(1,115,282)	(851,683)	(127,882)	**(2,094,848)**
	9,087,731	**11,655,893**	**(127,726)**	**20,615,898**
Derivatives for risk hedging (Nominal value)	(23,230,984)	(1,864,492)	-	**(25,095,477)**
	(14,143,253)	**9,791,401**	**(127,726)**	**(4,479,579)**

31.12.2022

Amounts in Euro	USD	GBP	OTHER	TOTAL
Trade and other receivables	6,165,914	9,875,704	-	**16,041,618**
Cash and cash equivalents	1,369,991	285,207	155	**1,655,352**
Loans and borrowings	-	(637,051)	-	**(637,051)**
Trade and other payables	(914,481)	(722,466)	(14,810)	**(1,651,756)**
	6,621,424	**8,801,394**	**(14,655)**	**15,408,163**
Derivatives for risk hedging (Nominal value)	(17,617,463)	(11,336,863)	-	**(28,954,326)**
	(10,996,039)	**(2,535,469)**	**(14,655)**	**(13,546,163)**

The exchange rates used per fiscal year are as follows:

	Average rate		Spot rate at year-end	
	2023	**2022**	**2023**	**2022**
USD	1.0813	1.0530	1.1050	1.0666
GBP	0.8698	0.8528	0.8691	0.8869

Sensitivity analysis:

GROUP

	Profit or loss		Equity	
Amounts in Euro	**Improvement**	**Weakening**	**Improvement**	**Weakening**
2023				
USD (10% change)	(1,379,801)	1,128,928	(1,379,801)	1,128,928
GBP (10% change)	1,127,808	(922,752)	1,127,808	(922,752)
2022				
USD (10% change)	(1,128,185)	923,060	(1,128,185)	923,060
GBP (10% change)	(293,012)	239,737	(293,012)	239,737

COMPANY

	Profit or loss		Equity	
Amounts in Euro	**Improvement**	**Weakening**	**Improvement**	**Weakening**
2023				
USD (10% change)	(1,571,473)	1,285,750	(1,571,473)	1,285,750
GBP (10% change)	1,087,933	(890,127)	1,087,933	(890,127)
2022				
USD (10% change)	(1,221,782)	999,640	(1,221,782)	999,640
GBP (10% change)	(281,719)	230,497	(281,719)	230,497

A 10% decrease/increase of Euro in relation to the following currencies on 31 December 2023 and 2022 would increase (decrease) equity and results by the amounts set out below. This analysis assumes that all the other variables and especially interest rates remain fixed.

30.4 Interest rate fluctuation risk

On the reporting date, the interest-bearing financial instruments of the Group and the Company in terms of interest rate risk are as follows:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Fixed-rate instruments				
Liabilities	59,327,870	37,085,008	-	-
Variable - rate instruments				
Liabilities	344,141,770	381,934,907	140,833,750	185,391,514
Interest rate swaps – Nominal value	(42,857,143)	(50,000,000)	(42,857,143)	(50,000,000)
	360,612,496	**369,019,916**	**97,976,607**	**135,391,514**

Sensitivity analysis:

A 0.25% change in interest rates on the reporting date would increase (decrease) equity and profit or loss by the amounts set out below. This analysis assumes that all the other variables and especially exchange rates remain fixed.

GROUP

	31.12.2023		31.12.2022	
Effect on Euro in operating results and Equity	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Variable-rate financial instruments	(890,469)	890,469	(555,470)	555,470

COMPANY

	31.12.2023		31.12.2022	
Effect on Euro in operating results and Equity	**Increase by 0.25%**	**Decrease by 0.25%**	**Increase by 0.25%**	**Decrease by 0.25%**
Variable-rate financial instruments	(352,404)	352,404	(182,410)	182,410

To counterbalance potential higher future interest costs on the variable-rate loans, the Company has been using interest rate swaps. Given that these derivatives are not designated as hedging instruments, their valuation is included in the analysis below.

30.5 Fair value

Fair value compared to book value

The fair value of the following financial assets and financial liabilities measured at amortised cost approximates their carrying amount:

- Trade and other receivables
- Contract assets
- Cash and cash equivalents
- Loans and borrowings
- Trade and other payables
- Contract liabilities

The major part of the balance of the items "Trade receivables" and "Trade and other payables" has a limited maturity (up to one year) and, therefore, it is estimated that the carrying amount of these items approximates their fair value.

Specifically, the carrying amount of loans and borrowings is considered as a good approximation of their fair value as:

- 85% of consolidated loans and borrowings and 100% of loans at Company level concern variable-rate debt, which are a very good approximation of current market rates.
- 15% of Group loans refer to fixed-rate loans. As for fixed-rate loans (EUR 58.7 million on 31 December 2023), the fair value test based on current market rates indicates that their fair value is equal to EUR 57.9 million.

30.6 Derivatives

The following table presents the receivables and liabilities of the Group and the Company under derivative financial instruments:

Amounts in Euro	GROUP		COMPANY	
Non-current Assets	**2023**	**2022**	**2023**	**2022**
Interest rate swaps	640,332	2,083,284	640,332	2,083,284
Electricity swaps	62,620	-	36,285	-
Futures contracts	80,977	-	-	-
Total	**783,929**	**2,083,284**	**676,616**	**2,083,284**

Current assets	**2023**	**2022**	**2023**	**2022**
Interest rate swaps	947,245	-	947,245	-
Forward exchange contracts	216,196	756,937	216,196	756,937
Futures contracts	1,081,309	463,063	70,974	-
Total	**2,244,751**	**1,220,000**	**1,234,416**	**756,937**

Current liabilities	**2023**	**2022**	**2023**	**2022**
Forward exchange contracts				
Futures contracts	53,776	25,979	-	-
Total	-	775,785	-	775,785
	53,776	**801,765**	**-**	**775,785**

The results from cleared transactions intended for managing the financial risk arising from metal and FX derivatives are included in the “Cost of Sales” in the Statement of Profit or Loss during both 2023 and 2022.
Based on the current policy (Note 4.4c) and pursuant to the terms of the agreement, power purchase agreements (PPAs) qualify for the definition of derivative and relate to the provisions of IFRS 9 and for this reason they have been accounted for as such.

Classification of financial instruments based on their valuation according to fair value hierarchy

A classification table of financial instruments is provided below which depends on the quality of the data used to assess fair value:

- Level 1: Financial instruments measured at fair value using active market prices
- Level 2: Financial instruments measured at fair value using other unquestionably objective prices beyond active market
- Level 3: Financial instruments measured according to the Group's and the Company’s estimates since there is no observable input in the market.

GROUP	**2023**			**2022**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other investments			3,000	-	-	3,000
Derivative financial assets	1,162,286	1,803,773	62,620	463,063	2,840,221	-
Derivative financial liabilities	-	(53,776)	-	(775,785)	(25,979)	-
Total	**1,162,286**	**1,749,997**	**65,620**	**(312,722)**	**2,814,242**	**3,000**

COMPANY	**2023**			**2022**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other investments	-	-	3,000	-	-	3,000
Derivative financial assets	70,974	1,803,773	36,285	-	2,840,221	-
Derivative financial liabilities	-	-	-	(775,785)	-	-
Total	**70,974**	**1,803,773**	**39,285**	**(775,785)**	**2,840,221**	**3,000**

Level-1 derivative financial instruments consist of futures in “London Metal Exchange” (LME) for which a market valuation is available for all prompt dates on which contract clearing takes place.

Level-2 derivative financial instruments consist of:

- futures. Contracts are valued by contracting banks based on a financial valuation model.
- interest rate swaps. Valuation is determined by discounting future cash flows using term structure of interest rates at the reporting date and the credit risk inherent in the swap contract, if any.

Derivatives related to power purchase agreements are classified as “level 3” financial instruments given that their valuation is based on unobservable inputs (electricity curves). The valuation method consists in probability weighted fair value based on the discounting of the expected future cash flows deriving from the Power Purchase Agreement (PPA).

Moreover, the forecasted energy yield assumption regarding the capacity for electricity generation of specific RES included in the relevant contracts was taken into account together with probabilities attached to each scenario relevant to the fair value exercise. Counterparty credit risk is used as an additional component to determine the discount rate.

The estimated fair value would increase (decrease) based on the development of future electricity prices and the difference between such prices and the fixed price prescribed in the relevant contract.

There were no amount transfers between Levels 2 and 3 during the year.

31. Dividend for Fiscal Year 2023

Distribution of dividend amounting to EUR 38,108,445 (or EUR 1.74 per share) was approved by the General Meeting that took place in May 2023, following recommendation of the Board of Directors. Of such amount, EUR 23,000,000 referred to the interim dividend that was approved by the Board of Directors in May 2022.

32. Commitments and contingent liabilities

32.1 Commitments

The Group and the Company had the following capital commitments on the reporting date:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Property, plant and equipment	33,043,804	21,243,310	12,637,435	2,117,773

32.2 Contingent liabilities

The Group and the Company have contingent liabilities and receivables relating to banks, other collateral and other issues arising in the ordinary course of business, which are as follows:

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Guarantees given for securing payables to suppliers	148,002	276,150	148,002	276,150
Guarantees for securing the performance of contracts with suppliers	1,478	10,877	-	-
Mortgages and statutory notices of mortgage on fixed assets and inventories (nominal value)	49,000,000	49,000,000	-	-
Guarantees given for securing the performance of contracts with customers	499,908,859	272,539,131	446,663,614	227,856,449
Guarantees for grants	4,356,000	4,356,000	-	-
Other payables	4,740,000	4,740,000	1,750,000	1,750,000
	558,154,339	**330,922,158**	**448,561,616**	**229,882,599**

32.3 Unaudited tax years

Greek tax laws and the relevant provisions are subject to interpretations by tax authorities and administrative courts. Income tax returns are submitted each year. The profits and losses declared for taxation purposes remain temporarily open until tax authorities audit the tax returns and books of the Company and its subsidiaries at which time the relevant taxation obligations will be finalised.

According to applicable tax laws (article 36 of Law 4174/2013), Greek tax authorities may impose additional taxes and fines following their audit, within the prescribed statute-barring period which, in principle, is set at five years from the end of the following year which sees the expiration of the deadline for submitting the income tax return. Based on the above, in principle and based on the general rule, the years up to 2017 are considered as prescribed.

Annual tax certificate

As of 2011 onwards, all SA whose annual financial statements must be mandatorily audited shall obtain an Annual Tax Certificate, as provided for in article 82 of Law 2238/1994 and article 65A of Law 4174/2013.

The relevant tax compliance certificates for 2018 up to 2022 were issued "without qualifications" regarding the Company while the relevant tax compliance certificates that concerned the subsidiary Fulgor for 2018 up to 2020 were issued "without qualifications regarding matter of emphasis" and "without qualifications" for 2021 and 2022. Tax compliance certificates were issued by the applicable statutory auditor of the Company and the Group and more specifically:

- For 2018: by "KPMG Certified Auditors SA".
- For 2019 up to 2022: by "PricewaterhouseCoopers S.A. Auditing Company - Certified Public Accountants S.A." (PWC).

As for 2023, the Company and its subsidiary Fulgor have fallen under the tax audit of Chartered Accountants which is provided for in Article 65A of Law 4174/2013. These audits are under way and the relevant tax compliance report is expected to be granted after the financial statements on the year ended 31 December 2023 are published. It is estimated that the audit result will not have a significant effect on the stand-alone or consolidated financial statements.

In addition, based on risk analysis criteria, the Greek tax authorities may select the Company or any subsidiary for tax audit in the context of audits conducted to companies that received tax compliance certificates In this case, Greek tax authorities are entitled to audit the years they will choose in tax terms, having regard to the work for the issue of such tax compliance certificate. The Group and the Company have not received any order by tax authorities for the audit of unaudited years and no additional taxes or charges are expected to arise following any such audit.

33. Transactions with related parties

The Company's related parties consist in its subsidiaries, executive members of its Board of Directors as well as the subsidiaries and associates of VIOHALCO SA/NV Group.

Accordingly, the subsidiaries and equity-accounted investees of VIOHALCO SA/NV Group, as well as the executive members of the Board of Directors of the Company and its subsidiaries are considered the Group's related parties

The balances of Group and Company transactions with related parties and the results related to such transactions are as follows:

I. Transactions with subsidiary companies

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Receivables	-	-	62,270,857	35,459,104
Liabilities	-	-	3,464,965	2,586,536
Sales of products and other income	-	-	100,631,573	93,252,082
Purchases of goods and other expenses	-	-	314,656,465	277,442,439

II. Transactions with the parent company*

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Receivables	181,566	291,246	181,566	291,246
Liabilities	9,355,244	14,603,610	9,354,487	14,603,610
Sales of products and other income	52,400	52,400	52,400	52,400
Purchases of goods and other expenses	416,288	73,727	415,678	73,727

*: The intermediate parent company CENERGY S.A. and the ultimate parent company VIOHALCO SA/NV are included.

III. Transactions with subsidiaries of VIOHALCO SA/NV Group

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Receivables	87,759,257	69,124,494	19,147,936	14,911,612
Liabilities	45,477,101	38,323,154	35,540,210	21,243,095
Sales of products and other income	238,604,156	308,193,641	89,462,568	139,753,969
Purchases of goods and other expenses	94,314,373	78,082,305	50,899,486	35,387,295

IV. BoD members

The following table presents the transactions of the Company with other related parties according to the requirements of IAS 24.

	GROUP		COMPANY	
Amounts in Euro	**2023**	**2022**	**2023**	**2022**
Fees & benefits	866,875	766,318	758,083	653,105

All transactions with related parties took place in accordance with the generally accepted commercial terms and will be settled within a reasonable period of time.

34. Subsequent events

No significant events that could affect the Company's financial position occurred during 2024 to date.

* *

Athens, 15 May 2024

THE CHAIRMAN OF THE BOARD OF DIRECTORS	MEMBER OF THE BOARD OF DIRECTORS	THE FINANCE DIRECTOR
IOANNIS BATSOLAS AK 034042	ALEXIOS ALEXIOU X 126605	IOANNIS THEONAS AE 035000 LICENCE NUMBER 1st CLASS: 0011130

C. Audit Report by Independent Chartered Accountant

Independent auditor's report

To the Shareholders of "Hellenic Cables 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 Hellenic Cables SA (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2023, the separate and consolidated statements of profit or loss and other comprehensive income, 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 separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2023, 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, 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, and the requirements of the IESBA Code.

Other Information

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

Our opinion on the 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.

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2023 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 and 153 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. 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.

Report on other legal and regulatory requirements

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

Athens, 16 May 2024
The Certified Auditor Accountant

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